

THIS PRINT COVERS CALENDAR ITEM NO.: 10.2 and 10.3

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
and
PARKING AUTHORITY COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Approving the Fourth Amendment to the Agreement for Operation and Management of Off-Street Parking Facilities, Group C, Contract No. SFMTA-2011/12-11 with LAZ Parking California, LLC to manage the San Francisco General Hospital, Moscone Center, North Beach, Vallejo, Polk Bush, Ellis O’Farrell, and Union Square garages, increasing the contract amount \$172,166 for a total of \$1,458,042, and extending the agreement term one year for a total term of ten years.

SUMMARY:



- On December 6, 2011, the SFMTA Board of Directors and the Parking Authority Commission authorized the Director of Transportation to execute Agreement No. SFMTA-2011/12-11, Agreement for Operation and Management of Off-Street Parking Facilities, Group C with LAZ Parking California, LLC (Agreement), in an amount not to exceed \$907,920 and for a term not to exceed nine years to manage the San Francisco General Hospital, Moscone Center, North Beach, Vallejo and Polk Bush garages.
- Using contract approval authority delegated by the SFMTA Board of Directors and the Parking Authority Commission, the Director of Transportation has approved three previous amendments to the Agreement that added the Ellis O’Farrell and Union Square garages to the Agreement, extended the term of the Agreement three years, and increased the contract amount \$377,956.
- The proposed Fourth Amendment will extend the term of the Agreement one year. Staff will issue a Request for Proposals in the Summer of 2021 to competitively bid the management of all SFMTA and Parking Authority parking garages.

ENCLOSURES:

1. SFMTAB Resolution
2. PAC Resolution
3. Fourth Amendment to Group C agreement.

APPROVALS:

DATE

DIRECTOR	 _____	January 12, 2021 _____
SECRETARY	 _____	January 12, 2021 _____

ASSIGNED SFMTAB CALENDAR DATE: January 19, 2021

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PURPOSE

Seeking the Board of Directors and the Parking Commission's approval of the Fourth Amendment to the Agreement for Operation and Management of Off-Street Parking Facilities, Group C, Contract No. SFMTA-2011/12-11 with LAZ Parking California, LLC (LAZ Parking) to manage the San Francisco General Hospital, Moscone Center, North Beach, Vallejo, Polk Bush, Ellis O'Farrell, and Union Square garages, increasing the contract amount \$172,166 for a total of \$1,458,042, and extending the agreement term one year for a total term of ten years.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action will support the following goals and objectives of the SFMTA'S Strategic Plan:

Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.3: Manage congestion and parking demand to support the Transit First Policy.

Goal 3: Improve the quality of life and environment in San Francisco and the region.

Objective 3.5: Achieve financial stability for the agency.

This action will support the following Transit First Policy Principles:

7. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.

DESCRIPTION

Background

Under the authority granted by California Streets and Highway Code sections 32500 et seq., the Board of Supervisors established the Parking Authority of the City and County of San Francisco (Parking Authority) in October 1949 (Ord. No. 9126, see Admin. Code §§ 17.1, 17.2) The Parking Authority is a State agency; the SFMTA Board of Directors sits ex officio as the Parking Authority Commission. (Sts. & Hwy Code § 32656(c), Charter § 8A.112.A.) The Parking Authority owns the Polk Bush Garage, Lombard Street Garage, North Beach Garage, and the San Francisco General Hospital Garage. The SFMTA owns or manages on behalf of other City departments the Union Square Garage, Ellis O'Farrell Garage, Sutter Stockton Garage, Fifth and Mission Garage, Golden Gateway Garage, Mission Bartlett Garage, Civic Center Garage, Performing Arts Garage, Portsmouth Square Garage, Moscone Center Garage, 16th & Hoff Garage, Pierce Street Garage, Vallejo Street Garage, St. Mary's Square Garage, Japan Center Garages, 7th & Harrison Lot and the Kezar Lot.

