



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

Item No.
10

Meeting Date: **SEPTEMBER 1, 2011**

Subject:

Award and Authorize the President/CEO to Execute an Agreement with Standard Parking Corporation for Parking Management Services

Recommendation:

Adopt Resolution No. 2011- 0103, awarding and authorizing the President/CEO to execute an agreement with Standard Parking Corporation for parking management services for five (5) years in an amount not to exceed thirty-five million five hundred thousand dollars (\$35,500,000).

Background/Justification:

Parking management services contract for San Diego International Airport (SDIA) is a revenue-generating enterprise. Management of SDIA public and employee parking lots and supervision of the commercial ground transportation system are provided through an agreement with a private company. The agreement with the current service provider, Lindbergh Parking, Inc. (LPi), expired in February 2009 and has since continued on a month-to-month basis.

Parking management responsibilities at SDIA cover a variety of services, including:

- Public parking facilities at SDIA (currently totaling 6,100 spaces);
- The SAN Park Valet operation at Terminal 1 and Terminal 2;
- Employee parking (for all airport employees) in Authority-owned/operated lots on Harbor Island, near the Commuter Terminal and at other ancillary lots (currently totaling 1,340 spaces);
- Taxicab and shuttle-for-hire hold lots and transportation islands at Terminal 1, Terminal 2 and the Commuter Terminal, including vehicle dispatch and customer service representative (CSR) functions; and,
- Other services supporting the Airport's roadway access system, signage and emergency response operations.

Over 2.2 million vehicles per year park in Authority owned/operated lots and generate an estimated \$32 million in annual gross income, which amounts to 44 percent of the airport's non-aviation revenue. The annual cost for parking management services is approximately \$7.1 million, which includes all labor, overhead, equipment outlays and management fees.

The term of the proposed agreement is five years. The agreement is structured with control checks in place that allow the Authority close supervision of the contractor's daily operations and fiscal processes. The agreement is based on payment of a base management fee and reimbursement of reasonable expenses incurred as specified in the agreement. The Authority coordinates and approves all capital outlays and any non-personnel expenses over \$2,500 (for a single purchase). The Authority controls staffing levels so that any unexpected needs may be met. This type of agreement allows flexibility to quickly adjust staffing levels and procure necessary equipment to meet rapidly changing situations while maintaining the Authority's overall control of expenses. For these reasons, it is the model used by the Authority and most large hub commercial airports in the U.S.

Parking Management Services Company Selection Process

The Authority issued a Request for Proposals (RFP) for parking management services on April 27, 2011. The Authority received four responses from companies in the parking management industry. The respondents included a local company (Ace Parking Management, Inc.) one company from Orange County, California (Parking Concepts, Inc.) and two national companies (Standard Parking Corporation, headquartered in Chicago, Illinois, and a joint venture between LAZ Parking and PPM Parking, headquartered in Hartford, Connecticut).

On May 13, 2011, the Authority hosted a pre-submittal meeting, open to all interested parties, to review the proposal requirements, take questions specific to the RFP process and parking management operations and review the specifics of the proposed agreement.

On May 20, 2011, the evaluation panel for the Parking Management Services RFP met to discuss the evaluation criteria. The panel members included two vice presidents, three directors and one manager.

The panel met prior to the proposal submittal date to review the evaluation criteria as published in the RFP and discussed the appropriate point values to be awarded for each of the criteria. The panel decided Experience/Qualifications should be allocated points as indicated in the evaluation criteria shown below because this component allowed the panel to evaluate a potential operator and rank their experience in parking operations. In managing a multi-million dollar parking enterprise, experience in operating other similar facilities is a critical factor.

In addition, the proposer's plan of operations (transition plan, steps necessary to operate the parking facilities, new concepts) was deemed vital to the panel because it gave the group the ability to rate proposers based on innovative thought and sound operational strategy, as well as potential to increase parking revenues. Because of the greater relative importance of revenue-generation compared to fees/costs the panel collectively decided, with the assistance of the Procurement personnel, that the Plan of Operation was the most important criteria and allocated the points as follows:

- Experience and Qualifications – relevant experience operating large parking facilities (**25 Points**);
- Plan of Operation – the means and methods by which the proposer intends to manage the operations (**35 Points**);
- Financial Viability – ability to finance the cash flow needed for parking operations (**20 Points**);
- Proposed Fees/Cost to Airport – the amount of the proposed fees (**15 Points**);
- Small Business Preference – allotted if respondent is qualified as a small business under Authority Policy 5.12 (**5 Points**); and,
- Worker Retention Program – additional points allotted if respondent exceeds the standards of the Authority's worker retention program (**2 Points**).

On July 22, 2011, all of the respondents presented detailed submittals and comprehensive presentations. The evaluation panel concluded that Standard Parking Corporation (Standard Parking) is the most qualified company. The panel recommended that Standard Parking be awarded the agreement for parking management services at SDIA.

The evaluation panel's final scores for each respondent are listed in *Table 1* below:

Evaluation Criteria	Experience & Qualifications	Plan of Operation	Financial Viability	Proposed Fees/Cost to Airport	Small Bus.	Sub-Total	Worker Retention Program	Max Total
Maximum Pts▶	25	35	20	15	5	100	2	102
ACE Parking	22	32	20	15	0	89	0	89
LAZ/PPM	19	25	20	10	0	74	0	74
Parking Concepts	17	23	20	10	0	70	0	70
Standard Parking	24	34	20	15	0	93	2	95

Table 1

The final scores and top-scoring/recommended proposer were announced to the respondents on July 26, 2011.

Protest and Appeal Process

On August 2, 2011 the Authority received a letter (Attachment 1) from Ace Parking Management (Ace) formally protesting the staff's recommendation to award an agreement for parking management services to Standard Parking.

Upon review by the Procurement Director, all assertions in Ace's protest were denied and a letter (Exhibit A to the attached resolution) was sent to Ace on August 3, 2011. The Board moved to continue the item from the August 4, 2011, meeting to the September 1, 2011, meeting in order to allow the appeal process to be completed.

On August 10, 2011, the Authority received a letter (Attachment 2) from Ace formally appealing the Procurement Director's denial of its protest.

Upon review of Ace's appeal by the Vice President of Administration as the designated appeal officer, all assertions in Ace's appeal were denied and a letter (Exhibit B to the attached resolution) was sent to Ace on August 25, 2011.

Issues Raised at August 4 Board Meeting

Local Business Enterprise (LBE)

Among other issues raised in its protest (and at the August 4 Board meeting), Ace alleged that it should have been awarded additional points as an LBE. In its appeal, Ace conceded that staff was correct in following Federal Aviation Administration regulations prohibiting local business preferences on parking management contracts.

Proposed Fees/Cost to Airport

The criteria the evaluation panel used to calculate the points for the Proposed Fees/Cost to Airport focused solely on the Base Management Fee plus the Payroll Expenses. Operating Expenses, also known as variable expenses, were not considered in the evaluation because they are a pass-through expense controlled by the Authority and not the parking operator. However, operating expense estimates were requested in the RFP in order to validate historical expense data.

Table 2 below shows actual Authority historical operating expenses (top line) in the current parking management operation as well as estimated operating expenses for the two top-scoring proposers for five years (bottom line). While Ace alleges it will "save" the Authority nearly \$2.2 million over five years, it is unrealistic that the operating costs, based on current service levels, will drop as significantly as Ace projects.

Actual Costs	FY 2008	FY 2009	FY 2010	FY 2011
Expenses - Operations	\$ 1,848,865	\$ 2,308,684	\$ 2,115,164	\$ 2,409,140

Proposed Costs	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total	Difference
Standard Proposed	\$ 2,017,951	\$ 2,073,387	\$ 2,149,133	\$ 2,228,164	\$ 2,310,649	\$ 10,779,284	
Ace Proposed	\$ 1,681,079	\$ 1,698,423	\$ 1,716,291	\$ 1,734,556	\$ 1,753,227	\$ 8,583,576	\$ 2,195,708

Table 2

Worker Retention

In its protest, Ace also questioned not receiving points for Worker Retention. Per the RFP, respondents must exceed the Authority's minimum worker retention standards to receive up to two (2) bonus points in scoring. Ace met the Authority's minimum worker

retention standards in its proposal; however, Ace's written proposal did not provide any elements that exceeded the minimum standards.

