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OFFICE OF THE CITY CLERK  
OAKLAND

# CITY OF OAKLAND

## AGENDA REPORT

2010 JUN 10 PM 4:16

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: FMA/Parking Operations  
DATE: June 22, 2010

RE: **Resolution Authorizing the City Administrator to Negotiate and Execute a Contract Between the City of Oakland and Scheidt and Bachmann USA, Inc. to Provide a Parking Access and Revenue Control Systems (PARCS) Not to Exceed \$2,500,000**

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### SUMMARY

Staff has prepared a resolution to authorize the City Administrator to negotiate and execute a contract between the City of Oakland and Scheidt and Bachmann USA, Inc. to provide a Parking Access and Revenue Control System (PARCS) not to exceed \$2,500,000. The final cost and scope of implementation will be negotiated with the selected contractor through value engineering.

A Request for Proposal (RFP) was issued in December 2009 and three companies responded with viable proposals, Data Park Group, Federal APD, Inc. and Scheidt and Bachmann USA, Inc. All three companies have experience with garage automation and revenue control systems, and bring expertise related to parking operations. All three companies were fully responsive to the RFP. The three companies had the opportunity to present their proposal to a four member panel of external and internal experts, and were evaluated based on the responsiveness of their proposals, the quality of the services they would provide and their pricing structures.

After an analysis of the proposal evaluations provided by the external panel and an internal review, staff is recommending that the City contract with Scheidt and Bachmann to provide PARCS. The Scheidt and Bachmann proposal would provide increased customer service and efficiencies, and a revenue control system that would contribute to the City's ability to meet its goals for garage revenue collections. If Council approves this proposal, prior to finalizing the contract staff will be returning to Council for approval of a lease agreement that will be used to finance the contract. After automation of the garages and implementation of revenue control systems, staff will also develop plans for expanding hours of operation for some garages. Increased net revenues directly resulting from garage automation and expanded hours provide potential sources of payment for capital improvements in the City's garages.

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## FISCAL IMPACT

A. The FY 2009-11 budget assumes \$100,000 per year in additional revenue related to the implementation of garage automation.

B. Fund 1750, Garage Revenue Fund, currently has a negative fund balance of approximately \$4 million. The fund needs to be brought back into balance through a combination of increased revenues and decreased expenditures. Garage automation would contribute to this goal by creating a positive net cash flow after a 7-year period.

C. The estimated capital cost of installing equipment and revenue systems as proposed by Sheidt and Bachmann would be \$2,500,000. Funding to pay these capital costs for garage automation would be obtained through a lease financing arrangement. Upon Council approval to enter into the Garage Automation Contract, Parking Division staff would coordinate with Finance staff to solicit financing proposals for an equipment lease. Terms of the lease, such as maturity, rate, tax exempt status and other details would be determined, and the vendor would be selected, via Council approval, prior to finalizing the Garage Automation Contract. For purposes of this report, we have estimated current market rates of 4.5%, and a seven year term, so that annual lease payments for a \$2,500,000 principal amount would be about an estimated \$420,000 per year. (The assumed rate and term are subject to market conditions and negotiation of a specific agreement.)

D. Increased annual costs, which would include lease payments and additional maintenance for the new equipment, would be paid by an increase in net revenues. This would be achieved by increasing gross revenues by extending garage hours and increasing demand; decreasing leakage in cash collections due to better controls, and lowering operating expenses through an increased use of technology in lieu of staff. Staff estimates an overall increase in annual net revenues of 12%, a result of extending hours, increasing demand, decreasing leakage and lowering expenses. Current budgeted annual net revenue from garage operations is \$4.865 million, so the estimated increase is approximately \$583,800. The industry expectation of average annual increase in net revenues from garage automation is approximately 15%. We received specific results from Scheidt & Bachmann municipal clients that showed actual increases of up to 30% in net revenues from operations. Because a number of the City's garages have only one exit lane and, therefore, reductions in staffing due to automation will be limited, we have conservatively estimated our expected increase in net revenues at somewhat below the national average.