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Under a Memorandum of Agreement dated October 18, 2007, the Parking Authority Commission contracted with the SFMTA to manage the Parking Authority's garages, applying the same policies and administrative procedures as the SFMTA uses to manage SFMTA garages. (MTAB Res. No. 07-71 Nov. 6, 2007.)

In April 2011, the SFMTA issued RFP #2010/09-14 which sought proposals from experienced garage management firms to manage SFMTA and Parking Authority garages, which were divided into three groups (A,B, and C), and issued a Request for Proposals to separately manage each of the garage groups. On December 6, 2011, the SFMTA Board of Directors and Parking Authority Commission awarded the Agreement to LAZ Parking to manage the garages in Group C (SFMTA Board Res. No. 11-144; PA Comm. Res 1.1-145.) for an amount not to exceed \$907,920 and for an initial six-year term and two possible extensions of 18 months each. Group C at that time comprised San Francisco General Hospital, Moscone Center, North Beach, Vallejo and Polk Bush garages. (Pacific Park Management received the contract for Group A garages, and IMCO Parking LLC received the contract for Group B garages. The amendments to extend those contracts one additional year are within the Director of Transportation's delegated contract approval authority, and will not therefore be presented to the SFMTA Board or the Parking Authority Commission.)

Prior Amendments

On January 1, 2013, under authority delegated by the SFMTA Board, the Director of Transportation approved the First Amendment to the Agreement, which added Ellis O'Farrell Garage to the Group C garages and added \$292,096 to the contract amount.

On January 31, 2018, under authority delegated by the SFMTA Board, the Director of Transportation approved the Second Amendment to the Agreement, which added Union Square Garage to the Group C garages, added \$85,860 to the contract amount, and exercised the first option to extend the term 18 months.

On May 17, 2019, under authority delegated by the SFMTA Board, the Director of Transportation approved the Third Amendment to the Agreement, exercising the second option to the extent the term of the Agreement another 18 months.

Proposed Fourth Amendment

SFMTA staff had initially planned to issue a Request for Proposals (RFP) in the summer of 2020 seeking proposals for new parking operator agreements that would commence on February 1, 2021. After consulting various stakeholders, the staff determined that delaying the soliciting of proposals for new garage management contracts for one year would likely produce better proposals and is in the best interest of the SFMTA, the parking operators and their employees. SFMTA staff plans to issue an RFP in the summer of 2021, which will result in new garage operator contracts that will have terms beginning February 1, 2022.

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The Fourth Amendment is submitted to the SFMTA Board and Parking Authority Commission, because the proposed increase to the contract amount exceeds the Director of Transportation's delegated authority.

STAKEHOLDER ENGAGEMENT

Staff reviewed the proposed one-year delay of the RFP process and one-year extension of the agreement with all major stakeholders in garage operations, including SFMTA executive management, LAZ Parking, and Teamsters 665 leadership. After detailed review and discussion of the potential impacts, all parties supported the proposal. SFMTA staff thinks the delay of the next RFP to summer 2021, when the pandemic will hopefully be coming under control, will result in a more robust solicitation process that will result in the submission of more and better-quality proposals from the parking-vendor community.

ALTERNATIVES CONSIDERED

SFMTA staff considered proceeding with an RFP process for garage operators in the summer of 2020. However, it was determined that a solicitation process conducted during the pandemic would not yield high quality proposals from potential parking-operations vendors. Therefore, staff concluded that a one-year delay in the RFP process, and parallel one-year extension of the existing Group C agreement was in the best interest of the SFMTA.

FUNDING IMPACT

Operating funds required to pay the fees due to LAZ Parking under the proposed Fourth Amendment are budgeted in the approved SFMTA two-year budget.

ENVIRONMENTAL REVIEW

On December 23, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the Fourth Amendment to Contract No. SFMTA-2011/12-11 with LAZ Parking California, LLC, is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The Civil Services Commission approved the proposed Fourth Amendment to the Agreement, under Personnel Services Contract request No. 4033-11/12, at its December 7, 2020 meeting.

The Parking Authority Commission must also approve the Fourth Amendment to the Agreement, because the Parking Authority Commission owns the San Francisco General Hospital Garage,

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Polk Bush Garage, and North Beach Garage.