Why Standard Parking?

Standard Parking's Airport Division serves some of the nation's premier airports including Denver, Chicago O'Hare, Dallas-Fort Worth and Hartsfield-Jackson Atlanta International Airports. In 1951, Standard Parking was the first U.S. company to introduce the concept of paid airport parking at Cleveland-Hopkins International Airport. Its current Airport Division management has over 120 years of combined parking experience and successfully manages properties at many airports.

In many airports, Standard Parking has a proven track record. Its submittal included options for future revenue enhancement opportunities, customer service improvements and better facility utilization. Given the importance of this operation to SDIA and its passengers, it is critical that the Authority select the most qualified contractor who is best able to enhance and strengthen the parking management operation's, cash handling and revenue control procedures and customer service. The proposed agreement with Standard Parking will allow SDIA to reach higher levels of parking management service for our customers and stakeholders and explore every available revenue enhancement opportunity.

In addition, Standard Parking is involved in a joint-venture with DAJA for the curbside management of commercial ground transportation operators. This company's expertise will assist the Authority in providing exemplary customer service to SDIA passengers on the transportation islands. DAJA is a Disadvantaged Business Enterprise (DBE). While there was no DBE requirement for this solicitation, Standard Parking's inclusion of DAJA in its operation will be applied to the Authority's overall ACDBE goal (see Equal Opportunity Program Section below).

None of Ace's protest or appeal specifics have materially affected or changed staff's rationale presented at the August 4 Authority Board meeting. Therefore, staff recommends awarding the parking management services agreement to Standard Parking.

Fiscal Impact:

It is anticipated that parking revenues will generate approximately thirty-two million dollars (\$32,000,000) annually. Funding for the agreement is included in the annual budget of the Ground Transportation Department.

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code 30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified companies. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has an Airport Concession Disadvantaged Business Enterprise ("ACDBE") Plan as required by the Department of Transportation, 49 CFR Part 23. The ACDBE Plan calls for the Authority to submit a triennial overall goal for ACDBE participation on all concession projects.

This solicitation is an airport concession opportunity; therefore, it will be applied toward the Authority's overall ACDBE goal. Standard Parking is proposing 15% ACDBE participation on this project.

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/TREASURER

AUG 02 2011

SDCRAA - Executive Offices

Rec'd #115

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August 2, 2011

File No. 4893.063

President/Chief Executive Officer
Thella F. Bowen
Airport Procurement Department (Protest)
3225 North Harbor Dr.
San Diego, CA 92101

Via Certified U.S. Mail, E-mail and
Hand Delivered

Re: Letter of Protest
Parking Management Services RFP

Dear President and CEO Bowen:

We represent Ace Parking Management Inc with regards to the above
referenced matter. On Tuesday July 26th, our Client's were informed that they
are not being recommended by staff for the Parking Management Service
Contract (The Contract).

First, we have discovered that Standard Parking ("Standard") did not meet
the Minimum Staffing requirements pursuant to the RFP (See Attached Tab 1
Spreadsheet, San Cashier Schedule and San RFP Document). As a result, their

projected expenses and costs are not accurate (somewhere between \$300,000 to \$400,000 per year off) and, as such, Standard should be disqualified. (See Discussion Below)

Second, we do not understand how staff could be recommending an out-of-state Chicago based firm (with no experience at San Diego International Airport) whose bid will result in significantly less revenue to the SDRAA over the term of The Contract.

Staff has done a superb job over the years. However, on this particular Parking Management Services RFP we think that the Staff may have "missed the mark".

Standard Parking did not meet the Minimum Bid Specifications and Should be Disqualified.

In reviewing the proposal presented by Standard Parking and their staffing schedule and operating budget, we found that their staffing budget did not meet the minimum staffing requirements spelled out in the B1 of the Airport Parking 5 – Year Pro Forma. The B-1 5 Year Pro Forma clearly states twice in this document the minimum cashier staffing hours required by each proposer.

When you review their proposed SAN Cashier Schedule that was in their proposal you will see they are 7 cashier shifts short of the minimum requirements.

Page 60 – Exhibit E – Budget - For the purposes of this solicitation process the documents identified in "Schedule B" to this RFP. Schedule B-1 must be completed and submitted with Respondent's proposal. Standard clearly did not complete it correctly.

On page 34 of the Contract that was part of this RFP states that the initial term of this Agreement are set forth in "Exhibit E" ("Budget") attached hereto.

Because Standard's Bid did not meet the minimum Staffing requirements of the RFP, Standard must be disqualified.

Fiduciary Duty and Legal Obligation to Maximize Revenues

As the Authority is aware The Contract is a Labor Reimbursement Contract between the Authority and the provider of parking services. In this situation the Authority keeps all the revenue generated by parking fees and the contractor gets only a monthly management fee.

Public Utilities Code Section 170064 (c) states in part **"to the extent practicable the Authority shall endeavor to maximize the revenues generated from enterprises located on the property of the Authority"**.

By law, the SDRAA has a legal obligation to maximize revenues for the public benefit. The RFP also directed bidders to create "more revenue" for the SDRAA. Page 14 of the RFP item L stated, "Illustrate any creative costs savings or management programs you would implement" and further on page 15 part 2 section (a) that the RFP indicates that it is a Competitive Solicitation Process (purportedly to maximize revenues). Finally in the Evaluation Criteria item D4 on page 17, 1 of the 7 criteria to be evaluated was Proposed Fees and Costs to the Airport.

Cost Savings, Management Programs and Recommended Enhancements

In reviewing the Bids, our Client's proposal is \$2.712 Million less in costs and expenses over the five year contract as compared to the Standard Parking ("Standard") Bid. If you add to that Standard's Staffing error that number increases to \$4.2 Million. Additionally Ace proposed capital enhancements at their cost of \$147,000 for new technology and other items to reduce expenses and costs, thereby increasing revenues to the Authority. These technology enhancements would save and generate to the Authority an additional \$1 Million in cost savings over the five year contract term. Combining the above (and not

taking into the additional recommended enhancements as summarized below or Standard's Staffing error), Ace's proposal is nearly \$3,874,475 better financially to the Authority compared to the Staff's recommended Standard Parking Bid. (See attached Tab 2 Summary of Protest and Tab 3 Spreadsheet which compares Ace to Standard's proposal over the five year term.)

Ace Recommended Enhancements

In addition to the significant costs savings to the Authority, our Client also proposed other Enhancements based upon its many years of operating at the Airport. These Enhancements alone have the potential to increase revenues to the Authority to the tune of \$1.85 Million per year (or a total of \$9.25 Million in additional revenue over the 5 year term). Ace's proposal presented nearly a dozen Cost Savings Measures, Management Programs and Recommended Enhancements. Standard's Bid contains only generic "cut sheets" with no site specific proposals or recommended Enhancements.

Over the term of The Contract Ace's bid will result in cost savings and revenue of \$13,124,475 - \$17,324,475 (based upon the Standard Staffing error) more than Standard's Bid and yet Staff gave Ace and Standard the same points for the Proposed Fees and Costs to Airport category. We contest that ranking.

Operations Manager

The RFP on page 14 item M asks for a description of the quality of management performance that can be expected from respondent's operation manager and his/her technical ability to structure and manage operations to achieve high performance. Ace's operation manager Mike DeGraffenreid, has eleven (11) years of parking experience, nine (9) of which has been at Phoenix and San Diego International airport. Standard's Bid referenced a manager with only 1.5 years of experience. We are not sure what that level of experience is as their response was vague. Ace was given 22 points and Standard was given 24 points. We contest that ranking.

Worker Retention

On page 16 of the RFP in the section dealing with worker retention section (a) part 2, our Client's proposal is the only Bid that assured the maximum amount of worker retention as set forth in the RFP. Ace promised that the current workforce will remain in place (100% retention) and at the same rates and benefits. Staff for whatever reason awarded Standard 2 points "for exceeding the minimum", and yet Standard did not promise to exceed the minimum. Standard Parking should not have received the 2 points and Ace should have been awarded the 2 points. We contest that ranking.

