



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT: EXTENSION OF AGREEMENT  
WITH AMPCO SYSTEM PARKING**

**DATE:** 03-20-06

Approved

Date

3/28/06

Council District: Citywide

## **RECOMMENDATION**

Adoption of a resolution authorizing the Director of Transportation to execute an amendment of the agreement with AMPCO System Parking for parking management and operation services, increasing compensation in an amount not to exceed \$1,600,000 and extending the term of the agreement from July 1, 2006 to December 31, 2006, subject to the appropriation of funds in FY2006-2007 budget.

## **OUTCOME**

Extending this contract will ensure that the thousands of customers and parkers that come Downtown for major events this summer and fall receive consistent and reliable service that is not subject to any potential disruptions that may occur due to a potential vendor transition.

## **BACKGROUND**

On July 1, 2000, after a competitive request for proposal process, the City of San José and AMPCO System Parking entered into a three-year agreement for the management and operation of certain parking facilities owned/managed by the City. The agreement contained an option to extend the term of the agreement for up to three successive one-year terms. The City exercised the final option year on July 1, 2005, and the agreement is scheduled to expire on June 30, 2006.

An information memorandum with details of this contract and the RFP process was distributed to the Mayor and City Council Offices on March 14, 2006.

## ANALYSIS

During the preparation phase of the RFP, staff reviewed the major events and developments that were occurring in the summer and fall of 2006, and obviously concluded that the City is hosting an increasing number of major events Downtown. The success of these events is dependent on the City's parking supply and ability to provide quality customer service to support the number of expected customers and event attendees. Many of these events, such as the America Festival, San José Grand Prix, Zero One Art and Technology Festival, and the San José Jazz Festival are scheduled to occur shortly after the current operating agreement is set to expire. In September, the annual Tapestry and Talent Festival, and in October, the Rock and Roll Half Marathon and the Silicon Valley Marathon are scheduled to occur. To avoid any potential service issues that might arise with any new vendor starting up shortly before a major event, staff recommends that any potential transition to a new vendor occur after the summer and fall event season in November 2006.

The other major consideration for recommending a contract extension is the planned opening of the new City Hall employee parking garage in September 2006. The opening of a new parking garage is challenging and requires significant staff coordination with employees and the parking operator to ensure a smooth transition. Staff will work with the parking operator to transition nearly 1,800 City employees, currently assigned to various City parking facilities within the downtown, to the new employee parking garage.

Although staff has implemented new parking technologies and programs at many parking facilities to enhance the parking experience, there remains a "learning curve" for any potential parking operator. There is some adjustment period to fully understand the operational characteristics of each parking facility and the many details involved in various City sponsored parking programs, such as free parking, validations and monthly parking. All transitions have challenges, and staff recommends that any transition to a potential new parking operator occur after the busy summer and fall event season.

The City's current vendor, AMPCO System Parking, continues to manage the City's parking facilities in a satisfactory manner at a reasonable cost as established in the original agreement. To ensure the continuation of these critical services through the summer event season, and the transition to the new Employee Garage, staff recommends a contract extension with AMPCO through December 31, 2006, with exactly the same terms, including the pricing schedule, customer service requirements and reporting methods. The current agreement provides the City with a 30-day termination clause that would enable the City to terminate the agreement prior to December 31, 2006, if the City Council has awarded a new agreement well enough in advance of December 31 to make a smooth transition in November.

Currently staff in the Departments of Transportation and Finance are developing the RFP to solicit proposals from qualified parking management companies for a multi-year contract to manage the City's parking facilities. The key milestones of the process are as follows:

- |  |                        |
|--|------------------------|
| <input type="checkbox"/> Advertise RFP                     | April 2006             |
| <input type="checkbox"/> Proposals Due                     | May/June 2006          |
| <input type="checkbox"/> Recommended Award by City Council | August/September 2006  |
| <input type="checkbox"/> New Vendor Begins Service         | November/December 2006 |

### **PUBLIC OUTREACH**

This item will be reviewed by the Downtown Parking Board at its April 5, 2006 meeting.

### **COORDINATION**

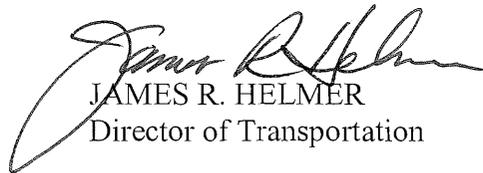
This memorandum has been coordinated with the Finance Department, the City Manager's Budget Office, and the City Attorney's Office.

### **COST IMPLICATIONS**

Compensation for the extension period requested, which will be at the same rates as the current contract period, results in a cost of \$1,600,000 (\$266,666 per month). This amount is budgeted in the General Purpose Parking Fund. The 2006-2007 Proposed Budget will include the annual allocation for parking management and operation.

### **CEQA**

Not a project.

  
JAMES R. HELMER  
Director of Transportation