

**IMPACT STATEMENT**

**Legislation title:** Amend contract with Central Parking System of Washington, Inc. to extend contract term through March 31, 2017 with an administrative option to extend one additional year through March 31, 2018.  
(Ordinance; amend Contract No. 30001972)

**Contact name:** Michael Jacobs, SmartPark General Manager

**Contact phone:** (503) 823-7527

**Presenter name:** Michael Jacobs, SmartPark General Manager

**Purpose of proposed legislation and background information:**

Contract #30001972 provides Parking Garage Management Services for the City's six SmartPark Garages. The purpose of this legislation is to extend the term of Contract for one year through March 31, 2017 with an administrative option to extend one more year through March 31, 2018.

In ORS 223.835, the Portland City Council has the legislative authority to set parking rates and regulate the uses of the Garage system. The Portland Bureau of Transportation (PBOT) is responsible for managing and maintaining all official business, operations and records for the City's six SmartPark Parking Garages, which total almost 3,800 parking spaces. PBOT is charged with managing and maintaining the City of Portland's SmartPark parking garages in a manner that is financially sound while supporting the economic vitality of the City, maximizing revenues, and prudently managing cost.

PBOT is responsible for maintaining Parking Garage Management Services for the City's six (6) owned parking garages, which total almost 3,800 spaces within the SmartPark parking portfolio. This contract's Parking Garage Management Services includes garage operations, merchant validation program, janitorial services, equipment maintenance services and PCI Compliance responsibilities.

On January 12, 2011, City Council authorized Ordinance No. 184360 awarding a Contract to Central Parking System of Washington, Inc. for Parking Garage Management Services for the SmartPark Garages. The Contract has been amended four times as follows:

- Amendment (1) One dated February 1, 2012 to provide automated paystation equipment purchase, installation, and support, and increase the not-to-exceed value of the contract to \$1,250,000.
- Amendment (2) Two dated March 5, 2013 to extend the term of the Contract by mutual consent of the Parties for an additional two (2) years beginning April 1, 2014 through and including March 31, 2016, allow Contractor to reimburse the City for one-half of the expenses above the fixed budget expenses agreed upon for the fiscal year 2011-2012, and define the agreed upon amount for the FY 2009-2010 Operating Surplus.
- Amendment (3) Three dated September 1, 2013, to add equipment and software maintenance to the Contract scope of work, and increase the not-to-exceed value of the Contract to \$1,300,000;

- Amendment (4) Four dated September 28, 2015, pursuant to Ordinance 187298, to upgrade the garage parking equipment and migrate the PARCS System to a dedicated private Network, acquire an additional credit card pay-on-foot station for the O'Bryant Square Garage, and to increase the not-to-exceed value of the Contract to \$1,448,320.

Section 2 of Contract No. 30001972, Effective Date and Duration, set the initial term of the Contract for three years, effective April 1, 2011 and expiring on March 31, 2014. The Contract provided for an extension, by mutual consent, for an additional two year period for a total contractual period of not more than five (5) years. Section 2 of the Contract also provides that,

“following Council approval, the Contract may be extended an additional five (5) years, taken individually or in multiple years, however, the total term of the Contract shall not exceed ten (10) years.”

**Financial and budgetary impacts:**

This contract is funded by receipts from the six SmartPark parking garages. Net operational revenue for FY 2015-2016 is budgeted to be \$12.1 million, which is an increase of approximately 10% over actual revenues recognized in the first fiscal year of this contract (FY 11-12). Operational expenses for FY 2015-2016 are budgeted to be \$2.66 million with an anticipated net revenue to the City of \$9.44 million.

This contract provides for a monthly management fee of \$811.82 per garage in FY 2015-2016. The management fee increases 2% annually on each anniversary date of the agreement. This contract also provides for an incentive fee, which is equal to 3.5% of the monthly operating surplus in excess of the operating surplus for fiscal year 2009-2010. The anticipated incentive fee to be paid in FY 2015-2016 is \$64,071.

There are no budget impacts with regard to this contract amendment.

**Community impacts and community involvement:**

The SmartPark mission is to support the economic viability of the Central City by providing an affordable system of parking garages which primarily meets the short-term needs of shoppers, visitors and business clients and by investing in other Central City transportation improvements.

In the SmartPark Program, we value high-quality customer service and affordable rates, which are hallmarks of the City's SmartPark system. We value all our customers and business partners and will work with them to meet their needs. Customers reported, in our 2015 customer survey, 97% satisfaction rate for customer service in the garages and a 92% satisfaction rate with the automated payment system. Merchants reported, in our 2015 merchant survey, an 89% overall satisfaction rate with the SmartPark Validation Program.

There is no known opposition to this legislation.

**Budgetary Impact Worksheet****Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

KK 11-19-15