SDRAA Policy 5.13 re: LBE Preference and Goals

On page 18 part 4 section (f), the RFP states that the RFP is subject to the Authority's Small and Local Business Enterprise (LBE) preference policy. The RFP indicate that Attachment D would need to be filled out in order to gain the preference for meeting the criteria. Ace filled out Attachment D in order to qualify for additional consideration as an LBE and yet in the evaluation criteria Ace was not awarded any points as an LBE. This is inconsistent with SDRAA's policy regarding retention of LBEs. Further Ace utilizes many local businesses in the performance of its duties in managing the Airport parking. We believe that staff should have given bonus LBE points to Ace pursuant to policy 5.13. Ace, an LBE and 35 year incumbent would significantly (if not totally) meet the Airport Authority Local Business Enterprise Goal and should have been given a 2% bonus (or 2 points).

Other Important Factors

Ace has incorporated the following into its Bid:

1. SDCRAA Ground Transportation Plan ("GTP") being incorporated into Ace operations plan. No proposal by Standard concerning the GTP.
2. AB32 plan to cut carbon emissions is part of Ace's operation plan. As you know SDCRAA is under a state mandate to cut emissions. No proposal by Standard concerning AB32.
3. Ace has an operations plan during Airport construction. No proposal by Standard on how to accommodate ongoing Airport construction.

4. Ace with its Corporate Head Quarters and Human Resources Division here in San Diego and within 3 miles of the Airport has the ability to provide significant personnel at a moment's notice, such as valets, when the Airport has special events that call for last minute staffing. Standard's bid did not include this component.

Conclusion

Standard did not comply with the minimum Staffing requirements as set forth in the RFP. This error resulted in a \$300,000 to \$400,000 per year understatement of their expenses and costs. As a result Standard must be disqualified from this RFP.

Ace has been operating at the San Diego International Airport for 35 years now and has been routinely told by staff that they are doing an excellent job. Any issues which were raised over the years were immediately taken care of. We are not aware of any unresolved complaints by Staff.

Based upon the fact that: 1) our Client's proposal would generate well over \$9 Million more the Airport Authority over the five year term; 2) Ace will exceed the SDRAA worker retention goals; 3) Ace would fulfill the Authority's LBE goal; and 4) this 35 year incumbent knows the business and will keep costs to an

absolute minimum, we would respectfully request that the Staff review Ace's proposal again and recommend Ace for The Contract.

Thank you for your careful consideration of this protest.

Sincerely,

PETERSON & PRICE
A Professional Corporation



Matthew A. Peterson

cc: (all with Attachments)
Chairman Robert H. Gleason and Members of the Board of the San Diego
County Regional Airport Authority
Ace Parking Management
Breton Lobner – Office of the General Counsel SDCRAA
Standard Parking – Attn. Jack Ricchiuto (via mail and email)
Vernon D. Evans – Vice President, Finance/Treasurer
Larry Rodriguez – Senior Procurement Analyst

Standard Cashier staffing does not meet RFP requirements

Difference Chart

Standard Parking Cashier Totals:	Minimum Requirements per Exhibit E on page 60 of the original RFP which then references to Schedule B, Budget which was on page 116 of original RFP.	staff shortfall

Shift #	Time of Shift	Lot	HOURS							Hours
			Sat	Sun	Mon	Tues	Wed	Thu	Fri	
1	0700-1530	Terminal 1	8	8	8	8	8	8	8	56
2	0700-1530	Terminal 1	8	8	8	8	8	8	8	56
3	0600-1430	Terminal 1	8	8	8	8	8	8	8	56
4	0700-1530	Terminal 2	8	8	8	8	8	8	8	56
5	0700-1530	Terminal 2	8	8	8	8	8	8	8	56
6	0600-1430	Terminal 2	8	8	8	8	8	8	8	56
7	0700-1530	NTC1	8	8	8	8	8	8	8	56
8	0700-1530	NTC2	8	8	8	8	8	8	8	56
9	0700-1530	Harbor	8	8	8	8	8	8	8	56
10	0700-1530	Pac Hwy	8	8	8	8	8	8	8	56
11	0700-1530	Pac Hwy	8	8	8	8	8	8	8	56
12	1500-2330	Terminal 1	8	8	8	8	8	8	8	56
13	1500-2330	Terminal 1	8	8	8	8	8	8	8	56
14	1500-2330	Terminal 2	8	8	8	8	8	8	8	56
15	1500-2330	Terminal 2	8	8	8	8	8	8	8	56
16	1500-2330	NTC 1	8	8	8	8	8	8	8	56
17	1500-2330	NTC 2	8	8	8	8	8	8	8	56
18	1500-2330	Harbor	8	8	8	8	8	8	8	56
19	1500-2330	Pac Hwy	8	8	8	8	8	8	8	56
20	1500-2330	Pac Hwy	8	8	8	8	8	8	8	56
21	2300-0730	Terminal 1	8	8	8	8	8	8	8	56
22	2300-0730	Terminal 2	8	8	8	8	8	8	8	56
23	2300-0730	NTC 1	8	8	8	8	8	8	8	56
24	2300-0730	NTC 2	8	8	8	8	8	8	8	56
25	2300-0730	Harbor	8	8	8	8	8	8	8	56
26	2300-0730	Pac Hwy	8	8	8	8	8	8	8	56
Total Cashier Hours			208	208	208	208	208	208	208	1456

Day Shift Total: 11	12	-1
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Evening Shift Total: 9	13	-4
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Graveyard Shift: 6	7	-1
TOTAL:	26	-6

**SAN DIEGO INTERNATIONAL AIRPORT
AIRPORT PARKING 5-Year Pro Forma**

INCOME	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
	Estimated Annual Revenues					

Transient
Employee Parking

TOTAL INCOME		0.00	0.00	0.00	0.00	0.00
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EXPENSES	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
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PAYROLL (Modify to fit your organizational chart)

Minimum daily cashier service levels for all parking facilities						
Day Shift	12 Cashiers					
Evening Shift	13 Cashiers					
Graveyard Shift	7 Cashiers					

Management

General Manager
Asst General Manager
Operations Manager
Valet Manager
CSR Manager
Pacific Hwy Manager
HR Manager
Ops Supervisors
CSR Supervisors
Valet Supervisors

Staff

Audit
Office Coord
Cashiers
Lot Checkers
Traffic Directors
Maintenance
CB Reps
Valet
HR Clerk
Admin Asst

Other

Vacation
Holiday

Sub-Total Payroll Expenses		0.00	0.00	0.00	0.00	0.00
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OPERATING EXPENSES	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
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Overhead (Modify to fit your organization)

Payroll Overhead
Workers Comp
Health Insurance
Armored Transport
Business License
Car Damages
Computer Expense
Janitorial Supplies
Liability Insurance
Misc Expense
Office Supplies
Professional Security
Shopping Tests
Signs
Surface Repairs
Telephone
Tickets & Decals
Trash Removal
Uniforms
Equipment Maint
Postage
Truck Expenses
Fuel
Base Management Fee
Telephone and Pager
Water and Sewer
Liability Insurance
Car Damages
Business License and Taxes
Base Management Fee
Vehicle Repairs
Special Projects

Sub-Total Operating Expenses		0.00	0.00	0.00	0.00	0.00
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TOTAL EXPENSES		0.00	0.00	0.00	0.00	0.00
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NET OPERATING INCOME		0.00	0.00	0.00	0.00	0.00
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Minimum cashier service levels for all parking facilities

Day Shift 12 Cashiers
Evening Shift 13 Cashiers
Graveyard Shift 7 Cashiers

Summary of Protest -- Staff's Evaluation & Scoring Chart Errors

Standard did not meet the Minimum Bid requirements re: Staffing and as a result their expenses are off by nearly \$300,000 to \$400,000 per year. Standard must be disqualified. Ace has over 35 years experience at San Diego International Airport ("SDIA"). No other bidder can match this experience at SDIA. Ace operates the parking at Phoenix, Tucson and Palm Springs International Airports. Its manager at the SDIA has 11 years experience, while Standard's proposed manager has only 1.5 years experience. Ace management & employees are already well versed in airport parking operations Ace will retain all of its employees (100%... well above the RFP criteria).. Ace should have been awarded many more based on its bid. Standard should have points deducted for costs, lack of site specific management experience, less revenue & no proposed site specific cost saving enhancements.

