

**CITY OF OAKLAND/REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND
CITY/AGENCY AGENDA REPORT**

OFFICE OF THE CITY CLERK
2003 NOV 25 AM 11:13

TO: Office of the City Manager/Agency Administrator
ATTN: Deborah Edgerly, Interim City Manager
FROM: Community and Economic Development Agency
DATE: December 9, 2003

RE: MOTION DIRECTING STAFF TO ISSUE A REQUEST FOR PROPOSALS FOR
MASTER PARKING MANAGEMENT CONTRACT FOR CITY, PARKING
AUTHORITY AND REDEVELOPMENT AGENCY OWNED GARAGES

SUMMARY

The Public Works Agency and Community and Economic Development Agency have drafted a Request for Proposals ("RFP"), for operation and management of 18 off-street parking facilities owned by the City and Redevelopment Agency (see Attachment A). By combining the management of these assets under one contract, the City and Redevelopment Agency expect to improve efficiency and increase net operating income from these facilities. The contract will include incentives to increase the net operating revenue from the garages.

FISCAL IMPACTS

This is only a motion to issue an RFP and does not commit the City or Redevelopment Agency to any action. Once an operator is selected under the RFP the authorization to enter into a contract will be brought back to the City and Redevelopment Agency for approval. The City and Redevelopment Agency expect to see an increase in the net revenue from the facilities. The purpose of increasing net revenue is to create a funding source to be used to fund additional parking facilities or other capital projects.

BACKGROUND

The City and Redevelopment Agency have 18 off-street parking facilities. For a decade or more, the majority of these facilities have been operated under separate contracts with Bay Area Parking, CMA Asset Management, Inc., Douglas Parking, Montclair Merchants, Downtown Merchants, and International Hoteliers. Five of the facilities, all surface lots, are currently operated by the City but are being cleaned under contract with Bay Area Parking. It is time to re-bid these contracts through a public process.

By placing the operation of all of the facilities under one management contract, it is expected that greater efficiency would be achieved in the provision of basic services, such as management, parking fee structure, cashiering, security, cleaning and maintenance, as well as improved revenue and expense tracking. The competitive bid process should also produce lower costs for the management of each separate facility when they bid out together, because the contract would be substantially more attractive.

The submittal deadline for proposal responses is scheduled for 60 days after issuance of the RFP. Review of proposals, interviews, and selection of a manager will take approximately 30 days.

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and preparation of a report and bringing it to the Council will take approximately 60 additional days. This item can be brought back to the Finance and Management Committee in May of 2004.

KEY ISSUES AND IMPACTS

Garage Revenue Financing

On July 15, 2003 the City Council approved Resolution No. 77928 C.M.S. reestablishing the Parking Authority of the City of Oakland ("Parking Authority") to provide a vehicle for financing future parking and capital projects. The expected improvement in garage management and revenue will enhance the ability of the Parking Authority to utilize bond financing in the future should the Council wish to use garage revenue as a source of capital financing.

Performance Incentive

The monthly management fees will include a performance incentive to encourage the operator to maximize net revenue generation. The incentive fee will be a portion of the amount by which the net revenues received each month exceeds the target revenues for each garage. Target revenues will be set based on the prior year's revenue with an adjustment for the increases in parking rates at each garage. The incentive fee, the portion of the increased revenue that will be paid to the operator, will be set based on the responses to the RFP and negotiations with the selected operator.

Evaluation of Garage Operations

The RFP will include provisions for the selected operator to evaluate each garage's performance and suggest improvements in cash handling, security and operation staffing, parking rates, maintenance, and capital improvements.

SUSTAINABLE OPPORTUNITIES

Economic

The RFP and new contract will include the requirements of the Local and Small Local Business Enterprise Program, which will promote opportunities for local businesses. Additionally, incentives will be included to promote operating efficiencies and increase net operating revenue for use on City activities.

Environmental

The RFP is for operating and managing existing facilities. The major environmental opportunities are in the design and construction of new facilities. All new facilities will require environmentally sustainable features such as alternative fuel vehicle and CarShare access, reduction of energy and water use and bicycle parking.

Social Equity

The RFP and contract will include the City's living wage requirements and will offer jobs for low income households.

DISABILITY AND SENIOR CITIZEN ACCESS

The RFP is for operating and managing existing facilities, while most disability and senior access opportunities are in the design and construction of new facilities. All new facilities will incorporate disability requirements and meet current American Disability Act (ADA) standards.

RECOMMENDATION(S) AND RATIONALE

It is recommended that the Council and Agency make motions to direct staff to issue the RFP, select a developer and bring the contract back to council for approval as soon as possible. The City and Redevelopment will be able to better judge the impact of a new management contract once the proposals from the RFP are received.

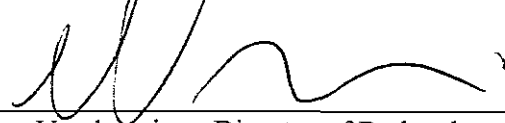
ACTIONS REQUESTED OF THE AGENCY/CITY

It is requested that the City and Redevelopment Agency make motions directing staff to issue an RFP for operation and management of parking facilities.

Respectfully submitted



Claudette Ford, Director of Public Works



Dan Vanderprien, Director of Redevelopment,
Economic Development and Housing

Prepared by:
Patrick Lane
Project Manager

APPROVED AND FORWARDED
TO THE FINANCE AND
MANAGEMENT COMMITTEE



OFFICE OF THE CITY MANAGER/
AGENCY ADMINISTRATOR

**ATTACHMENT A
LIST OF PARKING FACILITIES**

NAME	ADDRESS	No. of Floor Levels	Total of number Elevator(s)	Cleaning Frequency	No. of Spaces Approx. Sq. ft.
1) Franklin Parking Plaza	1719 Franklin St	3	2		482/165,700
2) Telegraph Parking Plaza	2102 Telegraph Ave	2	-		351/145,000
3) 18 th and Telegraph Lot	540 Telegraph Ave	-	-	4 times Per week	152/53,600
4) Wiley Manuel Courthouse	540 18 th St	-	-	2 times Per week	228/96,750
5) 1200 Harrison Garage	290 Harrison St	-	-		200/96,000
6) 12 th and Jefferson Lot	1151 Jefferson St	-	-	Weekly	200/62,120
7) Dalziel Garage	250 Frank H. Ogawa Plaza	2	2	Weekly	213/?
8) City Center West Garage	1250 MLK, Jr. Way	7	3	3 times Per week	1,461/425,000
9) UCOP Garage	409 12th Street			Weekly	145/58,000
10) Montclair Garage	6235 La Salle		1	2 times Per week	305/?
11) Scout Lot	2250 Mountain Blvd			Weekly	28/?
12) Clay St Garage	1414 Clay St	4	1	2 times Per week	335/154,396
13) Pacific Renaissance Plaza	388 9th St	-	-		578/?
14)*Piedmont Avenue Lot	4150 Howe St.	-	-	3 times Per week	119/29,400
15)*Grand Avenue Lot	3270 Grand Ave.	-	-	2 times Per week	85/28,000
16)*Lake Park Lot	3195 Lakeshore Ave.	-	-	2 times Per week	76/60,000
17)*Parkway Lot	343 Wayne Place	-	-	Weekly	36/14,000
18)*Dimond Lot	3400 Dimond Ave.	-	-	Weekly	85/19,740

*Cleaning function only

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