



April 12, 2018

CALL AND NOTICE OF A REGULAR MEETING OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Operations and Development Committee will be held Monday, April 16, 2018, at 8:30 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

Terri Williams, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING  
OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE

Airport Skyroom

Monday, April 16, 2018

8:30 A.M.

***NOTE TO THE PUBLIC: Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.***

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***In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.***

AGENDA

1. Approval of Agenda
2. Public Comment
3. Approval of Minutes
  - a. March 29, 2018 [See page 1]
  - b. April 2, 2018 [See page 3]
4. Contracts and Leases
  - a. Award of Contract, for Self-Park Management Services and Valet Parking Services
    - Staff report is attached. [See page 6]

***Staff seeks an Operations and Development Committee recommendation to the Commission for award of an Agreement for Self-Park Management Services and Valet Parking Services ("Agreement") to SP Plus Corporation. The proposed Agreement has a three-year base term and two one-year extension options available to the Airport Authority. For FY 2018-19, the proposed annual budget is \$4,907,211 and the proposed potential performance bonus is \$15,215. Subject to change based on revised operating parameters***

***(such as Airport Authority-directed increases or decreases of personnel levels), the proposed total cost of the Agreement for the three-year base term is \$15,907,484 inclusive of potential performance bonuses.***

5. Adjournment

**MINUTES OF THE SPECIAL MEETING OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**THURSDAY, MARCH 29, 2018**

A special meeting of the Operations and Development Committee was called to order on this date in the Buena Vista Room of the Burbank Public Library, 300 N. Buena Vista Street, Burbank, California 91505, at 6:03 p.m., by Chairman Brown.

**ROLL CALL**

**Present:** Commissioners Brown, Tornek and Devine

**Absent:** None

**Also Present:** Staff: Frank Miller, Executive Director;  
John Hatanaka, Senior Deputy Executive Director;  
Patrick Lammerding, Deputy Executive Director,  
Planning and Development; Mark Hardymont,  
Director, Government and Environmental Affairs

Landrum & Brown Inc., Aviation Consultants:  
Rob Adams, Executive V.P. and Christian Valdes,  
Managing Consultant

**1. Approval of Agenda** There were no changes to the agenda.

Commissioner Brown, the Committee Chairman, requested that Commissioner Tornek, the Authority President, lead the discussion and allow Burbank residents and other members of the public to address the Committee regarding concerns about NextGen and Airport operations.

**3. Items for Discussion** This item was taken out of order.

**a. NextGen Impacts** Commissioner Tornek addressed members of the public and introduced Landrum & Brown Inc., Aviation Consultants: Rob Adams, Executive V.P. and Christian Valdes, Managing Consultant, along with members of the audience, including Burbank City Councilmembers, Jess Talamantes, Sharon Springer, and Bob Frutos; Burbank City Manager, Ron Davis; Airport Authority Commissioners, Ray Adams and Dr. Ross Selvidge, who were all present for the discussion, before continuing the ongoing dialogue with residents about concerns related to Nextgen and Airport operations.

Following the Committee's introduction and a brief introduction of Staff by the Authority's Executive Director, the platform recused to Aviation Consultants, Rob Adams and Christian Valdes, of Landrum & Brown Inc.

The Landrum & Brown consultants gave background information on their level of expertise and the various components of the study they've been contracted to perform for the Airport Authority regarding the aircraft noise issues around the Airport. Following their introduction, the consultants answered various questions posed to the Committee by members of the public.

Staff heard from residents from Burbank, Studio City and Van Nuys regarding their concerns. The Committee along with the Landrum & Brown Consultants, committed to follow up with them with additional information and a response to any unanswered questions and concerns at a future date.

## **2. Public Comment**

Staff heard from the following residents regarding their concerns about Nextgen and Airport operations: Henrik Helgesen, Burbank resident; David Kamin, Studio City resident; Brad Schreiber, Studio City resident; Stephanie Baio, Studio City resident; Kimberly Turner, Studio city resident; Roy Wiegand, Burbank resident; Geraldine Simon, Studio City resident; Jeanie Love, Studio City resident; Eric McLeod, Studio City resident; Jay Pennick, Van Nuys resident; Audrey Geiger-Ford, Burbank resident; Claudia Keene, Burbank resident; Lauri Trapp, Burbank resident; Heidi McKay, Studio City resident; Suellen Wagner, Studio city resident; Alan Lorimer, Burbank resident; Glenn Ochenkoski, Burbank resident; Mike Moynahan, Burbank resident.

