

AGENDA REPORT

Resolution: Approval to Execute a Two-Month Extension of the Airport Parking Management Agreement with LAZ Parking-California, LLC to January 31, 2018 for an Amount Not to Exceed \$821,000 (**Aviation**)

MEETING DATE: 10/26/2017

AMOUNT: \$821,000
Operating Expense

PARTIES INVOLVED: **LAZ Parking-California, LLC**, Oakland, CA
Kendra Petty, Vice President

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Staff requests authorization to extend the Port's contract with LAZ Parking-California, LLC ("LAZ") for the provision of Airport Parking Management Services for a period of up to two months, to January 31, 2018. This action is recommended to assure operational continuity through the end-of-year holiday period and to facilitate completion of testing and acceptance of the new Airport parking revenue control system ("PARCS"). LAZ would be paid an amount not to exceed \$821,000 including a fixed management fee of \$145,492, or \$72,746 per month for the two additional months, and up to \$675,508 in reimbursable operating expense. These funds are included in the FY 2017-18 Operating Budget and the recommended action has no budget impact.

BACKGROUND

The Port executed an agreement with LAZ to provide Airport Public Parking Management services for three years plus two one-year extensions, starting on December 1, 2012. That agreement terminates on November 30, 2017. Staff has conducted a process to select a new Parking Management contractor and will soon request authorization to enter into an agreement with the new contractor to perform those services.

However, experience indicates that changing the Parking Management contractors during the end-of-year holiday period is highly disruptive for both Port and Contractor and should be avoided, if possible. A new contractor must deploy several individuals from other

locations to prepare for the new operation at OAK, which involves installing their corporate operations, accounting and reporting systems on-site. This process requires up to 30 days and under the current schedule the bulk of activity would have to occur during Thanksgiving week.

In addition, staff is in the process of activating a new PARCS, and we anticipate that a high level of system testing and acceptance activity will continue through the end of 2017. The current Parking Management contractor – LAZ – is working closely with Port staff on PARCS acceptance tasks, and maintaining that continuity through the PARCS activation and acceptance period is in the Port's interest. Also, execution of a new Airport Parking Management agreement is intended to proceed on the same schedule as the new Shuttle Fleet and Ground Transportation Services agreement, which would be similarly impacted by the holiday schedule.

ANALYSIS

LAZ has agreed to extend the current agreement with the same terms and conditions for the proposed two-month extension period. Compensation is based on reimbursement of contract-specified expenses, plus a fixed management fee that is adjusted annually based on CPI.

These amounts are summarized below.

| Function | FY 2017-18 Operating Budget | Estimated Reimbursable Expense for 2 Months | Estimated Management Fee for 2 Months (a) | Total Request | Current Contract Term | Proposed Extension Term |
|----------------------------------|-----------------------------------|--|--|------------------|---------------------------------|-------------------------------|
| Airport Parking Management | \$4,650,670 | \$675,508 | \$145,492 | \$821,000 | 12/1/1/2012 to 11/30/2017 | 12/1/2017 to 1/31/2018 |

(a) Assumes a 3% CPI adjustment as of December 1, 2017

BUDGET & STAFFING

The anticipated two month cost of extending the current contract for LAZ is \$821,000 including a fixed Management Fee of \$145,492 and \$675,508 in reimbursable operating expense. There is no budget or staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

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

STRATEGIC PLAN

Goal A: Create Sustainable Economic Growth for the Port and Beyond

- Objective 1: Maximize the use of existing assets.
- Objective 3: Increase revenue, job creation and small business growth.

Goal B: Maintain and Aggressively Grow Core Businesses

- Objective 1: Retain existing customers and tenants.
- Objective 2: Market strategically and aggressively to attract new customers and tenants.
- Objective 4: Promote effective strategic communication with Port customers.
- Objective 5: Enhance customer services (i.e., market intelligence, technical knowledge, strategic advice and problem solving).

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, the service provider is principally providing services related to maritime or aviation business, the service provider is not per se exempt under the Living Wage Regulations, and the contract value is greater than \$50,000.

ENVIRONMENTAL

CEQA Determination: This action has been determined to be categorically exempt from requirements of the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. No changes to the premises or use are proposed.

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

1. Approve the proposed action and authorize the Executive Director to amend and extend the Airport Parking Management Services Agreement with LAZ Parking-California, LLC, subject to the terms described in this Agenda Report, to provide Airport Public Parking Management services. This is the recommended action. The contract duration would extend by two months to January 31, 2018 and the total contract value increase by \$821,000 including \$145,492 in fixed Management Fees and up to \$675,508 in reimbursable operating expense.
2. Approve the proposed action and authorize the Executive Director to extend the Airport Parking Management Services Agreement with LAZ, but subject to terms that are different than those described in this Agenda Report, which may require further negotiation and/or possible rejection by the recommended contractor.
3. Do not authorize the Executive Director to amend and extend the Airport Parking Management Services Agreement with LAZ, based upon the terms described in this Agenda Report

RECOMMENDATION

Adopt a resolution to approve Option 1, authorize the Executive Director to amend and extend the Airport Parking Management Services Agreement with LAZ Parking-Oakland, LLC, subject to the terms described in this Agenda Report, to provide Airport Public Parking Management Services. The contract duration would extend by two months to January 31, 2018 and the total contract value would increase by \$821,000 including \$145,492 in fixed Management Fees and \$675,508 in reimbursable operating expense.

Figure 1
Airport Public Parking Facility Locations



- 1 - Premier Parking Lot**
- 2 – Hourly Parking Lot**
- 3 – Daily Parking Lot**
- 4 – Economy Parking Lot**
- 5 – Former Economy Lot (inactive)**