



CITY OF OAKLAND

AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Ryan Russo
Director, DOT

SUBJECT: Parking Garage Revenue Control
System Maintenance Agreement

DATE: December 21, 2020

City Administrator Approval

Date:

Jan 5, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator Or Designee To Finalize And Execute A Maintenance And Service Agreement With Scheidt And Bachmann, U.S.A., Inc. In Support Of The Parking Access And Revenue Control System Used At City Parking Garages For A Period Of Three Years At An Average Annual Amount of \$227,710.67 And A Total Contract Cost Of \$677,132.00; Providing the Necessary Spending Authority For All Three Years of the Contract; And Waiving The Advertising, Bidding And the Request For Qualifications/Proposal Competitive Selection Requirements.

EXECUTIVE SUMMARY

This agreement will provide for continuity of service for a preventative maintenance, on-call services and replacement parts for the City's parking access and revenue control system originally installed at seven City parking facilities in 2010-12. Approval of the resolution will enable City staff to execute a new three-year extension of the current sole-source Maintenance and Warranty Agreement with Scheidt & Bachmann USA, Inc. (Scheidt and Bachmann) at a total three-year contract amount of \$677,132.00, including \$499,693.00 for quarterly payments and transaction fees, \$120,000 in contingency capacity for non-warranty service work and parts, and \$57,439.00 to cover unpaid invoices and fees from prior contract years. The Scheidt and Bachmann system is a propriety solution, with parts and service only available through Scheidt and Bachmann. For this reason, staff is requesting that City Council waive any competitive requirements that would normally apply.

BACKGROUND / LEGISLATIVE HISTORY

In 2010, City Council authorized the City Administrator to negotiate and execute a contract with Scheidt & Bachmann to provide a parking access and revenue control system (PARCS) for seven of the City's parking garages at a cost of \$2,500,000. Installation of the system subsequently took place between November 2011 and June 2012. The cost of the original contract included a one (1) year warranty that covered all replacement parts and labor for regular maintenance and on-call service.

City Council
January 19, 2021

In September 2013, City Council passed Resolution No. 84646 C.M.S., authorizing the execution of a three-year agreement with Scheidt and Bachmann USA, Inc. to provide the maintenance, repair and replacement part services in support of the parking access and revenue control system used at seven City-owned garages.

In September 2016, City Council passed Resolution No. 86462 C.M.S., authorizing the execution of another three-year agreement with Scheidt and Bachmann USA, Inc.

ANALYSIS AND POLICY ALTERNATIVES

In 2016, staff finalized and executed the latest three-year extended maintenance agreement in with Scheidt and Bachmann USA, Inc. in support of the City's parking access and revenue control system (PARCS) that is used at seven garages in Downtown Oakland. The City's Scheidt and Bachmann PARCS is a turn-key system and the necessary support services for the system are provided only by Scheidt and Bachmann. There are no alternative service providers in the local market capable of supporting the system, and replacement parts are only available from Scheidt and Bachmann itself.

In 2017 with the help of the City's parking facility operator-manager, City of Oakland Parking Partners, Scheidt and Bachmann agreed to credit the City one-year of preventative maintenance after acknowledging that it had not fulfilled its obligations under its agreement of the City. In negotiating this arrangement the City received services valued at \$99,000.00.

During this time the City continued to incur costs for transaction and credit card fees and after completing a critical server upgrade this past year using the authority and contract capacity of the previous agreement, there is an outstanding quarterly payment. Together these expenses total \$57,493.00, which staff is requesting capacity and spending authority to take care of as a cleanup measure.

This past year the City opened a new garage, the Alexan-Webster which is equipped with a newer generation Scheidt and Bachmann system. Like the original system procured in 2010 that system came with a one year warranty.

The Scheidt and Bachmann system is used to control access to the City's garage for all parkers, with approximately two-thirds of parkers using the garages on a daily or transient basis and a third using them on a monthly permit basis. Revenue from daily or transient parking processed through the Scheidt and Bachmann system over the past couple of years can be found in **Table 1** below (*current fiscal year is projected based on first five months).

Table 1: Transient Revenue Processed through PARCS

| Fiscal Year | Parking Revenues |
|--------------------|-------------------------|
| 2018-2019 | \$7,438,000.00 |
| 2019-2020 | \$6,131,000.00 |
| 2020-2021* | \$1,655,520.00 |

With these developments and requirements in mind staff negotiated with Scheidt and Bachmann to establish the terms of yet another three-year renewal of the maintenance and warranty agreement (see **Attachment A**).

