



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

Item No.
23

Meeting Date: **AUGUST 4, 2011**

Subject:

Award and Authorize the President/CEO to Execute an Agreement with Standard Parking Corporation for Parking Management Services

Recommendation:

Adopt Resolution No. 2011-0103, awarding an agreement to Standard Parking Corporation for parking management services for a term of five (5) years in an amount not to exceed thirty-five million five hundred thousand dollars (\$35,500,000); and authorizing the President/CEO to execute the agreement.

Background/Justification:

Parking management services of San Diego International Airport (SDIA) public and employee parking lots and supervision of the commercial ground transportation system are provided through an agreement with a private firm. The agreement with the current service provider, Lindbergh Parking, Inc. (LPI), expired in February 2009 and has since continued on a month-to-month basis.

Parking management responsibilities at SDIA cover a variety of services, including management of:

- Public parking facilities at SDIA (currently totaling 6,100 spaces);
- the SAN Park Valet operation at Terminal 1 and Terminal 2;
- Employee parking (for all airport employees) in Authority-owned/operated lots on Harbor Island, near the Commuter Terminal and at other ancillary lots (currently totaling 1,340 spaces);
- Taxicab and shuttle-for-hire hold lots and transportation islands at Terminal 1, Terminal 2 and the Commuter Terminal, including vehicle dispatch and customer service representative (CSR) functions; and,
- Other services supporting the Airport's roadway access system, signage and emergency response operations.

Over 2.2 million vehicles per year park in Authority owned/operated lots and generate an estimated \$32 million in annual gross income. The annual cost for parking management services is approximately \$7.1 million, which includes all labor, overhead, equipment outlays and management fees.

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The term of the proposed agreement is five years. The agreement is structured with control checks in place that allow the Authority close supervision of the contractor's daily operations and fiscal processes. The agreement is based on payment of a base management fee and reimbursement of reasonable expenses incurred as specified in the agreement. The Authority coordinates and approves all capital outlays and any non-personnel expenses over \$2,500 (for a single purchase). The Authority controls staffing levels so that any unexpected needs may be met. This type of agreement allows flexibility to quickly adjust staffing levels and procure necessary equipment to meet rapidly changing situations while maintaining the Authority's overall control of expenses. For these reasons, it is the model used by the Authority and many large hub commercial airports in the U.S.

Parking Contractor Selection Process

The Authority issued a Request for Proposals (RFP) for parking management services on April 27, 2011. The Authority received four responses from leading firms in the parking management industry. The respondents included a local firm (Ace Parking Management, Inc.) one firm from Orange County, California (Parking Concepts, Inc.) and two national firms (Standard Parking Corporation, headquartered in Chicago, Illinois, and a joint venture between LAZ Parking and PPM Parking, headquartered in Hartford, Connecticut). Shortly after the RFP was made available, the Authority hosted a presubmittal meeting, open to all interested parties, to review the proposal requirements, take questions specific to the RFP process and parking management operations and review the specifics of the proposed agreement.

An evaluation panel comprised of six senior Authority staff members (two (2) Vice Presidents, three (3) Directors, and one (1) Manager) evaluated each proposal based on the following criteria, as published in the RFP:

- Experience and Qualifications – relevant experience operating large parking facilities;
- Plan of Operation – the means and methods by which the proposer intends to manage the operations;
- Financial Viability – ability to finance the cash flow needed for parking operations;
- Proposed Fees/Cost to Airport – the amount of the proposed management fees;
- Small Business Preference – allotted if respondent qualified as a small business under Authority Policy 5.12; and,
- Worker Retention Program – additional points allotted if respondent exceeds the standards of the Authority's worker retention program.

Each of the four (4) respondents was invited to make a presentation during an interview with the evaluation panel. After the respondent's presentation, the panel members asked each respondent an identical set of nine (9) questions relating to the parking management services requested and addressing the evaluation criteria.

All of the respondents presented detailed submittals and comprehensive presentations. The evaluation panel concluded that Standard Parking Corporation (Standard Parking) is the most qualified firm. The panel recommended that Standard Parking be awarded the agreement for parking management services at SDIA. The evaluation panel's final scores for each respondent are listed in the table below:

Evaluation Criteria	Experience & Qualifications	Plan of Operation	Financial Viability	Proposed Fees/Cost to Airport	Small Bus.	Sub-Total	Worker Retention Program	Max Total
Maximum Pts▶	25	35	20	15	5	100	2	102
ACE Parking	22	32	20	15	0	89	0	89
LAZ/PPM	19	25	20	10	0	74	0	74
Parking Concepts	17	23	20	10	0	70	0	70
Standard Parking	24	34	20	15	0	93	2	95

Standard Parking's Airport Division serves some of the nation's premier airports including Denver, Chicago O'Hare, Dallas-Fort Worth and Hartsfield-Jackson Atlanta International Airports. In 1951, Standard Parking was the first U.S. company to introduce the concept of paid airport parking at Cleveland-Hopkins International Airport. Its current Airport Division has over 120 years of combined parking experience and successfully manages properties at many airports. Standard Parking is involved in a joint-venture with DAJA for the curbside management of commercial ground transportation operators. This expertise will assist the Authority in providing exemplary customer service to SDIA passengers on the transportation islands. Standard Parking has a proven track record. Its submittal included options for future revenue enhancement opportunities, customer service improvements and better facility utilization.

