

**City of Culver City, California
Agenda Item Report**

Meeting Date: 01/30/12		Item Number: <u> C-4 </u>	
JOINT CITY COUNCIL AND PARKING AUTHORITY BOARD AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT – Approval of an Agreement with Modern Parking, Inc. for Parking Management Services at the Cardiff, Ince, and Watseka Parking Structures and the Venice and Virginia Parking Lots.			
Contact Person/Dept.: Christopher Evans/ CDD Todd Tipton/ CDD		Phone Number: (310) 253-5744 (310) 253-5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: E-Mail) Meetings and Agendas – City Council (1/27/12); (E-Mail) Modern Parking Inc., Downtown Business Association, and Chamber of Commerce on (1/10/12).			
Department Approval: Sol Blumenfeld: (01/26/12)		City Attorney/Authority Counsel Approval: Carol Schwab (by H. Baker) (01/26/12)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (01/26/12)		City Manager/Executive Director Approval: John M. Nachbar (01/26/12)	
<u>RECOMMENDATION:</u> Staff recommends the City Council and Culver City Parking Authority (Authority) Board: 1. Approve a new limited term (not to exceed one year with a one year option) tri-party professional services agreement with Modern Parking, Inc. (Modern) for parking management services at the Cardiff, Ince, and Watseka Parking Structures and the Venice and Virginia Parking Lots in an amount not-to-exceed \$734,477; 2. Approve a budget amendment appropriating \$86,000 (6 months of the total increase for the remainder of this fiscal year) for the proposed agreement; 3. Authorize the Chief Financial Officer to allocate the budget amendment to the appropriate parking structure accounts; and 4. Authorize the Chief Financial Officer to allocate the budget amendment to the appropriate parking structure accounts. Budget amendments require 4/5ths approval.			

City of Culver City, California
Agenda Item Report

BACKGROUND:

On August 1, 2006, the Agency Board approved an agreement with Modern for parking management services related to the Cardiff, Ince, and Watseka Parking Structures (Agreement). The Agency Board subsequently extended the term of the Agreement and added additional management and maintenance services.

The Fourth Amendment to the Agreement will expire on January 31, 2012. The term of the Agreement was amended most recently in order to allow Walker Parking time to complete its study of parking operations in downtown (Parking Study).

Modern has provided excellent services during the term of the Agreement and has agreed to multiple contract extensions without a rate increase since 2008.

At this time, there are many unknown issues that must be resolved so staff recommends a limited term agreement of one-year with a one year option.

DISCUSSION:

Staff recommends that City Council and Authority Board approve a new agreement (the Proposed Agreement) with Modern for parking management services to allow for continuing management of the downtown parking structures while changes to parking structure fees and operations are implemented. In addition, staff recommends that the Proposed Agreement be increased by \$49,592 to allow for a cost of living adjustments and to fund a business day supervisor needed to assist the Parking Manager due to increased parking activity (see Attachment 1).

Term of the Proposed Limited Term Agreement

Staff recommends that the Proposed Agreement include a term of one year (through January 31, 2013) with an optional one-year extension (through January 31, 2014) contingent upon Modern's satisfactory performance of their management services. If Modern's performance is unsatisfactory staff will report back to the City Council and Parking Authority requesting authorization to prepare an RFP for Parking Management services.

FISCAL ANALYSIS:

Modern is currently contracted to perform parking management services at the annual rate of \$562,472 (for the three downtown parking structures and the surface parking lots on Venice Boulevard and Virginia Avenue).

City of Culver City, California
Agenda Item Report

If authorized the Proposed Agreement will increase Modern's management fee by \$49,592. Modern's employees in Culver City have not received a rate increase since 2008; the new rate reflects a 3.5% cost of living adjustment. If approved by the City Council and Parking Authority, Modern's fee will be applied to the various parking facilities as follows:

	Current Fee	Increased Fee (9.2%)	SUBTOTAL	20% Contingency	TOTAL
Cardiff	\$113,000	\$10,396	\$123,396	\$24,679	\$148,075
Watseka	\$112,000	\$10,304	\$122,304	\$24,461	\$146,765
Ince	\$294,500	\$27,094	\$321,594	\$64,319	\$385,913
Virginia/ Venice	\$42,972	\$1,798	\$44,770	\$8,954	\$53,724
TOTAL	\$562,472	\$49,592	\$612,064	\$122,413	\$734,477

Pursuant to the Proposed Agreement, any additional services such as staff overtime and event staffing will be the City's responsibility. To fund unforeseen additional services, staff recommends including a 20 percent contingency. The total annual cost of the new agreement, including contingency is \$734,477 [\$612,064 + \$122,412 (20% contingency)].

The proposed budget amendment is calculated as follows:

\$734,477 (proposed amount w/contingency) - \$562,472 (prior amount) = \$172,005 (net increase). \$172,005 x .5 (represents remainder of the fiscal year) = \$86,002.50

Management services related to the Proposed Agreement would be funded from existing parking facilities revenues, which are approximately \$1.05 million annually. There are sufficient revenues to pay for the increased management fees. However, there are not currently sufficient revenues generated by the structures to cover City staff costs to manage and maintain the structures or to complete capital improvement or major deferred maintenance projects associated with the parking structures.

ATTACHMENTS:

1. Modern Parking request for compensation increase, dated January 11, 2012
2. Proposed Scope of Service

City of Culver City, California
Agenda Item Report

MOTION:

That the City Council and Parking Authority:

1. Approve a tri-party professional services agreement with Modern Parking, Inc. (Modern) for parking management services at the Cardiff, Ince, and Watseka Parking Structures and the Venice and Virginia Parking Lots in an amount not-to-exceed \$734,477;
2. Approve a budget amendment appropriating \$86,000 for the proposed agreement **(Requires a four-fifths vote.)**;
3. Authorize the Chief Financial Officer to allocate the budget amendments to the appropriate parking structure accounts;
4. Authorize the City Attorney/Authority Counsel to review/prepare the necessary documents; and,
5. Authorize the City Manager/Executive Director to execute such documents on behalf of the City and the Parking Authority.