

# CITY OF OAKLAND

## AGENDA REPORT

OFFICE OF THE CITY CLERK

2007 MAR 13 PM 6:29

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Public Works Agency  
DATE: March 13, 2007

RE: **A Report And Recommendation Authorizing The Public Works Agency To Begin Negotiations With Douglas Parking, LLC On A Contract For Management Of City-Owned Off-Street Parking Facilities**

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### SUMMARY

The Public Works Agency has completed its assessment of the qualifications of firms proposing to manage fourteen (14) of the City's off-street parking facilities (see Attachment "A"). This report provides a summary of the results of the selection process and recommends moving forward with negotiations for a contract with the top-ranked firm.

On July 18, 2006, the Council approved a set of evaluation criteria for ranking responsive participating contractors, and directed staff to issue a new RFP for the management of the City's 13 off-street parking facilities (see Attachment "B").

In October 2006, Public Works staff issued a new RFP and received proposals from six (6) contractors. Staff, with assistance from a professional parking consultant firm, and using the approved criteria, selected three firms to advance to final interviews and evaluation. In December 2006, the contractor managing the Clay Street Garage terminated its operating agreement with the City, adding another facility (for a total of 14) in need of a long-term contractor. The Clay Street Garage is currently being managed on a temporary, month-to-month basis by Bay Area Parking, operator of several other City garages.

In January 2007, an independent panel of outside public works managers evaluated the short-listed proposals and presentations, and ranked them based on criteria set forth in the RFP. Staff requests authorization to begin negotiations with the first ranked contractor; if staff cannot come to terms with the first-ranked contractor, negotiation will proceed with the second-ranked contractor, and so on, until the City and a contractor can agree to terms.

Staff will then return to Council with a recommendation to award a contract in early Fall 2007. The negotiations will include the fees for various elements of parking management including the management, cashing, monthly cleaning and security, as well as a program for needed improvements to the facilities.

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Finance and Management Committee  
March 13, 2007

## **FISCAL IMPACT**

The revenue generated by the parking facilities will offset the total cost of parking management. For the Fiscal Year 2005-2006, the total revenue was \$6,174,203.79, and the total expense was \$2,789,844.35. The net revenue was \$3,384,359.44. A minimum annual 5% revenue growth is expected with the new parking management contract. Funding for the staff time necessary for administering the parking contract as well as the funding necessary for equipment upgrade needed for the initial operation of a new parking management contract is available in the following accounts:

Parking Revenue Fund (1750); Parking Revenue – Transportation Services Organization (30262); Parking Management Account (54411) Program NB33.

There is no direct fiscal impact as the result of this report. Staff will return with an analysis of fiscal impact at the time a proposed contract is recommended to Council for award. Anticipated revenues would be part of the FY 2007-09 Adopted Budget Process.

## **BACKGROUND**

The City and Redevelopment Agency own and operate seventeen (17) off-street parking facilities (see Attachment “A”). Contracts for fourteen (14) out of seventeen (17) facilities have expired, and staff has proposed to consolidate the management of these facilities into one contract. In May 2004, Public Works staff issued a Request for Proposals (RFP) and received responses from seven (7) contractors. In January 2005, Public Works Agency (PWA) presented a report requesting authorization to negotiate with the first-ranked parking management contractor, Central Parking Systems. Council rejected staff’s recommendation and directed staff to continue the existing contract with Bay Area Parking, to consider a new process on the selection and award of a parking management contract, and to add ranking criteria that better take local business participation into account as part of the selection process.

In July 2006, the City Council rejected all proposals submitted, and directed staff to issue a new RFP using selection criteria that gave greater weight to local (Oakland) business participation and employment. The selection criteria were approved by Council through Resolution No. 80042, a copy of which is attached (Attachment “B”).

In October 2006, staff issued a new RFP and received response from six (6) parking management contractors. The proposals were reviewed by staff, with technical assistance from International Parking Design, an Oakland-based firm specializing in parking management, facility design and operation. The proposals were screened and short-listed to the three (3) finalists that were called for interview. A panel consisting of Ron Szeto, Manager of Parking Garages for the City and County of San Francisco, and Harry Schrauth, a retired Assistant Director of Public Works with previous experience in finance and major service contracts, interviewed the three finalists and ranked them using the pre-approved criteria. Based on these criteria, the panel scored and ranked the three (3) contractors as tabulated below:

