



## Request for City Council Committee Action from the Department of Public Works

**Date:** March 24, 2015

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

**Referral to:** Honorable John Quincy, Chair Ways & Means

**Subject:** **On-Street Parking Mobile System Contract**

### **Recommendation:**

Authorize proper City officials to enter into a three-year agreement with an option to extend the contract for up to two additional years with Parkmobile LLC, for an on-street parking mobile payment system.

### **Previous Directives:**

October 3, 2014 – Resolution 2014R-405 - Authorized proper City officials to negotiate with Parkmobile USA, Inc. for an on-street parking mobile phone payment system.

February 7, 2014 – Resolution 2014R-036- Recommended the proper City officials be authorized to issue a Request for Proposals (RFP) to solicit proposals from qualified vendors to implement a mobile phone payment system for the on-street parking meter system.

### **Department Information**

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

Approved by: \_\_\_\_\_  
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: William Cieminski, Parking Systems Manager, 612-673-2855

### **Financial Impact**

Action is within the approved budget.

### **Community Impact**

City Goals:

A City that works - City government runs well and connects to the community it serves.

## Supporting Information

### Background

On February 24, 2014, Public Works issued a Request for Proposal (RFP) to identify and enter into a contract with a provider to implement an On-Street Mobile Payment System for the City of Minneapolis on-street parking metered system. This mobile system will provide customers the ability to pay for on-street meter parking without using the physical meter. Additionally, the service will provide users with text message notifications of impending meter expirations.

### Proposed Contract

The proposed agreement contains all of the rights and responsibilities of both parties and defines the scope, amount, and mechanism of payment by the City to Parkmobile, LLC for the service. Public Works' Traffic & Parking Services Division is working with Treasury staff and the vendor to ensure compliance with Payment Card Industry Data Security Standards (PCI DSS). The City Attorney's Office and Public Works' Traffic & Parking Services Division have reviewed the proposed agreement and found it to be acceptable. A copy of the agreement is available for viewing in the office of the Manager of Parking Services.

#### Key points from the agreement include:

- The City will act as the Merchant of Record for all parking transactions;
- The City will collect all parking fees and user fees; The City will remit user fees to Parkmobile upon review and approval of Parkmobile's invoices;
- The City will continue to assume responsibility for associated banking and merchant fees (as it does now) for parking transactions, which average approximately 20¢ per transaction; and
- The City will not incur any charges from Parkmobile.

#### Fees

- Fees (below) are categorized as "Preferred" and "Non-preferred" customers. "Preferred" customers pay a .99¢ monthly membership premium to reduce the fees paid per-transaction.
- The "Wallet" option allows users to create a pre-paid account whereby users deposit an amount from which they can withdraw payments without the need to enter credit card information for each transaction.

<b>Payment Method Options</b>	<b>City-negotiated User Fee</b>
Traditional Credit Card (CC)- <b>Non-Preferred</b>	25¢ per transaction
Traditional Credit Card (CC)- <b>Preferred</b>	15¢ per transaction 99¢ per month membership fee
Wallet Payment <b>Non-Preferred</b>	20¢ per transaction
Wallet Payment <b>Preferred</b>	10¢ per transaction 99¢ per month membership fee

### Implementation

Staff recommends entering into a contract with Parkmobile for a three-year term, with an option to extend the contract for up to two additional years, and with a phased implementation as follows:

**Phase I – May, 2015**

Three to four months for initial implementation and testing in a limited geographic area.

**Phase II – August & September, 2015**

Expand implementation to other metered locations to allow enforcement's further testing and approval before full implementation.

**Phase III – October, 2015**

Citywide deployment upon successful demonstration of the components in the first two phases.