

AGENDA REPORT

Resolution: Authorize the Executive Director to Enter into a Management Agreement with ABM Industry Groups, LLC, dba ABM Parking Services, for the Seaport Interim Truck Parking Facilities for a Term up to Five Years at an Estimated Total Cost of \$17.5 million. **(Maritime)**

MEETING DATE: 5/10/2018

AMOUNT: \$17.5 million (over five 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

In February 2018, the Port of Oakland (“Port”) issued a Request for Proposals (“RFP”) for management of the Port’s truck parking operations in the Maritime Area (“Seaport”). Based on the evaluation of the proposals received, Port staff has identified ABM Industry Groups, LLC dba ABM Parking Services (“ABM”) as the top-ranked respondent. Port staff seeks authorization from the Board of Port Commissioners (“Board”) to enter into an agreement with ABM for a term up to five years at an estimated total cost of \$17.5 million.

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 two geographically separate locations, totaling approximately 72 acres (the “Interim Truck Parking Area”) – the two locations are approximately

28 acres of Howard Terminal and 44 acres of the Outer Harbor Terminal; refer to Exhibit A. 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 72 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 in order to allow Port staff to issue a Request for Proposals ("RFP") for a new management agreement. The current agreement with ABM will expire on July 31, 2018.

ANALYSIS

Port staff issued the RFP for "Seaport Interim Truck Parking Services" on February 2, 2018, and proposals were due on March 9, 2018. The term of the agreement is up to five (5) years (3 years plus two, 1-year options to extend). Key management responsibilities and obligations under the agreement include:

- Providing monthly and daily parking arrangements to owners and operators of commercial trucks (with a 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 lot 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.

Under the agreement, the Port would pay the Truck Parking management company a monthly management fee, and reimburse allowable operating expenses. The management fee would increase at the time of the first option. Certain operating expenses would increase annually up to a cap (for example, workers' compensation and insurance). The agreement sets forth guidelines for how and when these expenses can increase. Every year, the management

company submits an operating budget for the Port's approval, which budget needs to be consistent with the terms of the agreement. Only Port-approved expenses are reimbursed. The agreement can be terminated at any time at the Port's discretion, and the options to extend are at the Port's discretion.

Staff publicly disseminated the RFP through various means:

- Port website. The RFP is accessible online at: <https://www.portofoakland.com/wp-content/uploads/17-18-25-Seaport-Truck-Parking-Management-Services-RFP-final.pdf>; and was downloaded by approximately 20 firms;
- Distributed by email to local Chambers of Commerce; Community Based Organizations and local surrounding agencies
- Advertisement in the Oakland Tribune; and
- E-mailed directly to twenty-six (26) parking operators and other companies that have expressed interest in managing other Port owned parking operations for Commercial Real Estate Division and Aviation Division.

Three respondents submitted proposals to the RFP by the March 9, 2018 deadline. A five-person Evaluation Committee ("Committee") was formed, comprised of staff from the Maritime, Commercial Real Estate, and Social Responsibility Divisions. Staff from the Finance Division also conducted a review and analysis of the audited financial statements submitted by each respondent. The Committee evaluated each of the proposals, and the Committee subsequently interviewed as part of the evaluation process. The Committee's evaluation resulted in the following ranking of the proposals:

Ranking	Proposer	Location	Certified LIA/LBA*
1	ABM Parking Services	San Francisco, CA	No
2	Admiral Security Services	Concord, CA	Yes
3	Douglas Parking, LLC	Oakland, CA	Yes

❖ LIA – Local Impact Area: Oakland, San Leandro and Emeryville; LBA – Local Business Area – Alameda and Contra Costa Counties

The Committee evaluated each proposal and interview based on criteria set forth in the RFP, and as listed below:

Item	Proposal Evaluation Criteria	Weights
1	<u>Adherence to Port Policy and Other Requirements and Debarment Statement</u> Proposers must adhere to the Port Policy and Other Requirements and complete certain forms attached to the RFP.	Pass/Fail
2	<u>Minimum Qualification Requirements</u> Provide sufficient documentation that clearly demonstrates the company meets the minimum qualifications listed in the RFP.	Pass/Fail
3	<u>Company Information, Client References, Litigation and Other Information, and Required Forms</u> Provide information on capacity to provide professional service as evidenced by past performance, company information (including audited financial statements), references, litigation, and other information.	15%
4	<u>Knowledge and Experience</u> Respondent's knowledge and experience in providing parking management services on similar scale (including key personnel assigned to work this project). Relevant experience with drayage truck parking operations, data collection, and software/database management associated with such operations.	20%
5	<u>Plan and Approach (Including Transition Plan)</u> Overview of approach, scope of services, methodology, annual operating budget, staffing, and distinguishing characteristics to deliver services.	25%
6	<u>Proposed Costs</u> Proposal Worksheet costs including annual management fee, insurance costs, salaries, workers comp rates, and health care costs, well as information provided in the Estimated Annual Operating Budget.	25%
7	<u>Non-Discrimination and Small Local Business Utilization Policy</u> Evaluation of companies that have provided substantiating documentation to prove they meet the Port's definition of Small Local Business, and award qualifying companies up to the maximum 15 points.	15%
	Total	100%

