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2016 APR 14 PM 5:44

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Brooke A. Levin
Director, Public Works

SUBJECT: Off-Street Parking Contracts Capacity

DATE: March 16, 2016

City Administrator Approval

Christina DePaola SBC

Date:

4/14/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending The Fiscal Year 2015-2016 Budget By Appropriating Revenue From Off-Street Parking Operations By An Additional \$650,000.00 And Expenses For Increased Levels Of Service Of Parking Facility Operations By An Additional \$650,000 In Multipurpose Reserve Fund (1750); Authorizing And Directing The City Administrator To Amend The City's Parking Operations Contracts With City Of Oakland Parking Partners By An Additional \$600,000 And With Montclair Village Association By An Additional \$50,000.00; And Waiving The Request For Qualifications/Proposal Competitive Selection Requirement.

EXECUTIVE SUMMARY

The City entered into two new parking operator contracts in 2014 as part of its ongoing effort to create the high-performance off-street parking program that Oakland's commercial districts need and deserve. In response to Council direction, staff is using these contracts to create safer, more secure and welcoming parking facilities to the benefit of visitors, commuters and residents alike. These new contracts were designed to support dynamic, actively managed parking operations capable of responding to community needs, unforeseen circumstances and market opportunities. The response has been more positive than expected. Increased utilization and extended hours of operation are projected to result in revenues that are approximately twenty-five percent higher than budgeted. Corresponding to this increase, expenses are also expected to exceed current authorized amounts during the final quarter of the fiscal year. This legislation would amend the City's adopted budget to reflect these increases and authorize and direct the City Administrator to increase the not-to-exceed annual capacity on these contracts in order to meet the City's current obligations and maintain and build on these positive developments going forward.

BACKGROUND / LEGISLATIVE HISTORY

The City's Off-Street Parking Program is managed by the Public Works Department, Bureau of Engineering and Construction, Transportation Services Division.

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In May 2014, City Council passed Resolution No. 84993 C.M.S. authorizing and directing the City Administrator to negotiate and execute a five-year contract with City of Oakland Parking Partners to operate a portfolio of sixteen municipal parking garages and lots.

In June 2014, the Oakland City Council passed Resolution No. 85105 C.M.S. authorizing and directing the City Administrator to finalize and execute a Contract with Montclair Village Association to manage the La Salle Garage and Scott Lot, both located in the Montclair commercial district.

As a part of these actions, Council directed staff to use these new contracts to enhance the value of the City's municipal parking facilities to surrounding neighborhoods by improving their safety and security, repairing and modernizing signage and wayfinding, extending and aligning hours of operation to community needs, and providing bicycle parking.

In June 2015, Council adopted the City's FY2015-2017 Budget including revenues from Off-Street Parking Operations of \$7,022,220 annually.

ANALYSIS AND POLICY ALTERNATIVES

Adoption of this resolution will amend the City's adopted FY2015-2016 Budget to reflect projected increases in revenues from and expenses for Off-Street Parking Operations and authorize an increase in the capacity of two parking operation and facility management contracts, one with City of Oakland Parking Partners and another with Montclair Village Association necessary to sustain and develop the increased levels of service provided by these contractors.

The recommended appropriation of revenues and expenses for the current fiscal year, together with the corresponding increase in annual contract capacity for City of Oakland Parking Partners and Montclair Village Association, are necessary to maintain current and continue to offer increasing levels of service as well as to cover the cost of a number of extraordinary expenses due to vandalism and deferred maintenance. **Table 1** below itemizes and describes these reimbursable expenses, all of which are pass-through expenses that incur no mark up.

Table 1

Expenses	Approximate Amount	Facilities
Staffing for extended hours of operation	\$106,000	Clay St, Montclair, Telegraph Plaza, Franklin Plaza
Evening lock out supervisor	\$50,000	All downtown garages
Staffing for special events	\$85,000	All facilities
Emergency security services*	\$155,000	Medical Hill, Dalziel
Increased security services	\$60,000	Telegraph Plaza, Franklin Plaza, Clay St, Webster-Valdez
Repair & Replacement of S&B Equipment*	\$65,000	Franklin Plaza, Harrison St, Clay St
Extraordinary elevator repairs	\$30,000	Clay St, Franklin Plaza
Management fee	\$14,000	Medical Hill
Deferred Maintenance	\$85,000	Clay St, Montclair, Telegraph Plaza
Total	\$650,000	

* Expenses partially covered by insurance claims

Unlike the City's previous contracts for parking operation and management services, these new contracts feature relatively low, per parking stall management fees and incentives for contractors to grow revenue while controlling expenses and improving customer satisfaction. **Table 2** below assumes an annualized continuation of these services and provides a breakdown of the original and recommended budgets by reimbursable expense and fee type.

