



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 5/4/2021

ALL

Item Creation Date: 2/4/2021

T29402 - Parking Operations and Management Services - ORDINANCE

Agenda Item#: 31.

Summary:

Background:

Request for Proposals received June 25, 2020 for S36-T29402 - Approve an ordinance authorizing the appropriation of \$34,200,000.00 out of the HAS Airports Improvement Fund (8011) to fund Year One of the contract, and approve awarding a contract between the City of Houston and SP Plus Global IMS in the maximum contract amount of \$360,000,000.00 for parking operations and management services for the Houston Airport Systems.

Specific Explanation:

The Director of the Houston Airport System and the Chief Procurement Officer recommend that City Council approve an ordinance authorizing the appropriation of **\$34,200,000.00** out of the HAS Airports Improvement Fund for Year One of the contract (additional appropriations will be requested annually), and approve awarding a **ten (10) year** contract to **SP Plus Global IMS** in the maximum contract amount of **\$360,000,000.00** to provide parking operations and management services at George Bush International Airport/Houston HOU (IAH) and William P. Hobby Airport (HOU) for the Houston Airport System. During the life of the contract, parking revenues are forecasted to be approximately \$1,088,965,798.00. This contract will begin July 1, 2021, following the expiration of the current parking contract on June 30, 2021. The Director of the Houston Airport System may terminate this contract at any time upon one hundred eighty (180) days written notice to the contractor.

The scope of work requires the contractor to provide services as follows:

- Manage nearly 32,000 parking spaces in 8 parking garages and 4 surface lots. The parking operation services provides self-parking, valet parking, employee parking, economy lot parking with 56 shuttle buses, ambassador program that operates 15 courtesy carts in the Terminal C Garages and HOU ecopark to assist customers from vehicles to the terminal, the Parking Operator currently has 410 employees to manage these services;
- The operator is responsible for maintaining facilities in an opening day fresh condition through a comprehensive asset management and maintenance program, e.g. painting, janitorial services, parking surface repairs and facility improvements.
- Maintaining the parking access revenue control systems and network for PCI compliance.
- Provide high quality parking and shuttle bus management and operation services at the Airports that enhance the customer's parking experience by offering a choice of products with quality service levels at a range of cost and convenience.
- Have parking Facilities and shuttle bus services staffed by well-trained, efficient, friendly, and customer-oriented personnel during all hours of the Airports' operation.
- Provide uninterrupted parking and shuttle bus services to the traveling public during all operational hours at the Airports.
- Grow net parking revenues, revenue collections are deposited into the City's bank account.
- Improve operational efficiencies and promote best practices; and
- Create flexibility to adopt new products, service, and technologies.

The Request for Proposals (RFP) was advertised in accordance with the requirements of the State of Texas bid laws. As a result, proposals were received from two (2) firms: ABM Aviation, Inc. and SP Plus Global IMS. The evaluation committee consisted of City employees from the Administration and Regulatory Affairs Department and the Houston Airport System. The evaluation was based on the following criteria:

1. Responsiveness of Proposal
2. Technical Competence
3. Price

SP Plus Global IMS received the highest overall score and was deemed the best qualified to perform the requirements as outlined in the RFP.

The Parking Operations and Management Services Agreement is a reimbursable (cost+) contract, which is the same structure as the current agreement. The approved annual budget is used to pay all expenses associated with parking operations and the operator's management fee. The SP Plus Global IMS management fee is nearly \$4M lower than ABM Aviation for the term of the agreement. For the first year of the agreement, SP Plus Global IMS will receive a \$2,057,795.00 management fee payment. However, out of the management fee, the parking operator is responsible to pay the following expenses:

- All insurance, including auto liability for the 56 shuttle buses and service vehicles, employers' liability, commercial general liability, excess liability, garage keepers' liability, deductibles for insurance claims, administrative costs of administering claims, and replacement or damages to any vehicle.
- The \$5M Performance Bond.
- Start-up and transition costs.
- Office furniture, equipment, and computers.
- Time-recording systems, payroll processing, and direct deposit of wages.
- Legal, audit, administrative, bookkeeping, and executive personnel of Parking Operator who are not on site.
- Home office travel, and off-site office space. Meetings between executive-level representatives of Parking Operator and HAS or City staff.
- Business license or similar fees, legal representation, and working capital incurred by Parking Operator in its business operations.
- Cashier shortages, including robberies.
- All fines, fees, and damages incurred by Parking Operator.
- Missing or unreturned item fees for airport badges, uniforms, laundry, and linens.
- Any special employee compensation benefits, e.g. a car allowance.

M/WBE Participation:

The RFP was advertised with a 35% goal for M/WBE participation. **SP Plus Global IMS** submitted a participation plan of 36% and has designated the below-named companies as its certified M/WBE subcontractors.

Name	Type of Work	Percentage (%)
Global Parking Systems, LLC	Parking, Valet, and Transportation Labor	16.5%
IMS Engineers, Inc.	Engineering, Architectural, Management Consulting Services	13.5%
Access Data Supply, Inc.	Janitorial Services	1.6%
Allegiance Facility Solutions, Inc.	Janitorial Services	3.0%
S.P. Promotions, Inc.	Uniforms	1.3%
Media Advantage Communications Group, LLC	Advertising/ Marketing/ Media & PR Consulting/ Diversity Training	0.1%

Pay or Play:

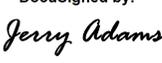
The proposed contract requires compliance with the City's Pay or Play ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides health benefits to eligible employees in compliance with City policy.

Hire Houston First:

This contract requires compliance with the City's Hire Houston First ordinance which promotes economic opportunity for Houston businesses and supports job creation. In this case SP Plus Global IMS is not a designated company, therefore the HHF preference was not applied to the award of the contract.

CIP Fiscal Note:

No significant Fiscal Operating impact is anticipated as a result of this project.

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4/20/2021

Jerry Adams, Chief Procurement Officer
 Finance/Strategic Procurement Division

Department Approval Authority

Estimated Spending Authority

Department	FY2022	Out Years	Total
Houston Airport System	\$34,200,000.00	\$325,800,000.00	\$360,000,000.00

Prior Council Action:

Amount of Funding:

\$ 34,200,000.00 - HAS- Airport Improvement Fund 8011) - Year-One appropriation

\$325,800,000.00 (Additional appropriations will be requested annually)

\$360,000,000.00 Total

Contact Information:

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ATTACHMENTS:

Description	Type
Parking Management and Operations Concession Contract Ordinance - Draft	Contract/Exhibit
City of Houston Ownership Information Form	Ordinance/Resolution/Motion
Delinquent Tax Report	Backup Material
MWBE Form - - Attachment A	Backup Material
MWBE Forms - Attachments B&C (Notice of Intent)	Backup Material
MWBE Form - Attachment D - Utilization Report	Backup Material
Drug Policy Forms	Backup Material
POP Forms	Backup Material
Certificate of Insurance	Backup Material
AMBest Rating	Backup Material
Form 1295	Backup Material
SOS - SP Plus Corporation	Backup Material
SOS_Global Parking Systems LLC	Backup Material
SOS_IMS Engineers	Backup Material
Certification of Funds	Financial Information