Authority staff is confident in its recommendation of Standard Parking. Given the importance of this operation to SDIA and its passengers, it is critical that the Authority select the most qualified contractor with sound cash handling and revenue control procedures and an excellent sense of customer service. The proposed agreement with Standard Parking will allow SDIA to reach higher levels of ground transportation service for our customers and stakeholders and explore every available revenue enhancement opportunity.

Fiscal Impact:

It is anticipated that parking revenues will generate approximately thirty-two million dollars (\$32,000,000) annually. Funding for the agreement is included in the annual budget of the Ground Transportation Department.

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code 30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has an Airport Concession Disadvantaged Business Enterprise ("ACDBE") Plan as required by the Department of Transportation, 49 CFR Part 23. The ACDBE Plan calls for the Authority to submit a triennial overall goal for ACDBE participation on all concession projects.

This solicitation is an airport concession opportunity; therefore, it will be applied toward the Authority's overall ACDBE goal. Standard Parking is proposing 15% ACDBE participation on this project.

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/TREASURER

COMMUNICATION RECEIVED FROM THE PUBLIC

PETERSON & PRICE

A PROFESSIONAL CORPORATION

LAWYERS

EDWARD F. WHITTNER
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PAUL A. PETERSON
Retired
SOL PRICE
1916 - 2009

4893-063

August 3, 2011

Chairman Robert H. Gleason,
Members of the San Diego County
Regional Airport Authority
3225 North Harbor Dr.
San Diego, CA 92101

VIA E-MAIL AND MESSENGER

Re: RFP Parking Management Services
Thursday, August 4, 2011
Agenda Item #23

Dear Chairman Gleason and Members of the Board:

I understand that you have now received the attached copy of the Protest that we filed on behalf of Ace Parking concerning the above referenced matter. We hope that you will have an opportunity to review that Protest before the Meeting tomorrow. The Protest sets forth in detail where we think the selection process, evaluations, and recommendations went wrong. It also sets forth the basis by which we believe you could select Ace Parking to serve as your Parking Manager at tomorrow's Board Meeting.

We believe that your Staff should conclude that: 1) Standard Parking did not comply with the minimum bid/staffing requirements of the RFP; 2) as a result, their budget/expenses were not accurate; and 3) Standard Parking should be disqualified.

In the event that staff and/or you determine that to be the case, and you further award the Contract to Ace, obviously our client would immediately withdraw its protest.

Chairman Robert H. Gleason
Members of the San Diego County
Regional Airport Authority
August 3, 2011
Page 2 of 2

However, if you feel you need additional information or would like staff to further analyze the matter, we would request that you continue the item to a future date.

As we indicated in our Protest, we feel that your staff has done an excellent job over the years. However, for this particular RFP we believe that another look is warranted in light of the significant matters raised in our protest.

Thank you for your consideration and hard work.

Sincerely,

PETERSON & PRICE, APC



Matthew A. Peterson

MAP:ccr

cc: Thella Bowen, President and CEO
Vernon Evans, Vice President Finance/Treasurer
Amy Gonzalez, General Counsel
Breton Lobner, General Counsel
Ace Parking Management

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SDCRAA - Executive Offices

PAUL A. PETERSON
Retired

SOL PRICE
1916 - 2009

EDWARD F. WHITTNER
MARSHAL A. SCARR
MATTHEW A. PETERSON
AMY M. STRIDER

August 2, 2011

File No. 4893.063

President/Chief Executive Officer
Thella F. Bowen
Airport Procurement Department (Protest)
3225 North Harbor Dr.
San Diego, CA 92101

Via Certified U.S. Mail, E-mail and
Hand Delivered

Re: Letter of Protest
Parking Management Services RFP

Dear President and CEO Bowen:

We represent Ace Parking Management Inc with regards to the above referenced matter. On Tuesday July 26th, our Client's were informed that they are not being recommended by staff for the Parking Management Service Contract (The Contract).

First, we have discovered that Standard Parking ("Standard") did not meet the Minimum Staffing requirements pursuant to the RFP (See Attached Tab 1 Spreadsheet, San Cashier Schedule and San RFP Document). As a result, their

projected expenses and costs are not accurate (somewhere between \$300,000 to \$400,000 per year off) and, as such, Standard should be disqualified. (See Discussion Below)

Second, we do not understand how staff could be recommending an out-of-state Chicago based firm (with no experience at San Diego International Airport) whose bid will result in significantly less revenue to the SDRAA over the term of The Contract.

