



Request for City Council Committee Action From the Department of Public Works

Date: July 27, 2010

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral: Honorable Betsy Hodges, Chair Ways & Means Committee

Subject: Authorization to issue an RFP for operations of the Municipal Parking System

Recommendation:

The proper City Officials are authorized to issue a Request for Proposals to solicit proposals for the operation of the Municipal Parking System.

That the City Officials evaluate the proposals and select the suitable candidate for the Operation of the Municipal parking System and make recommendation to the City Council.

Previous Directives:

- On September 3, 2004, the City Council approved issuing an RFP for the operation of the Municipal Parking System.
- On December 2, 2005, the City Council passed the recommended selection of Ampco System Parking as the operator of the Municipal Parking System.
- On March 16, 2006, the contract with Ampco System Parking was signed which was effective April 1, 2006.

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Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Jon Wertjes, Director, Traffic and Parking Services

Reviews

Permanent Review Committee (PRC): Approval X Date 6-10-10

Civil Rights Approval Approval Date

Policy Review Group (PRG): Approval Date

Financial Impact

No financial impact

Action is within the Business Plan

Community Impact

Neighborhood Notification:

City Goals:

Comprehensive Plan:

Zoning Code:

Background/Supporting Information

The operations and management contract for the Municipal Parking System was issued to Ampco System Parking effective April 1, 2006. This was a three year contract with two one-year renewals.

This contract and all renewals expire on March 31, 2011. Based on the recently implemented changes to the Municipal Parking System through centralization and increasing automation of the Municipal Parking System, Public Works recommends the issuance of a new Request for Proposals (RFP) for the operations and management of the Municipal Parking System.

Public Works has hired the consulting firms Short, Elliott and Hendrickson and The Consulting Engineers Group, Inc. to assist in evaluation and rewriting the existing contract as well as developing a new RFP to capitalize on reductions in costs through centralization and reduced staffing levels achieved through the increasing use of automation. Recently renewed focus on event parking operation due to the advent of Target Field also brings added activity to the Municipal Parking System. Changes implemented through automation will continue to reduce costs of operation which in turn reduce the management fee and operating expense that the City pays.

The Request for Proposal (RFP) has been reviewed by the Permanent Review Committee and the findings of the committee regarding a Labor Peace Agreement are attached and are part of the RFP. During the last RFP process which resulted in a change of management firms, Public Works is pleased to report that in excess of 95% of the previous firm's employees were retained by the incoming company. Those not retained either did not apply for positions or failed background and or drug screening. The requirement to explain retention of current employees is again included in this new RFP document.

The schedule would be as follows:

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|---------------------------|---|
| 1. August 2010 | Issue the RFP |
| 2. October 2010 | Proposals due |
| 3. November/December 2010 | Evaluate proposals, make recommendations and seek City Council approval |
| 4. January 2011 | Contract Execution |
| 5. January/March 2011 | Transition period |
| 6. April 1, 2011 | New contract start date |

Attachments.: PRC Findings – Parking OM Services

Cc: Tim Blazina

**REPORT BY THE PERMANENT REVIEW COMMITTEE TO THE CITY COUNCIL
TRANSPORTATION AND PUBLIC WORKS COMMITTEE AND WAYS & MEANS COMMITTEE**

Permanent Review Committee (PRC) findings upon review of the Request for Proposals for Operation and Management Services to be issued by the Department of Public Works, Traffic Management and Parking Services Division, dated June 10, 2010

As directed by the City Council in Resolution No. 2007-454 (August 31, 2007), the Permanent Review Committee (PRC) has made the following findings regarding the Request for Proposals (RFP) for the services requested.

- (1) The City owns the underlying real property and improvements that are the subject of the RFP. The City owns the twenty-five parking facilities which consist of 18 structured parking facilities and approximately seven surface parking lots. (See RFP at Article III B. "Background Information").
- (2) It is clear that as the owner in fee title to the underlying real property and improvements that comprise the 25 facilities at which the City seeks Operation and Management Services (O&M Services), the City has a proprietary interest in the facilities. The O&M Services consist of custodial services, collection of hourly and monthly parking fees and revenue, and security services. The City has a proprietary interest in the contract for the O&M Services at the facilities.
- (3) Of the O&M Services sought by the City through the RFP process, security services are vital. The incidence of crime in parking facilities is a deterrent to the use of these facilities and thereby affects the ability of the City to collect the revenue required for debt service and operations. Thus, the City holds either a proprietary interest or an economic interest in providing reliable security services among the array of O&M services on behalf of the residents, workers, visitors and other users of the City's parking facilities.

