



Office of the City Manager

CONSENT CALENDAR

November 19, 2024

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Terrance Davis, Director, Public Works

Subject: Contract No. 10413C Amendment: LAZ Parking LLC for Managing City-Owned Off-Street Parking Facilities

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 10413C with LAZ Parking, LLC, a parking management company, to provide management services for the Telegraph Channing, Oxford, and Center Street garages, extending the term to December 31, 2026 and increasing the contract amount by \$6,073,974 for a total not-to-exceed amount of \$22,326,349.

FISCAL IMPACTS OF RECOMMENDATION

Funding for the duration of the contract amendment is available in the FY 2025 Parking program budget and programmed into baseline budgets for FY 2025 and FY 2026. Funding in FY 2025 and FY 2026 for this contract is subject to appropriation in each fiscal year in the Off-Street Parking Fund (Fund 627).

Current contract amount	\$16,252,375
Amendment amount.....	\$6,073,974
Total NTE	\$22,326,349

Amendment Costs by Facility

Parking Facility	Total Amendment Cost	FY 2025 Cost (6-months)	FY 2026 Cost (12-months)	FY 2027 Cost (6-months)	Average Monthly Cost
Center Street Garage	\$3,373,024	\$818,308	\$1,686,512	\$868,204	\$140,542.66
Oxford Garage	\$589,945	\$143,412	\$294,973	\$151,561	\$24,581.04
Telegraph Channing Garage	\$2,111,005	\$512,269	\$1,055,503	\$543,234	\$87,958.54

CURRENT SITUATION AND ITS EFFECTS

LAZ Parking provides management, custodial, security, and limited maintenance services for the Center Street, Oxford and Telegraph Channing parking garages. These activities include all aspects of the day-to-day operation of the three facilities

including hiring staff to operate the garages for up to 17-hours per day, opening and closing the garages, conducting bookkeeping and record keeping, facilitating purchases of essential supplies like paper tickets as well as other replacement parts such as gate arms and hiring security and janitorial staff. The most recent contract amendment with LAZ was authorized on November 15, 2022, extending the term to the current end date of December 31, 2024. Additionally, funding was provided to continue parking garage operations at limited capacity during the pandemic and to ramp up to full capacity as the economy reopened.

The recommended contract amendment is necessary to continue daily operations, including several projects related to the aging Telegraph Channing Garage, such as pigeon mitigation and stairwell upgrades. (The Telegraph Channing Garage is now older than the Center Street Garage when it was demolished.) Additionally, the amendment allows sufficient time and resources for staff to issue a Request for Proposals (RFP) for the next multi-year parking management contract.

Managing City-owned off-street parking facilities is a Strategic Plan Priority Project, advancing our goals to provide state-of-the-art, well-maintained infrastructure, amenities, and to facilities and foster a dynamic, sustainable, and locally-based economy.

BACKGROUND

In September 2016, after a competitive Request for Proposals process, the City entered into a five-year contract with LAZ Parking, LLC to provide parking management, operations, and associated services for the City's three off-street parking facilities and the Berkeley Way Lot while the Center Street Garage was being reconstructed. The City is amending this contract because the Parking Services Manager position, which oversees garage operations, has been vacant since July 2023; the City is recruiting to fill this position by spring 2025. When the new Parking Services Manager is hired, the City will initiate a new RFP process for contracting with a vendor to manage City-owned off-street parking facilities (garages). Staff expects this process to start in fall 2025 and conclude before June 2026, allowing for a transition in line with the conclusion of this contract amendment on December 31, 2026.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

As part of the goBerkeley demand-responsive parking program, the City's three parking garages play an important role in improving parking availability and reducing congestion in the Downtown Berkeley and Southside/Telegraph areas. Garages also serve as a City hub for Electric Vehicle (EV) charging stations, with 69 charging ports across the three garages.

RATIONALE FOR RECOMMENDATION

As the City of Berkeley ended its pandemic emergency declaration, the parking garages have seen increasing demand. Additional funding is necessary to continue

facility operations until a successor garage management company can be identified. Staff will prepare a new RFP that reflects post-pandemic garage operation trends. Typically, this task takes at least a year including contracting procedures.

LAZ Parking has performed well as the City's parking garage management company. In an industry with few large parking garage operating companies, LAZ Parking was the lowest bidder in the previous solicitations for garage management services in Berkeley.

ALTERNATIVE ACTIONS CONSIDERED

If this contract amendment is not approved, funding will be unavailable for operating the City's parking garages beginning in January 2025. The City is unable to conduct daily operations on its own. Closing these facilities would result in loss of revenue, risking the fiscal health of programs and bond payments reliant on this funding. Putting the bond payments at fiscal risk would jeopardize the financial stability of Berkeley's government.

CONTACT PERSON

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Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 10413C AMENDMENT: LAZ PARKING LLC FOR MANAGING CITY-OWNED OFF-STREET PARKING FACILITIES

WHEREAS, the City of Berkeley owns and operates three off-street public parking facilities; and

WHEREAS, the City of Berkeley is currently under contract with LAZ Parking, LLC to operate and maintain these facilities under an “all inclusive” scope of services; and

WHEREAS, Contract No. 10413 was executed October 1, 2016 as authorized by Resolution No. 67,689-N.S., was amended on August 1, 2017 to include additional Payment Card Industry (PCI) Compliance information, and amended again on November 15, 2022 to add budget for continued operations and extend the term to December 31, 2024; and

WHEREAS, extending the contract term until December 31, 2026 will allow the City adequate time and funding for LAZ Parking to continue to operate the City’s off-street parking facilities, and for staff to conduct an RFP process for a possible successor management company; and

WHEREAS, funding for the duration of the contract amendment is available in the FY 2025 Parking program budget and programmed into baseline budgets for FY 2025 and FY 2026. Funding in FY 2025 and FY 2026 for this contract is subject to appropriation in each fiscal year in the Off-Street Parking Fund (Fund 627).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 10413C with LAZ Parking, LLC to provide management services for Center Street Garage, Oxford Garage and Telegraph Channing Garage, increasing the contract amount by \$6,073,974, for a total not-to-exceed of \$22,326,349, and extending the contract term to December 31, 2026.