

**THIS PRINT COVERS CALENDAR ITEM NO. 10.7**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**PARKING AUTHORITY OF THE  
CITY AND COUNTY OF SAN FRANCISCO**

**DIVISION:** Sustainable Streets

**BRIEF DESCRIPTION:**

Authorizing the Director of Transportation to execute the First Amendment to Contract No. SFMTA-2011/12-11, Agreement with LAZ Parking California, LLC (LAZ) for Operation and Management of Off-Street Parking Facilities, to include the Ellis O'Farrell Garage (Garage) and increase the contract amount to a total not to exceed \$1,200,017, with no change to the contract term.

**SUMMARY:**

- The Ellis O'Farrell Parking Corporation's (Corporation) interim agreement with the current parking operator (Parking Concepts, Inc.) expires December 31, 2012.
- Since the Corporation's lease with the City is expected to be terminated soon, the SFMTA and Corporation have agreed that the SFMTA should select the new operator.
- On December 6, 2011, the SFMTA Board of Directors and the Parking Authority Commission adopted resolutions approving management agreements with Pacific Park Management (Group A), IMCO Parking (Group B) and LAZ Parking (Group C) to manage a total of 13 SFMTA-administered parking garages. Each of these agreements allows the SFMTA to add up to three additional facilities to the parking facilities under management by each operator.
- In September 2012, the Department of Human Resources approved adding the Ellis O'Farrell Garage to one of the existing management agreements and also approved an increased management fee.
- SFMTA staff issued a limited solicitation of proposals, to manage the Garage, to the three operators and reviewed the proposals
- LAZ was the highest-ranked proposer.
- The management agreement with LAZ for Group C provides that if facilities are added, the monthly management fee shall be increased by \$3 for each additional parking space, amounting to a total increase of \$2,850 for the Garage.
- The base monthly management fee to LAZ will increase from \$8,000 to \$10,850, for a maximum additional amount of \$292,097 in management fees through January 31, 2021.
- This increased contract amount requires approval by the SFMTA Board of Directors, as well as by the Parking Authority Commission, since Group C includes garages owned by the Parking Authority.

**ENCLOSURES:**

1. SFMTA Board Resolution
2. Parking Authority Commission Resolution
3. First Amendment to Agreement

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_

11/26/12

SECRETARY \_\_\_\_\_

11/26/12

**ASSIGNED SFMTAB CALENDAR DATE:** December 4, 2012

## **PURPOSE**

This report requests that the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors and the Parking Authority Commission adopt the attached resolutions authorizing the Director of Transportation to execute the First Amendment to the Agreement with LAZ Parking California, LLC (LAZ) to add the Ellis O'Farrell Garage (Garage) to the facilities being managed by LAZ and increase the contract amount in accordance with the terms of the Agreement.

## **GOAL**

This action is consistent with the SFMTA 2012-2018 Strategic Plan.

- Goal 1: Create a safer transportation experience for everyone.
- 1.3 – Improve the safety of the transportation system.
- Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred mean of travel.
- 2.1 – Improve customer service and communications.
  - 2.3 – Increase use of all non-private auto modes.
  - 2.4 – Improve parking utilization and manage parking demand.
- Goal 3: Improve the environment and quality of life in San Francisco.
- 3.1 – Reduce the Agency's and the transportation system's resource consumption, emissions, waste and noise.
  - 3.2 – Increase the transportation system's positive impact to the economy.
  - 3.3 – Allocate capital resources effectively.
  - 3.4 – Deliver services efficiently.

## **DESCRIPTION**

Pursuant to a lease between the Ellis O'Farrell Parking Corporation (Corporation) and the City and County of San Francisco, the Corporation leases the Ellis O'Farrell Garage from the City and hires a parking operator to manage the day-to-day operation. The Corporation's interim agreement with the current operator, Parking Concepts, expires December 31, 2012 and cannot be extended. While the Corporation had begun a Request For Proposals process to find a new operator, as a result of the decision to terminate the Corporation's lease, the Corporation decided to halt its process and turn over the selection of a new parking operator to the SFMTA in September 2012.

