

AGENDA REPORT

Resolution: Authorize the Executive Director to Extend the Term of the Management Agreement with ABM Industry Groups, LLC, dba ABM Parking Services, for the Seaport Interim Truck Parking Facilities for a Term up to Two Years at an Estimated Cost of \$6.9 million. **(Maritime)**

MEETING DATE: 7/12/2018

AMOUNT: \$6.9 million (over two years)
Operating Expense

PARTIES INVOLVED: ABM Industry Groups, LLC / San Francisco, CA
Robert Dawes, Operations Vice President

SUBMITTED BY: John C. Driscoll, Director of Maritime

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

ABM Industry Groups, LLC currently manages the Port of Oakland's (Port's) facilities for truck parking and associated container storage/staging pursuant to a management agreement that will expire in on July 31, 2018. In February 2018, the Port issued a Request for Proposals ("RFP") for management of the Port's Truck Parking operations in the Maritime Area ("Seaport"). Due to unforeseen issues, additional time is needed to conclude the selection process. Port staff seeks authorization from the Board of Port Commissioners ("Board") to extend the term of the existing agreement for up to one year, through July 31, 2019, with a one-year option to extend, if necessary, subject to the approval of the Executive Director.

BACKGROUND

Pursuant to requirements stemming from the redevelopment of the Oakland Army Base, the Port is required to provide 15 acres of ancillary maritime services on Port property at the Seaport. Since the early 2000s, the Port has met or exceeded this requirement, through the establishment of ancillary support facilities for truck parking and associated container storage/staging ("Truck Parking" or "Truck Parking Facilities" for simplicity). Based on Truck Parking demands and Maritime's various land use needs, the space allocated for Truck Parking has expanded, contracted, and relocated over time to best serve the Port's operational needs.

Truck Parking has proven to be a key component to improving operational efficiencies at the Seaport.

Currently, the Port provides Truck Parking at three geographically separate locations, totaling approximately 82 acres (the “Interim Truck Parking Area”) – the three locations are approximately 28 acres of Howard Terminal, 43 acres of the Outer Harbor Terminal, and approximately 11 acres at the “Roundhouse” property; refer to Exhibit A for location map. The Port’s long-term land use plan provides that these areas will be used primarily for water-dependent uses, including but not limited to container terminal operations; therefore, staff considers the current Truck Parking locations to be interim in nature and size, and subject to change.

In 2007 through a competitive bidding process, the Port retained AMPCO Systems Parking, Inc. (“AMPCO”) to manage the Seaport Truck Parking operation. Since this time, AMPCO has changed its name to ABM Industry Groups, LLC dba ABM Parking Services (“ABM”). At that time, the total acreage dedicated to Truck Parking and operated by AMPCO/ABM on behalf of the Port was 15 acres. Also since 2007, major changes have taken place at the Seaport, including a reduction from seven to four active marine terminals. The remaining marine terminals have quickly densified their operations and, as a result, the demand for near-dock Truck Parking has grown significantly. As a result, the amount of Truck Parking has grown from 15 acres to the current 82 acres, and Truck Parking services have played a critical role in maintaining the velocity of goods movement through the Port’s marine terminals and minimizing the parking of trucks and intermodal equipment on streets located outside the Seaport. Over time, as marine terminal operations once again expand and change, we expect to see changes in the demand for Truck Parking services.

In November 2017, the Board approved an extension to the agreement with ABM for Truck Parking management services, while Port staff issued a Request for Proposals (“RFP”) for a new management agreement. The RFP process has taken longer than anticipated, and the current agreement with ABM will expire on July 31, 2018.

ANALYSIS

ABM has been managing the Port’s Truck Parking operation successfully for several years, and is very familiar with the needs of both truckers and the Port. An interruption in the provision of Truck Parking would have a negative impact on Seaport operations and trucking-related issues outside the Seaport.

Therefore, Staff believes that an extension to the Agreement with ABM for up to one year, through July 31, 2019, is not only necessary but also appropriate to help ensure continuity of service while procurement issues are resolved. Staff further believes that it is prudent to provide for an additional option to extend the term of the agreement up to one additional year (through July 31, 2020), subject to the approval of the Executive Director. This additional extension would be necessary if the RFP process does not reach a successful conclusion and Staff determines that it must re-issue an RFP.

The proposed amendment to the agreement would include a right for the Port to terminate the agreement at any time with 30 days' notice, so that the Port could transition to a new operator under a new agreement upon conclusion of the procurement process.

BUDGET & STAFFING

The proposed extension with ABM is for up to two years, from August 1, 2018 through July 31, 2020). The total estimated total cost of Truck Parking operations is \$6.9 million over two years. Over that same 2-year period, Truck Parking services are estimated to generate \$13.8 million of revenue. Thus, the proposed extension could result in net operating revenue of up to approximately \$6.9 million over two years or about \$3.4 million per year. This is consistent with the financial performance of Truck Parking services in recent years.

The proposed action will have no impact on Port staffing levels as Port staff currently manages and administers the current Truck Parking agreement.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) does not apply because this agreement is for professional services that are not within the craft jurisdiction of the unions signatory to the MAPLA.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

1. Goal: Grow Net Revenues
2. Goal: Improve Customer Service

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), apply to this Agreement as the service provider employs 21 or more employees working on Port-related work, and the contract value is greater than \$50,000.

SUSTAINABILITY

Port staff has reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. 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.

ENVIRONMENTAL

CEQA Determination: The proposal to extend an existing agreement with ABM to manage the Seaport Truck Parking operation was reviewed in accordance with the requirements of the California Environmental Quality Act (“CEQA”) and the Port CEQA Guidelines. The proposed agreement extension is categorically exempt from CEQA pursuant to the Port CEQA Guidelines, Section 15301(p), which exempts renewals, extensions or amendments to leases or license and concession agreements where the premises or licensed activity was previously leased or licensed to the same or another person, and involving negligible or no expansion of use beyond that previously existing.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

Professional service agreements are not subject to the Port’s Owner Controlled Insurance Program (OCIP) as professional services are not construction activities.

OPTIONS

Staff has identified the following options for the Board’s consideration:

1. Authorize the Executive Director to extend the current management agreement with ABM through July 31, 2019, with one additional 1-year option to extend, if necessary, subject to Executive Director approval. This is the recommended action.
2. Authorize the Executive Director to extend the management agreement with ABM through July 31, 2019 only.
3. Do not authorize an extension to the management agreement with ABM. This action would suspend Truck Parking operations effective July 31, 2018 until a new operator is procured under a new agreement.

RECOMMENDATION

Staff recommends that the Board adopt a resolution authorizing the Executive Director to extend the Truck Parking management agreement with ABM Industry Groups, LLC, for up to one year through July 31, 2019, with one additional 1-year option to extend, if necessary subject to approval of the Executive Director, for a total compensation amount of approximately \$6.9 million.

Exhibit A

Interim Truck Parking Facilities Location Map

