



Sent to Council:

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MAR 20 2012
City Manager's Office

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leanna Bieganski

SUBJECT: Early Council Packet

DATE: March 20, 2012

Approved

Date

3-20-12

EARLY DISTRIBUTION COUNCIL PACKET FOR APRIL 3, 2012

Please find attached the Early Distribution Council Packet for the April 3, 2012 Council Meeting.

5.x Agreement with Compass Group for the Operation of the Senior Nutrition Program at Designated Community Centers.

Recommendation: Adopt a resolution authorizing the City Manager to execute an agreement and extensions with Compass Group USA, Inc., Bateman Division, in the amount of \$940,452, for the operation of the Senior Nutrition Program at designated City of San José community centers. CEQA: Not a Project, File No. PP10-066 (e), Services that involve no physical changes to the environment. (Parks, Recreation and Neighborhood Services)

6.x Report on Request for Proposal for Airport Parking Operations and Management and In-lot Parking Shuttle Services.

Recommendation: Accept the report on the Request for Proposal for Airport Parking Operation and Management Services at the Norman Y. Mineta San José International Airport and adopt a resolution authorizing City Manager to:

- (a) Execute an agreement with Ampco System Parking, Inc., doing business as Ampco AirPark (Los Angeles, CA) for Airport Parking Operations and Management and in-lot Parking Shuttle Services at the Norman Y. Mineta San José International Airport for an initial three year term, in an amount not-to-exceed \$13,801,420, subject to annual appropriations of funds.
- (b) Execute amendments to the agreement to increase the not-to-exceed compensation amount during the initial three year term due to changing business conditions, subject to the appropriation of funds.

- (c) Execute five one-year options to renew the agreement, subject to the appropriation of funds.
CEQA: Not a Public Project, File No. PP10-066(e), Services that involve no physical changes to the environment. (Airport)

These items will also be included in the Council Agenda Packet with item numbers.


LEANNA BIEGANSKI
Council Liaison





Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julie Edmonds-Mares

SUBJECT: COMPASS GROUP USA, INC.
NUTRITION CONTRACT

DATE: March 12, 2012

Approved

Date

3-20-12

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute an agreement and extensions with Compass Group USA, Inc., Bateman Division, ("Compass Group") in the amount of \$940,452, for the operation of the Senior Nutrition Program at designated City of San José community centers.

OUTCOME

By delegating to the City Manager the authority to execute the agreement with Compass Group, the Senior Nutrition Program service delivery will be solidified.

BACKGROUND

In partnership with Santa Clara County, the City has provided healthy meals to senior participants for over 30 years. As part of the FY 2010-2011 Adopted Budget, the Senior Nutrition Program (SNP) was eliminated at all 14 Department of Parks, Recreation and Neighborhood Services (PRNS) operated sites, effective July 1, 2011, representing a \$1,164,000 savings to the General Fund. Subsequently, in order to ensure that seniors within San José had access to congregate meals, the Mayor's June 2010 Budget Message recommended the formation of a Senior Nutrition Task Force (SNTF), co-chaired by City Councilmember Pete Constant and County Supervisor Liz Kniss. The SNTF convened August 2010 through February 2011 and was charged with developing service recommendations and an alternative financing model for meal services at PRNS nutrition sites. The SNTF recommended a regional model in which food would be prepared at up to four community center sites and delivered to other PRNS nutrition sites. In accordance with the Mayor's March 2011 Budget Message, as approved by the City Council and SNTF's recommendations, \$550,000 was allocated as part of the 2011-12 Adopted Budget for the Senior Nutrition Program.

It was anticipated that the transition of the current SNP to a regional, vendor-operated model would take approximately four months to implement, putting the vendor start date at November 1, 2011. To ensure no disruption in service delivery, end-dated City SNP staff (cooks, food service coordinators, kitchen aides and benefited van drivers associated with the program) were extended to October 31, 2011 (MBA #33).

PRNS released a Request for Interest (RFI) solicitation on July 1, 2011, to identify potential food service vendors. The RFI stipulated that the award amount would be made available via reimbursement for actual meals served. It garnered five responses, with a panel of City, County and Task Force representatives selecting Compass Group based on a series of Desirable Qualifications.

During the transition, levels of program participation fell below totals stipulated in the RFI, leading to some changes from the initially proposed four-regional model. The current service delivery model is depicted below.

