



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: March 17, 2008

Approved

Date

3/20/08

**SUBJECT: REPORT ON RFP FOR PARKING ACCESS REVENUE CONTROL AND
AUTOMATIC VEHICLE IDENTIFICATION SYSTEM FOR THE
NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT**

RECOMMENDATION

Report on Request for Proposal (RFP) for Parking Access Revenue Control and Automatic Vehicle Identification System (PARCS/AVI) for the San Jose International Airport and adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with ACS Transport Solutions, Inc. (Norcross, GA) for a three-year term and maximum compensation of \$6,016,942.
2. Execute change orders in an amount not to exceed \$600,000 as contingency to cover unanticipated changes in the system design and/or installation.
3. Exercise five one-year options for ongoing maintenance subject to the appropriation of funds.
4. Execute amendments to the agreement to add or delete parking areas subject to annual appropriation of funds.

OUTCOME

To improve the management of traffic flow, parking operations and security at the Norman Y. Mineta San Jose International Airport by replacing the aging parking access control system with an integrated parking access control system and automatic vehicle identification system.

BACKGROUND

As part of the Terminal Area Improvement Program, the Aviation Department determined that the Airport's Parking Access Revenue Control System no longer meets the needs of the facility. Currently, the Airport's public parking facilities are controlled by an aging Parking Access Revenue Control System (PARCS). The parking lots are accessed by magnetic stripe ticket issuance, Automatic Vehicle Identification (AVI), and proximity cards. Exit of the lots is made using AVI, proximity card, non-revenue badges, and payment by cash, credit card, or check. Further, parking at the Airport represents a significant portion of non-airline generated revenue for the Aviation Department.

ANALYSIS

On March 21, 2007, Finance/Purchasing released a Request for Proposal (RFP) for an integrated PARCS/AVI system through the City's e-procurement system. 26 companies were notified of the requirement and 14 companies viewed the RFP. In addition, the RFP was submitted directly to 5 companies with known expertise in parking and access control systems.

Proposals were received from 2 companies by the May 29, 2007 submission due date:

- ACS Transportation Solutions, Inc. (Norcross, GA)
- Scheidt & Bachmann USA, Inc. (Hayward, CA)

Evaluation Team: A five member evaluation team was named with representatives from the Departments of Transportation and Aviation. All members of the evaluation team, including the non-evaluating subject matter experts, signed and submitted Conflict of Interest and Confidentiality Agreement forms.

Minimum Qualifications: The initial evaluation was a pass/fail assessment of each proposal to ensure that all required forms and documentation were complete and minimum qualifications were met. Finance purchasing staff determined that all proposals were responsive to this requirement.

Technical Evaluation (70%): The team evaluated and scored each proposal in critical areas such as overall experience, specific experience in implementing similar systems, project management, organization structure and staffing, functional capability of equipment and software proposed, Airport staff training, warranty and ongoing maintenance coverage.

The evaluation team agreed that both proposals earned scores that were sufficient to be invited for oral presentations. The technical scores were adjusted as appropriate based on information received during the oral presentation stage of the technical evaluation.

Cost (20%): Cost proposals were not disclosed to the evaluation team prior to the completion of the technical evaluation so as not to inadvertently influence technical scores.

At the conclusion of the oral presentations, the team determined that both proposers' technical capabilities were sufficient to be successful in the implementation of the PARCS/AVI system. Upon review of the Cost Proposals, it was determined that both proposers submitted pricing that was in excess of \$3 Million over the estimated budget.

Based on the high cost proposals, the Aviation Department requested removal of the Automated Parking Guidance System (APGS) from the specifications and requirements. The integration of the APGS into the PARCS/AVI system would have allowed parking patrons with specific parking stall availability for each parking lot. A series of sensors in each parking lot would relay parking slot availability information over the PARCS/AVI network for display slot number and location at the entrance to each parking lot. The APGS does not enhance parking access/egress control or interact with the revenue control system. Therefore, it was determined that the APGS system could be eliminated with no impact on the overall Parking Access and Revenue Control System.

Best and Final Offer (BAFO): A BAFO process was conducted to modify the required work by removing the Automated Parking Guidance System from the final scope of work (an estimated value of \$3M), seek clarification on exceptions to the Agreement Terms and Conditions, and to finalize pricing based on the modified scope of work.