Staff has done a superb job over the years. However, on this particular Parking Management Services RFP we think that the Staff may have "missed the mark".

Standard Parking did not meet the Minimum Bid Specifications and Should be Disqualified.

In reviewing the proposal presented by Standard Parking and their staffing schedule and operating budget, we found that their staffing budget did not meet the minimum staffing requirements spelled out in the B1 of the Airport Parking 5 – Year Pro Forma. The B-1 5 Year Pro Forma clearly states twice in this document the minimum cashier staffing hours required by each proposer.

When you review their proposed SAN Cashier Schedule that was in their proposal you will see they are 7 cashier shifts short of the minimum requirements.

Page 60 – Exhibit E – Budget - For the purposes of this solicitation process the documents identified in "Schedule B" to this RFP. Schedule B-1 must be completed and submitted with Respondent's proposal. Standard clearly did not complete it correctly.

On page 34 of the Contract that was part of this RFP states that the initial term of this Agreement are set forth in "Exhibit E" ("Budget") attached hereto.

Because Standard's Bid did not meet the minimum Staffing requirements of the RFP, Standard must be disqualified.

Fiduciary Duty and Legal Obligation to Maximize Revenues

As the Authority is aware The Contract is a Labor Reimbursement Contract between the Authority and the provider of parking services. In this situation the Authority keeps all the revenue generated by parking fees and the contractor gets only a monthly management fee.

Public Utilities Code Section 170064 (c) states in part **"to the extent practicable the Authority shall endeavor to maximize the revenues generated from enterprises located on the property of the Authority"**.

By law, the SDRAA has a legal obligation to maximize revenues for the public benefit. The RFP also directed bidders to create "more revenue" for the SDRAA. Page 14 of the RFP item L stated, "Illustrate any creative costs savings or management programs you would implement" and further on page 15 part 2 section (a) that the RFP indicates that it is a Competitive Solicitation Process (purportedly to maximize revenues). Finally in the Evaluation Criteria item D4 on page 17, 1 of the 7 criteria to be evaluated was Proposed Fees and Costs to the Airport.

Cost Savings, Management Programs and Recommended Enhancements

In reviewing the Bids, our Client's proposal is \$2.712 Million less in costs and expenses over the five year contract as compared to the Standard Parking ("Standard") Bid. If you add to that Standard's Staffing error that number increases to \$4.2 Million. Additionally Ace proposed capital enhancements at their cost of \$147,000 for new technology and other items to reduce expenses and costs, thereby increasing revenues to the Authority. These technology enhancements would save and generate to the Authority an additional \$1 Million in cost savings over the five year contract term. Combining the above (and not

taking into the additional recommended enhancements as summarized below or Standard's Staffing error), Ace's proposal is nearly \$3,874,475 better financially to the Authority compared to the Staff's recommended Standard Parking Bid. (See attached Tab 2 Summary of Protest and Tab 3 Spreadsheet which compares Ace to Standard's proposal over the five year term.)

Ace Recommended Enhancements

In addition to the significant costs savings to the Authority, our Client also proposed other Enhancements based upon its many years of operating at the Airport. These Enhancements alone have the potential to increase revenues to the Authority to the tune of \$1.85 Million per year (or a total of \$9.25 Million in additional revenue over the 5 year term). Ace's proposal presented nearly a dozen Cost Savings Measures, Management Programs and Recommended Enhancements. Standard's Bid contains only generic "cut sheets" with no site specific proposals or recommended Enhancements.

Over the term of The Contract Ace's bid will result in cost savings and revenue of \$13,124,475 - \$17,324,475 (based upon the Standard Staffing error) more than Standard's Bid and yet Staff gave Ace and Standard the same points for the Proposed Fees and Costs to Airport category. We contest that ranking.

Operations Manager

The RFP on page 14 item M asks for a description of the quality of management performance that can be expected from respondent's operation manager and his/her technical ability to structure and manage operations to achieve high performance. Ace's operation manager Mike DeGraffenreid, has eleven (11) years of parking experience, nine (9) of which has been at Phoenix and San Diego International airport. Standard's Bid referenced a manager with only 1.5 years of experience. We are not sure what that level of experience is as their response was vague. Ace was given 22 points and Standard was given 24 points. We contest that ranking.

Worker Retention

On page 16 of the RFP in the section dealing with worker retention section (a) part 2, our Client's proposal is the only Bid that assured the maximum amount of worker retention as set forth in the RFP. Ace promised that the current workforce will remain in place (100% retention) and at the same rates and benefits. Staff for whatever reason awarded Standard 2 points "for exceeding the minimum", and yet Standard did not promise to exceed the minimum. Standard Parking should not have received the 2 points and Ace should have been awarded the 2 points. We contest that ranking.

