



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute a First Amendment to the Seaport Drayage Truck Parking/Container Depot Parking Management Services Agreement with ABM Industry Groups, LLC, dba ABM Parking Services to Extend the Term through April 30, 2027, Increase the Agreement Budget by \$7.8 Million, and Make Other Operational Changes, and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Maritime)**

Submitted By: Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director

Parties Involved:

ABM Industry Groups, LLC
San Francisco, CA
Renee Jacobsen, Managing Member

Amount:

Up to approx. \$7.8 million (Part of
\$9.7 million FY26-FY27 Operating
Expense)

Up to approx. \$17.3 million (Operating
Revenue) FY26-FY27

EXECUTIVE SUMMARY: The Port of Oakland (Port) and ABM Industry Groups, LLC dba ABM Parking Services (ABM) entered into a Seaport Drayage and Truck Parking/Container Depot Parking Management Services Agreement (Agreement) effective April 12, 2021, for a term up to five years (through April 2026) at an estimated total cost up to \$18.6 million. Port staff seeks authorization from the Board of Port Commissioners (Board) to enter into a First Amendment to the Agreement to (1) extend the term through April 2027 and (2) increase the Agreement budget by \$7.8 million.

BACKGROUND & ANALYSIS

Pursuant to requirements stemming from the redevelopment of the Former Oakland Army Base, the Port is required to provide 15 acres of “truck parking” (overnight and short-term daytime parking) on Port property at the Seaport, and has met or exceeded this requirement through the establishment of ancillary support facilities for truck parking and associated container storage/staging (Truck Parking/Container Depot or Depot). The Depot is an important component of the efficient operation of the Seaport. Based on truck parking demands and various land use needs in the Seaport, the space allocated for Depot operations has expanded, contracted, and relocated within the Seaport over time.

In 2007, after issuing a Request for Proposal (RFP), the Port retained AMPCO Systems Parking, Inc. (now ABM Industry Groups, LLC dba ABM Parking Services, or ABM) to manage the Depot. The Port and ABM entered into various agreements for ABM to provide Depot management services through April 2021. Then, following a subsequent RFP process, the Port and ABM executed the current multi-year Agreement. Key terms of the Agreement are presented in Exhibit A.

The current Agreement affords the Port the right to expand, contract, or relocate (permanently or temporarily) the Depot. During the term of the Agreement, the Port did exercise these rights multiple times for various reasons, as listed in Exhibit B. The expansion, contraction, and relocation of the Depot has resulted in increased costs incurred by ABM to manage the Depot; it has also resulted in greater revenue to the Port than initially anticipated. Since the acreage of the Depot has largely been expanded, costs have increased for additional security personnel, waste collection, additional portable restroom facilities, parking tax paid to the City, insurance required to be carried by ABM, paint striping to mark parking stalls, and ABM's monthly management fees.

Currently, the Depot consists of 15 acres at the Roundhouse, and 60 acres at Outer Harbor Terminal, for a total of 75 acres. Staff is facing two time-sensitive challenges regarding Depot operations:

1. The current Agreement will run out of funds in October 2025; expenses through the current expiration of the Agreement (April 30, 2026) cannot be paid. For ABM to continue Depot operations in November 2025 through April 2026, an additional approximate \$2.8 million is required, for total annual expense of approximately \$4.7 million, as shown in Table 1 below. Staff proposes to execute a First Amendment to the Agreement to increase the amount payable to ABM by said \$2.8 million.
2. Depot operations need to continue past April 30, 2026, to support Seaport operations. In addition to (1) above, the First Amendment would extend the Agreement one year, through April 30, 2027; increase the amount payable to ABM by approximately \$5.0 million for the extension period; require ABM to use Smart Parking System software; and cap administrative fees payable by ABM.

Key terms of the proposed First Amendment are presented in Exhibit A. Table 1 below summarizes actual and anticipated (depending on the year) revenue and expenses through the proposed extended term.

Table 1

Contract Year (CY)	Gross Revenue	ABM Expenses	Net Revenue
CY1: May 2021-April 2022	\$6.7M	\$3.6M	\$3.1M
CY2: May 2022-April 2023	\$7.0M	\$3.6M	\$3.4M
CY3: May 2023-April 2024	\$10.1M	\$4.7M	\$5.4M
CY4: May 2024-April 2025	\$11.4M	\$4.5M	\$6.9M
CY5: May 2025-April 2026	\$9.2M	\$4.7M	\$4.5M
CY6 (Proposed): May 2026-April 2027	\$8.1M	\$5.0M	\$3.1M
Total	\$52.5M	\$26.1M	\$26.4M

Planning for a proposed expiration in April 2027, Port Staff continues to assess the current contract structure and possible alternative structures to ensure that day-to-day operations

of the Depot are efficient, accurate, safe, and responsive to our customers' needs. Staff will keep the Board apprised of proposed changes to future operations as we near Agreement expiration.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☒ Categorically exempt under the following CEQA Guidelines Section:
15301 (Existing Facilities)
- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☐ Other/Notes:

