



CITY COUNCIL STAFF REPORT

DATE: JANUARY 19, 2011 CONSENT CALENDAR
SUBJECT: AMENDMENT NO. 2 WITH ACE PARKING MANAGEMENT, INC. FOR AIRPORT PARKING MANAGEMENT SERVICES.
FROM: David H. Ready, City Manager
BY: Palm Springs International Airport

SUMMARY

The City Council will consider an amendment to the agreement with ACE Parking Management, Inc. for the continuance of parking management, taxi starter, and new valet parking services at the Palm Springs International Airport.

RECOMMENDATION:

1. Approve Amendment No. 2 to Agreement No. A5215 with ACE Parking Management, Inc. for the period February 1, 2011 through January 31, 2016.
2. Authorize the City Manager to execute Amendment No. 2 to the Agreement.

STAFF ANALYSIS

Approximately five and one half years ago the Airport, through City Procurement, conducted a nationwide Request for Proposals for Parking Management Services that are necessary to operate the public parking lots at the Palm Springs International Airport.

Several nationally recognized airport parking management firms responded to the City's RFP and ultimately ACE Parking Management was selected to provide these services. The term of the agreement, as approved by the City Council, was for an initial five year term with the option of an additional five year extension at the will of the City. The first five year term of the agreement ends January 31, 2011.

After careful consideration, review, and negotiation by the Airport Staff, coupled with the unanimous concurrence of the Palm Springs International Airport Commission at its

December meeting, it is recommended that the five year option with ACE Parking Management be approved by the City Council.

Staff and the Palm Springs International Airport Commission support the revised terms and the extension of the agreement for an additional five year period for several reasons as outlined below.

First, it is the opinion of airport staff that ACE Parking has delivered a consistent high caliber of services over the last five years.

Secondly, the revised terms and the extension for five years, will require that ACE Parking invest another \$366,030 in upgrades to the parking revenue control equipment, which will result in a new "Pay on Foot" parking service to Palm Springs International Airport customers. Pay on Foot parking provides for a user to pay parking fees inside the terminal, rather than at the exit of the parking facility.

Third, ACE Parking has solid experience in managing valet services at airports, including San Diego International Airport, and they are well prepared to implement valet services at PSP Airport anytime within the next five years.

Due to the economic recovery still underway, the timing of this contract renewal, and the logistics of accommodating this type of new service, it is the opinion of both the airport staff and ACE Parking that valet parking will not begin any earlier than next season.

ACE Parking will exceed the Airport Concession Disadvantaged Business Enterprise (ACDBE) Contract Goal of 2.8% by purchasing the \$366,030 in new capital upgrades from a certified Disadvantaged Business Enterprise (DBE). The Federal Aviation Administration has supported the continuance of this contract as a result of the contribution to Airport's overall ACDBE goal.

In addition to the primary parking lot management and valet services, ACE will continue to provide the personnel necessary to support the Airport's Taxi Starter services, consistent with the City's intent when the City Council approved Amendment 1 to the Agreement on October 18, 2006.

FISCAL IMPACT

The schedule of fees is attached as Exhibit A to the Agreement followed by the list of capital equipment.

The parking management fee for the last five year term of the agreement was a fixed lump sum fee paid equally over twelve months adjusted annually. The proposed annual fee will remain a lump sum but will include an annual CPI adjustment with a cap of 3% per annum.

Taxi Starter Services has traditionally been provided at an hourly rate, and will remain consistent for the next five year term but with a CPI and cap as well.

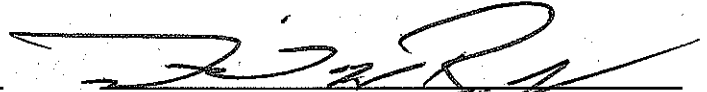
The following table provides an overview of the new fees and capital investments as compared with the current fee paid by the Airport this current year.

	Annual Lump Sum Fee	Capital Investment
Current Mgmt. Fee	\$554,714	\$299,000
Proposed Mgmt. Fee	\$554,714 + CPI with 3% cap	\$366,000

Funds are available for the Management and Taxi Starter Fees for February through June 2011 in the current Fiscal Year Account 415-6100-43200, and will be budgeted in subsequent fiscal years for the term of the agreement.



Thomas P. Nolan
Executive Director, Airport



David H. Ready, City Manager

Attachment:
Amendment 2 to Ace Management Agmt.

