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Caring for Our Coast

♦ ♦ ♦
Gary Jones
Director

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Deputy Director

May 17, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF CONTRACT WITH LAZ PARKING CALIFORNIA, LLC.
FOR PARKING LOT MANAGEMENT SERVICES AT COUNTY-OWNED, CONTROLLED OR
MANAGED BEACHES AND IN MARINA DEL REY
(SUPERVISORIAL DISTRICTS 2, 3 AND 4)
(3 VOTES)**

SUBJECT

This action is to award a contract to LAZ Parking California, LLC. for parking lot management services at County-owned, controlled or managed beaches and parking lots in Marina del Rey.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that 14 Marina del Rey parking lots and 19 beach parking lots can be managed more economically by an outside parking operator than by County employees.
2. Approve award of and instruct the Chair to sign a three-year contract with two one-year renewal options and additional six month-to-month extensions with LAZ Parking California, LLC, commencing on June 1, 2022 through May 31, 2025, at an annual contract sum of \$3,473,033, plus a possible annual incentive bonus of up to \$25,000, excluding the six month-to-month extension period, should the contractor meet ongoing measurable performance standards, for a total maximum amount of \$21,136,850 over the potential total term of five years and six months, which is inclusive of an additional 10% annually for unforeseen services, but excludes any Cost of Living Adjustments.
3. Delegate authority to the Director of Beaches and Harbors to prepare and execute contract amendments to extend the contract for two additional one-year optional renewals and additional six month-to-month extensions if, in the opinion of the Director or his designee, LAZ Parking California, LLC has effectively performed the services during the previous contract period and the services are

still needed and required.

4. Delegate authority to the Director of Beaches and Harbors to increase the contract amount by up to an additional 10% in any year of the contract (including any renewal option period) for any additional or unforeseen services within the scope of this contract and any applicable Cost of Living Adjustments.

5. Delegate authority to the Director of Beaches and Harbors to approve and execute change orders and amendments to i) incorporate necessary changes within the scope of work; ii) execute amendments should the contracting entity merge, be acquired or otherwise change entities; iii) suspend or terminate the contract if, in the opinion of the Director or his designee, it is in the best interest of the County of Los Angeles to do so; iv) terminate the contract during the six month extension period upon a 30-day written notice to the contractor; and, v) in the event the contractor resigns or is terminated for any reason, to award service to the next highest-ranking proposer, provided that any reassignment does not exceed available funding and the Director of Beaches and Harbors, or his designee, notifies the Board prior to execution of any such reassignment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the contract (Attachment I) with LAZ Parking California, LLC. (LAZ) will enable the Department of Beaches and Harbors (Department) to continue to provide parking lot management services at County-operated beach and Marina parking lots using the services of a private contractor. Approval of the recommended actions will enable the Department to continue to staff and manage parking lots under its control economically and with high levels of public service and revenue control.

The recommended contractor will staff the parking lots to collect revenue and to provide traffic direction and ambassador services to assist customers. It will also deposit parking revenue daily into a bank account established by the Department, reserve film company parking, and sell annual parking passes for select parking lots, as well as provide vehicle message signs to direct customers.

Parking lot management services have been contracted for more than 25 years.

Implementation of Strategic Plan Goals

Approval of the contract will promote and further Board-approved Strategic Plan Goal II, Foster Vibrant and Resilient Communities, Strategy II.2.2, Expand Access to Recreational and Cultural Opportunities, by providing accessible, affordable and controlled parking to beachgoers in proximity to their destination.

FISCAL IMPACT/FINANCING

The annual compensation for parking lot management services is \$3,473,033 in each full contract year and \$1,736,516.50 during the six month-to-month extension period. In addition, Contractor is also eligible to receive an annual incentive bonus, up to \$25,000, for meeting ongoing measurable performance standards. The annual incentive bonus will not be available during the six month-to-month extension options, if exercised. Furthermore, the Director may increase the annual compensation by up to 10% for any additional or unforeseen services within the scope of this

contract.

The contract is also subject to a possible annual Cost of Living Adjustment (COLA) at the contractor's request. Any COLA granted shall be limited to the most recent published percentage change in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim area for the twelve-month period preceding the contract anniversary date.

Due to budget curtailments, funding for the parking lot management services was reduced to \$1,902,651 in the Department's Fiscal Year 2020-21 Final Changes Budget. To the extent that the budgeted amount is exceeded in Fiscal Year 2021-22, the Department will allocate funding within its existing budget to fund the increased costs of these services. However, ongoing appropriation of \$1,504,000 will be requested in the Department's FY2022-23 Supplemental Budget to fully fund the cost of these services.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department is requesting award of the contract to LAZ, which was determined to be the most responsive and responsible proposer. The recommended contract term is three years, with two one-year extension options and, if needed, an additional maximum of six month-to-month extensions that may be exercised at the discretion of the Director. The contract services will commence on June 1, 2022.

LAZ is party to a bona fide Collective Bargaining Agreement with Teamsters Local Union No. 911 and has applied for and received an exemption under County Code Chapter 2.201, the Living Wage Program.

