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PLANNING AND PROGRAMMING COMMITTEE
February 18, 2009

**SUBJECT: RESERVED PARKING MANAGEMENT CONCESSION: PS4320-2195
REVENUE**

**ACTION: APPROVE REVENUE CONTRACT AWARD FOR RESERVED
PARKING MANAGEMENT CONCESSION**

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to award a revenue contract for three years with two, two-year options for additional parking management services Contract No. PS-4320-2195 to Clancy Systems International, Inc. for management of the Reserved Parking Management Concession for paid parking at selected transit stations effective April 1, 2009.

RATIONALE

Our current Reserved Parking Permit Program at Metro Rail Stations was established as a pilot program in 2003 to facilitate management of our parking inventory adjacent to our transit and rail facilities. Since the inception of this pilot project, overall demand for parking at our owned or operated parking facilities has grown significantly in response to the increase in fuel costs, improvements in transit service and the convenience of the facilities. Similarly, the demand for reserved parking spaces at participating facilities has steadily grown and exceeds the current allotment of these spaces. The reserved parking program is an effective component of the management of our parking resource, has public acceptance, and generates revenue that exceeds operational costs. The number of our facilities participating in the program has increased each year in relation to increasing demand for parking spaces by our patrons.

The current management services contract for the reserved parking permit program will expire on March 31, 2009. Staff issued a new Request for Proposals (RFP) for the Reserved Parking Management Concession in August 2008 to ensure continuation of the management services and an uninterrupted flow of revenue from our paid parking program. The award of a new concession agreement will extend the paid parking program and allow us to expand the program to our other owned parking facilities. Staff is currently in the process of increasing the number of spaces in the reserve program and modifying parking fees as appropriate.

BACKGROUND

The new RFP asked potential vendors to provide proposals for the management of our parking facilities that are participating in the Reserved Parking Management Concession. The RFP advised potential vendors that the number of participating facilities and the number of reserved parking spaces would change over the contract term in response to demand for parking by our patrons.

Countywide Planning & Development is coordinating with our New Business Development Department about the feasibility of implementing Transit Access Pass (TAP) technology in the development of parking facilities such as Universal Studios and North Hollywood joint developments. Staff will continue to investigate TAP technologies in current facilities as feasible.

Our Parking Policy was approved by the Board in July 2003 and authorizes implementation of paid parking where parking demands meet or exceed 75 percent of the current supply. The Parking Policy includes provisions that implement permit paid parking at designated facilities and allow for shared-use parking facilities in cooperation with other property owners. Our initial pilot program utilized a model that was similar to the program implemented by the San Francisco Bay Area Rapid Transit District (BART). The BART model demonstrated that low cost operations coupled with high flexibility in providing parking availability was a practical method to provide quality services to transit patrons. We solicited parking concessionaires and selected Clancy Systems of Denver Colorado to provide parking concession management services for our pilot program. The pilot program has proven to be highly successful and warrants continuation as an on-going operation.

The concessionaire agreement will allow us to set the number of parking spaces at each of the participating facilities. We will also be able to adjust the number of reserved parking spaces and the number of participating facilities based on the demand for this service by the public. Currently, a total of 461 parking spaces in eight facilities are utilized for the permit paid parking program. These parking facilities have a total of 4316 parking spaces. Patrons are able to access the parking reservation system through the Internet or by telephone, including cell phone. The monthly fee structure currently ranges from \$20 to \$39, depending on the parking facility. The fee structure is flexible and is adjustable either system-wide or for a specific facility based on the demand.

This concession agreement will utilize a private parking operator to continue the management and operation of the reserved parking program at selected parking facilities. The parking operator's expenses will be paid out of the fees received by the reserved parking program. We retain the flexibility to increase or modify the number of spaces at individual parking facilities that are participating in the reserved parking program as demand changes. Additionally, the agreement provides flexibility for us to add facilities or to remove facilities from the list of those serviced by the vendor. The ability to regularly review parking activity using updated information provides the ability for us to identify parking shortages and surplus and to respond in a timely way to parking needs of transit patrons. Parking enforcement and violations processing will be conducted by our Security personnel.

FINANCIAL IMPACT

No funds are required in the FY09 budget for this activity as the contract will be structured so that the contractor will be paid from revenue generated by the reserved parking program. The contractor receives approximately \$9 a month per reserved parking space prior to giving us the total revenue generated. This includes a set \$4 per space per month fee plus variable expenses for operating support services. The program generated approximately \$227,000 in total revenue in 2008. Approximately \$85,800 was paid to the vendor for management fees and operating expenses. Our share was more than \$141,200. We expect the gross revenue under the new contract to be approximately \$230,000 per year, of which more than \$146,000 will be our share. Since this is a multi-year contract the cost center manager and the Chief Planning Officer will be accountable for overseeing the contract in future years and any options exercised.