AGREEMENT NO. 5215

AMENDMENT NO. 2

AIRPORT PARKING LOT MANAGEMENT SERVICES

THIS SECOND AMENDMENT to Agreement No. 5215 for Contract Services, (herein "Agreement") made and entered into on the _____ of _____, by and between the CITY OF PALM SPRINGS (herein "City") and ACE PARKING MANAGEMENT, Inc. (herein "Contractor") is hereby effective February 1, 2011 as follows:

RECITALS

WHEREAS, the City and Contractor entered into that certain Contract Services Agreement No. 5215 for Airport Parking Lot Management Services ("Agreement"), as may be duly amended from time to time.

WHEREAS, on October 18, 2006, Amendment No. 1 was entered into in order to provide Taxi Starter Service and authorize payment for such additional service.

WHEREAS, the parties wish to amend the Agreement pursuant to the terms of Amendment No. 2 as follows:

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Contractor agree to amend the Agreement as follows:

1. Section 2.01B. Option to Extend Term: Option shall be exercised to extend the term of the Agreement from February 1, 2011 to January 31, 2016.

2. Section 2.02 Compensation: Summary of Compensation, Identification of Equipment Investment and Identification of Reimbursable Expenses, Exhibit A, shall be replaced with the attached Exhibit A effective February 1, 2011.

3. Section 2.02A Consumer Price Index Increase Adjustment is hereby added to read as follows:

Contract Years 7 - 10: The monthly compensation shall be automatically adjusted February 1st of Contract Years 7 - 10 in an amount equal to the increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles-Riverside-Orange County, CA for the month of November preceding the adjustment date as compared to the preceding base index. No annual CPI-U increase adjustment will exceed three percent (3%). The CPI-U for November 2010 shall serve as the first base (100%). City shall send Contractor written notice of the applicable compensation increase of each successive year along with documentation evidencing the calculation no less than thirty (30) days prior to the effective date of any compensation increase.

3. Section 2.03 Scope of Services: is hereby amended to add paragraph BB after paragraph AA; which shall read as follows:

"BB. PSP Valet Parking Service will be provided in an area to be determined and designated by the City. If a building is designated for Valet Parking, the City will be responsible for the expenses associated with modifying and maintaining the facility. Customers will drop off their vehicle at the PSP Valet Parking Station and the Valet will direct them to the airport terminal entrances. Customers will be given a claim check that includes the appropriate contact information to facilitate an efficient pickup upon return to the airport. Contractor will provide all Valet Parking, Credit Card Equipment, Valet Signage and Valet Parking Station equipment at no cost to the City."

4. Section 2.05D. Annual Report: is hereby replaced with the following: Within one hundred twenty (120) days after the close of each Contract Year, Contractor shall provide City an audit report on all Gross Revenues from operations at the Airport. The audit report shall cover the preceding Contract Year. The audit report shall be prepared by an independent Certified Public Accountant, not a regular employee of Contractor, in accordance with Generally Accepted Auditing Standards prescribed by the American Institute of Certified Public Accountants or any successor agency thereto or PCAOB as appropriate. The audit report shall include the following;

A. The audit report shall include a schedule of all revenues by category and month and a corresponding schedule of all deposits made to City for these revenues.

B. The audit report shall include an opinion on the schedule of all revenues by category and by month and the schedule of all deposits made to City for these revenues.

C. The audit report shall include, but not necessarily be limited to, management fees, compensation paid by City, and payment received by Contractor under any insurance policies.

Delivery of an audit report containing a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public accountants or any successor agency thereto, shall be deemed to be a material breach of this agreement. If the audit report indicates that the amount of Revenue deposits to City by Concessionaire during such Contract Year were less than the total due for the Contract Year, the Concessionaire shall pay the difference to City with the audit report.

5. Section 2.09 Personnel: is hereby amended to add paragraph K after paragraph J which shall read as follows:

"K. Throughout the term of this Agreement, Contractor shall provide a qualified, competent, and experienced valet staff that is commensurate with high caliber Valet Parking Services. PSP Valet Parking Services will tentatively operate from October 1st through May 31st of each year, seven days per week, with an average of 19.5 hours per day as approved by the City. The schedule, including the months offered, may be adjusted based upon the current flight schedule, changes in passenger demand, or as otherwise requested by the City. PSP Valet Parking Services may be extended to year-round service by the City at any time via an amendment to this Agreement which includes the extended hours and funding."