Scoring Chart:

Categories	Standard	Ace	Observations & Comments
Experience & Qualifications	24	22	Ace should have received 24 points based upon its extensive management & employee experience at SDIA and at other major airports.
Plan of Operations	34	32	Standard did <u>not</u> meet minimum Staffing requirements and should be disqualified. Ace should have received significantly more points for plan of operation, revenue enhancement & expense control & reductions. Over the 5 year term, Ace's proposal is worth nearly \$2,000,000 more per year than Standard's proposal in improved NOI. Combined with the enhancements the cost savings to the Authority will top \$13.124M for the 5 year term. (See Attached Spreadsheet for a detailed breakdown). Ace should have received 34 points and Standard Should have received much less than 30 points.
Financial Viability	20	20	
Proposed Fees/Costs	15	15	Standard should <u>not</u> have received any points as they did not meet minimum Staffing requirements. Standard should be disqualified. If they had not violated the RFP they should have only received 10 points. Over the 5 year term, they are more than \$4 million more expensive than Ace and \$650,000 higher than Parking Concepts who was awarded 10 points.
Small Business/LBE	0	0	No points or recognition for Ace being LBE – It is part of Airport's policy 5.13. Ace Should have received 2 points as an LBE

Worker Retention	2	0	Ace should have received all these points. Ace exceeded the requirements of the RFP – keeping everyone including management and employees and keeping all pay rates and benefits in place. Standard did not promise to exceed the minimum required and should <u>not</u> have been awarded the 2 points.
Total	95	89	Ace should have received 97- 100 points and Standard should have received 70-80 points

Discussion

Standard did not meet minimum Staffing requirements and should be disqualified.

Points for Fees/Costs – How could Standard score identically to Ace with 15 points with such a higher cost basis? (See attached Spreadsheet of anticipated Airport revenues)

Company Name	5 Year Total Fees & Operating costs	Points Awarded	
Ace Parking	\$29,400,198	15	
Parking Concepts	\$31,545,845	10	Why would Parking concepts get less points than Standard for this?
Standard	\$32,112,673	15	Why would standard get same points as Ace for this?
LAZ	\$33,461,207	10	

Worker Retention – No Points were awarded to Ace. Why ?

Ace’s proposal Worker retention was addressed 2 times at a minimum. The first time is on page 7 thru 10, with a Teamsters letter of recommendation on page 11.

It was covered again in our proposal on pages 75 thru 79.

In our interview on 7/22 Steve Burton made a point to tell the review panel that we were the only company exceeding the worker retention plan. We will be retaining 100% of the employees including all management and support positions as well as all employees even those with less than 12 months tenure.

Operating Plan - Standard was awarded 34 points & Ace was awarded only 32 points.

Plan of operation items K & L, Page 14 of RFP – Revenue enhancements & creative cost saving programs

Ace's cover letter included a chart of San Diego Airport revenue enhancements totaling a potential for \$1,850,000 in new annual revenues. We elaborated in additional detail on these enhancements in our proposal on pages 125 thru page 138. Standard provided no site specific revenue enhancements in their proposal and no projected revenues in the response.

Ace's cover letter included a chart of San Diego Airport cost saving enhancements totaling a potential for \$1,050,000 in annual expense savings over 5 years. Ace also provided \$150,000 of its own \$ for capital improvements to purchase equipment that allows s for the payroll savings. Ace elaborated in additional detail on these enhancements in our proposal on pages 125 thru page 138. Standard provided no site specific cost saving enhancements in their proposal.

Summary of Ace recommended & proposed Enhancements

Revenue Enhancement	Benefit
Restripping T1 lot Adds 130 spaces	\$1,000,000 plus in additional parking income & enhance customer service
Installation of Solar Energy Canopies & Premium Priced Covered Parking T1 & T2 Lots	<ul style="list-style-type: none"> • \$400,000 in additional parking revenue • Sustainability thru clean energy
New ZEAG System San Park Pacific	Improved reporting, PCI compliance, ties into rest of Airport's parking system
Valet Concierge Services	\$12,000 in income to Airport & increased customer service
Overhead lighted message sign San Park Pacific Hwy	<ul style="list-style-type: none"> • \$110,000 increased revenues annually • Communicate Parking Availability – reduce vehicle circling
Airport Marketing Plan & VIP Parker Program	\$500,000 - \$750,000 in additional revenues
Cost Savings Enhancement	Benefit
Taxi Staging & Hold Lot Monitoring System	\$37,000 cost – Ace Parking to pay for as part of our proposal and \$87,600 in savings
Mobile License Plate Recognition Inventory System	\$115,000 in annual payroll savings
Credit Card Express Out Lanes all facilities	\$450,000 in annual payroll savings

Item M on Page 14 – Quality of Operations Manager – Ace's manager has 11 years parking experience of which 9 of those years has been managing the San Diego & Phoenix Airports – Standards manager has been in parking only 1.5 years – Ace's entire management team has over 70 years of San Diego onsite experience. Ace's manager and his team are included in cover letter page 4, then again on page 31 thru 34 and again on pages 84 thru 98. Standard listed one manager with 1.5 years, and all others provided are out of San Diego area.

Ace - Standard Bid Comparison - Utilizing submitted Bid Packages. Note: Standard Parking did not meet minimum Staffing Requirements of the RFP and as such should be disqualified.

	Ace Year 1	Standard Year 1	Ace Cost Benefit	Ace 5 Year Total	Standard 5 Year Total	Ace Cost Benefit	
Operating Budget							
Operating Expenses	\$5,129,698	\$5,623,303	\$493,605	\$26,894,198	\$29,730,198	\$2,836,000	
Management Fee	<u>\$399,000</u>	<u>\$448,750</u>	<u>\$49,750</u>	<u>\$2,506,000</u>	<u>\$2,382,475</u>	<u>(\$123,525)</u>	
Total Expenses	\$5,528,698	\$6,072,053	\$543,355	\$29,400,198	\$32,112,673	\$2,712,475	Better than Standard over 5 years

Capital Improvements							
At Operator's Cost							
		none			none		
Taxi Staging & Lot							
Monitorin System	\$37,000			\$37,000			
LPR Inventory System	<u>\$110,000</u>			<u>\$110,000</u>			
	\$147,000	\$0	\$147,000	\$147,000	\$0	\$147,000	Only Ace made offer to do enhancements

Labor Savings from Capital Improvements							
	\$203,000	\$0	\$203,000	\$1,015,000	\$0	\$1,015,000	Additional \$1 million better than Standard

Total Cost Benefit to Airport							
	\$5,178,698	\$6,072,053	\$893,355	\$28,238,198	\$32,112,673	\$3,874,475	Combined \$3.8 million better than Standard

Other Enhancements Presented in Proposal							
	Ace	Standard	5 year total				
Restriping T1 Lot	\$1,000,000/yr	none	\$5,000,000	Better than Standard			No site specific recommendations
Furture In Lane Credit Card Automatizion	\$450,000/yr	none	\$2,250,000	Better than Standard			No site specific recommendations
"Green Programs"	yes	no					
Electronic Charging Station VIP Program	yes	no					
Install Solar Energy Canopies creating covered stalls at premium rate	\$400,000/yr	none	\$2,000,000	Better than Standard			No site specific recommendations
Offer Advance Booking and Reservation Systems	yes	yes					
Corporate Parking Program	yes	yes					
Discount / Coupons	yes	yes					
Frequent Parker Card Access Program	yes	yes					
Comment Card Program	yes	yes					
Secret Shoppers	yes	yes					
Driver Assistance Programs	yes	yes					
Valet Amenities Programs	yes	yes					

Total Additional Financial Enhancements	\$1,850,000	\$0	\$9,250,000	Better than Standard over 5 years
--	--------------------	------------	--------------------	--

