

AGENDA REPORT

Resolution: Approval to Execute an Agreement for Three Years With up to Two One-Year Options with SP+ Transportation, an Operating Division of SP Plus Corporation, for Airport Shuttle Bus, Ground Transportation and Curbside Management Services, for an Amount Not to Exceed \$29,834,767. **(Aviation)**

MEETING DATE: 12/14/2017

AMOUNT: \$29,834,767 (for five years)
Operating Expense

PARTIES INVOLVED: SP+ Transportation, an Operating Division of SP Plus Corporation, San Francisco, CA
Jason Finch, Senior Vice President

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

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

On July 28, 2017 the Port posted and advertised Request for Proposal (“RFP”) No. 17-18/03 for Airport Shuttle Bus, Ground Transportation and Curbside Management Services (“Services”). The Port received six proposals by September 14, 2017 in response to the RFP. After reviewing and analyzing those proposals, staff seeks the Board’s approval to authorize the Executive Director to execute an Airport Shuttle Bus, Ground Transportation and Curbside Management Services Agreement with the highest ranked firm, SP+ Transportation, an operating division of SP Plus Corporation (“SP +”) to provide these Services for up to five years at a cost not to exceed \$29,834,767 including fixed management fees plus reimbursable operating expense, subject to the terms described in this Agenda Report and subject to approval as to form and legality by the Port Attorney.

BACKGROUND

Airport Shuttle Operations and Ground Transportation/Curbside Management services facilitate critical access to the airline terminals for airport employees, customers, tenants and vendors. The current contract for both of these Services has been provided by the same contractor (ABM) since December 2012 through two service agreements, awarded following separate RFP processes. However experience indicates that one contractor can

effectively and efficiently manage both of these operating functions, and at less cost than if these Services were contracted separately. The Services were in fact provided under one agreement prior to 2012. Therefore the Services were posted as a single RFP contract opportunity on July 28, 2017, with proposals due on September 14, 2017.

Staff disseminated the RFP in several ways:

- Port website. The RFP is accessible online at: http://www.portofoakland.com/wp-content/uploads/17-18-03-final-version-Airport-Shuttle-Bus_Ground-Transportation_Curbside-Management-Services.pdf; and was downloaded by 53 firms;
- Advertisement in the Oakland Tribune
- Advertisement on websites for Airports Council International-North America (“ACI-NA”), Airport Minority Advisory Council (AMAC), and the International Parking Institute (“IPI”);
- Directly e-mailed to 25 Parking and Ground Transportation service stakeholders and firms and 9 Chambers of Commerce;
- Verbal communication with known interested parties; and
- The Port Social Responsibilities Division (“SRD”) conducted significant outreach to ACDBEs as described on pages 5 and 6 of this report.

The successful proposer will be responsible for:

- Operating the Airport shuttle routes that link on-Airport public and employee (permit) parking lots with the airline terminals, using Port-owned shuttle buses. This excludes performing scheduled and as-needed fleet maintenance which is provided under a separate agreement.
- Managing Ground Transportation and Curbside Operations which includes coordination of all ground transportation modes operating at the airline terminal curbs; and dispatching services for taxicabs, shared ride vans, and charter and scheduled transit services.

Six responsive proposals were received from:

- Ace Parking
- FSP-PPM LLC (dba ABM)
- Imperial Parking (Impark)
- LAZ Parking California LLC (LAZ)
- SP+ Transportation, an operating division of SP Plus Corporation
- Transdev Services

Compensation for the Services under the two expiring agreements includes a fixed management fee that includes profit, overhead, senior staff compensation and certain

insurance premiums; and reimbursement for contract-specified operating expenses. This fee structure would also apply to the proposed new agreement for these Services.

ANALYSIS

The Port established a qualified four-person Evaluation Panel (the “Panel”) comprised of Airport Business and Operations staff and a subject matter expert from Sacramento Airport, to evaluate and rank the proposals and submit a recommendation for contract award. Proposers were evaluated based on the information supplied in their written proposals and oral interviews, using the following criteria.

