



Office of the City Manager

CONSENT CALENDAR
February 11, 2014

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Andrew Clough, Director, Public Works
Subject: Contract No. 8758 Amendment: LAZ Parking California LLC for Parking Garage Management

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 8758 with LAZ Parking California LLC, increasing the amount by \$430,931 for a total not to exceed \$8,103,407.

FISCAL IMPACTS OF RECOMMENDATION

Funds will be appropriated in the Off-Street Parking Fund (Fund 835) through the Second Amendment to the FY 2014 Annual Appropriations Ordinance:

| | |
|----------------------------|------------------|
| Center Street Garage | \$45,999 |
| Oxford Garage | \$45,999 |
| Telegraph Channing Garage | \$34,438 |
| | <u>\$126,435</u> |

Funding for FY 2015 through August 2016 (FY 2017) is subject to appropriation in those fiscal year budgets in the Off-Street Parking Fund (Fund 835). The remaining expenses by facility would be:

| | |
|----------------------------|------------------|
| Center Street Garage | \$80,776 |
| Oxford Garage | \$80,776 |
| Telegraph Channing Garage | \$142,934 |
| | <u>\$304,496</u> |

The CMS number for this contract amendment is CMS No. VPYJ8.

CURRENT SITUATION AND ITS EFFECTS

The City of Berkeley owns and operates 3 public parking garages, and LAZ Parking manages the daily garage operations of these facilities. There are 2 changes that have taken place since the inception of this contract and the increased expenditures are covered by the amendment: continuation of a 3rd party vendor contract managed by LAZ for credit card and web account transactions; and additional onsite security at all garages.

Vendor contract: The automated revenue control equipment at the garages accepts cash and credit card payments. A 3rd party vendor, SixCards, works closely with our specific equipment brand, and handles processing of credit card transactions and web accounts for monthly parking payments. During installation, staff determined it was more cost effective for the City to have LAZ Parking contract directly with SixCards, and pass through their costs to the City (an average of \$1,050 per month).

Onsite security: City garages are currently operating with janitorial staff and evening security onsite from 4pm until closing each day, and an assigned supervisor/manager roves garage locations throughout the day as needed. In January 2013, Berkeley Police received a formal complaint regarding people loitering inside Center Street Garage during morning hours, and suggested that security staff shift assignments to increase coverage at Center Street and Oxford garages between 8am and 4pm (roving), which is an increased expense of about \$56,000 annually, with a 3% annual inflator.

At the Telegraph Channing garage, security concerns have been greatest during daytime hours, before security staff started at 4pm. To address this concern, an additional security shift began in January 2014 from 8am to 4pm at Telegraph Channing, which is an expense of about \$56,000 a year, plus a 3% annual inflator.

BACKGROUND

The original contract with LAZ Parking was executed in August 2011 for a not-to-exceed amount of \$7,672,476 with a term ending in August 2016, and includes the purchase and installation of a parking access and revenue control system to automate daily garage operations. All 3 City parking garages converted to automated payments in April 2012, which eliminated on-site parking cashiers in booths. The perception by customers that City garages feel safer with uniformed security present has been expressed by both merchant groups and parking patrons.

Since the automation, approximately 65% of the parking garages' revenue transactions have come from credit card payments. Having a processing company with proven experience with our specific revenue equipment (back-end), working with our parking management team (LAZ Parking) has resulted in minimal credit card inquires or complaints by customers.

RATIONALE FOR RECOMMENDATION

LAZ Parking's ability to contract and work directly with SixCards for credit card disputes and/or credit refunds has expedited processing and customer response times. Additional daytime security personnel have been put in place, responding to advice from the Berkeley Police, and helping to ease customers' safety concerns when using the City's parking garages.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Farid Javandel, Transportation Manager, Public Works, 981-7057

Danette Perry, Parking Services Manager, Public Works, 981-7057

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 8758 AMENDMENT: LAZ PARKING CALIFORNIA LLC FOR
PARKING GARAGE MANAGEMENT

WHEREAS, the City of Berkeley owns and operates 3 public parking garages and LAZ Parking manages the daily operations of the garage facilities; and

WHEREAS, the original contract with LAZ Parking was executed on August 8, 2011 for a not-to-exceed amount of \$7,672,476 with a term ending August 7, 2016, unless extended; and

WHEREAS, this contract amendment has been entered into the City's database and assigned CMS No. VPYJ8; and

WHEREAS, funds will be recommended for appropriation through the FY 2014 second amendment to the appropriations ordinance in the Off-Street Parking Fund (Fund 835) for the Center Street Garage, Oxford Garage, and Telegraph Channing Garage; and

WHEREAS, funding for FY 2015 through August 2016 (FY 2017) is subject to appropriation in those fiscal year budgets in the Off-Street Parking Fund (Fund 835) for the Center Street Garage, Oxford Garage, and Telegraph Channing Garage.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to amend Contract No. 8758 with LAZ Parking California LLC, increasing the contract amount by \$430,931 for a total not to exceed \$8,103,407 for parking garage management.