



CITY OF LONG BEACH

R-20

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 4th Floor Long Beach, CA 90802 Phone: 570.6428 Fax: 570.6205

September 2, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve and authorize the City Manager to execute an Agreement with Amano McGann for the purchase of equipment necessary for the automation of parking operations at the Broadway Garage in an amount not to exceed \$421,000 and authorize the City Manager to execute a lease-purchase agreement and related financing documents with Bank of America N.A., or one of its affiliates subject to final credit approval for the financing of parking equipment over a five-year period. (District 2)

DISCUSSION

In order to eliminate increasing maintenance costs, decrease contractual labor costs, improve service and increase customer safety, a request for proposals (RFP) was issued in the fall of 2007 for the placement of state-of-the-art automated parking equipment in the Civic Center Parking Structure (Broadway Garage). A committee evaluated proposals received from seven companies. Amano McGann, a parking equipment manufacturer with over 25 years experience in the United States, was selected as the preferred vendor after site visits were made to evaluate functionality, ease of use and price.

The recommended agreement with Amano McGann will provide for the installation of automated parking equipment and security systems. The equipment includes:

- One new pay-on-foot station (accepts cash, coin, credit/debit cards and validations)
- Two new entry lane ticket dispensers
- Four new gate arm boxes (two entry, two exit)
- Two new exit ticket acceptors with credit card processing capability
- Computer software and communications boards
- Two new computers
- Space counting system with electronic signboards
- CCTV system
- Emergency phone system

- In-lane and pay station intercom system
- 40 validation encoders

The cost to purchase the automation equipment is \$421,000. Staff is proposing to acquire the equipment under a lease-purchase agreement. A five-year lease will enable the Civic Center Parking management operation to pay for the equipment from its annual parking revenues, thus limiting the impact to the fund. By installing the automation equipment, it is expected that operational expenses will decrease by \$92,000. During the five-year lease period, automation at the Broadway Garage will save the City an estimated \$385,000.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on August 19, 2008 and by Budget Management Officer Victoria Bell on August 18, 2008.

TIMING CONSIDERATIONS

City Council action is requested on September 2, 2008, in order to replace the aging equipment as soon as possible.

FISCAL IMPACT

Ongoing parking operation revenues will fully cover the lease costs. The purchase price of the automation equipment is \$421,000 including installation, freight and tax. The source of the funding for the purchase will be a lease financing at an estimated 4.79 percent, with annual estimated payments of \$95,000 per year for five years, or \$475,000 total. Final lease terms and cost will depend on market conditions and variability. Annual lease payments, which will begin in Fiscal Year 2009, will be budgeted in the Civic Center Fund (IS 380) in the Development Services Department (DS). There is no impact to the General Fund.

SUGGESTED ACTION:


Approve recommendation.

Respectfully submitted,


CRAIG BECK
DIRECTOR OF DEVELOPMENT SERVICES


LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:


PATRICK H. WEST
CITY MANAGER