6. Section 2.12 Future Improvements: is hereby amended to add paragraph D after paragraph C which shall read as follows:

"D. Capital Investment

Contractor shall be responsible for all capital investment to upgrade the existing revenue control equipment and add all equipment necessary to accommodate 1 (one) new Prepay Parking Kiosk which shall be installed in the main terminal building in a location determined by the City. The entire equipment upgrade shall be at the sole expense of the Contractor and shall be completed in its entirety no later September 30, 2011. This Capital Investment shall include, at a minimum, the equipment listed on Exhibit A – Capital Investment and the amount invested shall not be less than \$366,030. If after the capital upgrades (Exhibit A – Capital Investment) is completed and the total amount expended is less than \$366,030, then the Contractor shall, with the approval of the City, expend the remaining balance of Capital Investment on other Palm Springs International Airport public parking or Taxi Starter Facility improvements. These additional capital improvements shall be completed no later than December 31, 2011 and the City reserves the right to extend this deadline. The Contractor shall provide an itemized list of all equipment and services necessary to complete the capital investment, including proof of purchase, at the request of the City. The Contractor can make changes in the specific manufacturer and type of equipment shown in Exhibit A – Capital Investment with the advance written approval of the City.

7. Add Section 3.49 Termination by City to read as follows:

3.49 City may terminate this Agreement for its convenience at any time by giving Contractor thirty (30) days written notice thereof. Upon said notice, City shall pay Contractor those allowable capital equipment investments as determined by the City prorated based on the length of term remaining.

8. Add Section 4. Airport Concession Disadvantaged Business Enterprise (ACDBE) to read as follows:

- 4.1 ACDBE Policy. It is the policy of the City to ensure that Airport Concession Disadvantaged Business Enterprises (ACDBEs), as defined in the Department of Transportation (DOT), 49 CFR Part 23, and other small businesses have an equal opportunity to receive and participate in concession opportunities. The City encourages Contractor to make every reasonable effort to maximize the contracting opportunities for ACDBEs and other small businesses in the architectural, engineering and construction of the Premises, and in the procurement of goods and services necessary for the operation of the concession at the Airport.
- 4.2 ACDBE Contract Goal: This Extended Term specifies a 2.8% ACDBE contract goal based upon total annual payments to Contractor as specified on Exhibit A. The Contractor shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26, attached as Exhibit G, to meet the concession specific goal for ACDBE participation in the performance of this concession.
- 4.3 Required ACDBE Statements. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business

owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

The Contractor agrees to include the above statements in any subsequent concession agreement or contracts covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

- 4.4 ACDBE Good Faith Efforts. Good Faith Efforts are required during the Extended Term per Appendix A. to 49 CFR Part 26, attached as Exhibit G.
- 4.5 ACDBE Participation Reports. Contractor shall submit ACDBE participation reports as may be required by the City, for the purpose of demonstrating compliance with 49 CFR Part 23. On or before November 30th of each agreement year, Contractor shall furnish a report certified by an officer of the Contractor's company that details the following information for its Airport concession during the twelve-month period from October 1 of the previous year, through September 30 of the current year.

The report shall contain the following information:

1. Total Sub Concessions (Number and Dollar Amount)
2. Total ACDBEs Sub Concessions (Number and Dollar Amount)
3. Total Contracts for Goods / Services (Number and Dollar Amount)
4. Total ACDBEs Contracts for Goods / Services (Number and Dollar Amount)

For each ACDBE included in the report the following additional information will be required:

1. Firm Name, address, phone number
2. Sub Concession Type or Goods/Services purchases
3. ACDBE Certification
4. Type of ACDBE

Full Force and Effect. Except as expressly modified herein all other provisions of the Agreement shall remain unmodified and in full force and effect.

Corporate Authority. The persons executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said part, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

CITY OF PALM SPRING
a municipal corporation

By: _____
City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

By: 
City Attorney

CONTRACTOR: Check one: Individual Partnership Corporation

Corporations require two notarized signatures: One from each of the following: A. Chairman of Board, President, or any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

By: _____
Signature (notarized)

By: _____
Signature (notarized)

Name: _____

Name: _____

Title: _____

Title: _____

State of _____

State of _____

County of _____

County of _____

On _____ before me, _____

On _____ before me, _____

personally appeared _____
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

personally appeared _____
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature: _____

Notary Signature: _____

Notary Seal:

Notary Seal:

EXHIBIT A – EFFECTIVE FEBRUARY 1, 2011

**SUMMARY OF COMPENSATION,
IDENTIFICATION OF REIMBURSABLE EXPENSES,
AND CAPITAL INVESTMENT**

\$2,773,550 Management Fee to be paid to Contractor as follows:

Contract Years 6 – 10:

\$554,710 to be paid in monthly installments of \$46,225.83

\$537,500 Taxi Starter Hourly Rate Not To Exceed 5,000 hours per Year

Contract Years 6 -10:

\$21.50 Per Hour Not To Exceed \$107,500 per Contract Year

Taxi Starter actual Schedule/Hours per day to be approved monthly in advance by the City.