Group	Regional Cook Site	Serving Sites	Total Meals Authorized per Day
A	Mayfair	Alma	Mayfair 63
		Gardner	Alma 60
		Northside	Gardener 55
		Berryessa	Northside 52
			Berryessa 118
		348	
B	Seven Trees	Almaden	Seven Trees 54
		Roosevelt	Almaden 60
		Evergreen	Roosevelt 96
		Willow Glen	Evergreen 87
			Willow Glen 77
		374	
C	Bateman Kitchen	Camden	Camden 45
		Cypress	Cypress 60
		Southside	Southside 99
			204

Note: Alviso and Billy De Frank will remain a catered site, serving approximately 20 participants per day for each site.

ANALYSIS

PRNS is seeking authority for the City Manager or designee to execute the agreement with Compass Group and extensions to the term of the agreement as authorized in the agreement. The agreement provides for two one-year letter extensions upon notice of either party with Compass Group for the operation of the SNP at designated City community centers.

For this eight month term, the City and County have executed an agreement in which the City directly reimburses Compass Group per meals served at SNP sites up to the full contract amount, and is in turn reimbursed by Santa Clara County. The City's portion of direct program expenses is not to exceed \$275,467 and the County's portion is not to exceed \$664,985. The \$275,467 represents the City's eight month non-personal contribution to the program, and is derived proportionately from the \$550,000 General Fund allocation.

EVALUATION AND FOLLOW-UP

The contract period ends June 30, 2012. PRNS staff will continue to monitor and evaluate Compass Group service delivery throughout the contract term.

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)**

In addition to the process above, further outreach was provided to participants through a mixture of focus groups, letters, emails and announcements.

COORDINATION

This memorandum has been coordinated with the City Manager's Office and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The SNP is funded on an ongoing basis subject to annual appropriations, with City and County funding as well as USDA reimbursements and participant donations. Previously, City funding totaled \$1,164,000 annually. Reducing the budget impact on the General Fund, and in accordance with the SNTF's recommendations, the FY 2011-2012 Adopted Operating Budget included an appropriation of \$550,000 in the General Fund to support the SNP.

COST SUMMARY/IMPLICATIONS

The table below outlines the price elements as identified in the Payment for Services of the contract.

City of San José eight month non-personal contribution to SNP	\$275,467
Santa Clara County eight month reimbursement to SNP	<u>\$664,985</u>
Total	\$940,452

BUDGET REFERENCE

Council approved \$550,000 ongoing for the SNP. As part of the FY 2011-2012 Mid Year Budget Review, the PRNS non-personal appropriation was increased by \$664,985 to provide funding to reimburse Compass Group per meals served at SNP sites. The County will then reimburse the City up to this amount.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	General Fund/Non Personal	\$11,602,635	\$275,467	VIII-254	2/14/2012 Ord. No. 29036

CEQA

Not a Project, File No. PP10-066 (e), Services that involve no physical changes to the environment.

/s/
 JULIE EDMONDS-MARES
 Acting Director of Parks, Recreation and
 Neighborhood Services

For questions please contact Suzanne Wolf, Acting Deputy Director, at 408-535-3571.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: March 12, 2012

Approved

Date 3/20/12

SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR AIRPORT PARKING OPERATION AND MANAGEMENT AND INTRA-LOT PARKING SHUTTLE SERVICES AT THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

RECOMMENDATION

- (a) Accept the report on the Request for Proposal (RFP) for Airport Parking Operation and Management Services at the Norman Y. Mineta San José International Airport; and
- (b) Adopt a resolution authorizing City Manager to:
 - (1) Execute an agreement with Ampco System Parking, Inc., doing business as Ampco AirPark (Los Angeles, CA) for Airport Parking Operations and Management and in-lot Parking Shuttle Services at the Norman Y. Mineta San José International Airport for an initial three year term, in an amount not-to-exceed \$13,801,420, subject to annual appropriations of funds.
 - (2) Execute amendments to the agreement to increase the not-to-exceed compensation amount during the initial three year term due to changing business conditions, subject to the appropriation of funds.
 - (3) Execute five one-year options to renew the agreement, subject to the appropriation of funds.

