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OAKLAND

2013 NOV 21 AM 9:21

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Brooke A. Levin
Interim Director, PWA

SUBJECT: Contract Extension with Montclair
Village Association

DATE: October 23, 2013

City Administrator
Approval

Date

11-19-13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council approve a resolution waiving formal advertising and request for proposals/qualifications (RFP/Q) and authorizing the City Administrator to 1) continue to extend the existing contract on a month-to-month basis for a period not to exceed six months from January 1, 2014 through June 30, 2014, at a compensation rate of up to \$15,900 a month (including a \$900 per month management fee and up to \$15,000 in garage operating expenses) for a total not to exceed contract amount of \$95,400 and 2) negotiate a new contract for an initial period of three years, with a two-year extension, contingent upon satisfactory evaluation of performance, with Montclair Village Association for the operation and management of Montclair Garage located at 6235 La Salle Avenue and Scout Lot located on 2250 Mountain Boulevard.

OUTCOME

The resolution attached to this report would authorize the City Administrator to extend the existing contract with the Montclair Village Association (Montclair Village Association) for the continued operation and management of two City-owned off-street parking facilities in the Montclair neighborhood, the Montclair Garage and Scout Lot. This contract extension will afford Montclair Village Association and City staff sufficient time to negotiate a new contract that will incorporate the City's contract programs as well as language and requirements to manage the parking facilities so as to optimize efficiency, maximize utilization and service customers, visitors, business and residents in the Montclair neighborhood.

BACKGROUND

Montclair Village Association is a merchant-based Business Improvement District made up of approximately 230 retail and service businesses located in Oakland's Montclair District City. Montclair Village Association's predecessor organizations, the Montclair Garage Commission

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Public Works Committee
December 3, 2013

and the Montclair Business Association, were instrumental in getting the garage built in 1976, and expanded in 1988.

On November 28, 2012, Resolution No. 84144 C.M.S. found that Montclair Village Association had satisfactorily managed the Montclair Garage and Scout Lot, both in the Montclair neighborhood and City-owned parking facilities, since 1990.

The same resolution extended the existing contract with Montclair Village Association until such time as a new contract could be negotiated and, furthermore, waived the formal advertising and competitive selection requirement (as found in Oakland Municipal Code Section 2.04.040.B.4) in order to do so. As a result, Montclair Garage (305 parking stalls) and Scout Lot (28 parking spaces) were not included in the competitive request for proposals for professional parking services that was issued on June 18, 2013.

That RFP, which should result in a new contract for the operation and management of eight (8) City-owned parking garages, is still in process and not expected to be complete until February or March of 2014.

ANALYSIS

Staff recommends that Council adopt the proposed resolution authorizing the City Administrator to extend the contract with Montclair Village Association to provide parking facility management services for two City-owned facilities until a new contract is executed or June 30, 2014, whichever comes first, at the current compensation rate of \$15,900 a month (including a management fee of \$900 and facility operating expenses up to \$15,000 a month).

The extension is needed for several reasons. First, staff has been working with Montclair Village Association under the assumption that the results of the large parking facility RFP currently in process would inform their efforts to negotiate and put in place a new contract. Staff continues to maintain that the lessons learned from and material results of that related process will support the development of a better contract with Montclair Village Association.

Council's recent approval of a resolution creating the City's first "Flexible Parking District" in the Montclair neighborhood (Resolution No. 64665 C.M.S.) has direct implications on the operation and management of the Montclair garage. For example, the resolution states that "off-street rates should be lower than peak on-street rates."

As a result, staff needs additional time to take these implications into account and make plans with Montclair Village Association in order to insure that the new contract supports the aims of the new Flexible Parking program without compromising the ongoing operation and proper management of the Montclair Garage and Scout Lot.

Staff also finds that Montclair Village Association's performance continues to be satisfactory. This finding is based in part on recent financial results: between FY 2011-2012 and FY 2012-2013, gross revenues from parking operations increased by \$78,472 or 19% and net revenues increased by \$75,500 or 34%. While these results can be attributed to an improving economy, they also reflect Montclair Village Association's continuing effort to carefully control operating expenses while increasing occupancy rates.

Oakland Municipal Code (OMC) Section 2.04.040.B.4 requires formal advertising and solicitation of proposals/qualifications for professional service contracts involving expenditures of more than twenty-five thousand dollars (\$25,000.00) and OMC Section 2.04.05 LB allows for the waiver by the Council of these requirements upon a finding that it is in the best interests of the City to do so for reasons set forth in this Report and in the Resolution.

Staff recommends that a month-to-month contract amendment be executed, and that negotiations continue with the Montclair Village Association on a new contract, for an initial period of three years, with an extension of two years upon evaluation of satisfactory performance.

PUBLIC OUTREACH/INTEREST

No formal outreach was conducted. However, it has long been acknowledged that Montclair garage and Scout lot are essential to the off-street parking needs of businesses, employees and visitors to the Montclair business district. The public has come to rely on these facilities and therefore has an interest in their continued operation and proper management.

COORDINATION

The Revenue Division of the Finance and Management Agency assisted in the development of this report. The report has been reviewed and approved by the Budget Office and the City Attorney's Office.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Monthly Management Fee: \$900.00
Monthly Operating Expenses up to \$15,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Not Applicable

3. SOURCE OF FUNDING:

Funds for the agreement are available in the FY2013-2014 budget in the Parking Revenue Fund (1750), Parking Citation Assistance Center Org (08931), Miscellaneous Services Account (54919), and Program (IP60).

