



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

REVISED

DATE ISSUED: January 7, 2016 REPORT NO: 16-004
ATTENTION: Honorable Council President and City Council
SUBJECT: Contract for Parking Management Services and Automated Parking System Upgrade for Evan V. Jones Parkade.
REFERENCE: None

REQUESTED ACTION:

Authorize the resolution executing a management agreement for the operation and the automated parking system upgrade of the Evan V. Jones Parkade between the City of San Diego and Ace Parking Management.

STAFF RECOMMENDATION:

Approve requested action.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The Evan V. Jones Parkade (Parkade) parking garage is managed by Real Estate Assets (READ) and is a part of the Concourse/Parking special fund. The garage is budgeted to generate gross revenue of approximately \$1,990,000 in Fiscal Year 2016.

The Parkade was constructed in 1964 as part of the Community Concourse complex and consists of 12 levels of parking for 1,141 cars. The parking controls such as the access gates currently in place were installed in 1988. The Parkade is used by a large number of City employees, as well as daily customers and visitors.

In 2010, the Parkade's parking services contract was awarded to ACE Parking Management Inc. for a three-year term with two one-year options and a month to month holdover provision. Since February 17, 2015, the contract has been on a month-to-month holdover.

This Request for Proposal (RFP) included provisions to improve customer service levels, provide for capital investment, and potentially increase revenue for the City by reducing labor costs and increasing the accuracy of accounting with the aid of automation. To this end, READ solicited ideas for improvements to the Parkade's operations from City Council, employees and stakeholders and included these requirements in the RFP.

Based on the input of various City departments it was decided to upgrade the Parkade by removing the existing parking control equipment and by converting the Parkade to a fully automated facility, which will allow visitors to utilize self-service pay machines in combination with having ambassadors for support during peak hours. The project will improve the overall traffic flow by reducing the time to exit due to transactions occurring in advance. The project will also centralize the supervision via a command center operation. Intercoms will facilitate immediate response to customers' issues and monitoring of entrance and exit gate activity. In addition to the equipment upgrade, the Parkade will get new graphic upgrades, including new signage.

Lighting improvements were also requested via feedback from stakeholders although lighting improvements were not included in the RFP due to a separate lighting upgrade project that is being managed by the Environmental Services Department. The City is responsible for the maintenance and/or replacement of the Parkade elevators. Funding to replace the controllers and modernize the elevators would need to be included in a future City budget. Security is not part of the parking management contract and has not been addressed in this RFP. The level of janitorial services has increased over the past 6 months and this increased cleaning schedule was a requirement of the RFP.

Parking management consultant, Clyde Wilson, CEO of The Parking Network, was retained to advise the City with regard to the preparation and process for the RFP as parking technology has changed significantly since the last RFP was issued. An RFP for parking management service and an automated parking system upgrade was issued by the Purchasing and Contracting Department. Respondents were asked to submit proposals for services for a five-year contract. The objective of the RFP was to make an award to a qualified contractor that delivers the best overall value to the City considering the evaluation factors in the RFP. This included a contractor who is customer service orientated, knowledgeable, experienced and able to provide timely delivery of the requirements. The Contractor will be required to meet the City's needs while maximizing quality, effective and efficient management of the parking operations and offer the most competitive price to the City.

The RFP was published and in addition, several major parking management companies were contacted individually by the Purchasing & Contracting Department. The RFP resulted in one response from ACE Parking Management, Inc. (Ace). The source selection committee completed the review of the proposal and found that the Ace proposal was made in accordance with the evaluation criteria specified in the RFP. Since the proposal meets City requirements, staff recommends that the City of San Diego enter into the proposed contract with Ace, the qualified contractor that delivers the best overall value to the City.

The conversion of the Parkade to an automated parking garage will take approximately 180 days from the issuance of the "Notice to Proceed" to the installation and testing of the new equipment. During construction, the Parkade will remain open. Ace will provide traffic ambassadors at entry or exits if there is to be any disruption of service.

The proposed equipment manufacturer is Amano McGann, which is one of the largest parking equipment manufacturers currently on the market. The proposed parking system solution is currently installed throughout San Diego and includes: San Diego International Airport, San Diego Convention Center, University Towne Center, Emerald Plaza, and Horton Plaza. The equipment will include three pre-pay machines – one on the street level next to the elevators, one on the terrace level next to the elevators, and

one at the visitor exit lane. It will include new barrier gates, a new intercom system with larger card readers, and software, which includes features such as remote connectivity, access control, revenue management, count management systems, custom reporting, and many other options. It will also include a capacity count system that controls three LED signs, which will read "FULL" when all parking spaces are occupied. Ace will install the system at a wholesale cost with zero percent interest financing of the equipment over a 5-year amortization period.

The pre-pay machines will allow users to use cash or credit cards to pay the parking fee prior to reaching the gate thus improving exit times. City provided "parking validation stamps" will be replaced with parking validations printed on a mass-validator by Ace. These validated tickets will be accepted at the exit station. The parking access control system will keep track of how many tickets each department orders.

The conversion of the Parkade to an automated parking garage will allow the collection of parking fees during off-hours when Parkade staff has not been typically present such as on weekends or holidays. City staff has not been able to forecast potential revenue increase because of lack of historical data. The usage of the Parkade will vary depending on surrounding activities or future development. It is not anticipated that usage from Gaslamp patrons will have a significant impact on the Parkade, although there could be some advertising or marketing campaigns that could increase weekend usage. Usage marketing was not included in the RFP.

FISCAL CONSIDERATIONS:

Firm-fixed pricing has been secured for the entire five-year term of the contract. The total cost of the five-year contract to the City shall not exceed \$1,393,498. The total cost includes \$939,225 for maintenance and operating expenses (which includes a \$60 management fee over 5 years), \$62,500 for maintenance agreements, \$259,000 for the upgrade project (equipment & construction), 10% contingency (\$93,923) for maintenance and operation to cover possible emergency repairs, occasional special events labor costs, and Living Wage increases. The total cost also includes a 15% upgrade project contingency (\$38,850) for unforeseen construction issues.

The cost for Fiscal Year 2016 is not to exceed \$92,175. The cost is not to exceed \$274,046 for Fiscal Year 2017; \$277,531 for Fiscal Year 2018; \$276,289 for Fiscal Year 2019; \$282,404 for Fiscal Year 2020; and \$191,053 for Fiscal Year 2021.

Revenue from the operation of the garages is budgeted to be approximately \$1,990,000 in FY2016. The revenue that is net of the operating expenses is deposited in the General Fund.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal #1: Provide high quality public service

Objective #1: Promote a customer-focused culture that prizes accessible, consistent and predictable delivery of services.

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods.

Objective #3: Invest in infrastructure

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This contract is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No.18173, Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This action was heard by the Committee on Smart Growth and Land Use of the City Council on January 20, 2016 and forwarded to the full Council with a recommendation to approve.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

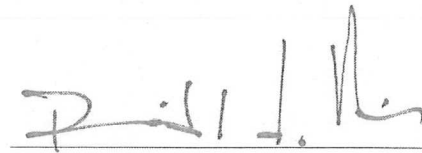
No public outreach efforts have been made.

KEY STAKEHOLDERS:

The key stakeholders include City employees, City Hall visitors, and Civic Theater visitors.



Cybele L. Thompson
Director, Real Estate Assets



Ronald H. Villa
Deputy Chief Operating Officer