The contract provides standard annual staffing of 69,381 attendant hours, 21,970 supervisor hours and 2,080 hours each for the contractor's designated contractor representative, assistant contractor representative, film coordinator, office clerk and money counter. These totals are derived from prescribed monthly staffing, which varies depending on seasonal staffing requirements. The contractor's hourly charges to the County for providing these standard staffing levels determine the contractor's monthly compensation.

The contract has the flexibility to vary the contractor's monthly compensation should the County authorize any modification in staffing levels. Any such changes will be based on LAZ's hourly rates for parking attendants and supervisors.

The contract will provide an annual incentive bonus, up to \$25,000, for meeting ongoing measurable performance standards related to employee appearance, integrity, customer service and compliance with contract requirements, as determined through a Mystery Parker Program. There will be six mystery parks each month at various parking lots, for a total of 72 parks annually. The incentive bonus will be distributed based on the contractor's average rating from all 72 mystery parks over the course of the year.

No layoffs or reductions in County workforce or other adverse impacts on employee relations will result from contract award as the work is presently contracted out.

In addition, the contract award fully complies with the mandatory Proposition A requirements

contained in County Code section 2.121.380 for the following reasons:

- The Auditor-Controller has reviewed and approved the Department's cost analysis, which indicates that the contract is cost-effective. Contracting for these services continues to be performed more economically by an independent contractor than by County employees.
- Award of the contract will not impair the County's ability to respond to emergencies.
- Award of the contract will not result in the unauthorized disclosure of confidential information.
- Alternative services are available in the event of a default by the contractor; therefore, services will not be interrupted.
- Award of the contract will not infringe upon the proper role of the County in its relationship to its citizens.

The contract contains, and the contractor has agreed to, the County's standard provisions, including consideration of hiring GAIN/GROW participants, the Jury Service Program, the Defaulted Property Tax Reduction Program, Safely Surrendered Baby Law, Zero Tolerance Policy on Human Trafficking, County's Policy of Equity and COVID-19 Vaccinations of County Contractor Personnel.

The CEO's Risk Management Office has approved the insurance coverage, indemnification and liability provisions included in the contract. The contract has been approved as to form by County Counsel.

Prior to seeking your Board's recommendation, the Department's usual practice is to obtain the endorsement of the Beach Commission; however, due to the Beach Commission's recent reconstitution by your Board, there was no scheduled meeting held prior to this Board action. The Department will make an informational presentation on the new parking lot management contract to the Beach Commission at a later date.

On July 16, 2019, the Board adopted a motion to reduce the County's reliance on Proposition A contracts. The July 16, 2019 motion instructed the CEO to report back on the following:

- Survey departments to develop a prioritized listing of potential classifications that could be contracted in;
- Develop a five-year phase-in plan for bringing those positions in-house; and
- Develop a multi-year funding strategy to address any incremental cost increases associated with bringing in previously-contracted-out positions.

The Department will continue to receive parking lot management services while the CEO's study is being conducted.

CONTRACTING PROCESS

On November 9, 2021, the Department issued a Request for Proposals (RFP) seeking qualified vendors to provide parking lot management services. The RFP was advertised in seven local

community newspapers, with a notice also posted on the County's "Doing Business with L.A. County" internet site and the Department's internet site, where the full document was available for download.

Twelve vendors attended the virtual Mandatory Proposers' Conference held on November 22, 2021. Four proposers submitted proposals in response to the RFP. Two met the RFP's minimum requirements and were evaluated, while two proposals were disqualified. A three-person Evaluation Committee (Committee) comprised of individuals from parking and administrative operations from various non-County governmental agencies was assembled. The Committee evaluated the two proposals on a weighted evaluation of: (1) price, 30%; (2) approach to contract requirements, 30%; (3) experience and organizational resources, 30%; and (4) Living Wage compliance, 10%.

Using the informed averaging methodology, the Committee determined that LAZ was the most responsive and responsible proposer, ranking its proposal the highest of the two proposals evaluated. Pursuant to Living Wage Ordinance requirements, a request for information regarding labor violations was sent to the State of California Division of Labor Standards Enforcement (DLSE) to review and assess any history of labor law violations. The County Labor Law Assessment Team reviewed the information provided by DLSE and recommended no point deduction in the evaluation of LAZ.

The other qualified proposer, Parking Concepts, Inc. (PCI), did not request a debriefing. Throughout the solicitation process, no protests were received.

Neither proposer requested consideration from any of the County's Preference Programs.

On final analysis and consideration of this contract award, LAZ was selected without regard to gender, race, creed or color.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The award of this contract will not result in the displacement of any County employees, as these services are currently contracted out. There will be no impact on other County services or projects.

CONCLUSION

Upon Board approval, please authorize the Executive Officer of the Board to send an adopted copy of the Board letter to the Department of Beaches and Harbors.

The Honorable Board of Supervisors

5/17/2022

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. Jones", with a stylized, cursive flourish at the end.

GARY JONES

Director

GJ:NT:av

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Internal Services Department, County-Wide
Contract Compliance Section