



# Agenda Report

July 14, 2014

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Transportation

**SUBJECT: EXTENSION OF AGREEMENT #18,934 WITH MODERN PARKING, INC.,  
FOR THE MANAGEMENT OF THE HOLLY STREET, DEL MAR, PASEO  
SUBTERRANEAN, LOS ROBLES, AND MARENGO GARAGES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the extension of contract number 18,934 with Modern Parking, Inc. (MPI) is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3); and
2. Authorize the City Manager to retroactively amend contract number 18,934 with MPI for the management of the Holly Street, Del Mar, Paseo Subterranean, Los Robles, and Marengo garages on a month to month basis through no later than December 2015; and
3. To the extent this transaction could be considered a separate procurement subject to competitive selection, grant the proposed contract with Modern Parking Inc. an exemption from the Competitive Selection process set forth in the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interests are served.

## **BACKGROUND:**

On August 10, 2005, the Department of Transportation released a Request for Proposals to solicit bids for parking garage management services at the Holly Street, Paseo Subterranean, Los Robles, and Marengo garages. Four proposals were received on August 25, 2005, and based upon evaluation staff recommended the award of the contract to MPI. On September 12, 2005, City Council authorized the City Manager to enter into an agreement with MPI to manage the four garages for a period of three years, with two additional one-year terms.

On June 18, 2007, the City purchased the Del Mar Station garage and amended the agreement with MPI to include management of the new facility.

On December 6, 2010 City Council authorized the extension of the contract until September 30, 2011 while the City's parking strategy was evaluated.

On September 26, 2011 City Council authorized the extension of the contract until September 30, 2012 to allow for further study of the current garage management system.

In 2011 staff commissioned an assessment of the facility needs at the nine City-owned garages. Staff is currently using the information received from the Garage Assessment report to define a facilities management program for the City garages and to restructure what elements of facilities maintenance are included in the contract with the parking operator for the garages.

In conjunction with the garage assessment, staff has also conducted two audits of parking operations in the nine City-owned garages to identify any deficiencies in current practices so as to improve existing operations and to provide information to use in determining how to best manage off street parking operations in the future.

The contract has been operating on a month to month basis since September 30, 2012 pending a new garage management request for proposals. Staff expects to issue a new garage management RFP within the next 12 months based on the findings of the garage assessment and the two garage audits, and concurrent with the expiration of the OPMD contract for management of the Old Pasadena garages. The month to month contract allows for the City to end the contract sooner than December 2015 if a new contract for parking management is awarded in that time frame.

With the dissolution of the Redevelopment Agency and the uncertain future of the Paseo Colorado garages, a month to month contract allows the City greater flexibility in the event that the garages need to be sold.

Both the City and MPI desire to extend this agreement on a month to month basis through no later than December 2015 with the existing terms and conditions, which is in the best interests of the City.

In order to ensure that future invoices are monitored and contracts are not exceeded, staff will be trained on invoice tracking along with a centralized system of invoice monitoring for checks and balances. In the future, contract amendments will be agendized for City Council approval as soon as a contract is running low on its balance.

**COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by amending the contract with MPI for the management of the Holly Street, Del Mar Station, Paseo Subterranean, Los Robles, and Marengo garages.

**ENVIRONMENTAL ANALYSIS:**

The proposed amendment of lease agreement with MPI for the management of the Holly Street, Del Mar Station, Paseo Subterranean, Los Robles, and Marengo parking garages is categorically exempt from the California Environmental Quality Act (CEQA) under section 15061 (b) (3), the General Rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

**FISCAL IMPACT:**

The retroactive cost of this action will be \$3,506,550.66, which has already been paid with appropriated dollars in the corresponding garage budgets from previous fiscal years.

The going forward cost of this action will be \$3,063,524, which includes \$136,541 in outstanding invoices. Funding for this action will be addressed by the utilization of existing budgeted appropriations in account numbers 8114-407-774600 Paseo Subterranean Garage, 8114-407-774700 Del Mar Station Garage, and 8114-407-774210 Holly Street Garage. It is anticipated that \$136,541 will be spent in FY14, \$1,951,322 will be spent in FY15, and the remaining balance of \$975,661 will be spent in FY16.

Respectfully submitted,



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