



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

Date: September 11, 2007

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: **Approval of Official Publication No. 6522- Bids for Parking Ramp Revenue Control Equipment Replacement- Contract Amendment #2**

Recommendation:

- a. Staff recommends an increase to Contract C-22715 with Don Harstad Company in the amount of \$800,000 for a new estimated expenditure of \$2,465,862 for Parking Ramp Revenue Control Equipment necessary to allow credit card payment option and automation of ramp revenue control activities at Haaf and LaSalle @ 10th Municipal parking ramps.. Proposed amendment would be financed through 2007-08 ramp capital improvement fund (7500/943/9464/Project # RMP01060). All terms and conditions and unit pricing will follow the price agreement of the original proposal.

Previous Directives:

- December 2, 2005- City awarded contract C-22715 to responsive low bid of Don Harstad Co. for installation of new revenue control equipment for State Ramp C in the amount of \$940,862.
- October 20, 2006- Council approved amending contract C-22715 with Don Harstad Co. by \$725,000 to new total of \$1,665,862 for installation of new revenue control equipment at the Hilton and 10th&Hennepin ramps per price agreement of original contract.

Prepared by: Gary Warnberg, Director, Procurement

Approved by: _____
Steve Kotke, P. E., City Engineer, Director of Public Works

Presenters: Bill Prince, P.E., Parking Project Engineer, Transportation and Parking Services

Permanent Review Committee (PRC)	Approval _____	Not applicable	<u> X </u>
Policy Review Group	Approval _____	Not applicable	<u> X </u>

Financial Impact (Check those that apply)

 X No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

___ Action requires an appropriation increase to the Capital Budget

___ Action requires an appropriation increase to the Operating Budget

___ Action provides increased revenue for appropriation increase

___ Action requires use of contingency or reserves

<input checked="" type="checkbox"/> Other financial impact (Explain): Improved ramp service and cost management <input type="checkbox"/> Request provided to the Budget Office when provided to the Committee Coordinator
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Community Impact

Neighborhood Notification: Not Applicable

City Goals: Improve customer service and reduce costs per Parking Fund Workout Plan

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information:

The Department of Public Works Traffic and Parking Services Division has been working to automate many of the functions of parking ramp revenue collection and management as well as increase convenience to the paying customers by introducing credit card payment option. Over the past several years all newly constructed ramps have included automated pay and gate systems with credit card payment option. Implementation of these systems is a key component of the Parking Services Business Plan and the Parking Fund Workout Plan by improving customer service, increasing transactional efficiency and accuracy and reducing ramp operational costs.

We are now expanding this program by retrofitting ramps constructed prior to the establishment of the new equipment standard. The original contract C-22715 dealt with the first retrofit of the new equipment configuration, which took place at State Ramp C. As part of that original contract, an agreement was reached with the winning bidder Don Harstad Co. which locked in equipment unit prices for all items and installation costs at pre-agreed levels over a five year span. Public Works has also utilized this contract to automate the Hennepin @10TH and Hilton Ramps over the past year.

We are recommending that the City Council approve Amendment No. 2 to the original contract in the amount of \$800,000 to enable installation of the new revenue control equipment standard at the Haaf and LaSalle @ 10th Municipal Parking Ramps.

We expect the financial results for each ramp to improve by \$125,000 per year as a result of reduced manpower costs as well as longer operating hours due to automation and increased customer traffic resulting from adding credit card payment option. This results in an estimated project payback of 3.2 years.