

# AGENDA REPORT

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Brooke A. Levin  
Interim Director, PWA

**SUBJECT:** Maintenance and Services Agreement  
with Scheldt & Bachmann USA, Inc.

**DATE:** August 2, 2013

City Administrator  
Approval

Date

9/11/13

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Staff recommends that the City Council waive the Competitive Request for Proposals/Qualifications (RFP/Q) Process, the advertising and bidding requirements and authorize the City Administrator or designee to enter into a Maintenance and Service Agreement with Scheidt & Bachmann USA, Inc. in support of the parking access and revenue control system at seven City garages for the total contract amount of \$240,000 for a period of three years (\$80,000.00 per year X 3 years).

## OUTCOME

This Maintenance and Services Agreement will provide for ongoing preventative maintenance, on-call Services and replacement parts for the City's parking access and revenue control system installed at seven City parking facilities in 2011-12. Approval of the resolution will enable City staff to execute a sole-source Maintenance and Services Agreement with Scheldt & Bachmann USA, Inc.

## BACKGROUND/LEGISLATIVE HISTORY

In 2010, Council passed a resolution authorizing the City Administrator to negotiate and execute a contract between Scheldt and Bachmann USA, Inc. to provide a parking access and revenue control system (PARCS) for seven of the City's parking garages at a cost of \$2,500,000. Installation of the system subsequently took place between November 2011 and June 2012. The cost of the original contract included a 1-year warranty that covered all replacement parts and labor for regular maintenance and on-call service.

Staff understood that it would be necessary to find a long-term solution for properly maintaining and servicing the system after the expiration of the original warranty. A request for authorization

Item: \_\_\_\_\_  
Public Works Committee  
September 24, 2013

to enter into an extended agreement was not made in 2010 as staff needed time to evaluate alternatives and establish the basis for an informed recommendation.

### ANALYSIS

As the expiration of the 1-year warranty approached, Scheldt & Bachmann offered the City a 3-year maintenance agreement at a cost of \$80,000/year. Among other things, staff took exception to the fact that the agreement did not cover replacement parts. This being the case, staff proceeded to evaluate other alternatives.

As a result, staff made the following determinations: 1) that the City continues to view the Scheldt & Bachmann PARCS as a turn-key system and, therefore, the necessary support services for the system should be provided by Scheldt & Bachmann; 2) that there is no alternative service provider in the local market that is capable of supporting the system; and 3) that the cost of using Scheldt and Bachmann to support the system on a "time and materials" (T&M) basis would be unpredictable and likely lead to additional costs, including loss of additional revenues and poor customer service due to lack of timely support.

Given these facts, staff entered into negotiations with Scheldt & Bachmann to secure an extended agreement that would effectively continue the original warranty of the system for an additional three years. As a result, Scheldt & Bachmann revised their original proposal to include replacement parts and to address other issues while maintaining the \$80,000 per year price.

Oakland Municipal Code (OMC) Section 2.04.050 requires formal advertising and competitive bidding when the City purchases services, supplies or combination thereof required by the City which exceeds \$50,000.00. However, OMC Section 2.04.050 I. 5 permits the Council to waive these requirements upon a finding and determination that it is in the best interests of the City to do so. Additionally, OMC Section 2.04.051 A requires the City to conduct an RFP/Q prior to the purchase of professional services unless this requirement is waived under OMC Section 2.04.051 B upon a finding by the City Council or its designee that it is in the best interests of the City to do so.

Staff recommends that, based on the reasons and circumstances set forth above, the Council pursuant to OMC Section 2.04.50 1.5 and Section 2.04.051 B, respectively, finds and determines that it is in the best interests of the City to waive the formal advertising, competitive bidding, and the RFP/Q requirements and authorize the City Administrator, or her designee, to negotiate and enter into an agreement with Scheldt & Bachmann.

**PUBLIC OUTREACH/INTEREST**

No public outreach was necessary as this is a routine agreement for the maintenance and service of a turnkey parking access and revenue control system sold and supported by Scheldt & Bachmann USA, Inc. The present agreement is for a three-year period and, assuming there are no other available options in the future, will likely continue.

**COORDINATION**

The Transportation Services Division consulted with the Finance and Management Agency, Department of Information Technology, City Attorney's Office, Budget Office, and City Administrator's Office in negotiating the terms of the Maintenance and Services Agreement and in writing this report.