SDRAA Policy 5.13 re: LBE Preference and Goals

On page 18 part 4 section (f), the RFP states that the RFP is subject to the Authority's Small and Local Business Enterprise (LBE) preference policy. The RFP indicate that Attachment D would need to be filled out in order to gain the preference for meeting the criteria. Ace filled out Attachment D in order to qualify for additional consideration as an LBE and yet in the evaluation criteria Ace was not awarded any points as an LBE. This is inconsistent with SDRAA's policy regarding retention of LBEs. Further Ace utilizes many local businesses in the performance of its duties in managing the Airport parking. We believe that staff should have given bonus LBE points to Ace pursuant to policy 5.13. Ace, an LBE and 35 year incumbent would significantly (if not totally) meet the Airport Authority Local Business Enterprise Goal and should have been given a 2% bonus (or 2 points).

Other Important Factors

Ace has incorporated the following into its Bid:

1. SDCRAA Ground Transportation Plan ("GTP") being incorporated into Ace operations plan. No proposal by Standard concerning the GTP.
2. AB32 plan to cut carbon emissions is part of Ace's operation plan. As you know SDCRAA is under a state mandate to cut emissions. No proposal by Standard concerning AB32.
3. Ace has an operations plan during Airport construction. No proposal by Standard on how to accommodate ongoing Airport construction.

4. Ace with its Corporate Head Quarters and Human Resources Division here in San Diego and within 3 miles of the Airport has the ability to provide significant personnel at a moment's notice, such as valets, when the Airport has special events that call for last minute staffing. Standard's bid did not include this component.

Conclusion

Standard did not comply with the minimum Staffing requirements as set forth in the RFP. This error resulted in a \$300,000 to \$400,000 per year understatement of their expenses and costs. As a result Standard must be disqualified from this RFP.

Ace has been operating at the San Diego International Airport for 35 years now and has been routinely told by staff that they are doing an excellent job. Any issues which were raised over the years were immediately taken care of. We are not aware of any unresolved complaints by Staff.

Based upon the fact that: 1) our Client's proposal would generate well over \$9 Million more the Airport Authority over the five year term; 2) Ace will exceed the SDRAA worker retention goals; 3) Ace would fulfill the Authority's LBE goal; and 4) this 35 year incumbent knows the business and will keep costs to an

absolute minimum, we would respectfully request that the Staff review Ace's proposal again and recommend Ace for The Contract.

Thank you for your careful consideration of this protest.

Sincerely,

PETERSON & PRICE
A Professional Corporation



Matthew A. Peterson

cc: (all with Attachments)
Chairman Robert H. Gleason and Members of the Board of the San Diego
County Regional Airport Authority
Ace Parking Management
Breton Lobner – Office of the General Counsel SDCRAA
Standard Parking – Attn. Jack Ricchiuto (via mail and email)
Vernon D. Evans – Vice President, Finance/Treasurer
Larry Rodriguez – Senior Procurement Analyst

TAB 1

Standard Cashier staffing does not meet RFP requirements

Shift #	Time of Shift	Lot	HOURS							Hours
			Sat	Sun	Mon	Tues	Wed	Thu	Fri	
1	0700-1530	Terminal 1	8	8	8	8	8	8	8	56
2	0700-1530	Terminal 1	8	8	8	8	8	8	8	56
3	0600-1430	Terminal 1	8	8	8	8	8	8	8	56
4	0700-1530	Terminal 2	8	8	8	8	8	8	8	56
5	0700-1530	Terminal 2	8	8	8	8	8	8	8	56
6	0600-1430	Terminal 2	8	8	8	8	8	8	8	56
7	0700-1530	NTC1	8	8	8	8	8	8	8	56
8	0700-1530	NTC2	8	8	8	8	8	8	8	56
9	0700-1530	Harbor	8	8	8	8	8	8	8	56
10	0700-1530	Pac Hwy	8	8	8	8	8	8	8	56
11	0700-1530	Pac Hwy	8	8	8	8	8	8	8	56
12	1500-2330	Terminal 1	8	8	8	8	8	8	8	56
13	1500-2330	Terminal 1	8	8	8	8	8	8	8	56
14	1500-2330	Terminal 2	8	8	8	8	8	8	8	56
15	1500-2330	Terminal 2	8	8	8	8	8	8	8	56
16	1500-2330	NTC 1	8	8	8	8	8	8	8	56
17	1500-2330	NTC 2	8	8	8	8	8	8	8	56
18	1500-2330	Harbor	8	8	8	8	8	8	8	56
19	1500-2330	Pac Hwy	8	8	8	8	8	8	8	56
20	1500-2330	Pac Hwy	8	8	8	8	8	8	8	56
21	2300-0730	Terminal 1	8	8	8	8	8	8	8	56
22	2300-0730	Terminal 2	8	8	8	8	8	8	8	56
23	2300-0730	NTC 1	8	8	8	8	8	8	8	56
24	2300-0730	NTC 2	8	8	8	8	8	8	8	56
25	2300-0730	Harbor	8	8	8	8	8	8	8	56
26	2300-0730	Pac Hwy	8	8	8	8	8	8	8	56
Total Cashier Hours			208	208	208	208	208	208	208	1456