TABLE 2

Reimbursable Expenses and Fees	Original	Recommended	Increase	Distribution
Personnel/Payroll	\$1,107,884	\$2,002,749	\$894,865	60%
Utilities	\$273,850	\$338,015	\$64,165	4%
Supplies	\$235,550	\$278,488	\$42,938	3%
Professional Services*	\$1,024,672	\$1,396,047	\$371,375	25%
Insurance & Misc.	\$71,164	\$155,934	\$84,769	6%
Total Operating Expenses	\$2,713,120	\$4,171,233	\$1,458,113	97%
Fixed Management Fee	\$125,093	\$139,480	\$14,387	1%
Annual Incentive Fees	\$54,000	\$81,500	\$27,500	2%
Annual Operating Budget	\$2,892,213	\$4,392,213	\$1,500,000	100%

* Subcontracted services including security, repair and maintenance, cleaning, etc.

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Approximately ninety-seven percent (97%) of the increased capacity will pay for reimbursable expenses, the majority of which will be dedicated to increased staffing and professional services, including security services and major repairs due to aging facilities, accidents or vandalism. In all cases, contractors are reimbursed for authorized expenses without any mark up, meaning 100% of the cost to the City goes to paying for ongoing or as needed services.

Approximately one-percent (1%) of the recommended increase will go toward the City of Oakland Parking Partner's fixed management fee, covering the cost of adding new facilities to the contract including Medical Hill Garage and, for example, the new lots constructed as part of the Bus Rapid Transit (BRT) project along International Blvd.

Approximately three-percent (3%) of the recommended increase will cover the cost of contractor incentive fees stipulated in the original contract. By design, the City will not incur these costs unless its contractors have succeeded in growing net revenues.

Increased revenues under these new contracts are primarily due to the following factors: higher parking facility occupancy rates, extended hours of operation and staffing of special events. Higher occupancy rates are due to appropriate pricing, improved facility conditions and active marketing of parking facilities to visitors, commuters and residents. Extended hours of operation have been successfully implemented on a pilot basis at Clay St Garage, Franklin Plaza Garage, Montclair Garage and Telegraph Plaza Garage.

Successful marketing initiatives include the "First 20 Minutes Free" program at Montclair Garage (implemented in support of the Montclair Flexible Parking Pilot Program) and City of Oakland Parking Partner's "Wait No More Program," which redirects monthly parkers to nearby facilities that have capacity whenever there is a waiting list at their preferred garage. Innovative efforts such as these have resulted in stronger than expected results.

The increased capacity for reimbursable expenses and fees for the City of Oakland Parking Partners and Montclair Village Association contracts will be necessary to sustain these gains and add benefits. The extended hours and increased levels of service, most importantly the ability to increase security when circumstances call for it and covering the costs of major repairs, and future pilot programs will not be possible without this increase.

City of Oakland Parking Partners and Montclair Village Association have both met or exceeded revenue and customer service targets and, as a result, earned incentives fees. Approximately eighteen months into these contracts, there remains much work to be done. However, results to date indicate that these contracts are important elements of the City's high-performance off-street parking program. This legislation recognizes and supports this ongoing effort.

In the current year, there is no alternative recommendation as the capacity on the City's contract with City of Oakland Parking Partners will be exhausted in May as a result of expenses itemized in Table 1 above. For future contract years, the alternative would be to maintain the current capacity on these parking operator contracts, resulting in a return to 2014 levels of service, decreased revenues and lost opportunities to continue increasing revenue, customer dissatisfaction, and a decrease in staff's ability to actively manage the City's parking garages and lots.