| Item | Criteria | Weights |
|------|--|------------------|
| | <u>Adherence to Port Policy and Other Requirements and Debarment Statement</u> Completion of forms attached to the RFP | Pass/Fail |
| | <u>Minimum Qualifications Requirements</u> Demonstrate required experience operating a shuttle bus fleet and managing ground transportation services in a medium to large hub airport environment in North America | Pass/Fail |
| 1 | <u>Company Information, Client References, Litigation and Other Information, and Required Forms</u> Company Information, Litigation Information, Past Performance, Resources and Key Personnel. | 20% |
| 2 | <u>Knowledge and Experience</u> Examples of providing the Services including experience at other North American Airports. | 20% |
| 3 | <u>Plan and Approach, Scope of Services and Recommendations</u> Detail of proposed fleet operations and maintenance plan, approach to managing curbside facilities and ground transportation operators and business intelligence capability. | 25% |
| 4 | <u>Proposed Costs</u> Fee Proposal including profit/overhead, premiums on required insurance coverages and Workers Compensation rates. | 30% |
| 5 | <u>Requested Changes in Agreement</u> Proposers requesting no changes to the terms of the Port agreement receive the maximum available points. | 5% |
| | Total | 100% |

Panelists evaluated each written proposal for Criteria 1-3: Company Information, Knowledge & Experience, and Plan and Approach/Scope of Services; and short-listed proposers participated in oral interviews.

Airport Business staff evaluated Criteria 4 – Proposed Costs based on the estimated total first-year costs as annual increases would be proportionate for each proposer. These included a fixed management fee which includes profit, overhead and senior staff compensation; estimated costs based on proposed rates for worker compensation, liability and health insurance premiums; plus reimbursement for operating expense. The highest score was awarded to the lowest cost proposer. Points were awarded to other proposers based on the relative variation of their estimated total cost to the lowest cost proposal.

No proposers were disqualified and rankings are shown below. Following evaluation of the written proposals the Panel short-listed four firms – LAZ, SP+, Transdev and Ace - who were granted oral interviews.

1. SP+ *
2. LAZ*
3. Transdev Services*
4. Ace Parking*

5. Impark
6. FSP-PPM (ABM)

** Short-listed firms granted oral interviews*

Each proposing firm except Transdev also submitted a proposal for the Port's Airport Public Parking Management contract opportunity (RFP No. 17-18/02) that is the subject of a separate agenda report for the December 14, 2017 Board meeting; and offered discounted management fees that would apply if they were awarded both contracts. The Panel ranked SP+ highest overall for the following reasons.

- **Proposer Information:** The Panel rated the proposers equally across many sub-factors under this criterion, including each company's past performance, key personnel and available resources.
- **Knowledge and Experience:** SP+ had abundant experience at medium and large hub airports nationally, demonstrating its ability to fulfill the scope of the RFP.
- **Plan and Approach/Scope of Services:** SP+ received the highest score due to several factors including its approach to operations, experience managing curbside operations and TNC drivers, and application of technology.
- **Cost:** SP+ did not submit the lowest cost proposal but their fees are competitive.

In summary the short-listed proposals were competitive. However, the SP+ proposal was the most responsive and aligned with the Port's objectives. Staff recommends that the Port enter into an Airport Shuttle, Ground Transportation and Curbside Management Services agreement with SP+ for a contract fee of \$5,617,076 including 10% contingency

on reimbursable operating expense during the first contract year, and adjusted annually based on CPI. Please see the (below) Budget and Staffing section for a breakdown of the fees. The Airport Shuttle Bus, Ground Transportation and Curbside Management Services Agreement would be for three years, plus two one-year extension options.

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE

The Airport Concession Disadvantaged Business Enterprise (ACDBE) program (U.S. Department of Transportation, 49 Code of Federal Regulation (CFR), Part 23) is a program condition that applies to these contracts because it is a concession opportunity as defined in 49 CFR Part 23, Section 23.3, as a business located on the Airport that is engaged in the sale of consumer goods or services to the public under an agreement with the Port including management contracts.

The Port of Oakland Non-Discrimination and Small/Local Business Utilization Policy (NDSLBU), including preference points allocation for local business, does not apply to this project.

These contracts are subject to the overall race neutral triennial goal of 20.26% covering Federal Fiscal Years ("FFYs") 2015-2017. The Port expects to meet its ACDBE participation goals entirely through race-neutral means. The successful proposer will be contractually required to report ACDBE participation quarterly to the Port as part of this effort.

SRD staff worked closely with the project team in outreach efforts for this project. As necessary under the federal requirements and Port outreach and education protocol for economic opportunities for ACDBE and Small businesses, the Port conducted outreach as follows:

- Mandatory Pre-Proposal on August 14, 2017 - 26 were in attendance;
- Outreach to the specific work categories of ACDBE certified firms with the California Unified Certification Program (CUCP) that reside in the Port's local business area (Alameda and Contra Costa Counties) including Parking, Parking Management, Parking Operations, Transportation Management, and Ground Transportation Management;
- Outreach to firms in the Port's certified database (representing local/small businesses) doing business within the above identified categories;
- Sharing the CUCP and Port certified list of firms with prime consultants;

- Email blasts to airport trade associations, industry groups, chambers and workforce community based organizations (i.e. Airports Council International, International Parking Institute, Airport Minority Advisory Council);
- Port website announcement of the contract opportunity;
- As part of the mandatory pre-proposal meeting and information packet provided to potential proposers, information sharing and education of requirements, goals, resources (e.g., certification and technical assistance) and expectations.