Total Potential Value of Deal Better than Standard	\$13,124,475	Better than Standard over 5 years
---	---------------------	--

Company Name	5 Year Total Fees & Operating costs	Points Awarded	
Ace Parking	\$29,400,198	15	
Parking Concepts	\$31,545,845	10	Why would Parking concepts get less points than Standard for this?
Standard	\$32,112,673	15	Why would standard get same points as Ace for this?
LAZ	\$33,461,207	10	

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PAUL A. PETERSON
Retired

SOL PRICE
1916 - 2009

August 10, 2011

File No. 4893.063

Jana Vargas, Director of Procurement
San Diego County Regional Airport Authority
3225 North Harbor Dr., 3rd Floor
Commuter Terminal
San Diego, CA 92101

Hand Delivered

**Re: Ace Parking Management Inc.
Appeal of Written Decision**

Dear Ms. Vargas:

First let us start off by saying we think Staff did an excellent job in preparing and distributing the RFP. It was comprehensive and thorough. In our opinion it clearly set forth the minimum Proposal requirements and put everybody on the same playing field to prepare and present their best Proposal. We are not challenging the RFP or the process by which the RFP was issued. Further, we are not challenging the various Proposals submitted. We are, however asking Staff to re-evaluate the top 2 Proposals in light of the Protest and this Appeal and determine whether or not the weighting of the various criteria and the scoring was appropriate.

Standard Parking did not meet the minimum cashier/staffing requirements as specified in the RFP. Their Plan of Operation is deficient and their Proposed fees/costs to the Airport are understated

The only "minimum" staffing levels established in the RFP was for "cashiers" as noted in two different places on the budget template on page 116 of the RFP. (See top

and bottom of page 116 in RFP and copy within Tab 1 of our protest.) The budget template included within the RFP set forth in detail (and in fact shaded/highlighted) the minimum daily cashier requirements. This minimum was required because staffing for cashiers was going to be in a state of flux due to ongoing construction, and the opening and closing of lots. Staff was smart to include the minimum cashiering/staff schedule requirement within the RFP so that Staff could evaluate the various Proposals utilizing an apple to apples comparison.

Standard's cashier/staffing schedule in their proposal did not meet the RFP minimum requirements. (See Tab 1 of our Protest -- attached copy of the San Cashier Schedule which specified Standard's proposed staffing for cashiers.) Standard's Proposal did not meet the minimum cashier/staffing levels by 6 shifts per day. (See chart within Tab 1 of the Protest.)

It was also clearly stated in the RFP that the only way any requirement within the RFP could be changed was through an official addendum. There was only one addendum for the RFP and it said nothing about changing staffing/cashier levels.

Upon additional review of Standard's proposed cashier/staffing schedule we discovered that Standard did not schedule any cashiers for the Commuter Terminal Parking Lots. That oversight equates to 3 shifts per day, every day of the year for 5 years.

Staff's response at the hearing to the lack of adequate staffing was that Standard had "flex schedules" for cashiers, and break cashiers and had extra shift supervisors to cover the short fall. However, if you look at Standard's staffing plan and schedules there is no break or floater cashiers listed at all.

Between the parking lots and office, Standard assigned approximately 11 supervisors to oversee everything except valet & CSRs. To handle breaks and Standard's missed cashier/staffing will require, at a minimum, 6 supervisors doing nothing but cashiering. This would leave only 5 supervisors to oversee the entire parking operation from Pacific Hwy, Harbor Drive and all Terminals and NTC. The Standard Proposal does not provide enough additional supervision to deal with the shortfall and at the same time adequately oversee the Airport parking operations. We do not understand why Staff would recommend a Proposal that utilizes higher paid supervisors to serve as lower paid cashiers.

There is nothing in the Standard Proposal that could be interpreted to suggest that Supervisors and/or Break Cashiers would be able to cover Terminal 2 (once it reopens) and the Commuter Terminal Parking Lots and at the same time adequately supervise all other parking operations. The Ace Proposal included 10 fully dedicated Supervisors to oversee Airport Parking Operations that will not have to serve as cashiers. Ace also proposed break cashiers in its staffing schedule.

Fiduciary and Legal Obligation to Maximize Revenues

After having listened to the Staff presentation on Thursday August 4th we now understand that the Selection Panel and Staff decided, at some point after all the Proposals were submitted to assign only a 15% value to the fees/costs component of the Contract. We believe that the Panel and Staff should have assigned a higher value to the economics of the various Proposals and that the points assigned did not match the values of the submitted Proposals.

Weighting System

We think that we now understand Staff's explanation on the "Proposed Fees" scoring calculation. However, utilizing Staff's method does not support the scores for all of the Proposals (See Tab 1 "Unexplained Scores Assigned for LAZ and PCI). Based on Staff's method, LAZ should have received 13 points and PCI 11 points versus the 10 points each received on the scoring chart. It appears that staff arbitrarily gave what they considered the top two proposers the full 15 points and the next two Proposers 10 points. As explained below Ace should have received more points than Standard concerning proposed fees/costs to the Airport Authority.

As Supervisor Cox pointed out, Staff's weighting for "Proposed Fees" is arbitrary when compared to the Shuttle RFP. The parking contract has more economic impact to the Airport than the shuttle contract, yet the economics of the Parking Contract were weighted considerably less points in the evaluation process. Based on the financial significance of the parking contract, Staff should have given the "Proposed Fees" at least the same weighting as they did for the shuttle contract and many of the other concessions. Enclosed is a revised scoring chart based on the weighting used in the Shuttle RFP that increases the points for "Proposed Fees" from 15 to 35 while reducing the points for "Plan of Operations" from 35 to 15 points. If the same criteria was used for the Parking Contract as the Shuttle Contract, Ace would have outscored Standard by 3 points (93 to 90). (See Tab 2 Scoring/Points Summary)

The 3 Buckets Concept

At the Board meeting staff represented that they separated the proposed operating expenses into three buckets –

- Bucket 1 Management Fee
- Bucket 2 Direct Payroll Costs
- Bucket 3 Maintenance and Repairs

In determining the value of each company's "Proposed Fee" Staff only considered Buckets 1 and 2 under the reasoning that Bucket 3 contained "unknown costs like maintenance and repair". Enclosed is a chart titled "3 Buckets" that lists all of the items included in Bucket 3 (See Tab 3). As you can see, the majority of line items include normal operating expenses for things like payroll taxes, employee benefits, payroll processing, tickets, supplies, employee incentives, etc. In fact, there were only two line items that dealt with maintenance and repair ("Equipment Repairs & Maintenance" and "Surface Repairs"). The RFP package provided actual costs for these, as well as all of the expenses for all three buckets, over the last three years (2008 through 2010). Any parking operator should have known how to budget for these items.

For these reasons we believe that Staff should base their scoring and recommendation on the entire operating budgets (buckets 1, 2 and 3).

Standard Understaffing – Economic Impact to the Authority

Standard did not meet the requirements of the RFP. Not only did they not meet the minimum cashier/staffing requirements from the RFP, they failed to make up the required cashier coverage in other areas as suggested by Staff. The shortfall in cashiers results in approximately \$243,000 per year, or \$1,218,421 over 5 years in additional payroll related dollars. This increased payroll (cost) was not included in the Standard Proposal.

Page 25 of the RFP, item B sets forth Respondents Representation of Due Diligence. Clearly Standard did not conduct proper due diligence when investigating the Airport Parking Operation, the RFP, the questions and responses, and in putting together its budget and staffing plan. Standard did not even include cashiers/staffing for the Commuter Terminal parking facility!

It appears that all other Proposers submitted their Proposals based upon the Cashier/Staffing requirements as clearly specified on page 116 of the RFP. For whatever reason the Standard Proposal was the only Proposal that submitted inadequate Staffing of cashiers. The Standard Proposal did not meet the minimum requirements set forth on page 116 of the RFP.

As Staff is aware, there is no ability to "modify the form" as Staff indicated in its written response to our Protest. There is also no way to modify or reduce the minimum staffing requirements as set forth in the RFP without an Addendum to the RFP. A modification to the minimum cashier/staffing requirements of the RFP would be a material change. No such Addendum to the minimum cashier/staffing requirements on page 116 of the RFP was processed.