## **4. Adjournment**

There being no further business, the meeting adjourned at 8:06 p.m.

**MINUTES OF THE REGULAR MEETING OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**MONDAY, APRIL 2, 2018**

A regular meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, at 8:31 a.m., by Chairman Brown.

**ROLL CALL**

**Present:** Commissioners Brown and Devine;  
Commissioner Tornek (arrived at 8:34 a.m.)

**Absent:** None

**Also Present:** Staff: Frank Miller, Executive Director;  
John Hatanaka, Senior Deputy Executive Director;  
Patrick Lammerding, Deputy Executive Director,  
Planning and Development; Ed Skavarna, Chief of  
Police; Director, Public safety; Tom Lenahan, Fire  
Chief

- 1. Approval of Agenda** There were no adjustments to the agenda.
- 3. Approval of the Minutes**
  - a. March 19, 2018** Commissioner Tornek moved approval of the minutes of the March 19, 2018 meeting. The minutes were approved (2-0, one abstention).
- 4. Contract and Leases**
  - a. Award of Professional Services Agreement Autocad, Graphic Display, and Airport Planning Services** Staff reported that for the past 25 years, Mr. Dan Lichtner, the principle of Azrial Ltd. ("Azrial") has provided computer aided drafting or "CAD" services to the Airport on a time and materials basis. Azrial is responsible for the creation of the current Autocad digital drawing library that encompasses several thousand drawings. Mr. Lichtner also has extensive knowledge of the Airport facility, as well as Engineering and Airport procedures and protocol. He provides services in a variety of areas, including conceptual planning, graphic arts, and Autocad construction document preparation.

Azrial is currently contracted under an existing Professional Services Agreement ("Agreement") scheduled to expire on May 3, 2018, at the hourly rate of \$83.77 per hour, plus \$2.00 per hour for Errors and Omissions insurance for a maximum not-to-exceed amount of 2,000 hours per year. This Agreement also includes an annual allowance of \$5,000 for miscellaneous out-of-pocket expenses such as paper, ink and reproduction costs.

The current Agreement allows for the hourly rate to be adjusted on the anniversary date of the Agreement based on the applicable CPI. The recommended increase to \$92.50 per hour represents a 5% increase including a CPI adjustment. This rate compares to \$110.00 per hour market rate currently charged by Azrial to other clients. This proposed revised rate now includes Errors and Omissions insurance with the maximum annual hours reduced to 1,800 hours. The annual expenditure for these services will reduce under the proposed Agreement by \$8,066 from \$174,566 to \$166,500.

Staff recommended that the Committee recommend to the Commission to award a Professional Services Agreement to Azrial Ltd. for continued Autocad, graphic display and airport planning services.

**Motion**

Commissioner Devine moved approval of Staff's recommendation, seconded by Commissioner Tornek.

**Motion Approved**

The motion was approved unanimously (3-0).

**b. Superior Life Support Inc.  
Change Order for Automated  
External Defibrillator Service  
Program Expansion**

Staff recommended that the Committee recommend to the Commission for approval of a Change Order to the current purchase order with Superior Life Support Inc. ("SLS") for \$20,000 to cover the expansion of the Public Safety Department's Automated External Defibrillator ("AED") program for a three-year period through May 31, 2020. In year one, the fee is \$10,000 and \$5,000 for years two and three respectively.

The Change Order will provide for the installation, service and support of AED units that were originally installed in six Airport Police Department patrol vehicles, but not certified for use. The Change Order will also provide for the training and certification of all Airport Police Department staff in the use and care of the AED units.

Staff reported that in order to stay compliant with the public safety AED service provider program requirements set forth by the Department of Health Services in the County of Los Angeles, the Airport Police Department is required to undergo training and certification on the use of the AED devices installed in the patrol vehicles. The AEDs were delivered under the initial purchase order but the initial program did not include the training and certification of all Airport Police Department staff.

Staff recommended that the Committee recommend to the Commission approval of the \$20,000 Change Order with SLS to cover the expansion of the Public Safety Department's AED program to include the Airport Police Department and associated equipment in all six Airport Police vehicles.

**Motion**

Commissioner Tornek moved approval of Staff's recommendation, seconded by Commissioner Devine.

**Motion Approved**

The motion was approved unanimously (3-0).

**5. Adjournment**

There being no further business, the meeting adjourned at 8:44 a.m.