SFMTA staff reviewed its options with the SFMTA Contract Compliance Office (CCO) and determined that the preferred method of selecting an operator would be to solicit proposals from the three operators that currently manage a total of 13 SFMTA-administered parking garages; Pacific Park Management, Inc. (Group A), IMCO Parking, LLC (Group B) and LAZ Parking (Group C). The Board of Directors and the Parking Authority Commission approved the award of contracts to these three operators on December 6, 2011. Parking Authority Commission approval was required for the agreement for Group C, and is likewise required for this amendment because Group C includes the Polk Bush, North Beach, and San Francisco General Hospital Garages, each of which is owned by the Parking Authority. The solicitation of proposals from the current operators in order to

add additional facilities is consistent with Section 4.5 of the management agreements for Groups A, B and C. Section 4.5 of each of these agreements allows the SFMTA to add up to three additional parking facilities to each Group’s portfolio, and calls for the monthly management fee to be increased by \$3 per parking space being added, or in the case of the Garage, a total of \$2,850 in addition to the current monthly management fee of \$8,000. To assure ample opportunities for small and local businesses, a 20 percent Local Business Enterprise (LBE) goal, previously established in the December 2011 management agreements, is being applied to the management of this Garage.

In September 2012, the Department of Human Resources approved adding the management and operation of the Ellis O’Farrell Garage to one of the existing management agreements and increasing the management fee authorized in the original PSC request No. 4033-11/12, dated June 23, 2011, for the current management agreements for Groups A, B and C.

The SFMTA advertised the Notice of Solicitation of Proposals in October 2012 and received responsive proposals from the three operators. SFMTA staff conducted a thorough evaluation process. Written proposals were evaluated by the following criteria, as detailed in the Notice of Solicitation.

| <b>CRITERIA</b>                                                    | <b>MAXIMUM POINTS</b> |
|--------------------------------------------------------------------|-----------------------|
| <b>Written Statement of Qualifications</b>                         |                       |
| a. Operational and Management Plan                                 | 30                    |
| b. Revenue Enhancements and Cost Cutting Strategies                | 25                    |
| c. Security and Safety Plan                                        | 15                    |
| d. Maintenance Plan                                                | 15                    |
| e. Overall organization and clarity of Statement of Qualifications | 15                    |
| <b>TOTAL</b>                                                       | <b>100</b>            |

The table below shows the total point scores received by each proposer.

| <b>Rank</b> | <b>Proposer</b>         | <b>Total Score</b> |
|-------------|-------------------------|--------------------|
| 1           | LAZ Parking             | 93.3               |
| 2           | IMCO Parking            | 87.3               |
| 3           | Pacific Park Management | 85.0               |

Based on the scores, LAZ was certified as the highest ranking proposer by the CCO.

Approval by the SFMTA Board of Directors and the Parking Authority Commission will enable the SFMTA to enter into an agreement with LAZ, in the form of an amendment to the current Group C management agreement to add the Garage to Group C, and increase the management fee in accordance with Section 4.5 of the existing agreement.

The term of the current management agreement with LAZ is through January 31, 2018, with SFMTA holding two options to extend the term for 18 months, or for up to three additional years, ending on January 31, 2021. The proposed contract amendment would not alter the term of the existing

**PAGE 4.**

Agreement. The current not-to-exceed contract amount is \$907,920. The proposed amendment will result in an additional \$292,097 in management fees through January 31, 2021, for a new not-to-exceed amount of \$1,200,017.

**ALTERNATIVES CONSIDERED**

Since the current interim agreement cannot be extended beyond December 31, 2012, an alternative would be to issue a new RFP for the operation and management of the Garage. Staff does not recommend issuing a new RFP because it would take about 12-18 months to complete. Since the existing management agreements for Groups A, B and C provide for the addition of additional facilities, adding this Garage to the Group C agreement with LAZ is the most effective and fiscally prudent alternative.

**FUNDING IMPACT**

The adopted budget for FY2012-2013 includes adequate funding for the proposed amendment. There is no fiscal impact on SFMTA's Adopted Budget for FY2012-2013.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The Department of Human Resources approved the addition of these services on September 7, 2012. Since the SFMTA and the Parking Authority are parties to the December 2011 Agreement with LAZ and the increased contract amount exceeds the contracting authority delegated to the Director of Transportation, approval is required by both the SFMTA Board of Directors and the Parking Authority Commission. No other approvals are required in order for the SFMTA to execute the amendment.

The City Attorney has reviewed this report.