4. FISCAL IMPACT:

The Montclair Village Association currently receives the following monthly parking facility management fees plus garage operation expenses for the two City-owned facilities:

Monthly Management Fee: \$900.00
Monthly Operating Expenses up to \$15,000

For FY 2012-2013, the Montclair garage and Scout lot generated gross revenue from parking operations of approximately \$480,000.

SUSTAINABLE OPPORTUNITIES

Economic: If this contract is not extended until such time that staff and Montclair Village Association are able to negotiate and execute a new contract, then normal operations of these facilities, including parking services, cashiering, maintenance and overall management of garage and lot, will end. As a result, the City will lose revenue until such time as operations are returned to normal.

Environmental: Not applicable.

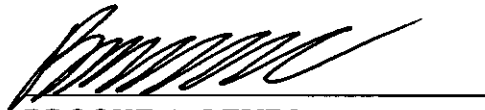
Social Equity: Effective operation and management of the City's off-street parking facilities provides public parking at competitive rates for visitors, residents, employees and businesses throughout the City and especially in business districts such as Montclair Village, and extending the contract on a month-to-month basis affords the opportunity to maintain the use value of the Montclair parking facilities for all stakeholders.

CEQA

This report is not a project under CEQA, and is therefore exempt.

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:
Michael Neary, P.E., Assistant Director
Department of Engineering and Construction

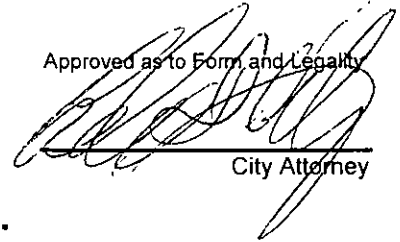
Reviewed by:
Wladimir Wlassowsky, P. E.
Transportation Services Division Manager

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

2013 NOV 21 AM 9:21

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION WAIVING FORMAL ADVERTISING AND REQUEST FOR PROPOSALS/QUALIFICATIONS (RFP/Q) AND AUTHORIZING THE CITY ADMINISTRATOR TO 1) CONTINUE TO EXTEND THE EXISTING CONTRACT ON A MONTH-TO-MONTH BASIS FOR A PERIOD NOT-TO-EXCEED SIX MONTHS FROM JANUARY 1, 2014 THROUGH JUNE 30, 2014, AT A COMPENSATION RATE OF UP TO \$15,900 A MONTH (INCLUDING A \$900 PER MONTH MANAGEMENT FEE AND UP TO \$15,000 IN GARAGE OPERATING EXPENSES) FOR A TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF \$95,400 AND 2) NEGOTIATE A NEW CONTRACT FOR AN INITIAL PERIOD OF THREE YEARS, WITH A TWO-YEAR EXTENSION, CONTINGENT UPON SATISFACTORY EVALUATION OF PERFORMANCE, WITH MONTCLAIR VILLAGE ASSOCIATION FOR THE OPERATION AND MANAGEMENT OF MONTCLAIR GARAGE LOCATED AT 6235 LA SALLE AVENUE AND SCOUT LOT LOCATED ON 2250 MOUNTAIN BOULEVARD

WHEREAS, the Montclair Village Association is a merchant-based Business Improvement District made up of approximately 230 retail and service businesses located in Oakland's Montclair District City; and

WHEREAS, the Montclair Village Association predecessor organizations, the Montclair Garage Commission and the Montclair Business Association, were instrumental in getting the garage built in 1976, and expanded in 1988; and

WHEREAS, the Montclair Village Association has satisfactorily managed the Montclair Garage and Scout Lot, both in the Montclair neighborhood and City-owned parking facilities, since 1990; and

WHEREAS, the City desires to maintain parking operation and facility management services for the parking facilities currently managed by the Montclair Village Association; and

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

WHEREAS, the City 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, Oakland Municipal Code (OMC) Section 2.04.040.B.4 requires formal advertising and solicitation of proposals/qualifications for professional service contracts involving expenditures of more than \$25,000.00; and

WHEREAS, OMC Section 2.04.051.B allows for the waiver by the Council of these requirements upon a finding that it is in the best interests of the City to do so; and

WHEREAS, funds for the agreement are available in the adopted FY 2013-2014 budget in the Parking Revenue Fund (1750); Parking Citation Assistance Center (08931); now, therefore, be it

RESOLVED, That the Council hereby finds that it is in the best interests of the City to waive formal advertising and competitive selection requirement of the OMC to extend the current parking management contract with the Montclair Village Association, because it would be most efficient and cost effective to maintain continuity of the current and ongoing parking facility management services; and be it

FURTHER RESOLVED, That the Council hereby finds that, given its historic role in partnering with the City and businesses in the Montclair District in developing necessary parking for customers, visitors and businesses, it is in the best interests of the City to waive the formal advertising and competitive selection requirement of the OMC, and to enter into a new contract with Montclair Village Association for parking management for an initial period of three years, with an extension of two years, contingent upon satisfactory evaluation of performance; and be it

FURTHER RESOLVED, that the City Administrator is hereby authorized to extend the current contract with Montclair Village Association for the operation and management of Montclair Garage and Scout Lot for a period not-to-exceed six months from January 1, 2014 through June 30, 2014; and be it

FURTHER RESOLVED, that Montclair Village Association be compensated for said parking management services at a compensation rate of up to \$15,900 a month (including a \$900 per month management fee and up to \$15,000 in garage operating expenses) for a total not-to-exceed contract amount of \$95,400; and be it

FURTHER RESOLVED, that the City Administrator is hereby directed to continue negotiations on a new contract with Montclair Village Association for said parking management services and that staff will return to Council upon conclusion of negotiations for approval of said new contract; 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, 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