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OPERATIONS AND DEVELOPMENT COMMITTEE  
APRIL 16, 2018**

**AWARD OF AGREEMENT  
FOR SELF-PARK MANAGEMENT SERVICES AND VALET PARKING SERVICES**

**SUMMARY**

Staff seeks an Operations and Development Committee ("Committee") recommendation to the Commission for award of an Agreement for Self-Park Management Services and Valet Parking Services ("Agreement") to SP Plus Corporation ("SP Plus"). The proposed Agreement has a three-year base term and two one-year extension options available to the Authority. For FY 2018-19, the proposed annual budget is \$4,907,211 and the proposed potential performance bonus is \$15,215. Subject to change based on revised operating parameters (such as Authority-directed increases or decreases of personnel levels), the proposed total cost of the Agreement for the three-year base term is \$15,907,484 inclusive of potential performance bonuses.

**BACKGROUND**

SP Plus (formerly Standard Parking, Inc.) has been the Authority's self-park management and valet parking services provider since 2012. The Authority issued a Request for Proposals ("RFP") for these services in 2015. However, the Commission canceled that procurement process to allow for further research into the rapidly changing marketplace, i.e. the introduction of Transportation Network Companies ("TNCs") and their impact on Airport parking revenue, ever-changing new technology, changing demographics, etc. At that time, the Staff contracted with Steer Davies Gleave, a recognized leader in parking services and technologies, in order to incorporate that consultant's expertise and insight for a new procurement process.

**A. Current Agreement**

The current parking services agreement with SP Plus was executed on February 6, 2012. The contract had a 28-month base term and afforded the Authority two one-year extension options, both of which have been exercised. The Commission approved a contract amendment in September 2016, to extend the term on a month-to-month basis, pending the new procurement process for this service category and the Authority's award of a resultant new parking services Agreement.

**B. Request for Qualifications**

In October 2017, Staff issued and advertised a Request for Qualifications ("RFQ") for self-park management and valet parking services to solicit Statements of Qualifications ("SOQs") from parking operators. This RFQ stated that the selected firm will be responsible for all of the major areas of parking operation: self-parking, valet parking and the implementation of an online reservations system with variable (transaction-based) pricing ability for all the Authority's parking products. SOQs were received from the following nine parking operators (listed alphabetically): ABM Aviation, Ace Parking, Imperial Parking, L&R Auto dba Joe's Auto Parking, Lanier Parking, LAZ Parking, Modern Parking, PCAM dba Parking Co. of America (PCA) and SP Plus.

Staff formed a five-person evaluation team to perform a qualifications-based analysis. SOQs were evaluated based on the Selection Criteria specified in the RFQ and the resultant scoring is listed below:

<u>Proposer</u>	<u>Qualification Score</u>
ABM Aviation	95
Ace Parking	89
Imperial Parking	81
L&R Auto	65
Lanier Parking	87
LAZ Parking	90
Modern Parking	67
PCAM	62
SP Plus	94

Based on the evaluation of the SOQs, Staff determined the short list of the five highest ranked firms. The shortlisted firms (listed alphabetically) were: ABM Aviation, Ace Parking, Lanier Parking, LAZ Parking and SP Plus.

#### C. Request for Proposals

Staff issued a RFP to the five shortlisted firms in December 2017 and held a mandatory pre-proposal meeting in January 2018. At the February 15, 2018, deadline, proposals were received from all of the shortlisted firms.

#### D. Proposal Evaluation

The same five-person evaluation team reviewed the technical proposals received from the shortlisted firms. The evaluation focused on the following categories, with a total of 100 possible points being awarded:

- Experience/Past Performance (20 points)
- Firm Capabilities (20 points)
- Technical Approach (20 points)
- Acceptance of Sample Agreement (15 points)
- Price (25 points)

Each proposal was evaluated based on the Selection Criteria in the RFP and the scoring was as follows:

<u>Proposer</u>	<u>Proposal Score</u>
ABM Aviation	79.6
Ace Parking	82.4
Lanier Parking	85.4
LAZ Parking	86.6
SP Plus	93.2

## **E. Performance Objectives**

Performance objectives designed around established minimum customer service standards and the ability to provide and manage an online booking system with the ability to offer variable pricing were included in the RFP Scope of Services and the proposed Agreement. Variable pricing will allow the Authority to offer discounts during the periods where parking is underutilized, resulting in more competitive parking rates relative to off-Airport providers as well as Transportation Network Companies (e.g., Uber). As part of the proposal evaluations, Staff considered each proposer's experience and plan to meet performance objectives, including measuring achievement of these objectives.