**RECOMMENDATION**

Staff recommends that the SFMTA Board of Directors and the Parking Authority Commission authorize the Director of Transportation to execute the First Amendment to Contract No. SFMTA-2011/12-11, Agreement with LAZ Parking California, LLC for Operation and Management of Off-Street Parking Facilities, to add the Ellis O'Farrell Garage to the facilities under management effective January 1, 2013 and to increase the contract amount by an additional \$292,097 for a total contract amount not to exceed \$1,200,017, with no change to the contract term.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The mission of the Off-Street Parking Program is to provide clean, safe and convenient parking to the visitors, employees and businesses in the downtown core, as well as to the commercial and residential districts; and

WHEREAS, Through effective management of over 15,000 spaces at 39 parking facilities, the Off-Street Parking Program supports economic vitality in the City's downtown and neighborhood commercial districts, supports the City's *Transit First* policy, develops various parking policies and programs that help reduce traffic congestion on City streets and promote alternative modes of transportation; and

WHEREAS, The Ellis O'Farrell Parking Corporation's (Corporation) lease with the City and County of San Francisco for the Ellis O'Farrell Garage (Garage) is expected to be terminated on or about December 31, 2012; and

WHEREAS, The Garage is currently operated under an interim agreement with Parking Concepts, Inc. that expires December 31, 2012; and

WHEREAS, In September 2012, the Corporation cancelled its RFP soliciting proposals from qualified parking facility management firms to provide daily operation and management services for the Garage and turned over selection of the new parking operator to the SFMTA; and

WHEREAS, On December 6, 2011, the SFMTA Board of Directors adopted Resolution No. 11-144, and the Parking Authority Commission adopted Resolution No. 11-145, approving management agreements with Pacific Park Management (Group A), IMCO Parking (Group B) and LAZ Parking California, LLC (Group C) to manage a total of 13 SFMTA-administered parking garages, and each of these agreements allow for the SFMTA to add up to three additional parking facilities to the facilities under management; and

WHEREAS, On September 7, 2012, the Department of Human Resources approved adding the operation and management of the Garage to either the Group A, B or C management agreement and increasing the management fee authorized by the original PSC request No. 4033-11/12, dated June 23, 2011; and

WHEREAS, In October 2012, the SFMTA issued a Notice of Solicitation of Proposals to the operators of Groups A, B and C; and

WHEREAS, Each of these management agreements authorizes the SFMTA to add up to three additional parking facilities to each Group's portfolio of garages under the same terms and conditions, with an increase in the management fee of \$3 per additional parking space per month, which would amount to \$2,850 per month for the Ellis-O'Farrell Garage; and

WHEREAS, Staff reviewed the responsive proposals from all three operators and identified LAZ Parking California, LLC as the highest ranking proposer; and

WHEREAS, Staff has prepared an amendment to the December 2011 management agreement between the SFMTA, the Parking Authority and LAZ Parking California, LLC that would add the Ellis-O'Farrell Garage to Group C and increase the management fee in accordance with the terms of the December 2011 agreement; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute the First Amendment to Contract No. SFMTA-2011/12-11, Agreement with LAZ Parking California, LLC for Operation and Management of Off-Street Parking Facilities, to add the Ellis O'Farrell Garage to the facilities under management effective January 1, 2013 and to increase the contract amount by an additional \$292,097 for a total contract amount not to exceed \$1,200,017, with no change to the contract term.

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 4, 2012.

---

Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

SAN FRANCISCO  
PARKING AUTHORITY COMMISSION

RESOLUTION No. \_\_\_\_\_

WHEREAS, The mission of the Off-Street Parking Section of the San Francisco Municipal Transportation Agency (SFMTA) is to provide clean, safe and convenient parking to the visitors, employees and businesses in the downtown core, as well as to the commercial and residential districts; and

WHEREAS, Through effective management of over 15,000 spaces at 39 parking facilities, the Off-Street Parking Section supports economic vitality in the City's downtown and neighborhood commercial districts, supports the City's *Transit First* policy, develops various parking policies and programs that help reduce traffic congestion on City streets and promote alternate modes of transportation; and

WHEREAS, The Ellis O'Farrell Parking Corporation's (Corporation) lease with the City and County of San Francisco for the Ellis O'Farrell Garage (Garage) is expected to be terminated on or about December 31, 2012; and

WHEREAS, The Garage is currently operated under an interim agreement with Parking Concepts, Inc. that expires December 31, 2012; and

WHEREAS, In September 2012, the Corporation cancelled its RFP soliciting proposals from qualified parking facility management firms to provide daily operation and management services for the Garage and turned over selection of the new parking operator to the SFMTA; and

WHEREAS, On December 6, 2011, the SFMTA Board of Directors adopted Resolution No. 11-144, and the Parking Authority Commission adopted Resolution No. 11-145 approving management agreements with Pacific Park Management (Group A), IMCO Parking (Group B) and LAZ Parking California, LLC (Group C) to manage a total of 13 SFMTA-administered parking garages, and each of these agreements allow for the SFMTA to add up to three additional parking facilities to the facilities under management; and