The PRC has analyzed the following factors to arrive at its findings:

- a. The anticipated contract with the recommended contractor or vendor will exceed the \$250,000 threshold established by the City Council in the August 31, 2007 Resolution.
- b. The anticipated duration of the anticipated contract to be awarded by the City is for three years with up to two, one year renewals of the contract.
- c. The disruption of security services at the City-owned parking facilities will have adverse economic affects upon the City.

The PRC recommends that the City include a labor peace provision in the contract for O&M Services, but that it only apply to security services and not either custodial or revenue collection services. The Department of Public Works, Traffic Management and Parking Services Division has provided the PRC with information that indicates that revenue collection services have been or will become automated during the term of the proposed contract. Therefore, the notion of "labor peace" will become moot. Custodial services are a relatively minor aspect of the proposed contract and are not a vital service. This service is relatively fungible and could be deferred or undertaken by substitute workers at a later date without affecting the City's interests.

Disruptions to security services at the City Structured and Surface Parking Facilities affect a small and limited segment of the City's population. However, historical information and research reviewed by the PRC led it to recommend that the security

services component of the O&M Services contract should be subject to a "labor peace" provision.

The City has economic and public safety interests to protect in maintaining safe and secure parking facilities. The City is responsible for the provision and maintenance of approximately 1200 security cameras in the City-owned parking facilities and varying numbers of security call stations in each parking facility. The maintenance and monitoring responsibilities for the operation of these security cameras and call stations are included in the O&M Services agreement. Therefore, the City does not want the O&M Services contractor to permit a labor disruption to compromise the use of these City-owned, security cameras and call stations. The owners of vehicles parked in City facilities not only assume that the City will provide a secure environment for parked vehicles and their contents, but also pay for security as part of the hourly or monthly fees. A breach in security that compromises the safe keeping of the vehicles not only can result in the payment of City funds to vehicle owners or operators for damage to vehicles and theft of contents, it also results in needless administrative hours required of City staff is required to address the claims. Additionally, breaches in security are known to deter vehicle operators from parking in parking facilities. The National Institute of Justice found that the provision of security in parking facilities is one of the most critical issues facing the owners of parking facilities. (See US Department of Justice, National Institute of Justice Research in Brief, "Crime Prevention Through Environmental Design In Parking Facilities," April 1996).

Anecdotally, the City has determined that crime at or near parking facilities affects the perception of users of the facilities. A relatively minor wave of crime that affected non-city owned parking facilities had a ripple effect upon City-owned facilities. In November and December 2008, two perpetrators preyed upon the users of private, downtown parking facilities. One group's activity involved the breaking into and entering of vehicles for the theft of contents. The other perpetrator actually stole valuables and vehicles during armed robberies of parking ramp users. While the Police Department arrested both perpetrators, the perception of crime in parking facilities had a chilling effect upon their use. The actual and perceived safety breach appears to have affected the use of and revenue generated by the parking facilities. Finally, one need only recall the brutal murder of a 19 year old Eau Claire, WI woman at the Energy Center Ramp in May 1988 to recognize the vital need for reliable security services as part of the City's O&M Services RFP.

The City requires security services to assure revenues generated by operation and maintenance of the City's Structured Parking and Surface Lot Facilities to economically sustain those facilities. The City also requires security services attributable to the operation and maintenance of the City's Structured Parking and Surface Lot Facilities to enhance the reputation that the City in general, and the residential and commercial areas served by the parking facilities, are both perceived to be and actually are safe.

For the reasons and based upon the findings cited above, the PRC recommends that the City Council should require that a provision preventing work stoppages be required of any contractor entering into an agreement to provide Operation and Maintenance Services for its security personnel or sub-contractors in the contract with the City for the City-owned Parking Facilities.

PRC Approval: June 10, 2010.