



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Montgomery and Members of the City Council

**THROUGH:** Richard Thompson, Interim City Manager

**FROM:** Bruce Moe, Finance Director  
Jim Arndt, Public Works Director

**DATE:** December 7, 2010

**SUBJECT:** Consideration of Award of Contract to IPS Group for the Budgeted Purchase of One Hundred Eighteen (118) New Technology Parking Meters for the Pier Parking Lots for an Amount Not to Exceed \$67,400

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### RECOMMENDATION:

Staff recommends that the City Council approve a contract with IPS Group for the purchase of 118 new technology parking meters for an amount not to exceed \$67,400. The meters will be installed at the Pier Parking Lots.

### FISCAL IMPLICATION:

Funds totaling \$600,000 are budgeted in the Pier Fund for the installation of these new parking meters. The initial amount budgeted (from FY 2009-2010) was based on an undetermined product selection and cost. Since then, a competitive process was performed and product testing has taken place resulting in this cost-effective recommended solution. The remaining unspent funds from the budget will return to the available fund balance in the Pier Fund.

### BACKGROUND:

In January 2010, the City began testing two types of new technology parking meters at the Pier parking lots. These new meters accept coins, credit cards, debit cards, and have the option of pay-by-cell and smart cards. The Pier test initially included two manufacturers selected through a competitive proposal process: a single space meter manufactured by IPS Group, and a multi-space meter from Duncan Solutions.

After several months of testing at the Pier, it was determined that the IPS single space meter was the best solution for our on-street parking needs (while the Duncan Solution was deemed ineffective, other manufacturers of the multi-space meter may still have application in parking lots and structures which may be considered in the coming months). As a result of the trial, the City ordered IPS meters for all on-street applications, the first series of which were installed in July

2010. Through this process, staff has determined that the IPS single space solution is also the most appropriate for the Pier parking lots. Therefore, we are now seeking Council approval to purchase the 118 meters necessary to complete the Pier parking lot conversion.

**DISCUSSION:**

After nearly one year of testing and experience, staff has been pleased with the single space meters provided by IPS Group. Overall, they are performing above expectations, with the vendor being very responsive to our suggestions and requirements. As a result of our experience, a total of 112 meters have been ordered for Parkview and over 440 have been installed to-date for on-street use Citywide.

This order submitted for Council approval is for the entire Pier parking lot area (4 lots). The trial IPS meters were installed in the north Pier lots, both upper and lower (a total of 55 spaces). These meters were provided by IPS free of charge (operational costs have been borne by the City). The south Pier lots were used to test the Duncan multi-space meter solution, again at no capital cost to the City. Once it became evident that the Duncan Solutions meters were not performing as desired, the Duncan meters were removed and replaced with the old technology meters (coin and cash key only) until the testing was completed on the single space meters. As a result, the current Pier lot situation includes north lots with new technology and south lots with old technology.

Given the performance of the IPS meters, staff believes we should proceed with purchasing the IPS meters for the Pier lots (a total of 118 meters). While initially staff believed that the multi-space meters would be best suited for parking lots, and individual meters best for on-street parking situations, the appropriate solution needs to take into account not only the parking configuration, but the location of the parking vis-à-vis ingress and egress portals. It remains our belief that multi-space meters work best where drivers exit lots on foot in just a few controlled locations as opposed to open areas such as street parking and open lots (including the Pier) where drivers may walk in several different directions. For example, multi-space meters placed near stairwells or other egress points will be convenient for the drivers and intuitive as to where to pay for parking.

Alternately, for a location such as the Pier lots, drivers are accessing the beach in one direction and restaurants and shopping in the other, with egress occurring in many directions. During the multi-space meter trials we conducted at the Pier lots, we received complaints from drivers because the locations required drivers to walk, and in some cases queue, to pay the meters. We also heard that the meters were inconveniently located for the driver's destination. The combination of this input, coupled with the inadequate testing results of the multi-space meter selected, leads staff to recommend the IPS individual meters for the Pier lots. This will bring the total IPS installation Citywide to 670 (37%) of all meters.

*Parking Sensors*

Council may recall that one of our objectives with new technology meter trials was to test parking sensors. The sensors are electronic devices that identify parking space usage and occupancy on a real time basis. This information can be used to identify expired meters at occupied spaces, zero out remaining time upon a vehicle departing (or add a few minutes upon entry as a courtesy) and act as an electronic "chalking" device to enforce maximum parking time limits. Some cities have also used the technology for occupancy based pricing (e.g., fewer parking spaces available raises rates, while lower occupancy reduces rates). Finally, one sensor manufacturer has developed an iPhone

“app” that tells drivers where the open parking spaces are located (it has not yet been released but is coming soon).

At this juncture, staff is waiting for IPS to deliver sample sensors for testing. We are also looking at a third party manufacturer as a possibility. When the devices are available, staff will perform basic non-enforcement tests with the devices (e.g., no meter time elimination or occupied meter expiration citations) to gauge usefulness and accuracy. When the information has been gathered, staff will return to the Council with a discussion of the options and solicit Council input.

Statistics on New technology Parking Meters

In July 2010 the City installed approximately 440 IPS meters for on-street parking spaces (this excludes the new Parkview meters which are on order and are expected to be installed in February 2011). Thus far, we have the following comparative statistics:

Parking Meters Streets Only (citywide)

<u>Collection Period</u>	<u>Total \$ Collected</u>	<u>\$ Per Hour</u>	<u># of Hours</u>	<u>Credit Card versus Cash Transaction Ratio</u>
7/1/2010 - 9/30/2010	\$423,046 <sup>▼</sup>	\$1.25	338,436	75% Cash vs 25% Credit
7/1/2009 - 9/30/2009	\$238,078 <sup>▼</sup>	\$.75	317,437	
7/1/2008 - 9/30/2008	\$294,149 <sup>▼</sup>	\$1.00	294,149	

*Cash Keys*

With the change-out of the on-street meters, we have effectively reduced the number of meters that accept cash keys by 25% (excludes Parkview meters). While the parking lots (with the exception of the north Pier lots) are all still Cash Key compliant, the fact that the keys are no longer universally accepted throughout the City has caused a number of patrons to return their cash keys. As a result, since the installation of the new on-street meters, we have taken back 355 Cash Keys and refunded \$12,600.

With the availability of credit/debit card payment options, we believe the demand for the cash key will naturally decline. Further, there may be a future option to offer smart card technology as another payment card option. However, we will need to wait on the final metering selection for parking lots to determine if a universal smart card solution is viable (since we would not want to have multiple smart cards based on type of meter and location).

**CONCLUSION:**

Staff recommends that the City Council approve the purchase of 118 new technology parking meters from IPS Group for an amount not to exceed \$67,400 in order to complete the Pier parking lot project. IPS has indicated that delivery of the meters can take place by late January with installation completed by the end of February.