WHEREAS, On September 7, 2012, the Department of Human Resources approved adding the operation and management of the Garage to either the Group A, B or C management agreement and increasing the management fee authorized by the original PSC request No. 4033-11/12, dated June 23, 2011; and

WHEREAS, In October, 2012, the SFMTA issued a Notice of Solicitation of Proposals to the operators of Groups A, B and C; and

WHEREAS, Each of these management agreements authorizes the SFMTA to add up to three additional parking facilities to each Group's portfolio of garages under the same terms and conditions, with an increase in the management fee of \$3 per additional parking space per month, which would amount to \$2,850 per month for the Ellis-O'Farrell Garage; and

WHEREAS, SFMTA staff reviewed the responsive proposals from all three operators and identified LAZ Parking California, LLC as the highest ranking proposer; and

WHEREAS, SFMTA staff has prepared an amendment to the December, 2011 management agreement between the SFMTA, the Parking Authority and LAZ Parking California, LLC that would add the Ellis-O'Farrell Garage to Group C and increase the management fee in accordance with the terms of the December, 2011 agreement; and

WHEREAS, Group C includes the Polk Bush, North Beach, and San Francisco General Hospital Garages, each of which is owned by the Parking Authority; and

WHEREAS, Under an agreement dated October 18, 2007, between the SFMTA and the Parking Authority, the SFMTA performs the administrative functions of the Parking Authority with respect to the Parking Authority garages, and is authorized when contracting to combine the management and operation of Parking Authority parking facilities with City-owned facilities, except that where any such contract exceeds the contracting authority delegated to the Director of Transportation, the contract is subject to approval by both the SFMTA Board of Directors and the Parking Authority Commission; now, therefore, be it

RESOLVED, That the Parking Authority Commission of the City and County of San Francisco authorizes the Director of Transportation to execute the First Amendment to Contract No. SFMTA-2011/12-11, Agreement with LAZ Parking California, LLC for Operation and Management of Off-Street Parking Facilities, to add the Ellis O'Farrell Garage to the facilities under management effective January 1, 2013 and to increase the contract amount by an additional \$292,097 for a total contract amount not to exceed \$1,200,017, with no change to the contract term.

I certify that the foregoing resolution was adopted by the Parking Authority of the City and County of San Francisco Commission at its meeting of December 4, 2012.

---

Secretary, Parking Authority Commission

**City and County of San Francisco  
Municipal Transportation Agency**

**Parking Authority of the  
City and County of San Francisco**

**One South Van Ness Avenue 7th floor  
San Francisco, California 94103**

**First Amendment to Agreement for Operation and Management of Off-Street Parking  
Facilities, Group C, Contract No. SFMTA-2011/12-11**

THIS AMENDMENT (this "Amendment") is effective as of January 1, 2013, in San Francisco, California, by and between the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency, hereinafter referred to as "SFMTA," the Parking Authority of the City and County of San Francisco ("Parking Authority"), a public body corporate and politic, acting by and through the SFMTA (collectively, "City"), and LAZ Parking California, LLC, ("Contractor" or "Manager").

**RECITALS**

- A. City and Contractor have entered into the Agreement (as defined below).
- B. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to add operation and management services at an additional facility to the services being performed under the Agreement, as allowed by the Agreement Section 4.5 "Addition or Deletion of Facilities."

NOW, THEREFORE, Contractor and the City agree as follows:

- 1. **Definitions.** The following definitions shall apply to this Amendment:
  - a. **Agreement.** The term "Agreement" shall mean the Agreement dated December 12, 2011, between Contractor and City.
  - b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.
- 2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:
  - a. **Section 6.1.** Section 6.1, Management Fee and Reimbursement of Operating Expenses, is amended in its entirety to read as follows:

**6.1 Management Fee and Reimbursement of Operating Expenses.**

- (1) Manager shall be paid a monthly Management Fee of Ten Thousand Eight Hundred Fifty Dollars (\$10,850) for services performed by it under this Agreement. Beginning the first month of contract years four (4), and seven (7) if the term is extended, the monthly Management Fee will be increased by five percent (5%). Provided Manager is not in default under this Agreement, or an event has not occurred that, with the giving of notice or the passage of time, would

|                    |     |                                                                                                 |
|--------------------|-----|-------------------------------------------------------------------------------------------------|
| SFMTA P-550 (5-10) | -1- | December 4, 2012<br>w:\muniwebmaster\12-4-12 item 10.7 ellis-<br>o'farrell garage amendment.doc |
|--------------------|-----|-------------------------------------------------------------------------------------------------|

constitute a default, the Management Fee shall be due and payable under the requisition procedure required by **Section 6.8 of the Facility Regulations**, provided the SFMTA receives the Monthly Report required by **Section 6.7 of the Facility Regulations**. Should the Commencement Date or the Expiration Date occur on any day other than the first day of a calendar month, the Management Fee for that particular month shall be prorated based on a 30-day month.