**Contractors Ranking Table Based on the Selection Criteria Approved in the City of**

Ranking Criteria	Max. Score	Douglas Parking Score	Central Parking Score	PPM / AMPCO (JV) Score
Proposed cost (cashiering, cleaning, security, management fees)	15	15	0	0
Qualifications and prior experience	10	6.5	10	8.5
Financial stability	10	10	10	10
Knowledge of and experience in the Oakland business market	5	4.5	4	4.5
Hiring, operating, training and auditing procedures	10	7	10	9.5
Demonstrated ability to provide high quality of customer service 10% and high quality operations	10	7	9.5	8.5
Information provided by reference checks and 10% independent site inspections	10	10	10	10
General presentation to the selection panel	5	4.5	4.5	4
Capability to market the City's parking programs, and plan for maximizing facility utilization and revenues	10	8.5	8.5	9.5
<i>Extent of local business and local employment participation and commitment</i>	15	15	15	15
<b>Total Score</b>	<b>100</b>	<b>88.0</b>	<b>81.5</b>	<b>79.5</b>

**Oakland Resolution No. 80042 C.M.S.**

Based upon the score in the table above, Douglas Parking ranks number 1, Central Parking ranks number 2, and Pacific Parking Management/AMPCO (JV) ranks number 3.

The major differences in evaluating the proposals came in the areas of proposed cost, qualifications and prior experience, documented operating procedures and demonstrated high quality of customer service and operations.

Douglas' proposed monthly management fee was the lowest of the three firms (Douglas: \$83,534, Central Parking: \$126,907, and PPM/AMPCO: \$102,362). The RFP stipulated that the lowest proposed fee would receive the maximum score of 15 points, and all other proposed fees

would incur a 1-point deduction for each \$500 increment above the lowest bid. Since Central Parking's monthly fee was \$43,373 higher than that proposed by Douglas, Central scored zero points. Likewise, PPM/AMPCO's proposed monthly fee was \$18,828 higher than Douglas, and they also scored zero points. Since one of the goals of the consolidated management agreement is maximizing garage revenue that may be used as a source of capital financing for future parking and capital projects, the criterion of proposed cost for management is deemed essential.

In the area of qualifications and prior experience, Central Parking attained the highest score of 10 points, compared with PPM/APMCO (8.5 points) and Douglas (6.5 points). Central's wealth of experience managing large parking installations throughout the United States for a variety of clients in both the private and public sectors earned them the maximum score. Likewise, PPM/AMPCO, a joint venture made up of PPM, a small local firm, and AMPCO Systems, a large national parking firm, scored 8.5 points based upon their experience in managing over 1700 parking facilities nationwide, including many within the Bay Area. Douglas Parking scored 6.5 points as the result of less documented experience than the other two firms.

Similarly Central Parking scored highest in the areas of documented operating procedures and demonstrated ability to provide high-quality service and operations, although the differential in scores was only within the range of 1.5 to 3 points in these two criteria.

In considering all of the criteria, the panel members felt any of the three firms would be able to effectively manage the facilities to the highest benefit of the City. Douglas Parking (Oakland) was unanimously selected by the panel as presenting the best proposal overall. Douglas Parking's proposal included 73% local business participation, and 27% small-local business participation, for a total of 100% local participation, exceeding the City's LBE/SLBE requirements of 10% local and 10% small-local business participation. Both Central Parking and PPM/AMPCO also exceeded the City's program requirements (see attached compliance analysis, Attachment "C"). Douglas also had the lowest proposed monthly management fee by a considerable margin.

Staff proposes to begin negotiations with Douglas Parking as the contractor for the 14 facilities; if staff cannot come to terms with Douglas Parking, negotiation will proceed with the second-ranked contractor, and so on, until the City and a contractor can agree to terms. Staff will then return to Council with a recommendation to award a contract in early Fall 2007. The negotiation will include various elements of parking management including cashiering, monthly cleaning and security. In addition, the contract will include a program of improvements to the parking facilities to bring them up to current standards, in areas such as revenue tracking (e.g. entry/exit gates and cashiering equipment), lighting, landscaping, as well as improvements to service, security and cleanliness to positively reflect the City's image.

## **KEY ISSUES AND IMPACTS**

### **Current Contracts Expired**

The long-term parking management contracts for fourteen (14) parking facilities have expired. The facilities are currently operating under continuing month-to-month contracts. The contracts need to be updated to reflect the City's current policies, such as LBE/SLBE, Living Wage and the Equal Benefits Ordinance. Also, the existing parking management contracts do not allow the flexibility to ensure the highest level of service, especially in the area of marketing, which could lead to increased revenue.

### **Garage Revenue Financing**

On July 15, 2003, the City Council passed Resolution No. 77928 C.M.S. re-establishing the Parking Authority of the City of Oakland ("Parking Authority") to provide a vehicle for financing future parking and capital projects. The anticipated 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.

## **SUSTAINABLE OPPORTUNITIES**

Economic: The parking management contract will have a positive impact on the local economy by generating revenue and hiring employees locally. The top-ranked contractor has proposed local business participation in the amount of 73%, and small-local business participation in the amount of 27%, far exceeding the City's requirements.

Environmental: Negotiation of a new parking contract presents the opportunity to incorporate provisions that promote sustainability, such as electronic payments, shuttle service for customers, and paperless transactions.