ALTERNATIVES CONSIDERED

- A. In-house management of the reserved parking management program. This is not recommended as the direct cost to us would exceed the potential total annual revenue of the program. The reserved parking fees are set at a rate that encourages our patrons to utilize the program as a convenient way to connect to transit service. In addition, the revenue-sharing scenario could result in additional costs to us through potential audits of the vendor's sales records and lag time in collecting actual revenues.
- B. Decline to award some or all components of the reserved parking management concession program. This is not recommended as it would result in significant revenue loss to us. Further, this solicitation has the potential to produce other revenue from permitting the display of advertisements at participating parking facilities. This is also consistent with and reflects Board direction to aggressively increase advertising revenues.

NEXT STEPS

We will return to the Board in March 2009 with the 2008 Comprehensive Parking Utilization and Site Assessment Study that details parking demand during the year and recommendations for improving the quality and quantity of parking facilities in our inventory.

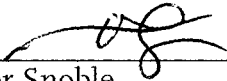
ATTACHMENT(S)

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

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Carol Inge
Chief Planning Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY
RESERVED PARKING MANAGEMENT CONCESSION**

1.	Contract Number: PS4320-2195 Revenue		
2.	Recommended Vendor: Clancy Systems International, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,022,000.00 revenue	Recommended Price: \$1,022,000.00 revenue	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Revenue Contract		
5.	Procurement Dates:		
	A. Issued: 08/15/08		
	B. Advertised: 08/15/08 - 08/20/08 (different advertising mediums)		
	C. Pre-proposal Conference: 08/25/08		
	D. Proposals Due: 09/19/08		
	E. Pre-Qualification Completed: 10/28/08		
	F. Conflict of Interest Form Submitted to Ethics: 09/19/08		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: No Goal Recommended	Date Small Business Evaluation Completed: 06/09/08	
	B. Small Business Commitment: 0% DBE (DALP) Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 13	Bids/Proposals Picked up: 44	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	Clancy Systems International, Inc.	\$1,022,000.00	\$1,022,000.00
	Standard Parking Corp.	\$ 521,612.00	\$ 512,612.00
	B. Evaluation Methodology: Cost Analysis details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 02/16/09		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Mayumi Lyon Ales	Telephone Number: 922-4020	
11.	Project Manager: Irving Taylor	Telephone Number: 922-2954	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY
RESERVED PARKING MANAGEMENT CONCESSION**

A. Background on Contractor

Clancy Systems International, Inc. ("Clancy") is located at 2250 So. Oneida Street, Denver, Colorado 80224.

Clancy is a publicly held corporation, incorporated in the state of Colorado and founded in 1984. Clancy has provided parking ticket issuance systems to city agencies, universities, transit agencies and the private parking sector since 1986. Clancy has provided innovative solutions to ticket issuance, on-street enforcement and procedures, database management and record processing, enforcement, payment processing and Internet programs to augment customer service, payment collection, permit fulfillment and information services.

Clancy is the current contractor for our reserved parking concession and we have been satisfied with the services the company has provided.

Clancy currently has Parking Management contracts with BART, Standard Parking, City of Orlando, Florida, City of Grand Rapids, Michigan and AMPCO System Parking, among others.

B. Procurement Background

This is a competitively negotiated procurement using the best value explicit factors/weighted guidelines methodology in accordance with our Procurement Policy manual for the selection of the preferred contractor. This procurement is in support of the Countywide Reserved Parking Permit program. This is a revenue contract for three years with 2 two-year options for additional parking management services.

A Small Business Enterprise goal was not recommended.

C. Evaluation of Proposals

The proposal evaluation was conducted in accordance with our Procurement Policy and Procedures. The source selection committee conducted a comprehensive technical evaluation, including oral discussions. Each proposal is considered responsive to the project and submittal requirements. Based on the evaluation criteria stipulated within the RFP solicitation requirements, Clancy Systems International, Inc. received the highest ranking of the two responsive proposals received.

D. Cost/Price Analysis Explanation of Variances

The Reserved Parking Management Concession program is projected to generate approximately \$230,000.00 in annual gross receipts based on subscriptions of 700 permitted parking spaces per month over the life of the proposed contract. The contract is for a term of three years with 2 two-year options. The estimated gross receipts total \$1,610,000.00 over the seven-year life of the contract. Annual operating costs are estimated at \$84,000.00 and will be paid from gross receipts. Costs include the vendor's

management fees, website maintenance, issuance of permits and revenue collection, customer service, and facility and equipment costs. Total operating costs are approximately \$588,000.00 over the term of the contract. The Reserved Parking Management Concession is projected to yield \$146,000.00 annual net revenue to Metro for a total of \$1,022,000.00 in revenue over the term of the contract. The contract costs and revenue estimates have been determined to be fair and reasonable based upon a cost analysis, independent cost estimates, a fact find, technical review and negotiations.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS
RESERVED PARKING MANAGEMENT CONCESSION**

PRIME CONTRACTOR – Clancy Systems International, Inc.

Subcontractor: None.

Total Commitment: No goal was recommended.