



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 8/7/2019

HAS - Amendment No. 1 to Restated Airport Parking Operations and Management Concessions Agreement with New South Parking-Texas

Agenda Item#:

Summary:

ORDINANCE approving and authorizing a first amendment to the restated Airport Parking Operations and Management Concessions Agreement between the City of Houston and **NEW SOUTH PARKING-TEXAS** for the Houston Airport System; providing a maximum contract amount; containing provisions relating to the subject; and declaring an emergency - **DISTRICT B - DAVIS**

Background:

RECOMMENDATION:

Enact an ordinance approving and authorizing Amendment No. 1 to the Restated Airport Parking Operations and Management Concessions Agreement with New South Parking-Texas.

SPECIFIC EXPLANATION:

On May 23, 2018, the City entered into a parking operations and management agreement with New South Parking-Texas ("NSP"), a joint venture between SP+ and Global Parking, to operate and manage all parking facilities owned at the City's airports ("Agreement").

As part of the Agreement, NSP provides shuttle bus services between the ecopark lots and the airport terminals at George Bush Intercontinental Airport/Houston ("IAH"). The City reimburses NSP for this service at a contractual Hourly Bus Rate that incorporates a contractual minimum wage rate for bus drivers, along with other bus leasing costs, insurance, and repairs and maintenance. With strong economic growth, Houston is experiencing historic low unemployment rates, and the competitive wage for bus drivers with a Commercial Driver's License (CDL) has exceeded the current average of \$12.55 per hour that is included in the contractual Hourly Bus Rate. Consequently, ecopark cannot hire enough drivers to fulfill the planned bus schedule, resulting in longer than desired passenger pick-up times.

This amendment to the Agreement increases the wage for ecopark CDL drivers to \$15 per hour, which is an increase of \$2.45 per hour for the average driver. To cover the cost, the Hourly Bus Rate increases by \$2.89, which reflects the \$2.45 increase in base wage rate plus \$0.44 for FICA, federal and state unemployment fees (FUTA/SUTA), and worker's compensation fees. The amendment also clarifies the contract language for calculation of the bus fee. The bus fee is a combination of separate rates to cover fixed costs such as bus leasing, and variable costs, such as wages. The new language clarifies that the variable rate will be applied only to actual hours driven and the fixed rate will be applied to scheduled hours to ensure fixed costs are fully reimbursed.

The wage increase will cost a total of approximately \$700,000.00 annually, which can be absorbed within the existing maximum contract amount due to efficiencies realized elsewhere in the contract.

ACDBE Participation:

The Airport Concession Disadvantaged Business Enterprise (ACDBE) goal for the Agreement is 15%. NSP is achieving 34% at IAH and 30% at HOU, using the following certified firms: Global Parking Systems (J-V Partner), Aztec Facility Management (Janitorial IAH), Access Data Supply (Janitorial HOU), and Sports Productions Promotional (Uniforms).

Fiscal Note:

Funding for this item was included in the FY2020 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director's Signature:

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DocuSigned by:

J'Maine Chubb

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Mario C. Diaz

Houston Airport System

Prior Council Action:

05/08/2018 (O) 2018-0411

Amount of Funding:

No additional funding needed.

Contact Information:

Todd Curry 281/233-1896

Ian Wadsworth 281/233-1682

ATTACHMENTS:

Description

[Signed Coversheet](#)

[Affidavit of Ownership](#)

[Fair Campaign Form A](#)

[RCA for Ordinance 2018-411](#)

[Ordinance 2018-411](#)

[RCA Budget Funding Information Request](#)

[Contract](#)

[Ordinance](#)

Type

Signed Cover sheet

Backup Material

Backup Material

Backup Material

Backup Material

Financial Information

Contract/Exhibit

Ordinance/Resolution/Motion