The City Attorney has reviewed this report.

RECOMMENDATION

Staff recommends that SFMTA Board of Directors and the Parking Authority Commission approve the Fourth Amendment to the Agreement for Operation and Management of Off-Street Parking Facilities, Group C, Contract No. SFMTA-2011/12-11 with LAZ Parking California, LLC to manage the San Francisco General Hospital, Moscone Center, North Beach, Vallejo, Polk Bush, Ellis O'Farrell, and Union Square garages, increasing the contract amount by \$172,166 for a total of \$1,458,042, and extending the agreement term one year for a total term of ten years.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Under a Memorandum of Agreement dated October 18, 2007 (MTAB Res. No. 07-71 Nov. 6, 2007.), the Parking Authority Commission contracted with the SFMTA to manage the Parking Authority's garages, applying the same policies and administrative procedures as the SFMTA uses to manage SFMTA garages, and managing the Parking Authority's garages using the same garage management companies that the SFMTA uses to manage its garages; and,

WHEREAS, On December 6, 2011, the SFMTA Board of Directors and the Parking Authority Commission authorized the Director of Transportation to execute Agreement No. SFMTA-2011/12-11, Agreement for Operation and Management of Off-Street Parking Facilities, Group C with LAZ Parking California, LLC (Agreement), in an amount not to exceed \$907,920 and for a term not to exceed nine years to manage the San Francisco General Hospital, Moscone Center, North Beach, Vallejo and Polk Bush garages; and,

WHEREAS, On January 1, 2013, under authority delegated by the SFMTA Board, the Director of Transportation approved the First Amendment to the Agreement, which added Ellis O'Farrell Garage to the Group C garages and added \$292,096 to the contract amount; and,

WHEREAS, On January 31, 2018, under authority delegated by the SFMTA Board, the Director of Transportation approved the Second Amendment to the Agreement, which added Union Square Garage to the Group C garages, added \$85,860 to the contract amount, and exercised the first option to extend the term 18 months; and,

WHEREAS, On May 17, 2019, under authority delegated by the SFMTA Board, the Director of Transportation approved the Third Amendment to the Agreement, exercising the second option to the extent the term of the Agreement another 18 months; and,

WHEREAS, SFMTA staff planned to issue a Request for Proposals (RFP) in the summer of 2020 seeking proposals that would result in new parking operator agreements commencing February 1, 2021, but those plans have been disrupted by the pandemic, and staff recommends that the Agency will likely receive better quality proposals by delaying issuing the RFP for new garage management contracts for one year; now therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves the Fourth Amendment to the Agreement for Operation and Management of Off-Street Parking Facilities, Group C, Contract No. SFMTA-2011/12-11 with LAZ Parking California, LLC, increasing the contract amount \$172,166 for a total of \$1,458,042, and extending the agreement term one year for a total term of ten years..

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I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 19, 2021.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

SAN FRANCISCO
PARKING AUTHORITY COMMISSION

RESOLUTION No. _____

WHEREAS, Under a Memorandum of Agreement dated October 18, 2007 (MTAB Res. No. 07-71 Nov. 6, 2007.), the Parking Authority Commission contracted with the SFMTA to manage the Parking Authority's garages, applying the same policies and administrative procedures as the SFMTA uses to manage SFMTA garages, and managing the Parking Authority's garages using the same garage management companies that the SFMTA uses to manage its garages; and,

WHEREAS, On December 6, 2011, the SFMTA Board of Directors and the Parking Authority Commission authorized the Director of Transportation to execute Agreement No. SFMTA-2011/12-11, Agreement for Operation and Management of Off-Street Parking Facilities, Group C with LAZ Parking California, LLC (Agreement), in an amount not to exceed \$907,920 and for a term not to exceed nine years to manage the San Francisco General Hospital, Moscone Center, North Beach, Vallejo and Polk Bush garages; and,

WHEREAS, On January 1, 2013, under authority delegated by the SFMTA Board, the Director of Transportation approved the First Amendment to the Agreement, which added Ellis O'Farrell Garage to the Group C garages and added \$292,096 to the contract amount; and,