Waiver of RFP/Q Competitive Selection Requirements

Oakland Municipal Code ("OMC") Section 2.04.051 requires a competitive request for proposals or request for qualifications selection ("RFQ/P") process for award of contracts that exceed \$25,000 for professional service contracts and which are exempt from bidding under Section 2.04.050.1.1. However, OMC sections 2.04.050.I. and 2.04.051.B permit the City Council to waive the competitive RFQ/P process upon finding that it is in the City's best interest to do so. Staff recommends that it is in the City's best interests to waive the RFQ/P requirements for the amendment of the parking management contracts and increase the management fees and cost reimbursement for both because there would be no delay or disruption of service and the existing contractors have an acquired understanding of the City's parking facilities and demonstrated an ability to perform.

FISCAL IMPACT

Approval of this resolution will amend the FY2015-16 Budget by increasing revenue from Off-Street Parking Operations by \$650,000 and parking operation expenses by \$650,000. The net fiscal impact of this legislation will be revenue neutral to Multipurpose Reserve Fund (1750) balance. This fund currently has a negative balance of \$4.8 million. This legislation would support staff's ongoing efforts to grow revenue and control expenses with the aim of paying down this negative fund balance as soon as possible.

Specifically, this legislation will amend the FY2015-2016 Policy Budget by increasing annual revenues to Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Parking Fee: Off-Street Parking Account (45312) by \$650,000.00 for a total annual allocated amount of \$7,672,220.00. Furthermore, it will amend the FY2015-2016 Policy Budget by appropriating additional funds to Multipurpose Reserve Fund (1750), Transportation Services (30261), Miscellaneous Contract Services Account (54919) by \$650,000.00. Finally, it will authorize and direct the City Administrator to amend the City's contract with City of Oakland Parking Partners by \$600,000 and its contract with Montclair Village Association by \$50,000.

Beyond the current fiscal year, support for continuation of these services will be considered in the Mid-Cycle Budget.

FISCAL / POLICY ALIGNMENT

This legislation is aligned with the City's Parking Principles (Resolution No. 84664 C.M.S.) which calls for the active management of Oakland's parking assets to the benefit of neighborhood commercial areas.

PUBLIC OUTREACH / INTEREST

Pilot parking programs and increased levels of service at municipal parking facilities are the product of ongoing public outreach that occurs on a regular basis between staff and the City's

contractors as well as through more formal outreach efforts related to the Downtown Oakland Parking Study, the Montclair Flexible Parking Pilot Program, the Downtown Specific Planning Process, and the federally-funded Demand-Responsive Parking and Mobility Management Initiative expected to begin this summer.

COORDINATION

Oakland Public Works consulted with the Finance and Management Bureau and the Economic and Workforce Development Department in the development of this legislation. The Office of the City Attorney and the Controller's Bureau have reviewed this report and resolution.

SUSTAINABLE OPPORTUNITIES

Economic: The effective management of the City's municipal parking facilities supports the economic vitality of Oakland's commercial districts.

Environmental: Continued support of the City's Off-street Parking Program will increase Oakland's capacity to meet its environmental goals.

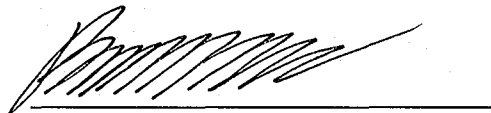
Social Equity: A robust Off-street Parking Program aims to benefit Oakland residents, commuters, and visitors alike.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending The Fiscal Year 2015-2016 Budget By Appropriating Revenue From Off-Street Parking Operations By An Additional \$650,000.00 And Expenses For Increased Levels Of Service Of Parking Facility Operations By An Additional \$650,000 In Multipurpose Reserve Fund (1750); Authorizing And Directing The City Administrator To Amend The City's Parking Operations Contracts With City Of Oakland Parking Partners By An Additional \$600,000 And With Montclair Village Association By An Additional \$50,000.00; And Waiving The Request For Qualifications/Proposal Competitive Selection Requirement.

For questions regarding this report, please contact Michael Ford, Off-Street Parking Manager, at (510) 238-7670.

Respectfully submitted,



Brooke A. Levin
Director, Oakland Public Works

Reviewed by:
Michael J. Neary, P.E., Assistant Director
Bureau of Engineering and Construction

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

Prepared by:
Michael Ford, Ph.D., C.P.P., Off-Street Parking
Manager, Transportation Services Division

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OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

DRAFT
City Attorney

2016 APR 14 PM 5:40

RESOLUTION No. _____ C.M.S.