Staff has concluded that Standard Parking's proposed staffing "substantially" meets the requirements of the RFP. This conclusion begs the question. Only a proposer that met 100% of the minimum requirements as set forth in the RFP should have been considered. Standard Parking should be disqualified from this RFP as non-responsive, or should have been, at a minimum, granted significantly less points for its Plan of Operation (lack of adequate staffing) and its Proposed fees/costs to Airport (which were substantially understated based upon inadequate cashier/staffing). (See attached Tab 2)

Direct Enhancements Paid for by Ace

It appears that the Panel and/or Staff did not understand the written and oral (interview) commitments made by Ace and the resulting cost savings to the Authority. The Direct enhancement stated below does not require Board review and approval.

Ace offered to purchase a Taxi/CSR camera system and automated dispatch system to better enhance the curbside experience and to automate and speed up the sending of cabs & shuttles from the hold lot in compliance with SDCRAA Ground Transportation Plan. The cost of this system to be paid by Ace is \$37,000.

This system allows cost savings at the taxi/shuttle hold lot 365 days per year for an annual payroll savings of \$87,600 (or a 5 year reduction in Ace's proposed operating budget of approximately \$438,000).

This was addressed in Ace's cover letter, as well as on page 128 of the Ace suggested enhancements section in the proposal. It was also presented in Ace's power point presentation on July 22nd.

In Ace's presentation on July 22nd, Ace also provided information on an enhancement for a mobile license plate recognition system at a cost of \$100,000. This was also addressed in Ace's cover letter as well as on page 128 of Ace's suggested enhancements section in the proposal. It was also presented in Ace's power point presentation on July 22nd. This \$100,000 is part of Ace's proposed management fee, with no cost to the Airport Authority.

This enhancement allows cost savings of approximately 22 hours per day in lot checking payroll. On an annual basis this reduces the operating budget by \$115,000 per year, or \$575,000 over the 5 year term.

The total capital outlay by Ace totals \$137,000. The total 5 year cost reduction in Ace's proposed operating budget will save the Authority over \$1,000,000. Staff gave Ace no points or credit for these enhancements. (See attached Tab 2 Second Sheet)

Other Recommended Enhancements Paid for by the Authority

As set forth in our Written Protest, there were also other Ace recommended enhancements which were not given any credit or bonus (points) for the Plan of Operation or Proposed Fees/Costs to the Airport categories. With Board approval and minimal Authority investment these other recommended enhancements have the potential to increase revenues to the Authority to the tune of \$1.85 Million per year (or a total of \$9.25 Million in additional revenue over the five year term).

The Standard Proposal did not contain any recommended enhancements, no Environmental Plan, and it understated cashiers (including no cashiers for the Commuter Terminal Parking Lots). Yet Standard still received 34 points for its Plan of Operation and Ace received only 32 points for its Plan of Operation. Further, there is no way that the Ace Proposal and the Standard Parking Proposal should have been granted equal points as it relates to Proposed Fees/Costs to the Airport Authority. Clearly the Standard Proposal was going to be significantly more costly to the Authority and Standard should have received less points and Ace should have received more.

Airport Authority Staff has a fiduciary duty and legal obligation to maximize revenues for the Authority for Airport operations. A parking operator that will cost the

Authority at least \$5 Million more over the term of the Contract should not have been recommended for approval.

Ace Parking has the most experience in successfully operating the San Diego International Airport Parking

Although Standard Parking has airport experience and an Airport Management Division, Ace Parking clearly has the most experience operating at San Diego International Airport. In this case the incumbent was not given any "favor or unfair advantage" on any of the criteria or categories evaluated by Staff.

With Ace there will not be any change orders because of a staffing shortage, no downtime, no transition and no gearing up or education of a changed workforce and changed managers. We believe Ace should have received the same score as Standard for Experience and Qualifications based upon its extensive experience at San Diego International Airport.

Worker Retention

Both Standard and Ace answered the question the same and committed to meet the minimum worker retention standard. Standard in its response committed to hiring employees who had been on the job one year or longer, but specifically excluded management from any retention commitment.

At the close of the interview and presentation to your Staff and the Selection Panel on July 22nd, 2011, Staff asked if there was anything else that Ace would like to clarify as part of its Proposal. In response, Ace committed to hire all of the existing employees and all existing management positions (even if they were employed for less

than a year) at existing rates and benefits. Lorena Gonzalez confirmed this commitment at the Board Hearing. Unlike Standard, Ace had no exclusions or qualifications concerning this commitment. Our Client should have been granted the 2 Bonus points for Worker Retention.

Local Business Enterprise

Based upon the FAA rules we do not challenge the Staff response to the LBE issue

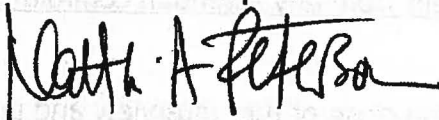
Conclusion

Our Client has been doing an excellent job and has committed to retain all of its employees (including management and other staff employed less than year). The Ace Parking Proposal met all of the RFP requirements (including required cashiers) and will save the Authority over \$5 Million over the term of this Contract. We would ask Staff to re-evaluate the various categories in light of our Protest, this appeal, and our presentation to the Board and revise the point scoring summary accordingly.

Thank you for your courtesy and hard work.

Sincerely,

PETERSON & PRICE
A Professional Corporation


Matthew A. Peterson

cc: Chairman Robert H. Gleason and Members of the Board of the San Diego County Regional Airport Authority

San Diego Regional Airport Authority
August 10, 2011
Page 11 of 11

Thella F. Bowen – President and CEO
Ace Parking Management
Breton Lobner – Office of the General Counsel SDCRAA
Vernon D. Evans – Vice President, Finance/Treasurer

Unexplained Scores Assigned for LAZ and PCI

Buckets 1 & 2 - Mgmt Fee + Payroll

	5 Year Total	% of Low	2-%	X 15	Score (Rounded)	Score Actual
Ace	20,816,622	100.00%	100.00%	15.00	15	15
Standard	21,333,390	102.48%	97.52%	14.63	15	15
LAZ	23,315,661	112.01%	87.99%	13.20	13	10
PCI	26,701,386	128.27%	71.73%	10.76	11	10

Calculating the scores for LAZ and PCI results in scores of 13 and 11, respectively. The staff assigned both companies scores of 10. This differential is unexplained.

Scoring/Points Comparison

Actual Per Staff Report	Experience & Quals	Plan of Operations	Financial Viability	Proposed Fees	Small Business	Sub- Total	Worker Retention	Max Total
Max Points	25	35	20	15	5	100	2	102
Ace	22	32	20	15	0	89	0	89
Standard	24	34	20	15	0	93	2	95

Points Adjusted Based on these Cost Comparisons:

(See Attached Chart for Details)

Ace 5 Year Expenses with Cost Savings from Enhancements

\$28,387,198

Standard's 5 Year Expenses Including Additional Payroll Hours to Bring Up to Specification
Difference

(\$33,331,095)

(\$4,943,896)

Weighting - Utilizing Staff Priorities

Max Points	25	35	20	15	5	100	2	102
Ace	22	32	20	15	0	89	2	91
Standard	24	34	20	12	0	90	2	92

Weighting - Utilizing Shuttle Priorities

Max Points	25	15	20	35	5	100	2	102
Ace	22	14	20	35	0	91	2	93
Standard	24	15	20	29	0	88	2	90

3 Bucket Scoring Summary & Points Assigned

Support for Points Under Both Weighting Systems

All Expenses + Ace Protest Issues (~\$1 Million Ace Savings & ~\$1,200,000 Standard Wages/Taxes/Benefits)

	Bucket 1	Bucket 2	Bucket 3					Airport Weight Score	Shuttle Weight X 35	
Ace	Mgmt Fee	Payroll	Normal Oper. Expenses	Payroll Savings Enhancement	Total	% of Low	2-%	X 15		
Year 1	399,000	3,448,889	1,681,079	(190,784)	5,338,185					
Year 2	463,000	3,552,356	1,698,423	(196,507)	5,517,272					
Year 3	474,000	3,658,927	1,716,291	(202,402)	5,646,816					
Year 4	550,000	3,768,695	1,734,556	(208,474)	5,844,777					
Year 5	620,000	3,881,755	1,753,227	(214,833)	6,040,149					
	2,506,000	18,310,622	8,583,576	(1,013,000)	28,387,198	100.00%	100.00%	15.00	15	
Standard	Mgmt Fee	Payroll	Normal Oper. Expenses	Payroll Understaffing	Total					
Year 1	448,750	3,605,352	2,017,951	229,996	6,302,049					
Year 2	462,213	3,695,486	2,073,387	236,520	6,467,606					
Year 3	476,079	3,787,873	2,149,133	243,528	6,656,613					
Year 4	490,361	3,882,570	2,228,164	250,634	6,851,729					
Year 5	505,072	3,979,634	2,310,649	257,744	7,053,099					
	2,382,475	18,950,915	10,779,284	0	1,218,421	33,331,095	117.42%	82.58%	12.39	12

Ace proposed total savings to Airport Authority is nearly \$5 million.