Based on the Committee's evaluation, ABM Parking Services and Admiral Security Services ranked closely based on approach, proposed costs, and direct experience with providing Truck Parking management and operations services. The Port recommends awarding an agreement to ABM Parking Services based on 1) its ability to provide a definitive staffing plan with experienced personnel, 2) its proposed cost was the lowest of all respondents (primarily due to the management fee and insurance costs), 3) its experience with Truck Parking management and operations, and 4) its long-time corporate experience with providing management, services, and back office support. Although ABM's primary offices are located in San Francisco, its subcontractor is located in the Port's local business area.

If ABM does not execute an agreement with the Port within a reasonable time and in advance of July 31, 2018, staff recommends that the Board authorize the Executive Director to negotiate and execute an agreement with the next-highest ranked respondent to the RFP. In the event this subsequent negotiation is necessary, staff requests that the Board also authorize the Executive Director to extend the current parking management agreement with ABM through October 31, 2018, to allow for uninterrupted parking management operations while a new agreement is prepared.

BUDGET & STAFFING

The proposed agreement with ABM is for three years, with two, 1-year options to extend, at an estimated total cost of \$17.5 million over five years. Over that same 5-year period, Truck Parking services are estimated to generate \$34.5 million of revenue assuming no changes to current operations. Thus, the proposed agreement would result in net operating revenue of approximately \$17 million over five 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 have 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 presents sustainability opportunities.

ENVIRONMENTAL

CEQA Determination: This action was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA) and applicable existing CEQA documentation. The 2002 Oakland Army Base Area (OAB) Redevelopment Plan Environmental Impact Report (2002 Redevelopment EIR) evaluated the potential impacts of redevelopment of the 1,800-acre redevelopment area, including the former OAB and the Maritime sub-district. The EIR was certified by the lead agency, the City of Oakland, in July 2002. On September 17, 2002, the Board of Port Commissioners, acting on behalf of the Port of Oakland as a responsible agency under CEQA, adopted findings and the mitigation program in the City's EIR (Resolution No. 02317). In 2012, the City of Oakland, in consultation with the Port, issued an Initial Study/Addendum to the Redevelopment EIR to evaluate proposed changes to the redevelopment plan. The resulting updated Standard Conditions of Approval/Mitigation Monitoring and Reporting Program (SCA/MMRP) was adopted by the Board of Port Commissioners on June 21, 2012 (Resolution No. 12-76). The OAB Redevelopment EIR, as addended, includes 90 acres of ancillary maritime services such as Truck Parking. The Truck Parking services that would continue under the proposed action are consistent with the project analyzed in OAB Redevelopment EIR, as addended, and no substantial changes are proposed. Operational impacts would be the same as described in the EIR and Addendum. The proposed action does not trigger any of the conditions set forth in Section 15162 of the CEQA Guidelines, and no further CEQA review is thus required.

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 execute the proposed Parking Management Agreement for Seaport Interim Truck Parking Management Services with ABM Industry Groups, LLC dba ABM Parking Services, as described in this Agenda Report. This is the recommended action;
2. Authorize the Executive Director to execute the proposed Parking Management Agreement with a different proposer; or,

3. Do not authorize the Executive Director to enter into a Parking Management Agreement with any of the proposers, and direct staff to reject all proposals and re-issue an RFP. This course of action would require an extension of up to 12 months to the existing Truck Parking management agreement in order to continue the provision of these services until a new agreement is in place.

RECOMMENDATION

Staff recommends that the Board adopt a resolution authorizing the Executive Director to:

- Execute a Parking Management Agreement with ABM Industry Groups, LLC, dba ABM Parking Services for the Seaport Interim Truck Parking operations for an initial term of three years, with two, 1-year options to extend at an estimated total cost of \$17.5 million over five years; and
- In the event ABM does not execute an agreement with the Port within a reasonable time and in advance of July 31, 2018, (a) negotiate and execute an agreement with the next-highest ranked respondent to the RFP, and (b) extend the current parking management agreement with ABM Industry Groups, LLC dba ABM Parking Services through October 31, 2018.

Exhibit A

Interim Truck Parking Facilities Location Map