Difference Chart

Standard Parking Cashier Totals:	Minimum Requirements per Exhibit E on page 60 of the original RFP which then references to Schedule B, Budget which was on page 116 of original RFP.	staff shortfall

Day Shift Total:	11	12	-1
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Evening Shift Total:	9	13	-4
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Graveyard Shift:	6	7	-1
TOTAL:	26	32	-6

**SAN DIEGO INTERNATIONAL AIRPORT
AIRPORT PARKING 5-Year Pro Forma**

INCOME	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
---------------	---------------	---------------	---------------	---------------	---------------	---------------

Estimated Annual Revenues
 Transient
 Employee Parking

TOTAL INCOME		0.00	0.00	0.00	0.00	0.00
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EXPENSES	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
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PAYROLL (Modify to fit your organizational chart)

<i>Minimum daily cashier service levels for all parking facilities</i>						
Day Shift	12 Cashiers					
Evening Shift	13 Cashiers					
Graveyard Shift	7 Cashiers					

Management

- General Manager
- Asst General Manager
- Operations Manager
- Valet Manager
- CSR Manager
- Pacific Hwy Manager
- HR Manager
- Ops Supervisors
- CSR Supervisors
- Valet Supervisors

Staff

- Audit
- Office Coord
- Cashiers
- Lot Checkers
- Traffic Directors
- Maintenance
- CS Reps
- Valet
- HR Clerk
- Admin Asst

Other

- Vacation
- Holiday

Sub-Total Payroll Expenses		0.00	0.00	0.00	0.00	0.00
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OPERATING EXPENSES	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
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Overhead (Modify to fit your organization)

- Payroll Overhead
- Workers Comp
- Health Insurance
- Armored Transport
- Business License
- Car Damages
- Computer Expense
- Janitorial Supplies
- Liability Insurance
- Misc Expense
- Office Supplies
- Professional Security
- Shopping Tests
- Signs
- Surface Repairs
- Telephone
- Tickets & Decals
- Trash Removal
- Uniforms
- Equipment Maint
- Postage
- Truck Expenses
- Fuel
- Base Management Fee
- Telephone and Pager
- Water and Sewer
- Liability Insurance
- Car Damages
- Business License and Taxes
- Base Management Fee
- Vehicle Repairs
- Special Projects

Sub-Total Operating Expenses		0.00	0.00	0.00	0.00	0.00
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TOTAL EXPENSES		0.00	0.00	0.00	0.00	0.00
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NET OPERATING INCOME		0.00	0.00	0.00	0.00	0.00
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Minimum cashier service levels for all parking facilities
 Day Shift 12 Cashiers
 Evening Shift 13 Cashiers
 Graveyard Shift 7 Cashiers

TAB 2

Summary of Protest -- Staff's Evaluation & Scoring Chart Errors

Standard did not meet the Minimum Bid requirements re: Staffing and as a result their expenses are off by nearly \$300,000 to \$400,000 per year. Standard must be disqualified. Ace has over 35 years experience at San Diego International Airport ("SDIA"). No other bidder can match this experience at SDIA. Ace operates the parking at Phoenix, Tucson and Palm Springs International Airports. Its manager at the SDIA has 11 years experience, while Standard's proposed manager has only 1.5 years experience. Ace management & employees are already well versed in airport parking operations Ace will retain all of its employees (100%... well above the RFP criteria).. Ace should have been awarded many more based on its bid. Standard should have points deducted for costs, lack of site specific management experience, less revenue & no proposed site specific cost saving enhancements.

Scoring Chart:

Categories	Standard	Ace	Observations & Comments
Experience & Qualifications	24	22	Ace should have received 24 points based upon its extensive management & employee experience at SDIA and at other major airports.
Plan of Operations	34	32	Standard did <u>not</u> meet minimum Staffing requirements and should be disqualified. Ace should have received significantly more points for plan of operation, revenue enhancement & expense control & reductions. Over the 5 year term, Ace's proposal is worth nearly \$2,000,000 more per year than Standard's proposal in improved NOI. Combined with the enhancements the cost savings to the Authority will top \$13.124M for the 5 year term. (See Attached Spreadsheet for a detailed breakdown). Ace should have received 34 points and Standard Should have received much less than 30 points.
Financial Viability	20	20	
Proposed Fees/Costs	15	15	Standard should <u>not</u> have received any points as they did not meet minimum Staffing requirements. Standard should be disqualified. If they had not violated the RFP they should have only received 10 points. Over the 5 year term, they are more than \$4 million more expensive than Ace <u>and</u> \$650,000 higher than Parking Concepts who was awarded 10 points.
Small Business/LBE	0	0	No points or recognition for Ace being LBE – It is part of Airport's policy 5.13. Ace Should have received 2 points as an LBE

Worker Retention	2	0	Ace should have received all these points. Ace exceeded the requirements of the RFP – keeping everyone including management and employees and keeping all pay rates and benefits in place. Standard did not promise to exceed the minimum required and should <u>not</u> have been awarded the 2 points.
Total	95	89	Ace should have received 97- 100 points and Standard should have received 70-80 points

Discussion

Standard did not meet minimum Staffing requirements and should be disqualified.