3 Buckets (No Enhancements as Proposed by Ace)

	Year 1			5 Years		
	Ace	Standard	Diff.	Ace	Standard	Diff.
Bucket 1						
Mgmt. Fee	399,000	448,750	(49,750)	2,506,000	2,382,475	123,525
Bucket 2						
Payroll	3,448,889	3,605,352	(156,463)	18,310,622	18,950,915	(640,293)
Subtotal	3,847,889	4,054,102	(206,213)	20,816,622	21,333,390	(516,768)
Bucket 3						
See Below	1,681,079	2,017,951	(336,872)	8,583,576	10,779,284	(2,195,708)
Total	5,528,968	6,072,053	(543,085)	29,400,198	32,112,674	(2,712,476)

Bucket 3

Normal Operating Expenses (not just maintenance and repairs) Including:

- | | |
|-----------------------|---------------------------------|
| Payroll Overhead | Vehicle Fuel and Maintenance |
| Health Benefits | Lockouts |
| Recruiting | Equipment Rental |
| Payroll Processing | Janitorial Supplies |
| Employee Incentives | Office Supplies |
| Shopping Tests | Equipment Repairs & Maintenance |
| Armored Transport | Surface Repairs |
| Professional Security | Telephone |
| Supplies | Water and Sewer |
| Uniforms | Electricity |
| Tickets & Decals | Business License and Taxes |
| Signs | Customer Service |

Revised 8/30/11

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PAUL A. PETERSON
Retired

SOL PRICE
1916 - 2009

August 31, 2011

File No. 4893.063

Chairman Robert H. Gleason and
Members of the San Diego County
Regional Airport Authority
3225 North Harbor Dr.
Commuter Terminal
San Diego, CA 92101

Hand Delivered

Re: Ace Parking Management Inc.
Response to Rosales Law Partners LLP
Letter dated August 26, 2011

Dear Chairman Gleason and Members of the Board:

We have reviewed the above reference letter and offer the following observations:

1. We agree that the RFP issued by Staff was comprehensive, fair and complete.
2. We did not get the impression of any "troubling theme or potential favoritism" at the last Board meeting. Certain Board Members were simply trying to understand how Staff had come up with their criteria and weighting system that seemed at odds with Staff weighting of the other RFPs that the Board had just considered and approved. The Board was also trying to understand the real costs (the 3 buckets) associated with the Proposals and if spending an additional \$2.7 Million was justified.

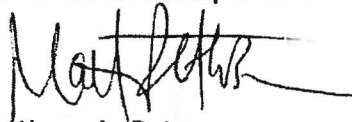
3. Although Ace is a Local Business Enterprise (LBE), as stated in our Appeal, and based upon the FAA Rules we do not challenge the Staff's non-weighting of the LBE. We acknowledge that this cannot be included within the criteria by which the Authority would award the Contract.
4. The Authority has not created any artificial obstacle or barrier to ACDBEs. The only obstacle, if any is that; 1) Standard did not submit a competitive Proposal in terms of its proposed budget and/or costs and expenses, 2) Standard did not fulfill the minimum RFP specifications with regard to staffing of cashiers, and 3) Standard did not propose any capital expenditures which would significantly increase the revenues to the Authority.
5. We agree with Standard that there is absolutely no reason or advantage to rejecting all of the Proposals and re-advertising for a new RFP. Please note that based upon the Ace Proposal, any delay in the award of this Contract could cost as much as \$35,000.00 per month in lost revenues to the Authority. As such we would urge the Board to make a decision on Thursday, September 1st, 2011.

We understand that the Airport Authority is, in essence, running a multimillion dollar business for the public and will be making a business decision concerning the award of this contract.

Our Client appreciates the many years that he has been able to be of service to you. We look forward to your thoughtful consideration at the hearing tomorrow.

Sincerely,

PETERSON & PRICE
A Professional Corporation

A handwritten signature in black ink, appearing to read "Matthew A. Peterson", written over a horizontal line.

Matthew A. Peterson

cc: Thella F. Bowen – President and CEO
Breton Lobner – Office of the General Counsel SDCRAA
Vernon D. Evans – Vice President, Finance/Treasurer
Jana Vargas – Director of Procurement
Ace Parking Management

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LAWYERS

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PAUL A. PETERSON
Retired

SOL PRICE
1916 - 2009

August 30, 2011

File No. 4893.063

Chairman Robert H. Gleason and
Members of the San Diego County
Regional Airport Authority
3225 North Harbor Dr.
Commuter Terminal
San Diego, CA 92101

Hand Delivered and
Via E-mail

Re: Ace Parking Management Inc.
Thursday, September 1, 2011 Agenda Item No. 10
Parking Management Services RFP

Dear Chairman Gleason and Members of the Board:

We represent Ace Parking Management Inc.

Appeal Officer Determination

We understand that the Appeal Officer would not want to replace the Panel's judgment with his own. However, the Protest and the Appeal raise issues which we think are important for the Board to consider. For more detailed information concerning the basis of the Appeal and the 3 bucket summary, please refer to the orange Tab 1.

The Board Has Independent Discretion

On page 3 of the August 25th, 2011 Appeal Officer Determination ("the letter") it states, "The Authority is obligated to use the formula originally established for the process." (See bottom of page 3)

First of all, "the formula" was not contained within the RFP and apparently did not get "established" until well after all of the Proposals were submitted. As such, the RFP Solicitation of Proposals process was clear, transparent and fair as no one knew the weighting of either the selection criteria, or the value that Staff would decide to assign to each category.

Second, the Board has the ability to, and should use its own independent judgment and discretion in the award of this contract. The Board is not obligated to utilize the formula or scoring system that Staff decided to use. We have no doubt that the Board relies upon its Staff and the Panel concerning recommendations, but that is all they are ... recommendations.

The Board can select any of the Proposals submitted based upon what the Board feels is in the best interest of the Authority and the San Diego International Airport.

Fiduciary Duty to Maximize Revenues Public Utilities Codes §170064

At the last hearing, and in the Appeal Officer Determination, Staff now agrees that the Standard Proposal would be significantly more expensive to the Authority (approximately \$2,700,000.00). This figure does not even take into consideration that Standard under staffed cashiers and did not meet the minimum RFP specifications. (See discussion below)

The Ace Proposal complies with Public Utilities Code §170064 by minimizing costs and expenses and maximizing revenues to the Authority.

Minimum RFP Specifications - Cashiers

The RFP set forth only one minimum specification concerning staffing. That minimum was for Daily Cashier Service Levels. (See pink Tab 2 the actual page 116 of the RFP which has been highlighted) Both at the top, and at the bottom of pg 116 the minimum Cashier Service Levels required for all parking facilities is clearly spelled out... Day Shift 12 Cashiers, the Evening Shift 13 Cashiers, and the Graveyard Shift 7 Cashiers.

