

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 Truck Parking/Container Depot by a Period of 89 Days, through April 30, 2021 at an Estimated Cost of \$975,000 and Estimated Net Revenue of \$825,000. **(Maritime)**

MEETING DATE: 12/17/2020

AMOUNT: \$1,800,000, Estimated Gross Revenue
\$975,000, Estimated Operating Expense
\$825,000, Estimated Net Revenue

PARTIES INVOLVED: ABM Industry Groups, LLC / San Francisco, CA
Paul Chacon, Operations Vice President

SUBMITTED BY: Bryan Brandes, Director of Maritime

APPROVED BY: Danny Wan, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

ABM Industry Groups, LLC, currently manages the Port of Oakland's facility for truck parking and related container storage/staging pursuant to a management agreement that will expire on January 31, 2021. The Port has issued several Request for Proposals for management of this facility; due to a lack of competition, Port staff need more time to determine the best course of action and ultimately conclude a procurement process. Port staff seeks authorization to extend the term of the existing agreement for 89 days, through April 30, 2021.

BACKGROUND

Pursuant to requirements stemming from the redevelopment of the Oakland Army Base, the Port of Oakland (Port) is required to provide 15 acres "truck parking" (overnight and short-term daytime parking) on Port property in the Maritime Area (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 (Seaport Truck Parking/Container Depot or Depot). Based on truck parking demands and Maritime's various land use needs, the space allocated for Depot operations has expanded, contracted, and relocated over time to best serve the Port's operational needs. In 2007 through a

competitive procurement 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). In 2007, the total acreage dedicated to Truck Parking and operated by AMPCO/ABM on behalf of the Port was about 15 acres. Over time, for a variety of reasons, the Depot has expanded and contracted. Since about 2019, the Depot has been contracting to make way for new or expanding Seaport tenants. Currently, Depot operations are located at two geographically separate Port properties, totaling approximately 40 acres – the two locations consist of approximately 25 acres at Howard Terminal, and approximately 15 acres at the Roundhouse property; refer to Exhibit A for location map. As staff has previously reported, over the next few years, staff plans for the Depot to be fully housed on the Roundhouse property.

ANALYSIS

The current agreement with ABM runs through January 31, 2021. Requests for Proposals (RFPs) were issued earlier this year in February and then again in June. The February RFP was cancelled, primarily due to a lack of response. Subsequent to the February RFP, in June 2020 staff solicited proposals directly from entities that have expressed interest or have experience with similar truck parking and container staging/storage operations. The procurement process has taken longer than anticipated and the response has been far lower than hoped.

ABM has been managing the Depot operation for several years, and an interruption in the provision of Depot services would have a negative impact on Seaport operations and trucking-related issues outside the Seaport. The Port does not have in-house staffing capability to operate the Depot. In an emergency (i.e., the Port found itself with no Depot operator), the Port could consider closing the Depot temporarily or allowing the Depot to operate on a “free, first-come first served” basis. Both of these options would result in operational challenges and lost revenue. To avoid disruptions, staff recommends an extension to the existing Agreement while staff determines the best course of action to conclude the procurement process.

BUDGET & STAFFING

The proposed extension with ABM is for 89 days (February 1, 2021 through April 30, 2021). The estimated total cost of Depot operations is approximately \$325,000 per month. Truck Parking services are estimated to generate gross revenue of approximately \$600,000 per month. Thus, the proposed extension could result in net operating revenue of up to approximately \$275,000 per month.

The proposed action will have no impact on budget or Port staffing levels.

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>

- Goal: Grow Net Revenues
- 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

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"). The proposed agreement extension is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301, 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 existing or former use.

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 April 30, 2021. This is the recommended action.
2. Do not authorize an extension to the management agreement with ABM. This action would suspend Truck Parking operations effective January 31, 2021 until a new operator is procured under a new agreement. The Port could consider closing the Depot temporarily or allowing the Depot to operate on a "free, first-come first served" basis. This option would result in a disruption to operations, and a loss of revenue to the Port.

RECOMMENDATION

Staff recommends that the Board adopt a resolution authorizing the Executive Director to extend the management agreement with ABM Industry Groups, LLC, for the Seaport Truck Parking/Container Depot by a period of 89 days, through April 30, 2021, at an estimated cost of \$975,000 and estimated net revenue of \$825,000.

EXHIBIT A

Location Map

