Resolution 2016-263

Resolution Approving Professional Services Agreement with Cale America, Inc. to Provide Ongoing Enterprise Parking Operations Services for the Minneapolis Park and Recreation Board in an Amount Up to $620,000 for the Period of September 30, 2016 to September 30, 2020

Whereas**,** The Minneapolis Park & Recreation Board (MPRB) is the steward of the Minneapolis park and recreation system and is responsible for the management of the Minneapolis park and recreation system;

Whereas, The Minneapolis park and recreation system includes designated parking areas to park visitors;

Whereas, The MPRB purchases, operates, and maintains equipment for the management of its designated parking areas and facilities;

Whereas, The City of Minneapolis has allowed the MPRB to procure goods and services under the established terms of an existing contract (C-28373A) since September 2010;

Whereas, Growth in the equipment fleet across the City of Minneapolis and the MPRB has increased use of the contract by both parties;

Whereas, The City of Minneapolis and the MPRB have deemed it necessary to split into separate contract agreements with Cale America, Inc. to provide enhanced financial accountability; and

Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan, which envisions “Dynamic parks that shape city character and meet direct community needs;”

RESOLVED, That the Board of Commissioners authorize a Professional Services Agreement with Cale America, Inc. to provide ongoing Enterprise Parking Operations services for the Minneapolis Park and Recreation Board in an amount up to $620,000 for the period of September 30, 2016 to September 30, 2021; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.

TO: Administration & Finance Committee

FROM: Jennifer Ringold, Deputy Superintendent

DATE: September 7, 2016

SUBJECT: Resolution Approving Professional Services Agreement with Cale America, Inc. to Provide Ongoing Enterprise Parking Operations Services for the Minneapolis Park and Recreation Board in an Amount Up to $620,000 for the Period of September 30, 2016 to September 30, 2020

BACKGROUND

Cale America, Inc. is the sole-source provider for ongoing maintenance, parts, and service fees as evidenced by proprietary software and hardware components. This resolution considers an agreement that will provide the ability for continuous service via our existing Parking infrastructure into 2020, the expected life of our oldest Cale parking kiosks. Cale America, Inc. also provides upgrade options which allow for an end-of-life terminal to be retrofitted with new hardware and software components, allowing for a cost-effective manner to update kiosks to reflect changes in technology. Further, Cale America supports Payment Card Industry (PCI) compliance and standards, and has the ability to adapt to changes to local, state, and federal requirements in a timely fashion. Should the Board of Commissioners approve this resolution, the Minneapolis Park and Recreation Board (MPRB) Customer Service Parking Unit and Cale America, Inc. will continue business as usual, with a new method to pay Cale.

In September of 2010, as a result of a formal RFP, the City of Minneapolis Pubic Works (PW) Traffic & Parking Services Department entered into an agreement with Cale America, Inc. for Enterprise Parking services with an initial contract amount of $5,000,000. This agreement allowed for purchase, operation and maintenance of parking kiosks for on-street metered parking, replacing single space coin meters throughout Minneapolis.

In the fall of 2011, MPRB Parking Operations Unit began purchasing parking kiosks and related services through this agreement, with approval from PW: Traffic & Parking Services staff. This practice has remained in place through 2016, after the contract limit was increased and agreed upon extensions were approved. As of July 1, 2016, the PW: Traffic and Parking Services has further extended and amended their active contract to fulfill the expected life of the equipment purchased as a result of the original RFP process. To more accurately track financials, PW: Traffic & Parking Services, MPRB Parking Unit, and City of Minneapolis Purchasing have agreed that the MPRB Parking Unit would benefit from a separate contract identification number with Cale America, Inc. This is a direct result of the growth in parking operations across both

organizations and the ongoing maintenance functions required to operate parking kiosks 365 days per year.

Entering into a contract with Cale America, Inc. allows the MPRB independent financial management and allows PW: Traffic & Parking Services to operate more efficiently, while facilitating the MPRB Parking Unit's ability to continue in managing repairs, maintenance, ongoing database fees, and data transmission. The contract terms and price list for parts and maintenance are identical to the City of Minneapolis pricing terms, and all justifications stem from the formal RFP process completed in 2010. Language within the existing agreement between Cale America, Inc. and the City of Minneapolis allows for other Minnesota government entities to commence into contract agreements with Cale under the same terms as the City of Minneapolis.

The MPRB Parking Operations Unit, under the supervision of the Director of Customer Service, will continue to work closely with PW: Traffic & Parking services in all aspects of parking operations, to ensure cohesive practices are in place for the consistent user experience.

In January 2016, the Board approved a purchase of 25 Cale Parking kiosks using a three year purchase plan in the total amount of $215,010. Upon execution of the proposed Professional Services Agreement (PSA), the remaining balance of this purchase plan is $192,000. The MPRB remits ongoing costs for cellular data and administrative software in an amount of $40,000 annually for a four year total of $160,000. For parking permit and enforcement software the MPRB will pay Cale $104,000 over the four year term of the PSA. A reserve amount of $64,000 has been identified for the potential purchase of new or replacement parking kiosks, up to two per year. $45,000 has been identified for Europay MasterCard Visa (EMV) technology updates to respond to changes to be made for PCI related initiatives for chip card readers in existing kiosks. The remaining $55,000 is reserved for services and parts.

Description	**Annual Cost**	**Total Amount**
Kiosk Purchase Plan	$53,250, $69,375, $69,375	$192,000
Cellular Data/Admin Software	$40,000	$160,000
Parking Permits/Enforcement	$26,000	$104,000
Parking Kiosks	$16,000	$ 64,000
EMV Upgrades		$ 45,000
Services & Parts	$13,750	$ 55,000
		$620,000

Funding for payments to Cale is included within the operating budget of the Parking Operations Unit.

Park Board legal counsel has reviewed and approved the Professional Services Agreement and all attached Exhibit documents.

RECOMMENDATION

Staff recommends approval of a Professional Services Agreement with Cale America, Inc. for ongoing Enterprise Parking Operations services and equipment from September 8, 2016 through September 7, 2020 for up to $620,000.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan.

Vision Theme 3: Dynamic parks that shape city character and meet diverse community needs

Goal: Enhance technology to share information effectively and efficiently across the organization and with the community.

HISTORY:

08/17/16	**Administration & Finance Committee**	**ADOPTED**

ATTACHMENTS:

- Cale 6-18 The Standard Agreement Form - Final (PDF)

Prepared By: Annie Olson, Manager Support Services, Customer Service
Review:
Annie Olson Completed 08/04/2016 9:42 AM
Jennifer Ringold Completed 08/04/2016 10:10 AM
Jayne Miller Completed 08/05/2016 11:16 AM
Administration & Finance Committee Completed 08/17/2016 5:20 PM
Minneapolis Park and Recreation Board Completed 09/07/2016 5:00 PM