Points for Fees/Costs – How could Standard score identically to Ace with 15 points with such a higher cost basis? (See attached Spreadsheet of anticipated Airport revenues)

Company Name	5 Year Total Fees & Operating costs	Points Awarded							
Ace Parking	\$29,400,198	15							
Parking Concepts	\$31,545,845	10	Why would Parking concepts get less points than Standard for this?						
Standard	\$32,112,673	15	Why would standard get same points as Ace for this?						
LAZ	\$33,461,207	10							

Worker Retention – No Points were awarded to Ace. Why ?

Ace’s proposal Worker retention was addressed 2 times at a minimum. The first time is on page 7 thru 10, with a Teamsters letter of recommendation on page 11.

It was covered again in our proposal on pages 75 thru 79.

In our interview on 7/22 Steve Burton made a point to tell the review panel that we were the only company exceeding the worker retention plan. We will be retaining 100% of the employees including all management and support positions as well as all employees even those with less than 12 months tenure.

Operating Plan - Standard was awarded 34 points & Ace was awarded only 32 points.

Plan of operation items K & L, Page 14 of RFP – Revenue enhancements & creative cost saving programs

Ace’s cover letter included a chart of San Diego Airport revenue enhancements totaling a potential for \$1,850,000 in new annual revenues. We elaborated in additional detail on these enhancements in our proposal on pages 125 thru page 138. **Standard provided no site specific revenue enhancements in their proposal and no projected revenues in the response.**

Ace’s cover letter included a chart of San Diego Airport cost saving enhancements totaling a potential for \$1,050,000 in annual expense savings over 5 years. Ace also provided \$150,000 of its own \$ for capital improvements to purchase equipment that allows s for the payroll savings. Ace elaborated in additional detail on these enhancements in our proposal on pages 125 thru page 138. **Standard provided no site specific cost saving enhancements in their proposal.**

Summary of Ace recommended & proposed Enhancements

Revenue Enhancement	Benefit
Restriping T1 lot Adds 130 spaces	\$1,000,000 plus in additional parking income & enhance customer service
Installation of Solar Energy Canopies & Premium Priced Covered Parking T1 & T2 Lots	<ul style="list-style-type: none"> • \$400,000 in additional parking revenue • Sustainability thru clean energy
New ZEAG System San Park Pacific	Improved reporting, PCI compliance, ties into rest of Airport's parking system
Valet Concierge Services	\$12,000 in income to Airport & increased customer service
Overhead lighted message sign San Park Pacific Hwy	<ul style="list-style-type: none"> • \$110,000 increased revenues annually • Communicate Parking Availability – reduce vehicle circling
Airport Marketing Plan & VIP Parker Program	\$500,000 - \$750,000 in additional revenues
Cost Savings Enhancement	Benefit
Taxi Staging & Hold Lot Monitoring System	\$37,000 cost – Ace Parking to pay for as part of our proposal and \$87,600 in savings
Mobile License Plate Recognition Inventory System	\$115,000 in annual payroll savings
Credit Card Express Out Lanes all facilities	\$450,000 in annual payroll savings

Item M on Page 14 – Quality of Operations Manager – Ace’s manager has 11 years parking experience of which 9 of those years has been managing the San Diego & Phoenix Airports – Standards manager has been in parking only 1.5 years – Ace’s entire management team has over 70 years of San Diego onsite experience. Ace’s manager and his team are included in cover letter page 4, then again on page 31 thru 34 and again on pages 84 thru 98. Standard listed one manager with 1.5 years, and all others provided are out of San Diego area.

TAB 3

Ace - Standard Budget Comparison - Utilizing submitted Bid Packages. Note: Standard Parking did not meet the minimum Staffing Requirements of the RFP and as such should be disqualified.

	Ace Year 1	Standard Year 1	Ace Cost Benefit	Ace 5 Year Total	Standard 5 Year Total	Ace Cost Benefit	
Operating Budget							
Operating Expenses	\$5,129,698	\$5,623,303	\$493,605	\$26,894,198	\$29,730,198	\$2,836,000	
Management Fee	\$399,000	\$448,750	\$49,750	\$2,506,000	\$2,382,475	(\$123,525)	
Total Expenses	\$5,528,698	\$6,072,053	\$543,355	\$29,400,198	\$32,112,673	\$2,712,475	Better than Standard over 5 years

Capital Improvements							
At Operator's Cost							
		none			none		
Taxi Staging & Lot							
Monitorin System	\$37,000			\$37,000			
LPR Inventory System	\$110,000			\$110,000			
	\$147,000	\$0	\$147,000	\$147,000	\$0	\$147,000	Only Ace made offer to do enhancements