Social Equity: The parking management contract will provide employment for local residents. It will also patronize local businesses for purchasing and other services.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

There is no impact to disability or senior citizen access. The parking management contract will maintain the existing ADA accessibility and parking requirements for persons with disabilities at all the parking facilities.

**RECOMMENDATION AND RATIONALE**

Staff recommends authorization to proceed with negotiations for a new parking management contract with the top ranked parking management contractor. Once those negotiations are completed, staff will return to the Council with a recommendation to award the contract.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the City Council accept the report and authorizes staff to begin negotiation for the management of the fourteen (14) parking facilities with the first-ranked parking management contractor (Douglas Parking). If the first-ranked contractor cannot come to terms on an agreement, negotiation will proceed with the second-ranked firm, and so on, until the city and a firm can agree to a term.

Respectfully submitted,

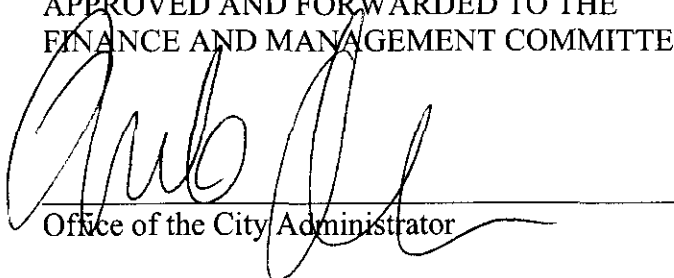


Raul Godinez II, P.E.  
Director, Public Works Agency

Reviewed by:  
Michael J. Neary, P.E.  
Assistant Director, Public Works Agency

Prepared by:  
Ade Oluwasogo, P.E.  
Supervising Transportation Engineer

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:

  
Office of the City Administrator

## Attachment A

### City-Owned Parking Facilities

	PARKING FACILITIES	LOCATION	CURRENT OPERATOR
	<i>Facilities with expired management or maintenance contracts, proposed for new contract:</i>		
1	Telegraph Plaza	2102 Telegraph Ave.	Bay Area Parking
2	Dalziel Garage	250 Frank Ogawa Plaza	Bay Area Parking
3	Franklin Garage	1719 Franklin St.	Bay Area Parking
4	1200 Harrison Garage	290 Harrison St.	Bay Area Parking
5*	City Center West Garage	1250 MLK Way	Central Parking Systems
6*	University of California, Office of the President	409-12th St.	Douglas Parking Co.
7	Wiley Manuel Courthouse	(Hall of Justice)	Bay Area Parking
8	12th St. & Jefferson Lot	1151 Jefferson St.	Bay Area Parking
9	Piedmont Lot	4150 Howe St.	City
10	Dimond Lot	3400 Dimond Ave.	City
11	Parkway Lot	343 Wayne Place	City
12	Lake Park Lot	3195 Lakeshore Ave.	City
13	Grand Ave. Lot	3270 Grand Ave.	City
14	Clay St. Garage	1414 Clay St.	Bay Area Parking
	<i>Facilities not under consideration for new contract:</i>		
15	Montclair Garage	6235 La Salle Ave.	Montclair Merchants
16	Scout Lot	2250 Mountain Blvd.	Montclair Merchants
17	Pacific Renaissance Garage	388 9th St.	International Hoteliers
	<i>Facilities no longer under operation (closed; site of new Oakland School of the Arts)</i>		
18	18th St. & Telegraph Ave. Lot	18th St./Telegraph Ave.	Bay Area Parking

\* Owned by Oakland Redevelopment Agency

Approved as to Form and Legality

  
Oakland City Attorney's Office

OFFICE OF THE CITY CLERK  
OAKLAND

2005 JUN 29 PM 1:15 OAKLAND CITY COUNCIL  
RESOLUTION NO. 80042 C.M.S.

INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_

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**RESOLUTION REJECTING ALL PROPOSALS FOR THE MANAGEMENT OF THIRTEEN (13) CITY OF OAKLAND OFF-STREET PARKING FACILITIES, AND TO ISSUE A NEW REQUEST FOR PROPOSAL (RFP) FOR OPERATION AND MANAGEMENT OF THE CITY'S OFF-STREET PARKING FACILITIES**

**WHEREAS**, the City of Oakland owns and operates parking facilities throughout the City to serve the public; and

**WHEREAS**, the Public Works Agency is responsible for overseeing and managing the operation and maintenance of said parking facilities, through parking management contractors; and

**WHEREAS**, in May 2004, Public Works issued a Request for Proposals for management of fourteen (14) parking facilities, and received seven (7) proposals; and

**WHEREAS**, in June 2004, the 18<sup>th</sup>/Telegraph parking lot was taken out of service as part of the Oakland School of the Arts project, thereby decreasing the number of parking facilities under City operation to thirteen (13); and