A RESOLUTION AMENDING THE FISCAL YEAR 2015-2016 BUDGET BY APPROPRIATING REVENUE FROM OFF-STREET PARKING OPERATIONS BY AN ADDITIONAL \$650,000.00 AND EXPENSES FOR INCREASED LEVELS OF SERVICE OF PARKING FACILITY OPERATIONS BY AN ADDITIONAL \$650,000 IN MULTIPURPOSE RESERVE FUND (1750); AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO AMEND THE CITY'S PARKING OPERATIONS CONTRACTS WITH CITY OF OAKLAND PARKING PARTNERS BY AN ADDITIONAL \$600,000 AND WITH MONTCLAIR VILLAGE ASSOCIATION BY AN ADDITIONAL \$50,000.00; AND WAIVING THE REQUEST FOR QUALIFICATIONS/PROPOSAL COMPETITIVE SELECTION REQUIREMENT

WHEREAS, in May 2014, the Oakland City Council adopted Resolution No. 84993 C.M.S. authorizing and directing the City Administrator finalize and execute a Contract with City of Oakland Parking Partners (COPP) with an annual not-to-exceed capacity of \$2,683,013.00, and

WHEREAS, in June 2014, the Oakland City Council adopted Resolution No. 85105 C.M.S. authorizing and directing the City Administrator to finalize and execute a Contract with Montclair Village Association with an annual not-to-exceed capacity of \$209,200.00, and

WHEREAS, under these same resolutions, Council directed staff to use these new contracts to enhance the value of the City's municipal parking facilities to surrounding neighborhoods and take measures to improve safety, security, signage, and other priorities, and

WHEREAS, in June 2015, the Oakland City Council adopted the City's FY2015-2017 Budget that included revenues from Off-Street Parking Operations of \$7,022,220 annually; and

WHEREAS, based on the first eight months of the current fiscal year, revenues from Off-Street Parking for FY2015-2016 are projected to be as high as \$9,000,000.00; and

WHEREAS, this projected increase in revenues is due to a combination of increased utilization and extended hours of operation of certain parking facilities; and

WHEREAS, OMC Title 2, Chapter 2, Article I, Section 2.04.051.A requires staff to conduct a competitive Request for Qualification/Proposal (RFQ/P) selection process for the procurement of professional services; and

WHEREAS, OMC Title 2, Chapter 2, Article I, Section 2.04.051.B permits the Council to waive the competitive RFQ/P competitive selection requirement upon a finding and determination that it is in the best interests of the City to do so; and

WHEREAS, the City Council finds that the services provided pursuant to the agreement authorized hereunder are of a professional, scientific, or technical nature and are temporary in nature; and

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

RESOLVED: That the Council hereby amends the FY2015-2016 Policy Budget by appropriating additional revenues to Multipurpose Reserve Fund (1750), Transportation Services Organization (30261), Parking Fee: Off-Street Parking Account (45312) by \$650,000.00 for a total annual allocated amount of \$7,672,220.00; and

FURTHER RESOLVED: That the Council also amends the FY2015-2016 Policy Budget by appropriating additional funds to Multipurpose Reserve Fund (1750), Transportation Services (30261), Miscellaneous Contract Services Account (54919) by \$650,000.00; and

FURTHER RESOLVED: That pursuant to OMC Section 2.04.051.B, the Council hereby finds and determines that it is in the best interests of the City to waive the competitive RFQ/P competitive selection requirements for the above purchase expenditures because there would be no delay or disruption of service and the existing contractors have an acquired understanding of the City's parking facilities and demonstrated an ability to perform; and

FURTHER RESOLVED: That the Council authorizes and directs the City Administrator to amend the City's contract for parking operations with City of Oakland Parking Partners by increasing the capacity for authorized reimbursable expenses and fees by \$600,000.00 to a total not-to-exceed amount of \$3,283,013.00; and

FURTHER RESOLVED: That the Council authorizes and directs the City Administrator to amend the City's contract for parking operations with Montclair Village Association by increasing the annual capacity for reimbursable expenses and fees by \$50,000.00 to a total annual not to exceed amount of \$259,200.00 without returning to Council.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

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