



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: EXTENSION OF AGREEMENT
WITH AMPCO SYSTEM PARKING

DATE: 11-15-06

Approved

Ray Wines

Date

11/20/06

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to execute an amendment to the agreement with AMPCO System Parking for parking management and operation services, increasing total compensation by \$750,000 to a not to exceed amount of \$2,350,000, and extending the term of the agreement from January 1, 2007 to February 28, 2007.

OUTCOME

Extending this contract will ensure that customers and parkers that come Downtown during this two month period receive consistent and reliable service without any potential disruptions that may occur during a vendor transition.

BACKGROUND

On July 1, 2000, after a competitive Request for Proposal (RFP) 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. Three one-year extensions approved under the original contract, and a six-month extension approved by the City Council in April 2006 resulted in a contract extension through December 31, 2006. The City's current RFP process resulted in significant interest from vendors to provide these services at the completion of the current agreement. Staff is working to complete negotiations with the highest ranked vendor, and intends to bring a recommendation to City Council for award at its December 5, 2006 meeting.

ANALYSIS

The City's current vendor, AMPCO System Parking, continues to provide operational services for the City's parking facilities. The current agreement provides for continued service through December 31, 2006. Although it was anticipated that the highest ranked vendor, as a result of the RFP process, would begin providing services by the end of December 2006, staff is recommending that the current agreement be extended to February 28, 2007 for the following reasons:

- Currently, staff is in the process of completing negotiations with Central Parking System, the highest ranked vendor in the RFP process, including specific agreement language on the managerial, operational and financial requirements of the parking system. Central Parking System needs adequate time to thoroughly review and execute the agreement, as it obligates them to multi-year requirements. Staff proposes that the new vendor assume management of the City's parking facilities on March 1, 2007.
- Extension of the current agreement provides a more reasonable transition period from the current vendor to the new vendor given all of the associated transition activities including: employee retention, orientation and training, establishment and implementation of operating policies and procedures, and cash and credit card collection, processing and reconciliation.
- Finally, January and February are busy event periods at the Convention Center requiring close coordination with the parking operator. The 2007 Amgen Tour of California is also scheduled for February 2007 requiring close coordination on event parking. Completing the transition on March 1, 2007 would provide for the smoothest possible transfer of service responsibility ensuring the best possible customer service.

AMPCO has agreed to extend the current agreement with the same pricing schedule, terms and conditions, through February 28, 2007. The current agreement provides the City with a 30-day termination clause. Based on the current expenses and additional expenses for managing the new employee garage, the additional cost for this extension is estimated at \$750,000.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 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)**



Criteria 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)**

While this agreement is under the \$1 million threshold, this memorandum will be posted on the City's website for the December 5, 2006 Council Agenda.

COORDINATION

This memorandum has been coordinated with 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

Extension of this agreement to February 28, 2007 will require \$750,000 to fund management costs and reimbursable expenses to AMPCO. This amount is budgeted in the General Purpose Parking Fund and General Fund.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2006-2007 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
533	0512	Non-Personal/Equip DOT	6,365,545	600,000	XI-33	N/A
001	0512	Non-Personal/Equip DOT	12,938,680	150,000	N/A	10/17/06 Ord. No. 27888
Total Current Funding Available			\$19,304,225	\$750,000		

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CEQA

Not a project.

for James A. Helmer
JAMES R. HELMER
Director of Transportation

For questions please contact Amit Kothari, Deputy Director, at 408-535-3838.