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Agenda Item: ID#14-518 (2-B)

Date: 10/30/14

CITY CLERK, FRESNO

## FRESNO CITY COUNCIL



### Supplemental Information Packet

Agenda Related Items – ID#14-518 (2-B)

Supplemental Packet Date: October 28, 2014

#### Item(s)

***Approve the selection of, and award a contract to, SP Plus Corporation to provide Parking Facilities Management Services in Fresno***

#### **Supplemental Information:**

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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October 28, 2014

**VIA HAND DELIVERY**

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c/o Yvonne Spence, City Clerk  
CITY OF FRESNO  
2600 Fresno Street, Room 2133  
Fresno, CA 93721

Re: Council Agenda October 30, 2014  
Agenda Item ID# 14-518

Dear Honorable Councilmembers:

We come before you on behalf of Ace Parking Management, Inc. (Ace).

We request that the City Council not award the Parking Facilities Management Contract to SP Plus Corporation (SP) as recommended by staff.

SP's proposal is non-responsive in that it fails to address numerous requirements of RFP 9261. The enclosure accompanying this letter details the items that SP failed to address.

The omissions result in SP under-budgeting Year 1 of the contract by approximately \$429,500 and the five-year contract term by approximately \$2,245,000. SP would incur significant financial losses if it provides all of the required services at the amounts identified in its proposal. It is doubtful that SP could complete the five-year contract while incurring \$2,245,000 in losses. If the contract is awarded to SP, the City faces the possibility of having to reduce or eliminate some of the required services to make completion of the contract feasible for SP, increasing SP's compensation to a level greatly exceeding SP's bid, or saddling SP with significant financial burden that prevents SP from completing the contract, all of which are unappealing and inconsistent with the RFP.

The staff report indicates that the proposals of Republic Parking, the company that was previously identified as the favored candidate, and LAZ Parking "failed to address [RFP] Addendum 5 related to providing staffing costs at various park sites." As outlined in the enclosure, SP's proposal also fails to satisfy the requirements of Addendum 5.

The staff report further indicates that award of the Parking Facilities Management Services contract to SP may result in a cost-savings to the City of \$500,000 to \$1,000,000. Such statement does not tell the whole story. The staff report fails to note that the City requested various additional services from Ace, some of which are identified in the enclosure. If SP were to include all required RFP services in its budget and if the City requests the same additional services from SP, the \$500,000 to \$1,000,000 in cost-savings referenced in the staff report will not be realized.

Ace also takes exception to the staff report's statement that none of the proposers qualify for the City's local business preference. Ace has maintained a branch office in downtown Fresno for its over 60 employees for over ten years. This issue further illustrates that the staff report omits critical information that results in a flawed conclusion.

We encourage the Council to reject SP's non-responsive proposal and extend Ace's contract because Ace is best qualified, has provided excellent progressive service over its tenure and will provide the best service for the best price in the future.

Sincerely,

GRISWOLD, LaSALLE, COBB,  
DOWD & GIN, LLP

By:

  
ROBERT M. DOWD

RMD/sr

Enclosure

cc: (with enclosure)