- (2) Manager shall be entitled to reimbursement from the SFMTA for all Operating Expenses properly incurred and paid by Manager in the performance of Manager’s duties hereunder and as specified in the approved Budget in accordance with the Facility Regulations. Such reimbursement shall be subject to Manager’s compliance with the submittal procedures set forth in the Facility Regulations and shall be subject to all City approvals required under this Agreement. The SFMTA's obligation to reimburse Manager for wages, salaries or benefits is limited to reimbursement for time that employees of Manager are actually working at the Facilities for the benefit of the SFMTA. Manager shall not be reimbursed for overhead expenses that have not been specifically set out as reimbursable expenses. All costs not identified as reimbursable expenses shall be borne by Manager.
- (3) The City shall make all payments to Manager at the address specified in **Section 17** (Notice Requirements).

**b. Exhibit A.** Exhibit A of the Agreement is amended to add the following:

**“Ellis O’Farrell Garage:**

Ellis O’Farrell Garage is a multi-level public parking structure with 950 spaces located at 123 O’Farrell Street in the Union Square District of San Francisco. Beginning at a point on the northerly line of Ellis Street, distance thereon 137 feet and 6 inches westerly from the westerly line of Stockton street; running thence westerly along said line of Ellis Street 137 feet and 6 inches, more or less, thence at a right angle northerly 137 feet and 6 inches; thence at a right angle easterly 30 feet, more or less, to a point perpendicularly distant westerly 245 feet from the westerly line of Stockton Street; thence at a right angle northerly 137 feet and 6 inches, more or less, to the southerly line of O’Farrell Street; thence at a right angle easterly along O’Farrell Street 107 feet and 6 inches to a point distant thereon 137 feet and 6 inches westerly from the westerly line of Stockton Street; thence at a right angle southerly 275 feet, more or less, to the point of beginning.

Being a portion of 50 Vera Block No. 144.”

**c. Exhibit C.** Exhibit C of the Agreement is amended to add the following:

**“Ellis O’Farrell Garage:**

Sun-Thurs: 5:30 a.m. – 1 a.m.  
Fri & Sat: 5:30 a.m. – 2 a.m.”

**3. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

|                    |     |                                                                                                 |
|--------------------|-----|-------------------------------------------------------------------------------------------------|
| SFMTA P-550 (5-10) | -2- | December 4, 2012<br>w:\muniwebmaster\12-4-12 item 10.7 ellis-<br>o'farrell garage amendment.doc |
|--------------------|-----|-------------------------------------------------------------------------------------------------|



IN WITNESS WHEREOF, Contractor and City have executed this Amendment.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY</b></p> <p>Recommended:</p> <p>By: _____<br/> Amit M. Kothari _____<br/> Director of Off-Street Parking Date</p> <p><b>APPROVED:</b></p> <p>By: _____<br/> Edward D. Reiskin _____<br/> Director of Transportation Date<br/> San Francisco Municipal<br/> Transportation Agency and authorized<br/> agent for the Parking Authority of the City and<br/> County of San Francisco</p> <p>Approved as to Form:<br/> Dennis H. Herrera, City Attorney</p> <p>By: _____<br/> David A. Greenburg _____<br/> Deputy City Attorney Date</p> <p>San Francisco Municipal Transportation Agency<br/> Board of Directors</p> <p>Resolution No. _____</p> <p>Adopted: _____</p> <p>Attest: _____<br/> Secretary, SFMTA Board</p> | <p><b>CONTRACTOR</b></p> <p>APPROVED:</p> <p>By: _____<br/> Kendra Petty, RVP _____<br/> LAZ Parking California, LLC Date</p> <p>City vendor number: 81121</p> <p>Parking Authority of the City and County of San<br/> Francisco San Francisco Commission</p> <p>Resolution No. _____</p> <p>Adopted: _____</p> <p>Attest: _____<br/> Secretary, Parking Authority Commission</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|