1. There is potential for increased revenue through increased garage operating hours and increased demand. Through automated entry/exit and pay stations, garages will be able to operate for extended hours without requiring that garage doors remain open or on site staffing be available to process customer payments. Extended hours provide the opportunity for greater revenue. Staff would develop one or more proposals for extending garage operating hours once the new equipment and systems are fully installed and operating smoothly.

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2. Decreased leakage of cash collections would result from both an increased use of credit and debit cards and from revenue control systems. Automated payment will reduce the cash collected (where possibilities for undercount exist) and increase credit/debit card payments. In addition, the improved ability to detect cash discrepancies will act as a deterrent.
3. Lowered operating expenses result primarily from reduced staffing levels as automated lanes decrease the need for cashiers. Because most of our garages have only one lane, savings from decreased staffing may not be as great as in other jurisdictions.

The following table summarizes the projected increase in net revenues after lease payments and increased maintenance costs associated with garage automation. During FY 2010-11, as installations are made, we assume prorated lease payments and no increase in revenues. Maintenance costs are estimated based upon vendor quotes for a fixed rate preventive maintenance contract. The increases in net revenues from operations are expected to be stable for the life of the equipment, which would be about 15 years. With the full payment of the lease being completed in FY 2017-18, overall net revenues would become positive.

Cost	FY 2010-11	FY 2011-12	FY 2012-13 to FY 2017- 18	<b>TOTAL</b> FY 2010-11 to FY 2017-18	Annual After 1 <sup>st</sup> 7 Years
<b><i>Annual Change in Revenues and Expenses</i></b>					
Increase in Revenues from Automation	0	\$583,800	\$583,800	\$4,086,600	\$583,800
Less: Previously Budgeted Increase	(\$100,000)	(100,000)	(100,000)	(\$800,000)	(100,000)
Less: Lease Payments	(\$147,000)	(\$420,000)	(\$420,000)	(\$3,087,000)	
Less: Increased Maintenance Costs	0	(\$81,400)	(\$81,400)	(\$569,800)	(\$81,400)
<b><i>Total Increase (Decrease) in Net Revenues</i></b>	\$(247,000)	(\$17,600)	(\$17,600)	(\$370,200)	\$402,400

At the estimated level of increased revenues most of the additional cash flow will be required to make lease payments for the initial seven years. Once the installation costs are amortized, the full financial benefit of the new system will be realized, creating a positive cash flow of around \$400,000. To the extent net revenues are higher than estimated, or staff can negotiate lower installation costs or lower leasing costs, these results would improve.

**BACKGROUND**

City-owned parking facilities are currently being managed by five different companies, Douglas Parking, Montclair Village Association, Wellington Property Company, Pacific Park Management, and CMA Asset Managers, Inc. (The Parking Division is currently preparing an RFP for entering into new garage management contracts.) The management of on-street, off-

street and garage parking is essential to the vitality of the City's business communities, and the City's residents and visitors. To improve the quality of customer service to neighborhoods, businesses and visitors, the City issued an RFP to solicit proposals for a Parking Access and Revenue Control System with multiple functions that will provide a fully integrated, accurate, flexible and responsive system.

The RFP requested that proposals be submitted for the following seven garages:

- Franklin Plaza Garage
- Dalziel Building Garage
- Telegraph Plaza Garage
- Pacific Renaissance Garage
- 1200 Harrison Street Garage
- Clay Street Garage
- City Center West Garage

The three key elements identified in the RFP as required fully functional components of the proposed solutions were:

1. Credit card in and out feature. All entrance and exit lanes will offer credit card in and out payment features.
2. Pay-on-foot Stations (POF). Cash only and cash/credit card POF stations will be located in all garages.
3. Parking Access and Revenue Control System (PARCS). PARCS will be fully integrated, self sufficient and technologically the most advanced system available and will provide necessary equipment, hardware, software and support services to be fully functional where installed.

## **KEY ISSUES AND IMPACTS**

### ***A. Non-Financial***

A panel consisting of four individuals with expertise in parking and financial analysis conducted oral interviews with each of the three companies who submitted proposals in response to the RFP. The panel consisted of two City employees and two individuals with parking expertise that are not employees of the City of Oakland.