Proposed ACDBE Utilization

1. SP+ proposed SF Parking, a California certified ACDBE, and Global Parking Systems, a Louisiana certified ACDBE.
2. LAZ Parking California did not propose the use of any ACDBEs.
3. Transdev Services did not propose the use of any ACDBEs.
4. ACE Parking did not propose the use of any ACDBEs.

BUDGET & STAFFING

Total estimated Year 1 contract costs based on the SP+ cost proposal are shown below.

| Fixed Management Fee Proposal: Year 1 | |
|--|------------|
| Profit | \$ 245,000 |
| Overhead-Salaries | \$ 240,000 |
| Liability Insurance Premiums | 142,200 |
| Subtotal – Overhead | \$ 382,200 |
| Fixed Management Fee ¹ | \$ 627,200 |

| Shuttle Bus, Ground Transportation and Curbside Management Services: Estimated Year 1 Cost | |
|---|--------------|
| Fixed Management Fee | \$ 627,200 |
| Estimated Other Fees (Workers Comp, Health) | 250,300 |
| Subtotal: Fixed and Estimated Fees | 877,500 |
| Estimated reimbursable costs including non-management staffing, materials and support services | 4,308,700 |
| Contingency on Reimbursable Expense (10%) | 430,870 |
| Estimated Total First Year Cost | \$ 5,617,076 |

Excluding Contingency the Estimated First Year Cost shown above is 2.7% more than what was paid in FY 2017, but less than the FY 2018 budget for Shuttle, Ground Transportation and Curbside Management Services. Therefore this contract award would

¹ Profit and Overhead-salaries adjusted annually based on CPI

have no effect on the adopted FY 2018 operating budget or on Port staffing. The Shuttle Bus, Ground Transportation and Curbside Management Services agreement would be for three years, plus two one-year extension options; and the estimated total contract cost over a five year period assuming a 3% CPI and 10% Contingency on factor on reimbursable operating expense is \$29,834,767.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|----------------------|-----------|-----------|-----------|-----------|-----------|------------|
| Total Fees | 877,506 | 905,030 | 933,438 | 962,756 | 993,016 | 4,671,746 |
| Reimbursable Expense | 4,308,700 | 4,437,961 | 4,571,100 | 4,708,233 | 4,849,480 | 22,875,474 |
| Contingency @ 10% | 430,870 | 443,796 | 457,110 | 470,823 | 484,948 | 2,287,547 |
| Total | 5,617,076 | 5,786,787 | 5,961,648 | 6,141,812 | 6,327,444 | 29,834,767 |

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 Airport Shuttle Bus, Ground Transportation and Curbside Management 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.

Goal B: Maintain and Aggressively Grow Core Businesses

- Objective 1: Retain existing customers and tenants.

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 execute an Airport Shuttle Bus, Ground Transportation and Curbside Management Services Agreement with SP+ Transportation, an operating division of SP Plus Corporation for a maximum amount of \$29,834,767 (for five years) including fixed management fees and other reimbursable expenses, subject to approval as to form and legality by the Port Attorney. The contract duration would be for three years plus up to two 1-year options. Delegate the authority to exercise the two one-year options to the Port Executive Director. This is the recommended action.
2. Authorize staff to execute a Shuttle Bus, Ground Transportation and Curbside Management Services agreement with SP+ though under different terms than are described in this Agenda Report.
3. Direct staff to solicit new proposals which would require a further extension of the current agreements with ABM.

RECOMMENDATION

It is recommended that the Board select Option 1, adopt a resolution authorizing the Executive Director to enter into an Airport Shuttle Bus, Ground Transportation and Curbside Management Services Agreement with SP+ Transportation, an operating division

of SP Plus Corporation, subject to the terms described herein, for a maximum amount of \$29,834,767 for five years, including fixed management fees and other reimbursable expenses to provide the Services, subject to approval as to form and legality by the Port Attorney. The contract duration would be for three years plus up to two 1-year options. Delegate the authority to exercise the two one-year options to the Port Executive Director.

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