In order to provide an incentive to assure that the awarded service provider will consistently meet the highest level of service to Airport passengers, the proposed Agreement will continue the currently utilized incentive/disincentive program that combines a bonus for exceptional performance and retention of a portion of the management fee when problems are observed.

More specifically, a performance bonus of up to 25% of the management fee may be awarded to SP Plus based on criteria solely determined and evaluated by the Authority. Because the management fee only represents about 1.3% of the total Operating Budget cost, this proposed 25% bonus represents a possible 0.3% increase in the annual operating budget. The performance bonus criteria that Staff will use include damage claims, thefts, complaints, and revenue control issues, as well as any other factors that Staff may deem appropriate. It would be at the discretion of SP Plus to share some portion of this bonus with its employees.

Similarly, Staff can impose retention, on a monthly basis, of up to 10% of any monthly installment of the management fee for any identified failure to meet contractually-required performance objectives, with subsequent payment of such retention to SP Plus upon cure of the defect within a reasonable period.

## **BUDGET IMPACT**

As the proposed contract start date is July 1, 2018, the proposed cost can be included in the FY 2019 budget. The proposed parking management services costs for FY2018-19 is \$4,922,426, based on the proposed first year budget for SP Plus of \$4,907,211 plus a performance bonus of up to \$15,215. A copy of the SP Plus proposed three-year budget is attached to this Staff Report as Attachment A.

## **RECOMMENDATION**

Staff recommends that the Committee recommend to the Commission award of the Agreement to SP Plus.

## ATTACHMENT A

### Detail of Operating Budgets and Management Fee

Periods ending June 30, 2019, 2020 and 2021

Description	Base Contract Period		
	Year 1	Year 2	Year 3
Payroll	\$ 2,872,145	\$ 3,026,633	\$ 3,192,065
Vacation accrual	115,825	123,066	130,866
Payroll taxes	288,587	303,267	318,945
Group Insurance	905,266	995,793	1,095,372.31
Workers' Compensation	244,132	264,830	287,286
Retirement	11,643	12,255	12,906
Employee incentive <sup>(1)</sup>	15,214	16,187	17,238
Total personnel costs	\$ 4,452,813	\$ 4,742,032	\$ 5,054,678
Daily audit of internal control <sup>(2)</sup>	-	-	-
Telephone	3,724	3,818	3,913
Supplies and postage	6,978	7,152	7,331
Professional services	3,600	3,690	3,782
Advertising	-	-	-
Revenue refund	-	-	-
Total office costs:	\$ 14,302	\$ 14,660	\$ 15,026
Equipment lease	-	-	-
Equipment Maintenance	1,800	1,845	1,891
Uniforms	26,462	27,123	27,801
Operational supplies	3,600	3,690	3,782
Vehicle Expense	30,516	31,279	32,061
Equipment expense	-	-	-
Tickets	19,103	19,581	20,071
Miscellaneous expense <sup>(3)</sup>	(56,741)	(58,160)	(59,614)
Liability Insurance-G/L, Auto, Bond	204,501	214,726	225,462
Total operating costs	\$ 229,241	\$ 240,085	\$ 251,455
Total Operating Budget	\$ 4,696,356	\$ 4,996,776	\$ 5,321,159
Management fee-proposed percentage	1.30%	1.30%	1.30%
Management fee-calculated dollar amount <sup>(4)</sup>	\$ 60,855	\$ 64,748	\$ 68,951
E-Commerce/ Pre-Booking Platform <sup>(5)</sup>	\$ 150,000	\$ 225,000	\$ 275,000
Total	\$ 4,907,211	\$ 5,286,524	\$ 5,665,110

**Notes:**

- 1 - As indicated in our Proposal SP+ will return 100% of any paid Incentive Fee to the SP+ associates at BUR.
- 2 - Included in Payroll, Vacation and Payroll Tax line items
- 3 - SP+ or car wash vendor to subsidize Loyalty Program expense - added back as credit to Airport's Misc. Expense line item
- 4 - To calculate Management Fee, the Employee Incentive provision is deducted from Total Operating Budget first (i.e., Year 1 \$4,696,356 - \$15,214 x 1.3% = \$60,855)
- 5 - Per Addendum 2, A.45, estimate for E-Commerce Platform/Reservations - Line item moved below Fee so SP+ Management Fee not increased by actual expense