**COST SUMMARY/IMPLICATIONS**

1. COST OF AGREEMENT:

Total costs for three year agreement are \$240,000 (\$80,000.00 per year x 3 years) to be paid quarterly.

2. COST ELEMENTS OF AGREEMENT:

Combined costs of replacement parts, regular maintenance and on-call service are \$240,000.

3. SOURCE OF FUNDING:

Funds are available from Finance and Management Agency, Revenue Division, Multipurpose Reserve Fund (1750), Parking Meter Operations Org (08931), Miscellaneous Contract Account (54919), Non-Project (0000000), Parking Management Program (IP60).

4. FISCAL IMPACT:

The total contract cost of \$240,000 is within the available budget for parking garage management.

**SUSTAINABLE OPPORTUNITIES**

*Economic*: Not applicable.

*Environmental*: Maintaining the parking control systems in good repair will ensure reduced queuing in City garages, thereby reducing vehicular emissions.

*Social Equity*: Not applicable.

For questions regarding this report, please contact Michael Ford, Transportation Services Division, at (510) 238-7670.

Respectfully submitted,



BROOKE A. LEVIN  
Interim Director, Public Works Agency

Reviewed by:  
Mike Neary, Assistant Director

Reviewed by:  
Wladimir Wlassowsky, P. E.  
Transportation Services Division Manager

Prepared by:  
Michael Ford, Parking Garage Management  
Transportation Services Division

Attachments – Maintenance Services Agreement by and between Scheldt & Bachmann USA, Inc., Contractor, and City of Oakland

Item: \_\_\_\_\_  
Public Works Committee  
September 24, 2013

MAINTENANCE SERVICES AGREEMENT

By and Between  
Scheidt & Bachmann USA, Inc. Contractor  
and  
City of Oakland

This Agreement ("Agreement") is entered into this 1<sup>st</sup> day of July, 2013 by and between Scheidt & Bachmann USA, Inc., a Delaware Corporation, whose principal address is 31 North Avenue; Burlington, MA 01803 and Owner whose principal address is 250 Frank H. Ogawa Plaza Oakland, CA 94612.

TERMS:

1. TERM: The term of this Agreement shall be effective for three years from the date of listed above.

2. SCOPE OF SERVICES:

24/7 Phone Support

24/7 On Site Emergency(as defined further in this contract) Service Support

8-5 On site Routine Support

Parts utilized during the course of services provided

4 Preventative Maintenance Cycles

Operating System, Application and Database Security Patches

Exclusions:

Replacement of full server hardware

Consumables

Replacement of full devices due to vandalism, vehicular strikes or misuse.

**3. SCOPE OF WORK:**

A. Maintenance services shall be available twenty-four (24) hours a day, seven days a week (24/7), and three hundred sixty-five (365) days per year. The response times stated below shall be maintained at all times. The Contractor shall provide all preventative, routine, and emergency maintenance services. Contractor will return phone calls regarding service issues during this time frame within 1 hour. During the phone call, the time frame for site visit and completion of the work will be determined.

B. Contractor will return all service phone calls within 1 hour time from customer call. If onsite support is required, the following protocol will be followed:

- a. Calls Monday through Friday between 8am and 5pm, onsite support will be provided same business day.
- b. Calls Monday through Friday after 5pm, onsite support will be provided next business day unless Emergency Service is required.
- c. Calls on Federal Holiday, onsite support will be provided the next business day unless Emergency Service is required.
- d. Emergency service is defined as service to correct facility wide failure of the system's ability to allow ingress/egress and/or collect revenue. Four hour onsite support for emergency service.

C. Preventative Maintenance Services Contractor will provide 4 preventative maintenance cycles, 1 per quarter. Each preventative maintenance cycle will be documented with work performed and submitted to the Owner. An example of preventative maintenance report is attached as Exhibit A.

and shall cooperate with the other party to overcome any delay that has resulted.

14. **NO THIRD-PARTY BENEFICIARY:** No persons other than the Contractor and the Owner (and their successors and assigns) shall have any rights whatsoever under this Agreement.

15. **SURVIVAL:** All obligations (including but not limited to indemnity and obligations to defend and hold harmless) and rights of any party arising during or attributable to the period prior to expiration or earlier termination of this Agreement shall survive such expiration or earlier termination.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed by their respective officials thereunto duly authorized, this the day and year above written.

