



Date: October 31, 2017

To: Patrick H. West, City Manager *T.M.W.*

From: *C.B.* Craig A. Beck, Director of Public Works

For: Mayor and Members of the City Council

Subject: **Recommendation to Award Parking Operations Contract to LAZ Parking, LLC**

On September 27, 2017, an update was provided to the Mayor and Members of the City Council regarding the Citywide Parking Operations and Management Services Request for Proposals (PW 17-033), seeking qualified firms to provide Citywide parking operations and management services for City-owned structures and lots. After a thorough review and evaluation process consisting of reference checks, interviews, and presentations, City staff will recommend the City Council award a contract to LAZ Parking, LLC (LAZ), at the Council meeting scheduled for November 7, 2017.

LAZ was determined to have met all requirements of the Request for Proposals (RFP); displayed a full understanding of the complexity of parking operations in urban areas; identified a personable and well-experienced individual as the onsite parking operations manager; and, is \$1,143,600 less than the second lowest cost proposal for the proposed three-year contract term. LAZ is the only RFP respondent with a dedicated Special Events Department providing a full range of valet services. Notable clients include the Academy Awards, Emmy Awards, Golden Globe Awards, and the Hollywood Bowl. These resources will provide an invaluable benefit for the current and growing number of special events in the Long Beach area.

LAZ's experience with municipal contracts is extensive, providing parking operations and management services to the City of Lowell, MA (5,566 spaces), City of Rochelle, NY (5,868 spaces), and City of Worcester, MA (4,430 spaces). Locally, LAZ manages 280 locations and 1,950 employees. Its diversified portfolio consists of facilities serving office, retail, hotel, and airport clients. These clients include W Hollywood (hotel), Kaiser Permanente, The Broad (museum), Beverly Wilshire Hotel, Fairmont Hotel (Santa Monica), and Los Angeles World Airports. Additional notable clients include Yale University, Boston College, and Washington Metro Area Transit Authority.

During the protest period, the City's Purchasing Division received a protest from Standard Parking (SP+), which highlighted a concern related to litigation between LAZ and the Massachusetts Bay Transit Authority (MBTA). As required by the RFP, LAZ disclosed the issue with MBTA. In July 2017, LAZ and MBTA reached an agreement that fully settled the matter, and, on July 31, 2017, a joint statement was released stating:

The settlement has been reached, the agreement has been signed, and all monies have been paid. In the settlement agreement, the MBTA acknowledges that there is

no fault or liability on the part of LAZ, that LAZ has fully performed under the MBTA contract by reimbursing the MBTA for all projected losses from rogue employee theft and that the MBTA has been made whole.

City staff has confirmed the facts of the joint statement directly with John Englander, General Counsel for MBTA. Additionally, staff spoke with Bruno Lopes, Deputy Director of Parking Operations at MBTA. Mr. Lopes indicated no discrepancies in revenue were found at any other assets managed by LAZ, and believes this was an isolated incident with an individual employee and not a systemic issue with LAZ. Mr. Lopes stated there was a lack of oversight from the MBTA management team, who did not execute due diligence in spot checking or auditing the contract. During the investigation into cash handling of MBTA's operations, he found this issue dated back to 2005 when MBTA's operations were managed by multiple operators including Central Parking (later named SP+). Further, MBTA found that the same employee deemed responsible for the theft was carried over from a previous contractor and was not part of the LAZ organization when they assumed operations in 2013.

LAZ comes to the City with glowing reviews. Brian Ketterer, Southern Field Division Chief and Chief Enforcement Officer for Department of Parks and Recreation with the State of California says, "LAZ Parking, from the start, has been a wonderful partner, providing high quality customer service to not only our park visitors, but to our park staff as well." Another review from Angel Gonzales, Parking and Shuttle Supervisor of Alameda County General Services Agency reads, "LAZ Parking has gained the trust of both our internal and external customers, and has provided great customer service in keeping our facilities clean and dealing with our aging equipment."

Staff reviewed LAZ's cash-handling policy and found it to be consistent with industry standards. In Long Beach, opportunities for cash theft is minimal, as most parking facilities are automated. The City is also adding insurance requirements to cover the City against potential theft. Staff believes LAZ will prove to be a valuable partner in the management and operations of its 25 structures and lots. Staff's close involvement in the oversight and audit of the parking operations contract has and will continue to mitigate risk.

The new agreement will include a three-year term, with two optional one-year renewals. The estimated cost of the three-year term is \$7,874,148 and will service 25 of the City's parking assets as described on the attached map. (Exhibit A)

If you have any questions regarding this matter, please call Malcolm Oscarson, Business Operations Bureau Manager, at (562) 570-6325.

ATTACHMENT

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
KEVIN JACKSON, DEPUTY CITY MANAGER
REBECCA GARNER, ASSISTANT TO THE CITY MANAGER
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE # 17-1011)

Exhibit A

MAP FEATURES

- City-owned Parking
- Schools
- Parks
- Waterways
- City Boundary

0 1,000 2,000 Feet

LIST OF CITY-OWNED PARKING FACILITIES

#	TYPE	FACILITY NAME	ADDRESS	SPACES
1	STRUCTURE	AQUARIUM-QUEENSWAY BAY/AOP GARAGE	99 AQUARIUM WAY	1434
2	STRUCTURE	CITY PLACE A	50 E 6TH ST	946
3	STRUCTURE	CITY PLACE B	50 E 5TH ST	864
4	STRUCTURE	CITY PLACE C	50 E 3RD ST	598
5	STRUCTURE	CIVIC CENTER	332 W BROADWAY	699
6	STRUCTURE	LINCOLN GARAGE	333 W BROADWAY	249
7	STRUCTURE	100 W BROADWAY	100 W BROADWAY	625
8	LOT	CITY PLACE B SURFACE LOT	50 E 5TH ST	54
9	LOT	PACIFIC AT 3RD & 4TH ST	125 W 3RD ST	137
10	LOT	PACIFIC AVE AT 7TH ST	140 W 7TH ST	32
11	LOT	LONG BEACH BLVD & BROADWAY	145 LONG BEACH BLVD	68
12	LOT	CITY EAST	335 E BROADWAY	164
13	LOT	M-1	125 LONG BEACH BLVD	57
14	LOT	PROMENADE LOT	233 THE PROMENADE NORTH	118
15	LOT	LINDEN	LINDEN AVE/SOUTH ST	32
16	LOT	MARKET	LONG BEACH BLVD/ MARKET ST	16
17	BEACH LOT	PIERPOINT LANDING	200 AQUARIUM WAY	146
18	BEACH LOT	MARINA GREEN	386 E SHORELINE VILLAGE	388
19	BEACH LOT	ALAMITOS LOT	802 E OCEAN BLVD	143
20	BEACH LOT	JUNIPERO LOT	2100 E OCEAN BLVD	350
21	BEACH LOT	BELMONT SHORE LOT	0 BELMONT SHORE PIER	273
22	BEACH LOT	GRANADA LOT	5100 E OCEAN BLVD	400
23	BEACH LOT	LA VERNE LOT	5200 E OCEAN BLVD	128
24	BEACH LOT	54TH & CLAREMONT	5400 E OCEAN BLVD	146
25	BEACH LOT	MARINE PARK (MOTHER'S BEACH)	5839 APPIAN WAY	158

NORTH LONG BEACH PARKING

Map showing the location of North Long Beach Parking facilities (15-25) relative to the Los Angeles River and surrounding streets.

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