OUTCOME

This recommendation will ensure that professional parking operations, intra-lot parking shuttle, and customer services are provided to the public and tenants using the Airport.

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Subject: Report on RFP for Airport Parking Operations and Management and In-lot Parking Shuttle Services at the Norman Y. Mineta San Jose International Airport

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BACKGROUND

On November 8, 2002, the City executed a one-year agreement with Ampco Systems Parking, Inc. (Ampco) for parking management services at the Norman Y. Mineta San José International Airport. Subsequently, the City exercised six one-year options to extend the term of the agreement for continued services.

On September 1, 2009, the Council authorized a one-year extension to the agreement through October 31, 2010 to allow for continued parking management services pending the completion of parking facilities construction and the implementation of the new Parking Access and Revenue Control System (PARCS).

On September 27, 2010, Council authorized a second one-year extension to the existing agreement through October 31, 2011, to allow for continued services due to delays in completing parking lot construction and implementation of the new PARCS.

On October 25, 2011, Council approved amending the existing agreement to extend the term of the agreement for an additional year to allow for continued services due to continued delays in completing the PARCS system, and allow staff sufficient time to write a new RFP that would address the new system and parking lot requirements. The current extension term expires October 31, 2012, and may be terminated by the City at any time prior to this date on 30 days written notice.

ANALYSIS

On May 9, 2011, the Finance Department released a Request for Proposal (RFP) for Airport Parking Operation and Management Services on the City's e-procurement system. Through a series of addenda, the proposal due date was extended by more than four months due to the delays in resolving policy questions regarding the application of the prevailing wage policy. 32 companies downloaded the RFP, and three proposals were received by the October 31, 2011, due date as follows:

- Ampco System Parking, Inc. dba Ampco AirPark (Los Angeles, CA)
- Central Parking System, Inc. (Nashville, TN)
- LAZ/PPM Parking, LLC (San Francisco, CA)

Evaluation Process:

Minimum Qualifications: The initial review consisted of a pass/fail assessment to ensure that all minimum qualifications were met and that all proposals were complete. All three proposals passed.

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Technical Evaluation (70%): A three-member evaluation team with representatives from the City's Airport and Transportation Departments and the City of Oakland Airport Department independently evaluated and scored the technical proposals.

Cost Proposals (30%): Cost proposals were opened and scored at the conclusion of the technical proposal evaluation.

Local and Small Business Preference: This project is fully funded by grants from the federal government. The grant terms prohibit the application of these preferences.

The final scores from the three proposers are summarized in the table below:

Evaluation Criteria	Max Pts	Ampco AirPark	Central Parking	LAZ/PPM
Technical Capabilities	45	41	35	31
Experience	25	22	19	16
Cost	30	30	29	26
TOTAL	100	93	83	73

Protest Period: The RFP process included a ten-day protest period in accordance with the City's purchasing rules. No protests were received.

Recommendation Summary: The evaluation committee deemed Ampco's proposal to be the most advantageous and "best value" for the City. Ampco submitted a detailed and comprehensive proposal that met or exceeded the RFP requirements in the following key areas:

- Demonstrated experience working independently and professionally to serve the public while providing a positive working relationship with Airport staff, offering efficiencies, cost savings and ingenuity in resolving key issues.
- A proven track record over the past nine years as the Airport's parking operator; demonstrating a thorough understanding of City's operating requirements and adapting their program, staffing and personnel to successfully manage and operate the Airport's garages and in-lot shuttle services.
- An extensive management plan that specifically addressed Airport facilities, equipment and staffing requirements.
- Provided strong airport customer references describing their experiences with at least 37 airport projects in their portfolio.
- Proposed a smooth transition plan for the new services levels and shuttle services.

Wage Requirements: Wages and the enforcement of wages for parking operations and management services at the Norman Y. Mineta San José International Airport will be subject to the City of San José's Prevailing Wage Policy. Ampco and their subcontractors will be required to pay their employees a prevailing wage. Worker retention and labor peace requirements and

HONORABLE MAYOR AND CITY COUNCIL

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enforcement will be subject to the City of San José's Airport Living Wage and Labor Standards Ordinance (San Jose Municipal Code, Title 25, Chapter 25.11).

Labor Peace: Ampco operates under a collective bargaining agreement with the Teamsters Local 665.

Worker Retention: Ampco is the incumbent service provider at the Airport. Therefore, worker retention between contractors is not an issue.