BUDGET

☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☒ Operating ☐ Non-Operating ☐ Capital

Analysis: The revenue and expense associated with the proposed First Amendment are consistent with the adopted Maritime Division FY 2026 operating revenue and operating expense budgets. No budgetary concern is anticipated currently in FY 2026; the FY 2027 budget will reflect the terms of the First Amendment.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

<p><u>MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):</u></p> <p><u>Applies?</u> No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>	<p><u>LIVING WAGE</u> (City Charter § 728):</p> <p><u>Applies?</u></p> <p>Yes (Service Provider) – proposed action entails at least \$50,000 in payments to service provider (and/or its subcontractor) employing at least 21 employees who spend at least 25% of their time on Port-related work on premises owned or managed by the Port</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>
<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> No.</p> <p><u>Reason:</u> There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that present sustainability opportunities.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <p><input checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base</p> <p><input type="checkbox"/> Modernize and Upgrade Infrastructure</p> <p><input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience</p> <p><input checked="" type="checkbox"/> Maximize Land Use Value and Revenues</p> <p><input type="checkbox"/> Workforce Training and Jobs Development</p> <p><input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development</p>	

Exhibit A

Key Terms of Agreement

Current Key Terms

- Form of Agreement: Operating Agreement.
- Locations/Size of Depot Operations: 15 acres at the Roundhouse and 25 acres at Howard Terminal; 40 total acres. The Port retains the right to expand, contract, or relocate (permanently or temporarily) the Depot.
- Term: One-year initial term with four, one-year options to extend subject to mutual agreement; the max term of the Agreement is five years, or May 1, 2021, through April 30, 2026.
- Termination: The Port can terminate the Agreement for convenience with 180 days' advance written notice; ABM does not have a termination right.
- ABM's Operational Responsibilities:
 - Provide monthly and daily parking arrangements to owners and operators of commercial trucks (with preference to truckers engaged in the movement of Port maritime related containers) twenty-four (24) hours per day, seven (7) days a week.
 - Develop and execute procedures for efficient, competent, and accurate management of the operation, including revenue collection, gate management, and Depot security.
 - Provide competent staffing, including a seasoned general manager with experience operating a multi-shift parking operation with at least ten (10) employees.
 - Maintain database information associated with gate transactions.
- Administrative Fees: ABM is required to meet various performance metrics outlined in the Agreement. These metrics include, but are not limited to, proper financial reporting to the Port, deadlines to submit reports and invoices to the Port, how to properly interact with customers, etc. In the event a metric is not met, the Port can assess "Administrative Fees" which are financial penalties assessed to ABM on a per occurrence basis.

Proposed Key Terms of First Amendment

- Effective Date: November 1, 2025
- Term: Extend the Agreement one year, through April 30, 2027 (Contract Year 6).
- Budget: The term extension of one year requires an additional \$7.8 million for remaining six months of Contract Year 5 expenses and Contract Year 6 expenses.
- Implementation of Smart Parking System (“SPS”): The SPS is a software platform for depot management and customer fee collection that was developed for the Port as part of the grant funded Freight Intelligent Transportation Systems (“FITS”) program. SPS allows the Port to collect revenue directly from Depot customers via ACH, credit, or debit card versus ABM collecting checks from customers and remitting to the Port. SPS will also allow Port Staff to have “real-time” visibility into day-to-day operations of the Depot (e.g., gate transactions, Depot stall assignments, utilization, etc.) which will enable much greater Port oversight over ABM or a future Depot operator. ABM will be required to use SPS; the Port anticipates SPS to be operational within six to eight months from the effective date of the First Amendment.
- Cap on Administrative Fees: Annual Administrative Fees (e.g., penalties the Port can impose on ABM for not meeting contractual performance metrics) cannot exceed what ABM collects in Management Fees from the Port in a given contract year. ABM’s current Management Fee is approximately \$9,000 per month (\$108,000 annualized). However, this Management Fee is subject to increase or decrease given size of the Depot.
- Updated Financial Management Requirements: Adds procedures to clearly require, monitor and track security deposits and adds additional requirements/details for reconciliation reports and write-off requests.

Exhibit B
Port-Directed Changes to Operations

The current Agreement affords the Port the right to expand, contract, or relocate (permanently or temporarily) the Depot. On various occasions during the term of the Agreement, notably in 2023-2025, the Port exercised its rights to expand, contract, or relocate the Depot for various reasons including, but not limited to, those listed below. These changes increased the Port's costs to operate the Depot (i.e., the amount payable to ABM):

- The Port required additional or less parking capacity based on market demand;
- The Port has converted portions of Depot land to either short or long-term tenancies for other uses to support market demand (e.g., space assignments to supplement nearby tenancies);
- The Port performed pavement maintenance and repairs in portions of the Depot; and,
- In 2024, the Port converted land leased to individual short-term tenants (i.e., space assignments) to Depot operations. While this lowered revenue, it afforded the Port the ability to accommodate anticipated grant-funded redevelopment projects or long-term leasing for other uses – however, very few of these actually advanced given schedule delays and market conditions.