Labor Savings from Capital Improvements							
	\$203,000	\$0	\$203,000	\$1,015,000	\$0	\$1,015,000	Additional \$1 million better than Standard

Total Cost Benefit to Airport							
	\$5,178,698	\$6,072,053	\$893,355	\$28,238,198	\$32,112,673	\$3,874,475	Combined \$3.8 million better than Standard

Other Enhancements Presented in Proposal							
	Ace	Standard	5 year total				
Restriping T1 Lot	\$1,000,000/yr	none	\$5,000,000	Better than Standard			No site specific recommendations
Furture In Lane Credit Card Automatizion	\$450,000/yr	none	\$2,250,000	Better than Standard			No site specific recommendations
"Green Programs"	yes	no					
Electronic Charging Station VIP Program	yes	no					
Install Solar Energy Canopies creating covered stalls at premium rate	\$400,000/yr	none	\$2,000,000	Better than Standard			No site specific recommendations
Offer Advance Booking and Reservation Systems	yes	yes					
Corporate Parking Program	yes	yes					
Discount / Coupons	yes	yes					
Frequent Parker Card Access Program	yes	yes					
Comment Card Program	yes	yes					
Secret Shoppers	yes	yes					
Driver Assistance Programs	yes	yes					
Valet Amenities Programs	yes	yes					
Total Additional Financial Enhancements	\$1,850,000	\$0	\$9,250,000	Better than Standard over 5 years			

Total Potential Value of Deal Better than Standard				\$13,124,475	Better than Standard over 5 years		
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Company Name	5 Year Total Fees & Operating costs	Points Awarded	
Ace Parking	\$29,400,198	15	
Parking Concepts	\$31,545,845	10	Why would Parking concepts get less points than Standard for this?
Standard	\$32,112,673	15	Why would standard get same points as Ace for this?
LAZ	\$33,461,207	10	

COMMUNICATION RECEIVED FROM THE PUBLIC

000309.4



AUTOMOTIVE AND ALLIED INDUSTRIES EMPLOYEES
OF SAN DIEGO COUNTY

Teamsters Local No. 481

AFFILIATED WITH INTERNATIONAL BROTHERHOOD OF TEAMSTERS

2840 ADAMS AVENUE, ROOM 202, SAN DIEGO, CALIFORNIA 92116-1495 • PHONE (619) 282-2187 • FAX (619) 284-0481

• 345

VICTOR TORRES

SECRETARY-TREASURER

TO: THELLA BOWENS - San Diego County Regional Airport Authority

July 14, 2011

Re: Bidders for Airport Shuttle Services and Airport Parking Management Services

Teamsters Local 481 is the Exclusive Collective Bargaining Representative for the employees of the incumbent contractors who are performing Airport Shuttle Services and Parking Management Services.

Airport Shuttle Services

On behalf of the employees who are currently rendering these services, we have contacted as many of the prospective bidders as we could to make sure that they were aware of and agreed to abide by the Airport Authority's Worker Retention Policy as it relates to successor contractors and the National Labor Relations Act as it applies to successor Employers.

We are happy to report that Local 481 would be pleased to endorse the bids from Ace Parking Management, DAJA International and Standard Parking Corporation. These Employers understand and have acknowledged their obligations to their employees under both the Airport Authority's requirements and the National Labor Relations Act.

Conversely, Local 481 would oppose the granting of this work to any other bidder on the basis that they have failed to indicate that they understand and will abide by their obligations under both the Airport Authority's policies, bid specs and the obligations under the National Labor Relations Act.

Parking Management Services

With respect to parking management services, Local 481 similarly attempted to contact all of the potential bidders. We are happy to report that we can support the bids of Ace Parking Management, DAJA International and Standard Parking Corporation. These Employers similarly have indicated that they understand their obligations under both the Airport Authority's policies and the National Labor Relations Act. As such we can, on behalf of the current employees, endorse their bids.

Similarly we would oppose and object to favorable consideration of the bid from any other contractor on the basis that they have failed to indicate in writing their understanding of their obligations to the existing employees if they are the successful bidder.

If you have any questions in this regard, or if we can be of any further assistance to you, as you evaluate the bids, please feel free to communicate with the undersigned.

Sincerely,

Victor D. Torres
Secretary-Treasurer
Teamsters Local 481

VDT/ha

000309.5

RESOLUTION NO. 2011-0103

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AWARDING AN AGREEMENT TO STANDARD PARKING CORPORATION FOR PARKING MANAGEMENT SERVICES FOR A TERM OF FIVE (5) YEARS IN AN AMOUNT NOT TO EXCEED THIRTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$35,500,000); AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE AGREEMENT.