The panel evaluated and scored presentations and responses to panel questions based on the following criteria and scoring system:

<b>Evaluation Category</b>	<b>Maximum Points</b>
Quality of company presentation, including information on relevant experience, company qualifications and proposed project approach	15
Proposed garage automation system design and required components identified in RFP technical specifications	25
Proposed project plan, including project schedule, design documentation, system transition plan, and testing and training plan	10
System Definition Document (SDD) that details information regarding the individual components of the company's PARCS proposal, including functionality of software, hardware and firmware modules, and subsystems and system interfaces.	10
Price proposal, including individual PARCS component pricing, alternative technical solutions to reduce costs and approach to value engineering.	10

Based on the above criteria, the panel awarded points to each of the three proposals as follows:

	<b>DATAPARK</b>	<b>FEDERAL APD</b>	<b>SCHEIDT AND BACHMANN</b>
Overall Average Points Awarded by Panel	50.25	54.25	64.25
L/SBLE Points Awarded	2.00	3.00	2.00
<b>Total</b>	<b>52.25</b>	<b>57.25</b>	<b>66.25</b>

The City's Department of Contracting and Purchasing reviewed the three proposals to conduct a compliance evaluation for Local and Small Local Business Enterprise (L/SLBE). L/SLBE requirements for the RFP were that a minimum of 20% of value of the proposed contract work be performed by an L/SLBE. The following table identifies the proposed L/SLBE compliance certified by the Department of Contracting and Purchasing:

<b>Company</b>	<b>Proposed L/SLBE Participation</b>
DataPark	25%
Federal APD	30.70%
Scheidt and Bachmann	20%

The following table provides a side-by-side overview of the proposals received by each company.

ITEM	DATAPARK	FEDERAL APD	SCHEIDT AND BACHMANN
Overall presentation of proposal materials	Written proposal was lacking in details regarding system design, implementation and training. RFP not broken down in sections. Entire proposal was consolidated into one section.	Professional presentation well documented narrative, good quality graphics and well organized.	Professional presentation well documented narrative, good quality graphics and well organized. Proposal provided the most complete and comprehensive detail and project approach.
Executive Summary	Executive Summary lacks details and does not address many of the RFP elements	Executive Summary not included in proposal	Captures the essence of the proposal and effectively describes its responsiveness
Project Teams	Smaller implementation team led primarily by the company owner.	Strong team members	Strong team members. Proposal included the largest proposed implementation team.
Relevant Experience	Strong	Strong	Strong
Project Approach	Project approach in written proposal very minimal with no explanation or detail. Oral presentation provided more detail and scope of proposed project approach.	Comprehensive project approach that describes the management, implementation, transition and training of the all the components required to convert garages to becoming automated.	Comprehensive project approach that describes the management, implementation, transition and training of the all the components required to convert garages to becoming automated. Project approach included a detailed project management timeline.
Revenue Control System	Revenue control system outlined for each transaction type. Sample financial reports provided and revenue reconciliation system described in narrative.	Revenue control system outlined for each transaction type. Sample financial reports provided and revenue reconciliation system described in narrative with sample system screen shots and some data flow diagrams.	Revenue control system outlined for each transaction type. Sample financial reports provided and revenue reconciliation system described in narrative with detailed data flow diagrams for each facility discussed in the proposal.
Data Management	Server located in each garage and one central server.	Central data server connected to each facility through TCP/IP communication.	Virtual infrastructure network consisting of a server cluster based on a Storage Attached Network (SAN).

ITEM	DATAPARK	FEDERAL APD	SCHEIDT AND BACHMANN
System Platform/Architecture	Proprietary software and closed architecture. System enhancements and modifications controlled exclusively through the company. Implementation of additional technology would be constrained by the limitations of the proprietary system.	Windows operating system. Open architecture that allows for modification and integration of additional features in the future such as FasTrak technology.	Oracle/Microsoft platform. Open architecture that allows for modification and integration of additional features in the future such as FasTrak technology.
Training and Staffing	Documented training plan not provided in written proposal. Training plan overview provided during the oral interview including customer service training.	Comprehensive training plan, classroom-based, for each separate function within an automated garage environment. Hard copy manuals and documentation provided, as well as web-based training.	Comprehensive training plan, classroom-based, for each separate function within an automated garage environment. Hard copy manuals and documentation provided, as well as web-based training.
System Conversion	Clearly mapped, thorough process	Simplified process due to vendor's current access to City data	n/a

Overall, the general provisions of the Scheidt and Bachmann proposal were stronger than the other two proposals – especially with regard to the network architecture software, overall garage automation system design, entry and exit technology proposed, and overall “leading edge” technology as a core component of their existing system.