**WHEREAS**, an independent panel of parking managers from around the Bay Area ranked these seven proposals based on an objective set of criteria; and

**WHEREAS**, at the January 18, 2005 City Council meeting, Public Works staff presented a recommendation to begin negotiations with the first-ranked firm, and if staff could not come to terms with the first-ranked firm, negotiations would proceed with the second-ranked firm, and so on, until the City and a firm could agree to terms; and

**WHEREAS**, staff would then subsequently return to the City Council with for approval of a negotiated agreement; and

**WHEREAS**, the City Council rejected staff's recommendation and directed staff to continue the existing contract with Bay Area Parking, and to consider a new process on the award of a parking management contract which would take local business participation into account as part of the selection process; and

**WHEREAS**, staff has continued the existing contract with Bay Area Parking; now, therefore, be it



**RESOLVED:** That the City Council hereby rejects all proposals for the Operation and Management of Fourteen City of Oakland Off-Street Parking Facilities, dated March 2004; and be it

**FURTHER RESOLVED:** That staff is hereby directed to revise and reissue a new Request for Proposals for the Operation and Management of the City's Parking Facilities; and be it

**FURTHER RESOLVED:** That said Request for Proposals shall include criteria to evaluate and rank the proposals, including criteria which evaluates the extent of local business and local employment participation and commitment, as shown herein:

• Proposed cost (cashiering, cleaning, security, management fees)	15%
• Qualifications and prior experience	10%
• Financial stability	10%
• Knowledge of and experience in the Oakland business market	5%
• Hiring, operating, training and auditing procedures	10%
• Demonstrated ability to provide high quality of customer service and high quality operations	10%
• Information provided by reference checks and independent site inspections	10%
• General presentation to the selection panel	5%
• Capability to market the City's parking programs, and plan for maximizing facility utilization and revenues	10%
• Extent of local business and local employment participation and commitment	15%
<b>TOTAL:</b>	<b>100%</b>

and, be it

**FURTHER RESOLVED:** That staff is directed to return to the City Council with a recommendation on a new parking management contract upon conclusion of the RFP and evaluation process

IN COUNCIL, OAKLAND, CALIFORNIA, JUL 18 2006, 2006

**PASSED BY THE FOLLOWING VOTE:**

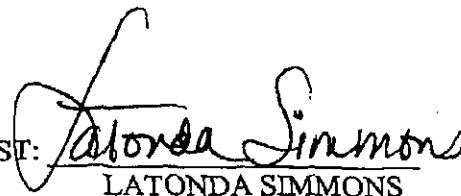
AYES – BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT DE LA FUENTE – 8

NOES – 0

ABSENT – 0

ABSTENTION – 0

ATTEST:

  
LATONDA SIMMONS

City Clerk and Clerk of the Council  
Of the City of Oakland, California



# Memo

Office of the City Administrator  
Contract Compliance & Employment Services Division

To: Gwen McCormick  
From: Shelley Darensburg, Contract Compliance Officer, CC&ES Division  
Through: Deborah Barnes, CC&ES Manager *Deborah Barnes*  
Cc: Ade Oluwasogo  
Date: November 13, 2006  
Re: Compliance Analysis:  
The Management and Operation of the Thirteen Off-Street Parking Facilities

Contract Compliance & Employment Services reviewed six (6) proposals received in response to the above referenced project. Below is the outcome of our compliance evaluation for the twenty percent (20%) minimum participation requirement and a preliminary review for compliance with the Equal Benefits Ordinance.

The L/SLBE findings are as follows:

	Company Name	Bid Amount (If Applicable)	Proposed Participation			Preferences			Banked Credits Eligibility?	EBO Compliant? (Y/N)	
			Total L/SLBE	LBE	SLBE	Trucking	Total Credited	Adjusted Bid Amount			Points
1	AKI Parking	NA	100%	10%	90%	NA	100%	NA	5	2	Y
2	Ampco System Parking	NA	100%	45.98%	54.02%	NA	100%	NA	5	2	Y
3	Central Parking Systems	NA	99.60%	73.80%	25.80%	NA	51.60%	NA	5	0	N
4	Douglass Parking, LLC	NA	100%	73%	27%	NA	54%	NA	5	0	Y
5	Imperial Parking (U.S.), Inc.	NA	27.89%	0%	27.89%	NA	27.89%	NA	2	0	Y
6	Parking Concepts	NA	100%	87.63%	12.37%	NA	24.74%	NA	2	0	Y

As noted above, all of the firms exceeded the 20% L/SLBE requirement. Also, all of the firms are EBO compliant except Central Parking Systems. Central Parking Systems will have to be EBO compliant prior to contract execution.

If you have questions or need additional information, please contact Shelley Darensburg, Contract Compliance Officer, at 238-7325.

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