\$537,500 Valet Hourly Rate and Not To Exceed 5,000 hours per Year

Contract Years 6 – 10:

\$21.50 Per Hour Not To Exceed \$107,500 per Contract Year

Valet actual Schedule/Hours per day to be approved monthly in advance by the City.

Total Amendment (5 years) Contract Year 6 – 10 = \$3,848,550.

Only Contract Years 7-10 will include an annual CPI increase adjustment per Section 2.02A

Reimbursable Expenses:

1. Possessory Interest Taxes
2. Credit Card Fees

EXHIBIT A - CONTINUED

CAPITAL INVESTMENT

Equipment listed below shall be installed and operational no later than September 30, 2011.

<u>Description</u>	<u>Model</u>	<u>Entry</u>	<u>Exit</u>	<u>Total</u>
<u>Amano McGann iParc Professional</u>				
Amano McGann iParc Professional Revenue SW	AMS1156IP	0	1	1
Intelligent Lane Controllers	1/O7000	3	1	4
Data Converter Interface	DCB280MS	5	3	8
Count Monitor	AMS7050IP	0	1	1
Access with Debit (Express Parc)	AMS4255DIP	0	1	1
Data Server	DPE SC440	0	1	1
SQL Server Database Software	SQL	0	1	1
17" Flat Panel & KVM Switch	D17KVM	0	1	1
TC Converters	AGP-0509/A558	0	4	4
Device Master	RTS 4 DB9	0	1	1
<u>Fee Computer System Upgrade XP</u>				
Fee Computer System Upgrade XP	AGP-0503/A698	0	2	2
<u>Barrier Gates Upgrade</u>				
Gate Enhancement Boards	MT1703	5	3	8
<u>Credit Card Processing</u>				
McGann CC Server	DOPX-320	0	1	1
AmanoCharge Tender Retail 1-15	AGP-9400/A783	0	1	1
Credit Card S/W Suite	AMS6958IP	0	1	1

<u>Description</u>	<u>Model</u>	<u>Entry</u>	<u>Exit</u>	<u>Total</u>
<u>Wireless/Phone Dial Intercoms</u>				
HF-2 Custom Kit	02A86202H	6	1	7
Wireless, Remote Unit Tranceiver/VoiP	02A00450R	3	3	6
Remote Demarcation Interface Module (RDIM) w/Telco	02A50015-TA	5	1	6
<u>Credit Card Exit Verifier</u>				
Lag-Time Credit Card Only Exit Station	AMG-4570/A859	0	1	1
Wire and Small Parts	SAS	1	0	1
<u>Pay On Foot Station*</u>				
Automated Pay Station	AGP-7811/A865	0	1	1
Spare Lockable Note Vault	AGP-0528/A679	0	1	1
Spare Coin Vault	AGP-0530/A681	0	1	1
Spare Note Cassette for Note Dispenser	AGP-0529/A680	0	1	1
HF-2 Custom Kit	02A86202H	0	1	1
<u>Wire and Small Parts</u>				
	SAS Lot			
<u>New Long Term Entry</u>				
<u>Ticket Dispenser</u> Mag-Stripe	ETP-22SNW	1	0	1
<u>Barrier Gate</u>				
Straight Aluminum Gate Arm 10'	AL 12	1	0	1
Gate Enhancement Boards	MT1703	1	0	1
2' x 16' Concrete Island	SUB	1	0	1
Loop cuts	SUB	2	0	2
Post Bollards	SAS	3	0	3
Trenching, Backfill & Conduit	SUB Lot			

Power Wire

10AWG
Lot

Wire

18/2 SHLD/CAT5
Lot

Description

Model

Entry

Exit

Total

Technician Onsite Training

SAS

1

Programming

SAS

1

Minimum Capital Investment: \$366,030

EXHIBIT G
ACDBE GOOD FAITH EFFORTS
(See Attached)