***B. Financial***

Each of the three companies provided cost proposals for converting each of the seven garages to automated systems, as well as providing enhanced technologies such as license plate recognition technology or FasTrak payment technology. The cost proposals included both mandatory elements required under the RFP to convert garages to automated systems, as well as optional components.

Mandatory elements

As outlined in the RFP, the mandatory components required to convert garages to automated systems included the following:

- Garage facility management software or system
- Device monitoring and control
- Revenue tracking and reconciliation

- System reporting capabilities
- Ticket processing
- Credit/debit card processing
- Radio frequency identification cards or magnetic strip cards or badges used for special purposes such as monthly parking
- Automatic vehicle identification capability
- Parking ticket validation tracking and control
- Parking space count monitoring
- Entry/exit lane configuration
- Pay-on-foot stations

Optional components identified in the RFP included:

- License plate recognition system
- Parking reservation program
- FasTrak acceptance

The following table presents the per garage automation costs presented by each of the three companies for the proposed mandatory and optional components:

<b>MANDATORY COMPONENTS</b>	<b>DATAPARK</b>	<b>FEDERAL APD*</b>	<b>SCHEIDT AND BACHMANN</b>
Franklin Plaza Garage	\$94,559		\$303,710
Dalziel Building Garage	\$83,289		\$236,117
Telegraph Plaza Garage	\$109,693		\$307,895
Clay Street Garage	\$106,642		\$292,347
City Center West Garage	\$235,428		\$667,864
1200 Harrison Street Garage	\$92,837		\$308,523
Pacific Renaissance Garage	\$165,114		\$408,321
<b>Total</b>	<b>\$887,562</b>	<b>\$1,385,374</b>	<b>\$2,524,777</b>

\* Per garage breakout not included in proposal.

<b>OPTIONAL COMPONENTS</b>	<b>DATAPARK</b>	<b>FEDERAL APD</b>	<b>SCHEIDT AND BACHMANN</b>
Parking Reservation Program	\$5,500	Included in base system price	Included in base system price
License plate recognition system (per lane)	\$14,365	\$22,000	\$6,910
FasTrak acceptance (per lane)	\$21,889	\$12,868	\$21,810
AVI System (per lane)	\$3,947	\$5,719	\$4,120



Final decisions on the inclusion of optional components would be based on cost-effectiveness. Optional components would be added only if staff is able to negotiate a lower cost in the mandatory components, so that overall costs will remain within the approved amount.

**C. Clients and References**

In addition to the review of the written proposals and oral interviews with the three proposers, City staff conducted interviews with five clients with whom the vendors currently work. Reference checks for all three proposers were favorable.

<b>DATAPARK</b>	<b>FEDERAL APD</b>	<b>SCHEIDT AND BACHMANN</b>
City of Chicago-Grant Park	Port Authority of New York/ New Jersey	City of San Jose, CA
City and County of San Francisco, CA	Vancouver International Airport	City of Santa Rosa, CA
LAZ Parking, Chicago, IL	Harris Trust & Savings, Chicago, IL	City of Sacramento, CA
InterPark Parking, Chicago IL	RS Electronics, Livonia, MI	City and County of San Francisco, CA
University Town Center, Washington, DC	Detronic Industries, Sterling Heights, MI	Port of Oakland, CA

City staff also conducted interviews with local jurisdictions – City of Walnut Creek, City and County of San Francisco and San Francisco Airport – to get comments on specific aspects of the proposers’ services. These are typical comments we received:

<b>Comments on:</b>	<b>DATAPARK</b>	<b>FEDERAL APD</b>	<b>SCHEIDT AND BACHMANN</b>
Technology	Not state-of-the-art; limited functionality	Very recent software revisions	Most advanced applications; excellent field-proven technology
After Sale Support	Good	Good	Excellent
Flexibility/Compatibility	Proprietary software is difficult to supplement with other applications	Open architecture allows compatibility with other vendor applications	Open architecture makes it easy to add and integrate other vendor applications