In doing so Scheidt and Bachmann agreed to all of the City's terms in the draft agreement including the annual pricing schedule. The year-over-year increase in the base cost of the agreement takes into account the aging of the PARCS devices, which results in additional costs to Scheidt and Bachmann. The cost of operating the system also includes transaction and credit card fees, which staff estimates to be \$24,875.00 annually.

As the maintenance and warranty agreement do not cover all potential costs of maintaining and repairing the system, staff is also requesting contract capacity and spending authority for contingencies in the amount of \$40,000.00 annually. All of these items and amounts are summarized in **Table 2** below.

Table 2: Cost of Agreement by Year and Item

| Year | PM/Warranty | Transaction Costs | Contingency | One-time | Total |
|-------|--------------|-------------------|--------------|-------------|--------------|
| 1 | \$134,835.00 | \$24,875.00 | \$40,000.00 | \$57,439.00 | \$257,149.00 |
| 2 | \$141,577.00 | \$24,875.00 | \$40,000.00 | \$0.00 | \$206,452.00 |
| 3 | \$148,656.00 | \$24,875.00 | \$40,000.00 | \$0.00 | \$213,531.00 |
| Total | \$425,068.00 | \$74,625.00 | \$120,000.00 | \$57,439.00 | \$677,132.00 |

Oakland Municipal Code (OMC) Section 2.04.050 requires formal advertising and competitive bidding when the City purchase services, supplies or combination thereof required by the City which exceeds \$50,000.00. However, OMC Section 2.04.050 I. 5 permits the Council to waive these requirements upon a finding and determination that it is in the best interests of the City to do so. Additionally, OMC Section 2.04.051 A requires the City to conduct an RFP/Q prior to the purchase of professional services unless this requirement is waived under OMC Section 2.04.051 B upon a finding by the City Council or its designee that it is in the best interests of the City to do so.

Staff recommends that based on the reasons and circumstances set forth above, the City Council pursuant to OMC Section 2.04.50 I.5 and Section 2.04.051 B, respectively, finds and determines that it is in the best interests of the City to waive the formal advertising, competitive bidding, and the RFP/Q requirements and authorize the City Administrator to finalize and enter into a new agreement with Scheidt & Bachmann.

The alternative, which staff does not recommend would be to not extend the agreement and have the City incur the inevitable costs and consequences of not properly maintaining its PARCS system. The cost of using Scheidt and Bachmann to support the system on a "time and materials" basis would be unpredictable and likely lead to additional costs, including the possible loss of revenues and poor customer service due to lack of timely support, and it would

still be necessary to authorize payment of the transactions fees, which are a necessary cost of using the system.

FISCAL IMPACT

The fiscal impact of this item is expenditures of \$677,132.00 over a three-year period. Funds in the amount of \$257,149.00 are available for the current fiscal year in Multipurpose Reserve Fund (1750), Revenue Organizations (08931), Miscellaneous Contract Services Account (54919), Non Project (1003469). Funds in the amount of \$206,452.00 in Fiscal Year 2021-2022 and in the amount of \$213,531.00 in Fiscal Year 2022-2023 will be included in the City's next two-year budget cycle and used for the second and third year of the contract respectively.

PUBLIC OUTREACH / INTEREST

The City "Parking Principles" (Resolution 84664 C.M.S.) state that "parking should be easy for customer" and that "parking should be actively managed to maximize efficient use of a public resource". This report and recommendation support the efficient access to the City's parking facilities and proper control of revenues from parking operations.

COORDINATION

The Budget Bureau and Office of the City Attorney have reviewed this report and resolution for fiscal and legality purposes.

SUSTAINABLE OPPORTUNITIES

Economic: Demand-responsive parking management is expected to increase the ease and availability of parking in Oakland commercial districts, supporting increased economic activity, meter collections and sales tax collections.

Environmental: Research indicates that up to thirty percent of traffic congestion is due to vehicles circling for available parking. Variable parking pricing aims to increase availability and, therefore, decrease greenhouse gas emissions.

Social Equity: Availability of parking priced lower than the current flat \$2 per hour promises to increase access to commercial districts for all drivers and commuting employees in particular.


ACTION REQUESTED OF THE CITY COUNCIL

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Providing the Necessary Spending Authority For All Three Years of the Contract; And Waiving The Advertising, Bidding And the Request For Qualifications/Proposal Competitive Selection Requirements.

For questions regarding this report, please contact Michael Ford, Division Manager, via email at mford@oaklandca.gov or phone (510) 238-7670.

Respectfully submitted,



Ryan Russo
Director, Department of Transportation

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Attachments (1):

A. Scheidt & Bachmann USA, Inc. Draft Maintenance Agreement