WHEREAS, the San Diego County Regional Airport Authority (the "Authority") has established a need for qualified firms to manage its parking services at San Diego International Airport; and

WHEREAS, parking services include management of approximately 6,100 public parking spaces, 1,340 airport employee parking spaces, taxicab and shuttle-for-hire hold lot, customer service representatives (CSRs) management and myriad additional services supporting the airport's roadways, access system, signage and emergency response; and

WHEREAS, in accordance with Authority's Policy 5.01, on April 27, 2011, the Authority issued a Request for Proposals for Parking Management Services; (the "RFP"); and

WHEREAS, on June 10, 2011, the Authority received the four (4) proposals in response to the RFP; and

WHEREAS, the proposals were evaluated based upon the following criteria: Experience and Qualifications, Plan of Operation, Financial Viability, Proposed Fees/Cost to Airport, Small Business Preference, and Worker Retention Program; and

WHEREAS, additional consideration was given in the evaluation process for proposals that met or exceeded the required standards for small business participation and worker retention; and

WHEREAS, on July 22, 2011, the Authority interviewed four (4) proposers; and

WHEREAS, following an exhaustive evaluation, Standard Parking ("Standard") was deemed by the evaluation panel to be the most qualified firm; and

WHEREAS, the Board believes that it is in the best interests of the Authority and the public that it serves for the Board to award an agreement to

Standard for Parking Management Services for a term of five (5) years upon the terms and conditions set forth in the proposal.

NOW THEREFORE BE IT RESOLVED that the Board hereby awards to Standard Parking Corporation the agreement for Parking Management Services for a term of five (5) years in an amount not to exceed thirty-five million five hundred thousand dollars (\$35,500,000), upon the terms and conditions set forth in the proposal, with such minor changes or modifications as the Authority President/Chief Executive Officer ("President/CEO") or designee may deem to be in the best interest of the Authority and the public that it serves; and

BE IT FURTHER RESOLVED that the President/CEO or designee hereby is authorized, upon approval as to form by the General Counsel, to execute and deliver such agreement with Standard Parking Corporation; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees and agents hereby are authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate in order to effect fully the foregoing resolutions.

BE IT FURTHER RESOLVED that the Board FINDS that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 4th day of August, 2011, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN ORG



San Diego International Airport

Item 23



Award Parking Management Services Agreement

Vernon D. Evans, CPA

Vice President, Finance/Treasurer and CFO

August 4, 2011

Parking Lot Locations



Parking Management Services

- Services include management of:
 - Public parking facilities at SDIA (currently totaling 6,100 spaces)
 - SAN Park Valet operations
 - Employee parking (for all airport employees)
 - Taxicab & shuttle hold lots and transportation islands at terminals – including Customer Service Representatives (CSRs)
 - Signage and minor repair & maintenance of parking facilities

Background Information

- Over 2.2 million vehicles per year and 6,000 employees park in Authority lots
- Approximately \$32 million in annual revenue is generated
- Parking management services cost approximately \$7.1 million annually

Parking Management Agreement

- Contractor receives set management fee plus reimbursement for reasonable expenses
- Authority controls:
 - Rate-making and operational expenses
 - Equipment outlays and capital improvements
 - Staffing levels
 - Approval of all non-personnel expenses over \$2,500
- Contractor responsible for:
 - Operations and maintenance
 - Revenue control
 - Employee training
 - Commercial vehicle dispatch

Parking RFP Selection Process

- April 27, 2011 – RFP released to public
- May 13, 2011 – Pre-submittal meeting
- June 10, 2011 – Proposals due
- Received proposals from
 - Ace Parking Management (San Diego, CA)
 - LAZ / PPM Parking (Hartford, CT)
 - Parking Concepts (Irvine, CA)
 - Standard Parking (Chicago, IL)
- July 22, 2011 – Interviews with evaluation panel

Evaluation Criteria

- **Experience and Qualifications**
 - Relevant experience operating large parking facilities
- **Plan of Operation**
 - The means and methods by which the proposer intends to manage the operations
- **Financial Viability**
 - Ability to finance the cash flow needed for parking operations
- **Proposed Fees/Cost to Airport**
 - Amount of the proposed management fees;
- **Small Business Preference**
 - Allotted if respondent is qualified as a small business under Authority Policy 5.12
- **Worker Retention Program**
 - Additional points allotted if respondent exceeds the standards of the Authority's worker retention program

Final Evaluation Matrix

Evaluation Criteria	Experience & Qualifications	Plan of Operation	Financial Viability	Proposed Fees/Cost to Airport	Small Bus.	Sub-Total	Worker Retention Program	Max Total
Maximum Pts▶	25	35	20	15	5	100	2	102
ACE Parking	22	32	20	15	0	89	0	89
LAZ/PPM	19	25	20	10	0	74	0	74
Parking Concepts	17	23	20	10	0	70	0	70
Standard Parking	24	34	20	15	0	93	2	95

Staff Recommendation

- Award Agreement to Standard Parking Corporation
- Total agreement not to exceed \$35.5 million over five years (including reimbursable expenses)

Questions ?



San Diego International Airport