**“Owner”**

By: \_\_\_\_\_  
Wladimir Wlassowsky, Transportation Services Division Manager  
Date: \_\_\_\_\_

**“Contractor”**

By: \_\_\_\_\_  
John MacDonald, President  
Date: \_\_\_\_\_

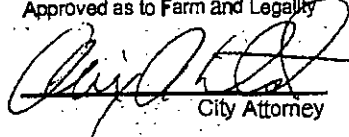
**FILED**  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 NOV -5 PM 12: 52

**OAKLAND CITY COUNCIL**

RESOLUTION NO. 82946 C.M.S.

Approved as to Form and Legality

  
City Attorney

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A CONTRACT BETWEEN THE CITY OF OAKLAND AND SCHEIDT & BACHMANN USA, INC. TO PROVIDE A PARKING ACCESS AND REVENUE CONTROL SYSTEMS (PARCS) IN AN AMOUNT NOT TO EXCEED \$2,500,000**

**WHEREAS**, the City of Oakland wishes to enter into an agreement with Scheidt & Bachmann USA, Inc. to provide a Parking Access and Revenue Control System (PARCS); and

**WHEREAS**, the City's Purchasing Ordinance, (Oakland Municipal Code ("OMC") Chapter 2.04) requires that the City conduct a competitive bidding process for professional services agreements in excess of \$25,000 [(OMC section 2.04.051(A)]; and

**WHEREAS**, a competitive Request for Proposals was issued in December 2009 and three companies submitted proposals responsive to the City's request; and

**WHEREAS**, a panel of internal and external subject matter experts reviewed and scored the original proposals submitted by all companies, and based on the above review, Scheidt & Bachmann USA, Inc. was selected; and

**WHEREAS**, Scheidt & Bachmann USA, Inc. is qualified and able to provide a Parking Access and Revenue Control System for the City of Oakland within the requirements set forth by the City; and

**WHEREAS**, the City Council finds that the service is professional in nature; and

**WHEREAS**, the City Council finds that the agreement shall not result in the loss of salary or employment by any person having permanent status in the competitive service; and

**WHEREAS**, funding for this project will be financed through a lease finance program, and staff will return to Council for approval of the lease finance agreement; and now, therefore, be it

**RESOLVED**, that the City Administrator is hereby authorized to negotiate and execute a Professional Service Agreement between the City of Oakland and Scheidt & Bachmann USA, Inc. to provide a a Parking Access and Revenue Control System at a cost not to exceed \$2,500,000 (Two Million Five Hundred Thousand Dollars); and be it



**FURTHER RESOLVED**, that the agree Professional Service Agreement authorized herein is subject to City Attorney approval for form and legality and shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, JUL 20 2010, 2010

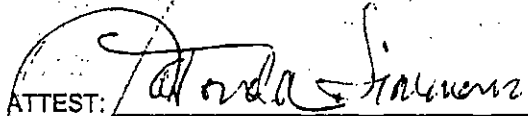
**PASSED BY THE FOLLOWING VOTE:**

AYES - ~~5~~; DE LA FUENTE, ~~5~~, KERNIGHAN, NADEL, QUAN, ~~5~~, AND  
PRESIDENT BRUNNER - 5

NOES - Reid, Brooks, Kaplan

ABSENT - 0

ABSTENTION - 0

ATTEST:   
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**COPY DRAFT**  
City Attorney

**FILED**  
OFFICE OF THE CITY CLERK  
OAKLAND

**OAKLAND CITY COUNCIL**

**2013 SEP 12 PM 1:03**

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION WAIVING THE COMPETITIVE REQUEST FOR PROPOSALS/ QUALIFICATIONS (RFP/Q) PROCESS, THE ADVERTISING AND BIDDING REQUIREMENTS AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO ENTER INTO A MAINTENANCE AND SERVICE AGREEMENT WITH SCHEIDT AND BACHMANN USA, INC. IN SUPPORT OF THE PARKING ACCESS AND REVENUE CONTROL SYSTEM USED AT SEVEN CITY PARKING GARAGES FOR A PERIOD OF THREE YEARS AT A TOTAL CONTRACT COST OF \$240,000 (\$80,000.00 PER YEAR X 3 YEARS)**

**WHEREAS**, the City of Oakland wishes to enter into an agreement with Scheidt & Bachmann USA, Inc. to provide maintenance and service on the City's Scheidt & Bachmann parking access and revenue control system (PARCS) used at seven of the City's parking facilities; and

