Request for City Council Committee Action
From the Department of Public Works

Date: January 28, 2014

To: Honorable Kevin Reich, Chair Transportation & Public Works Committee

Subject: **On-Street Parking Mobile Phone Payment System**

Recommendation:

Authorize Public Works staff to issue a RFP to solicit proposals from qualified vendors.

Previous Directives: None

Prepared by: Ronnie Toledo, Parking Systems Analyst, 612-673-2151

Approved by:

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Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Jon Wertjes, Director, Traffic and Parking Services, 612-673-2614

Reviews

Permanent Review Committee (PRC):	Approval Yes	Date 11/13/12
Civil Rights Approval	Approval ___	Date _____
Policy Review Group (PRG):	Approval ___	Date _____

Financial Impact

No financial impact

Community Impact

Neighborhood Notification: Not Applicable
City Goals: Eco-Focused; A City that Works; Jobs and Economic Vitality
Comprehensive Plan: Not applicable
Zoning Code: Not applicable

Background

In 2008, the City authorized issuance of a RFP for new on-street parking meter technology to initiate the process of modernizing the metered system to accept multiple forms of payments, easier enforcement, modern reporting capabilities for revenue, system use and maintenance.

As part of the on-street meter technology RFP, six companies were selected to test their meter equipment in a field assessment from December 2008 until July 2009. Public Works selected the following vendors to provide meters:

- Multi-Space (Cale)
- Single Space with Credit Card Acceptance (IPS)
- Single Space Traditional (POM)

Rollout installation of the new meters began in November 2010, and was completed City-wide in November 2012.

Proposed On-Street Mobile Phone Payment System

The Public Works Department plans to issue a RFP to solicit proposals from qualified companies to implement a Mobile Phone Payment System. The intent of this RFP is to expand parking payment options in a manner that supports the City's overall parking goals.

To use the Mobile Phone Payment System, the motorists park their vehicles, call a phone number located on the parking meter space or pay-station, enters their space or license plate number and then ends their call. Most smartphone providers have an application that does not require a phone call. An initial one-time account setup that links to a credit card is required.

This technology has the potential for making on-street parking payment easier for the customer, and may provide additional benefits the City, including:

- Customer can pay for parking in their car when weather conditions are less than ideal
- Customer can receive a text message notification that their space is about to expire
- Customer can add time up to the parking limit from any office or location
- May reduce credit card fees for the City. This service is an added benefit for the customer and customer absorbs the user fees
- Minimal to no cost to the City for implementation and on-going support
- May reduce future capital cost of parking equipment. Because more people own smartphones and may use this service, the need for physical pay-stations in the future may be reduced

Over the past several years, various companies have expressed interest in implementing this service for the City of Minneapolis' parking meter system. Many municipalities across North America including Houston, Seattle, Vancouver and Washington D.C., already use a Mobile Phone Payment System service for their parking meter systems.

The RFP team consisting of staff from Public Works, Traffic Control, IT and Finance, recommends only one vendor is selected to implement this service in three phases to ensure that the functionality and accuracy meets City's standards.

- First Phase (minimum 4 months): Conduct a field test in a limited geographical area to develop rate programming, test enforcement integration, gather customer feedback and provide accurate reporting

- Second Phase: Expand the test area to include additional locations

- Third Phase: City-wide deployment upon successful demonstration of the components in the first two phases

The anticipated events for the RFP process include the following:

- Issue the RFP in February 2014
- Review responses and select one vendor to start the first phase on April 30, 2014
- Council action for approval to negotiate and enter into contract Summer 2014
- Evaluate the performance of components of the first and second phase in Summer 2014
- City-wide deployment of service in the Fall of 2014