Ashley Swearengen, Mayor

Bruce Rudd, City Manager

Douglas Sloan, City Attorney

Gary Watahira, Purchasing Manager

***SP Plus Corporation's (SP) response to RFP 9261 is non-responsive for the following reasons:***

- 1. SP failed to satisfy the booth staffing requirements outlined in RFP Addendum No. 5 - fulltime staffing of two parking booths at Woodward and Roeding Parks.**
  - Addendum 5 clearly states that the minimum cashier staffing level is 2 booths during all operating hours for Woodward Park and 2 booths during all operating hours for Roeding Park.
  - Addendum 5 identifies the parks' operating hours as: Summer – 6AM-10PM; Winter – 6AM-7PM.
  - SP's proposal indicates that one parking booth in Woodward Park and one booth in Roeding Park will be operational between 7AM and 4PM and one booth at each park will be operational between 1PM and 10PM.
  - SP underbid the required staffing hours by 154 hours per week (winter) and 224 hours per week (summer), respectively.
  - Failure to satisfy the staffing requirements of Addendum 5 results in SP under-budgeting by approximately \$145,000 in Year 1 and more than \$770,000 over the 5-year contract term.
- 2. SP failed to satisfy the booth staffing requirements outlined in RFP Addendum No. 5 - event staffing hours for Woodward Park booth #3.**
  - This omission results in under-budgeting by \$47,000 in Year 1, for a total of approximately \$250,000 over the 5-year contract term.
- 3. SP's proposal failed to include one fulltime parks supervisor as required by Addendum 5.**
  - SP did not budget for the mandatory parks supervisor position, which results in a 40 hour per week omission.
  - Year 1 costs = \$70,000, for a total of more than \$370,000 over the 5-year contract term.
- 4. SP's proposal failed to include elevator repair and maintenance as required by the RFP's Scope of Work**
  - SP failed to budget for this cost in its proposal.
  - Year 1 cost = \$71,500, for a total of more than \$365,000 over the 5-year contract term.
- 5. SP's proposal failed to include the removal of papers, debris, filth and refuse from the parking facilities and power-washing of surfaces on a monthly basis, which are requirements identified in the RFP.**
  - SP's omission results in SP failing to include required services in its proposed budget.
  - Year 1 cost = \$71,000, for a total of more than \$360,000 over the 5-year contract term.

**6. SP's proposal failed to include tickets, hanging permits, decals, and access cards per Section 4.02 of the Operating Contract that was part of the RFP.**

- SP's omission results in SP failing to include required materials and services in its proposed budget.
- Year 1 costs = \$25,000, for a total of more than \$130,000 over the 5-year term

SP's First Year Total Budget Omissions	=	\$ 429,500
SP's Five Year Total Budget Omissions	=	\$2,245,000

*Comparing SP's proposed budget figures and the fees that the City has paid to Ace Parking Management, Inc. (Ace), does not paint an accurate picture as the City asked Ace to perform duties and expend monies outside the scope of the RFP. The following is a list of the main items requested by the City:*

- **Higher levels of cleaning and maintenance.** In order to satisfy the City's requests for higher levels of cleaning and maintenance, Ace maintains 6 fulltime maintenance personnel. SP only budgeted for two fulltime maintenance persons. Ace's costs are currently 3 times higher than the amount budgeted by SP. SP's costs would increase by approximately \$112,000 annually and nearly \$600,000 over five years in order to maintain the City-requested level of cleaning and maintenance currently provided by Ace.
- **Parking Ambassadors/CSRs.** The City requested that Ace staff additional ambassadors/CSRs throughout the operation. This added \$185,000 to Ace's annual operating costs and nearly \$950,000 over five years.
- **Landscaping services.** Landscaping services are run through Ace's current budget, resulting in \$85,000 in additional annual costs and nearly \$425,000 over five years.
- **Painting and facility maintenance.** Such costs are run through Ace's current budget, resulting in \$27,000 in additional annual costs and over \$135,000 over five years.
- **Sign replacement.** Sign replacement is run through Ace's current budget, resulting in \$6,000 in additional annual costs and over \$30,000 over five years.
- **Equipment rental.** Rental costs for items such as, without limitation, electronic ticket issuing devices and portable toilets, are run through Ace's current budget resulting in \$45,000 in additional annual costs and over \$225,000 over five years.
- **Vehicle expenses and lighting repairs.** Such costs are run through Ace's current budget resulting in \$25,000 in additional annual costs and over \$125,000 over five years.

Annual Value of the Extra Work Requested by the City	=	\$ 485,000
Five-Year Value of the Extra Work Requested by the City	=	\$2,490,000

*Between SP's numerous RFP omissions and the extra work requested of Ace by the City, SP's proposal would need to be increased by at least \$914,500 for Year 1 in order to have an accurate comparison with Ace's current operations and budget.*