**WHEREAS**, the City was informed when it purchased its Scheidt & Bachmann PARCS that such an agreement would be necessary after the initial 1-year warranty that came with the system expired;

**WHEREAS**, the City recognizes that the same professional services and warranties cannot be provided by any other company at a comparable cost; and

**WHEREAS**, the City finds that Scheidt & Bachmann USA, Inc. negotiated the terms of the maintenance and service agreement in good faith and met all of the City's specifications; and

**WHEREAS**, Oakland Municipal Code (OMC) section 2.04.050 requires formal advertising and competitive bidding when the City purchases services, supplies or combination thereof required by the City which exceeds \$50,000.00; and

**WHEREAS**, OMC section 2.04.050 I. 5 permits the Council to waive these requirements upon a finding and determination that it is in the best interests of the City to do so; and

**WHEREAS**, OMC section 2.04.051.A requires staff to conduct a competitive RFP/Q selection process for the procurement of professional services; and

**WHEREAS**, OMC section 2.04.051.B authorizes the City Council to waive the RFP/Q requirement upon a finding that it is in the best interests of the City to do so; and

**WHEREAS**, the City Council finds that this agreement is for services of a professional nature; and

**WHEREAS**, the City Council finds that services under contract will be temporary; and

**WHEREAS**, the City Council finds and determines that the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; now, therefore, be it

**RESOLVED**, that the City Council finds and determines that pursuant to Oakland Municipal Code sections 2.04.050.I.5 and 2.04.051.B, that it is in the best interests of the City to waive the advertising, competitive bidding, and competitive RFP/Q process for products, replacement parts and services to be purchased under the proposed agreement because: 1) the Department of Information Technology continues to view the Scheidt & Bachmann PARCS as a turn-key system and, therefore, the necessary support services for the system should be provided by Scheidt & Bachmann; 2) that there is no alternative service provider in the local market that is capable of supporting the system; and 3) that the cost of using Scheidt and Bachmann to support the system on a "time and materials" (T&M) basis would be unpredictable and likely to lead to additional costs including loss of additional revenues and poor customer service due to lack of timely support; therefore, the City Council hereby authorizes the waiver of the OMC advertising, bidding and RFP/Q competitive selection requirements; and be it

**FURTHER RESOLVED**, that the City Administrator or designee is authorized to enter into a maintenance and service agreement with Scheidt & Bachmann USA, Inc. for a period of three years at a cost of \$240,000 to be paid quarterly; and be it

**FURTHER RESOLVED**, that the City Attorney shall review and approve the proposed contract as to form and legality, and copies of the agreement(s) shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2013 SEP 12 PM 1:03

Approved as to Form and Legality

DRAFT

City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

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**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR  
DESIGNEE TO ENTER INTO A MAINTENANCE AND SERVICE  
AGREEMENT WITH SCHEIDT AND BACHMANN USA, INC. FOR A  
PERIOD OF THREE YEARS AT A TOTAL COST OF \$240,000**

**WHEREAS**, the City of Oakland wishes to enter into an agreement with Scheidt & Bachmann USA, Inc. to provide maintenance and service on the City's Scheidt & Bachmann parking access and revenue control system (PARCS) used at seven of the City's parking facilities; and

**WHEREAS**, the City was informed when it purchased its Scheidt & Bachmann PARCS that such an agreement would be necessary after the initial 1-year warranty that came with the system expired;

**WHEREAS**, the City recognizes that the same professional services and warranties cannot be provided by any other company at a comparable cost; and

**WHEREAS**, the City finds that Scheidt & Bachmann USA, Inc. negotiated the terms of the maintenance and service agreement in good faith and met all of the City's requirements; and

**WHEREAS**, the City Council finds that it is in the best interest of the City to waive the requirement for RFP or RFQ pursuant to Oakland Municipal Code Section 2.04.051 B; and

**WHEREAS**, the City Council finds that this agreement is for services of a professional nature; and

**WHEREAS**, the City Council finds that services under contract will be temporary; and

**WHEREAS**, the City Council finds and determines that the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; now, therefore, be it

**RESOLVED**, that the City Administrator or designee is authorized to enter into a maintenance and service agreement with Scheidt & Bachmann USA, Inc. for a period of three years at a total cost of \$240,000 to be paid in twelve (12) quarterly payments of \$20,000.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California