

Agenda Report

June 10, 2024

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH KAISER FOUNDATION HEALTH PLAN, INC. FOR AN AMOUNT NOT TO EXCEED \$415,500 FOR A TWO-YEAR TERM FOR CITY EMPLOYEE PARKING AT 393 EAST WALNUT STREET

RECOMMENDATIONS:

It is recommended that the City Council:

1. Find that the action proposed herein is covered by the common sense exemption set forth in State CEQA Guidelines Section 15061(b)(3), that CEQA only applies to projects that may have a significant effect on the environment;
2. Authorize the City Manager to enter into a contract with Kaiser Foundation Health Plan, Inc. (Kaiser) in an amount not to exceed \$415,500 for a two-year term to provide up to 200 parking spaces at the 393 East Walnut Street parking facility; and
3. Grant the recommended contract an exemption from the Competitive Bidding process pursuant to the City Charter Section 1002(F), contracts for professional or unique services. To the extent this transaction could be considered a separate procurement subject to the Competitive Selection Process, grant the recommended contract an exemption from the Competitive Selection Process pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interests are served.

BACKGROUND:

On February 1, 1972, the City entered a 51-year agreement with the First Baptist Church to allow the City to construct and operate a parking garage on a church-owned parcel located at 150 E. Holly Street, also referred to as Holly Street Garage. The agreement expired on February 28, 2023, and approximately 422 City employees and 41 City vehicles that parked in the Holly Garage were displaced.

In January 2023, the City entered into an agreement with Unified Parking Service, Inc. (Unified) to provide a total of 200 replacement parking spaces and a separate agreement with ABM Industry Groups, LLC (ABM) for 100 replacement spaces within walking distance of City buildings. The City entered into another two-year agreement with Unified for 200 spaces in January 2024, but ABM was only willing to enter into a six-month agreement for 100 spaces through June 2024. The City is currently seeking to extend the agreement with ABM but negotiations are ongoing. This agreement with Kaiser offers two years of replacement parking through June 2026 as other parking options continue to be explored.

Kaiser's garage at 393 East Walnut Street is conveniently located within walking distance of City Hall, the Police Department, and the Hale Building. The terms of the agreement include providing the City with parking for a minimum of 100 vehicles and a maximum of 200 vehicles, for a cost of \$85 per vehicle per month. New and replacement parking access keycards will cost \$25 per card. This monthly parking fee is comparable to the current monthly fees paid through the Unified and ABM parking contracts. This agreement will allow the City to replace the spaces provided by ABM should the current contract not be renewed and remain compliant with contractual limits of City use of spaces in our City-owned parking facilities nearby, while allowing room for growth with additional spaces.

Although City Departments pay to provide their employees with parking, the Department of Transportation continues to administer all aspects related to employee parking and collaborates with City Departments to provide for their employee parking needs.

COUNCIL POLICY CONSIDERATION:

This project is consistent with the City Council's goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The project has been reviewed for compliance with CEQA and is exempt per Section 15061 (b) (3), the "common sense" provision of CEQA (formerly the general rule), which applies to projects that may have the potential for causing a significant effect on the environment. This parking agreement will not result in any significant effect on the environment.

FISCAL IMPACT:

The cost of the recommended action will not exceed \$415,500 over a period of two years. This cost is budgeted through the Department of Transportation and passed along to individual departments as they provide parking to their employees. The Department of Transportation will utilize existing budgeted appropriations in the General Fund (Fund 101) to support the first year of contract costs. Future year contract costs will be budgeted as part of the department's annual operating budget.

Currently, the annual cost of parking for approximately 700 employees across 13 Departments is \$711,420, of which \$529,080 is General Fund. Funding for employee parking for future years will be budgeted as part of the operating budget process on an annual basis.

Respectfully submitted,



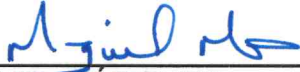
JOAQUIN T. SIQUES
Director
Department of Transportation

Prepared by:



JON HAMBLÉN
Parking Manager

Approved by:



MIGUEL MÁRQUEZ
City Manager