WHEREAS, On January 31, 2018, under authority delegated by the SFMTA Board, the Director of Transportation approved the Second Amendment to the Agreement, which added Union Square Garage to the Group C garages, added \$85,860 to the contract amount, and exercised the first option to extend the term 18 months; and,

WHEREAS, On May 17, 2019, under authority delegated by the SFMTA Board, the Director of Transportation approved the Third Amendment to the Agreement, exercising the second option to the extent the term of the Agreement another 18 months; and,

WHEREAS, SFMTA staff planned to issue a Request for Proposals (RFP) in the summer of 2020 seeking proposals that would result in new parking operator agreements commencing February 1, 2021, but those plans have been disrupted by the pandemic, and staff recommends that the Agency will likely receive better quality proposals by delaying issuing the RFP for new garage management contracts for one year; now therefore be it

RESOLVED, That the San Francisco Parking Authority Commission approves the Fourth Amendment to the Agreement for Operation and Management of Off-Street Parking Facilities, Group C, Contract No. SFMTA-2011/12-11 with LAZ Parking California, LLC, increasing the contract amount \$172,166 for a total of \$1,458,042, and extending the agreement term one year for a total term of ten years.

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I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 19, 2021.

Secretary, Parking Authority Commission

**City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave., 7th Floor
San Francisco, California 94103**

Fourth Amendment

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

THIS AMENDMENT (Amendment) is made as of _____, in San Francisco, California, by and between **LAZ Parking California, LLC** (Contractor), and the City and County of San Francisco, a municipal corporation (City), acting by and through its Municipal Transportation Agency (SFMTA).

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 extend the term one year and increase the contract amount by \$172,166.
- C. The Agreement was competitively procured as required by San Francisco Administrative Code Chapter 21.1 through Request for Proposals on April 29, 2011, and this Amendment is consistent with the process.
- D. Approval for this Amendment was obtained when the Civil Service Commission approved Contract number #4033-11/12 on September 28, 2011.

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

Article 1 Definitions

The following definitions shall apply to this Amendment:

- 1.1 **Agreement.** The term “Agreement” shall mean the Agreement dated December 12, 2011, between Contractor and City, as amended by the:

First Amendment dated January 1, 2013,

Second Amendment dated January 31, 2018,

Third Amendment dated May 17, 2019, and this

Fourth Amendment.

1.2 **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

Article 2 Modifications to the Agreement

The Agreement is modified as follows:

2.1 Extension of Term of the Agreement is replaced in its entirety to read as follows:

The term of the Agreement is hereby extended by 12 months, pursuant to the terms outlined in Section 5.1 of the Agreement. The revised term of the Agreement is February 1, 2012 to January 31, 2022.

2.2 Section 6.1 Management Fee and Reimbursement of Operating Expenses is replaced in its entirety to read as follows:

Section 6.1 Management Fee and Reimbursement of Operating Expenses.

(1) Manager shall be paid a monthly Management Fee of Thirteen Thousand Two Hundred Thirty-Five Dollars (\$13,235) 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 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).

(4) The amount of the extended term of February 21, 2021 to January 31, 2022 shall not exceed \$172,166.

Article 3 Effective Date

Each of the modifications set forth in Section 2 shall be effective on and after the date the SFMTA Board of Directors approves this Amendment.

Article 4 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.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY	CONTRACTOR
San Francisco Municipal Transportation Agency	LAZ Parking California, LLC
<hr/>	<hr/>
Jeffrey P. Tumlin Director of Transportation	Michael Harth Partner
Authorized By:	Chief Cultural Officer
Municipal Transportation Agency Board of Directors	5901 Christie Avenue Suite 202 Emeryville, CA 94608
Resolution No: _____	City Supplier Number: 0000016454
Adopted: _____	
Attest: _____ Secretary, SFMTA Board of Directors	
Approved as to Form:	
Dennis J. Herrera City Attorney	
By: _____	
Robert K. Stone Deputy City Attorney	