Summary of Agreement: Ampco will provide parking management services for the Airport's public and employee parking facilities including all staffing required to manage and operate the facilities, collect and deposit parking revenues, and provide high quality customer service. Ampco will also provide vehicles and staffing for courtesy shuttle services within the public parking facilities to minimize customer walking distances. The initial term of the agreement will be for three years with five additional one-year options to extend the agreement.

Compensation to the contractor includes a fixed management fee for the operation of Airport parking garages, equipment, vehicles, and related overhead expenses, plus a reimbursable fee for salaries and other expenses that are directly related to the performance of the contract. The unit cost for reimbursable expenses are fixed, but the total amount may vary due to fluctuations in volume. In the event that demand for parking services exceeds the forecast usage, then the amount of total compensation would be adjusted pursuant to recommendation #2 of this memorandum. Reimbursable expenses must be itemized and approved by Airport staff prior to payment. All payments to contractor shall be paid monthly in arrears upon successful completion of work.

In the event the City exercises its options to extend the term of the agreement beyond the initial three year term, fees shall be subject to adjustment annually based on the percentage change (increase or decrease) to the Consumer Price Index for the Bay Area. The agreement includes a termination for default clause and a non-funding clause that will allow terminating the agreement if funding is not appropriated annually.

EVALUATION AND FOLLOW-UP

The Airport parking services made available by this agreement provide services for over 8.5 million annual passengers and greeters using the Airport and help the Airport attain its goal of providing a positive experience when using the Airport as well as maintaining control over more than \$23 million in annual revenues.

The Director of Aviation will be responsible for management, monitoring and reporting activities associated with this agreement. No further follow-up is required.

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POLICY ALTERNATIVES

Alternative #1: Continue to extend the existing agreement

Pros: Current services and service levels would continue.

Cons: The current agreement does not address the Airport's new PARCS and parking configuration. The new agreement also has lower rates.

Reason for Not Recommending: The City would not realize cost savings or service improvements as a result of the competitive process. Savings are estimated at \$2,037,048 initial three year term of the agreement.

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)**

This memorandum meets Criterion 1 and will be posted on the City's website for the April 3, 2012 Council agenda.

COORDINATION

This memorandum has been coordinated with the Airport Department, the Department of Public Works/Office of Equality Assurance, the City Attorney's Office, and the City Manager's Budget 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".

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COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Cost for Initial Three Year Term of Agreement: \$ 13,801,420

2. COST ELEMENTS OF AGREEMENT:

	Year 1	Year 2	Year 3	Total
Parking and Operations Management:				
Management Fee	\$1,468,538	\$1,517,476	\$1,569,143	\$4,555,157
Reimbursable Expenses	2,356,871	2,446,814	2,540,992	7,344,677
Total Annual Cost	\$3,825,409	\$3,964,290	\$4,110,135	\$11,899,834
In-Lot Shuttle Program:				
Fixed Management Fee (2 vehicles)	\$57,180	\$57,180	\$57,180	
Variable (hourly) Cost	576,682	576,682	576,682	
Total Estimated Cost	\$633,862	\$633,862	\$633,862	\$1,901,586
Maximum Compensation By Year	\$4,459,271	\$4,598,152	\$4,743,997	\$13,801,420

3. SOURCE OF FUNDING: Airport Maintenance and Operating Fund (#523)

4. FISCAL IMPACT: Cost for the first year of the agreement is funded by existing appropriations. Funding for subsequent years if the agreement is approved is dependent upon the appropriation of non-personal funds.

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	RC #	Total Appn.	Amt. for Contract	2011-2012 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)*
523	0802	Airport Non-Personal/ Equipment	401140	\$35,764,440	\$4,459,271 (Year 1)	XI-3	11/29/11 Ord 28998

HONORABLE MAYOR AND CITY COUNCIL

March 12, 2012

Subject: Report on RFP for Airport Parking Operations and Management and In-lot Parking Shuttle Services at the Norman Y. Mineta San Jose International Airport

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CEQA

Not a Public Project, File No. PP10-066(e) Services that involve no physical change to the environment.

/s/

JULIA H. COOPER
Acting Director of Finance

For questions please contact Mark Giovannetti, Purchasing Division Manager, at (408) 535-7052.