<b>Comments on:</b>	<b>DATAPARK</b>	<b>FEDERAL APD</b>	<b>SCHEIDT AND BACHMANN</b>
Ticketing system	Standard paper ticketing	Standard paper ticketing	Green technology of plastic, reuseable coin chip reduces long-term costs and paper use; Paper option also available.
Other	No centralized system for changes; requires on-site change at each facility		"Most respected" in the field

**D. Overall Recommendation**

Although the proposal submitted by Scheidt and Bachmann reflects costs that are higher than the proposals submitted by the other two companies, staff believes that the Scheidt and Bachmann proposal provides for a more integrated, comprehensive and technically reliable solution to garage automation. The Scheidt and Bachman proposal provides a single source solution in which all hardware and software components are integrated on a compatible platform. The proposed system reduces garage carbon footprint through reduced in-vehicle queuing time and reusable ChipCoin technology which eliminates the use of paper tickets. It includes revenue control systems that are expected to increase overall revenue for the City and reduce the potential for revenue loss through the current manual processes used to collect and report garage revenue. Additionally, the final cost and components of the system will be negotiated through value engineering.

**E. Project Timeline**

Staff estimates that the project can be implemented within the following timeline:

<b>Item</b>	<b>Anticipated Completion Date</b>
Obtain City Council Approval on...	June 29, 2010
Distribute RFP for Lease Financing	June 30, 2010
Receive proposals for Lease Financing	July 15, 2010
Council approval of Lease Financing	September 14, 2010
Execute Contract	September 21, 2010
Begin automation process	October 1, 2010
<i>Complete garage automation by facility:</i>	
Clay Street Garage	November 30, 2010
Dalziel Building Garage	December 31, 2010

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City Center West Garage	January 21, 2011
1200 Harrison Street Garage	February 15, 2011
Telegraph Plaza Garage	March 10, 2011
Franklin Plaza Garage	March 31, 2011
Pacific Renaissance Garage	April 21, 2011

**SUSTAINABLE OPPORTUNITIES**

There are no direct economic, environmental, or social equity opportunities resulting from action on this item.

**DISABILITY AND SENIOR CITIZEN ACCESS**

The proposed action does not impact disability and senior citizen access.

**RECOMMENDATION(S) AND RATIONALE**

After both an internal evaluation of the proposals and an analysis of the feedback provided by the external panel, staff is recommending that the City contract with Scheidt and Bachmann USA, Inc. to provide PARCS.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that Council adopt a resolution authorizing the City Administrator to negotiate and execute a contract between the City of Oakland and Scheidt and Bachmann USA, Inc. to provide a Parking Access and Revenue Control System (PARCS) not to exceed \$2,500,000. This is the first step in the improvement of the City's garage facilities. In conjunction with the installation of PARCS, staff expects to bring a recommendation for lease financing prior to execution of the Garage Automation Contract. Staff expects to continue this program by presenting a capital needs assessment of garage facilities in the 3<sup>rd</sup> Quarter of FY 2010-11 and proposals for extension of garage operating hours in the 1<sup>st</sup> Quarter of FY 2011-12.

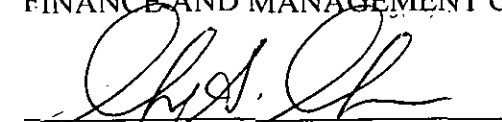
Respectfully submitted,



\_\_\_\_\_  
Noel Pinto  
Parking Operations Manager

Prepared by:  
Joe C. Litten, Administrative Services Manager II  
Parking Administration

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:

  
\_\_\_\_\_  
Office of the City Administrator

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June 22, 2010

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OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

**DRAFT**

City Attorney

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

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

**WHEREAS**, the City of Oakland wishes to enter into an agreement with Scheidt and 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 process (Request for Proposals/ Request for Qualifications) 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 price proposals submitted by all companies were additionally reviewed and scored by an internal panel, whereas, based on the above review, Scheidt and Bachmann USA, Inc. was determined to best meet the needs of the City; and

**WHEREAS**, Scheidt and 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 and Bachmann USA, Inc. to provide 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 agreement authorized hereunder 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, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California