Local and Small Business Preference (LBE/SBE): Ten percent of the total evaluation points were reserved in both Phase 1 and Phase 2 for local and small business preferences in accordance with the Municipal Code. Neither of the proposers submitted a request for the application of any preference.

Recommendation: Based on the evaluation process including written evaluation, oral interviews, and cost proposals resulting from the BAFO, ACS Transport Solutions, Inc. submitted the most advantageous proposal (see table below).

	TECHNICAL SCORE (70 POINTS)	COST SCORE (20 POINTS)	LBE (5 POINTS)	SBE (5 POINTS)	TOTAL SCORE (100 POINTS)
ACS Transport Solutions, Inc.	57	20	0	0	77
Scheidt and Bachmann USA, Inc.	51	18	0	0	69

Specifically, ACS Transport Solutions, Inc.

- demonstrated an excellent understanding of the PARCS/AVI requirements of the Airport by obtaining the highest technical score;
- has extensive experience in the implementation and ongoing maintenance and support of PARCS/AVI projects and is the current PARCS maintenance and service provider to the Airport; and
- submitted the lowest overall cost proposal.

Protest: The City's RFP process provides the opportunity for unsuccessful proposers to protest the City's award recommendation. No protests were received.

Summary of Agreement and Implementation Plan: The Agreement provides for the replacement of the existing Parking Access and Revenue Control System currently employed by the Norman Y. Mineta San José International Airport over a 3 year period, which includes the first year of post-warranty maintenance and support. The overall project will be completed in 4 phases over the first 2 years of the agreement and will include the installation of required network improvements and proposed software, replacement of ingress/egress equipment at existing parking lot locations, test and acceptance of equipment/systems for existing locations, and installation, test and acceptance of network improvements, software and equipment for new parking facilities expected to be completed in September of 2010.

The new PARCS/AVI takes advantage of improvements in parking technology to provide several significant improvements in system efficiency and customer service. The new system will allow fully automated customer exit through the use of credit card readers at the exit plazas as well as the capability to allow the airport to issue radio frequency-based parking toll collection tags. These tags will operate using similar technology to toll tags allowing the customer's account to be automatically debited without having to manually insert a payment card. Combined with pay-on-foot stations, these technologies will decrease the number of staff required at exit plazas resulting in operating cost savings and reducing customer exit times.

EVALUATION AND FOLLOW-UP

This memorandum will not require any further follow-up from staff.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1. The memorandum will be posted on the City's website for the April 8, 2008 Council agenda. To outreach to potential vendors, this RFP was advertised through the City's e-procurement system. In addition, this RFP was emailed to five companies directly.

COORDINATION

This memorandum was coordinated with the Aviation Department, the City Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery (including 1 st year support)	\$6,016,942
Contingency (if applicable)	\$600,000
Total Project Cost	\$6,616,942

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Description	Cost
Hardware	\$2,532,113
Software	\$417,112
Professional Services	\$2,163,051
Training/Travel/Consumables/Shipping	\$167,277
Maintenance and Support (1 st year)	\$480,277
Estimated Sales Tax	\$257,112
Total	\$6,016,942
Contingency	\$600,000
Total Project Cost (including Contingency)	\$6,616,942

3. SOURCE OF FUNDING: 526 – Airport Revenue Bond Improvement Fund

4. OPERATING COSTS: Review of the project determined no significant adverse impact on the General Fund Operating Budget.

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The cost evaluation was based on an 8-year total cost of ownership that includes all required maintenance and support of the system. The cost for the first year of maintenance and support is \$480,277 effective after final acceptance by the City. This amount is included in the not-to-exceed amount that is requested in the recommendation. Maintenance and support for years two through six are as follows:

Contract Year	Maintenance and Support Cost
Year 2	\$494,685
Year 3	\$509,526
Year 4	\$524,812
Year 5	\$540,556
Year 6	\$556,773

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract recommended as part of this memo.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Capital Budget Page	Capital Budget Action (Date, Ord. No.)
526 (554)	5253	Terminal Area Improvement, Phase I	\$444,132,000	\$6,616,942	V-997	2/12/08 Ord. No. 28241

CEQA

Resolutions No. 67380 and 71451, PP 06-004.


SCOTT P. JOHNSON
 Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.