The green Tab 3 contains the San Cashier Schedule directly out of the Standard Proposal. We have highlighted the shifts to correspond to the minimum cashier specifications set forth in the highlighted page 116 of the RFP. As you can see, the Standard Proposal provided a Day Shift of only 11 Cashiers (12 required by the RFP). For the Evening Shift, Standard only provided 9 Cashiers (13 required by the RFP). For the Graveyard Shift, Standard only provided 6 Cashiers (7 required by the RFP). This means that the Standard Proposal was a total of six (6) cashier shifts short of the minimum specifications of the RFP.

Additionally, the Standard Proposal San Cashier Schedule did not identify the Commuter Terminal Parking Lot at all. The Standard Proposal had no cashiers for the Commuter Terminal Parking Lot!

The Standard Proposal did not meet the minimum cashier staffing specifications of the RFP. It is not appropriate, as Staff has suggested, for Standard to try to assign higher paid Managers and Supervisors, (or even Traffic directors and/or maintenance personnel) to fill the missing shifts at the various Cashier booths and at the Commuter Terminal Parking lot morning, noon & night.

The Standard Proposal should have been disqualified as not meeting the minimum specifications of the RFP. Further, as a result of the oversight, the Standard Budget is understated, which will ultimately result in a change order (and more costs) that will not even be presented to the Board.

The Ace Proposal complied with all of the minimum bid requirements for cashiers as stated in the RFP, including cashiers for the Commuter Terminal Parking Lot. No change orders will be necessary with Ace.

Enhancements

Standards Enhancements were generic in nature with no capital investment and undefined benefits.

Ace had many enhancements including a first year Ace funded capital investment of approximately \$150,000 (which will not require Board Approval) that will result in nearly \$1,000,000.00 more to the Authority in payroll savings over the five year term. Ace also indentified other potential Authority funded enhancements (which will require Board Approval) which could generate over \$9,000,000.00 more to the Authority over the five year term. By selecting Ace, the Authority could use a small portion of the \$2,700,000.00 in savings to significantly increase long term revenues.

Employee Retention?

The Standard Proposal indicated that they would not commit to hiring incumbent workers that do not meet "their selection criteria", and they would not be required to hire incumbent workers for "critical management positions" (see yellow Tab 4).

Since management and supervisors are probably included within one of Standard's exceptions, that equates to nearly 18 existing managers and supervisors that Standard may not (at Standard's own discretion) rehire. Additionally there are about 54 employees (31% of the current workforce) who may not be rehired because they will have worked less than 1 year.

Ace committed to retain all of its employees and did not have any qualifications or exclusions as to its commitment concerning 100% worker retention at current levels of pay and benefits.

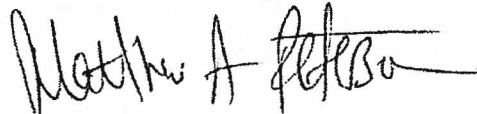
Conclusion

Ace/LPI has been doing an excellent job for the Airport Authority. Those years of experience and expertise enabled Ace to submit a proposal that went beyond all the minimum requirements of the RFP and which compared to the Standard Proposal, will save the Authority a minimum of \$2,700,000.00 over the five year term (and potentially up to \$5,000,000.00 over the five year term).

You have independent discretion to award this Contract as you determine is in the best interest of the Authority and San Diego International Airport. Therefore, we respectfully request that you award the Parking Service Management Contract to Ace. Ace will continue to do an outstanding job for you and at the same time save you millions of dollars! Thank you for your consideration.

Sincerely,

PETERSON & PRICE
A Professional Corporation



Matthew A. Peterson

cc: Thella F. Bowen – President and CEO
Breton Lobner – Office of the General Counsel SDCRAA
Vernon D. Evans – Vice President, Finance/Treasurer
Jana Vargas – Director of Procurement
Ace Parking Management

Tab 1

PETERSON & PRICE
A PROFESSIONAL CORPORATION

LAWYERS

EDWARD F. WHITTLER
MARSHAL A. SCARR
MATTHEW A. PETERSON
AMY M. STRIDER

530 B. Street, Suite 1800
San Diego, CA 92101-4476
Telephone (619) 234-0361
Fax (619) 234-4786
www.petersonprice.com

PAUL A. PETERSON
Retired

SOL PRICE
1916 - 2009

August 10, 2011

File No. 4893.063

Jana Vargas, Director of Procurement
San Diego County Regional Airport Authority
3225 North Harbor Dr., 3rd Floor
Commuter Terminal
San Diego, CA 92101

Hand Delivered

**Re: Ace Parking Management Inc.
Appeal of Written Decision**

Dear Ms. Vargas:

First let us start off by saying we think Staff did an excellent job in preparing and distributing the RFP. It was comprehensive and thorough. In our opinion it clearly set forth the minimum Proposal requirements and put everybody on the same playing field to prepare and present their best Proposal. We are not challenging the RFP or the process by which the RFP was issued. Further, we are not challenging the various Proposals submitted. We are, however asking Staff to re-evaluate the top 2 Proposals in light of the Protest and this Appeal and determine whether or not the weighting of the various criteria and the scoring was appropriate.

Standard Parking did not meet the minimum cashier/staffing requirements as specified in the RFP. Their Plan of Operation is deficient and their Proposed fees/costs to the Airport are understated

The only "minimum" staffing levels established in the RFP was for "cashiers" as noted in two different places on the budget template on page 116 of the RFP. (See top

and bottom of page 116 in RFP and copy within Tab 1 of our protest.) The budget template included within the RFP set forth in detail (and in fact shaded/highlighted) the minimum daily cashier requirements. This minimum was required because staffing for cashiers was going to be in a state of flux due to ongoing construction, and the opening and closing of lots. Staff was smart to include the minimum cashiering/staff schedule requirement within the RFP so that Staff could evaluate the various Proposals utilizing an apple to apples comparison.

Standard's cashier/staffing schedule in their proposal did not meet the RFP minimum requirements. (See Tab 1 of our Protest -- attached copy of the San Cashier Schedule which specified Standard's proposed staffing for cashiers.) Standard's Proposal did not meet the minimum cashier/staffing levels by 6 shifts per day. (See chart within Tab 1 of the Protest.)

It was also clearly stated in the RFP that the only way any requirement within the RFP could be changed was through an official addendum. There was only one addendum for the RFP and it said nothing about changing staffing/cashier levels.

Upon additional review of Standard's proposed cashier/staffing schedule we discovered that Standard did not schedule any cashiers for the Commuter Terminal Parking Lots. That oversight equates to 3 shifts per day, every day of the year for 5 years.

Staff's response at the hearing to the lack of adequate staffing was that Standard had "flex schedules" for cashiers, and break cashiers and had extra shift supervisors to cover the short fall. However, if you look at Standard's staffing plan and schedules there is no break or floater cashiers listed at all.

Between the parking lots and office, Standard assigned approximately 11 supervisors to oversee everything except valet & CSRs. To handle breaks and Standard's missed cashier/staffing will require, at a minimum, 6 supervisors doing nothing but cashiering. This would leave only 5 supervisors to oversee the entire parking operation from Pacific Hwy, Harbor Drive and all Terminals and NTC. The Standard Proposal does not provide enough additional supervision to deal with the shortfall and at the same time adequately oversee the Airport parking operations. We do not understand why Staff would recommend a Proposal that utilizes higher paid supervisors to serve as lower paid cashiers.

There is nothing in the Standard Proposal that could be interpreted to suggest that Supervisors and/or Break Cashiers would be able to cover Terminal 2 (once it reopens) and the Commuter Terminal Parking Lots and at the same time adequately supervise all other parking operations. The Ace Proposal included 10 fully dedicated Supervisors to oversee Airport Parking Operations that will not have to serve as cashiers. Ace also proposed break cashiers in its staffing schedule.

Fiduciary and Legal Obligation to Maximize Revenues

After having listened to the Staff presentation on Thursday August 4th we now understand that the Selection Panel and Staff decided, at some point after all the Proposals were submitted to assign only a 15% value to the fees/costs component of the Contract. We believe that the Panel and Staff should have assigned a higher value to the economics of the various Proposals and that the points assigned did not match the values of the submitted Proposals.

Weighting System

We think that we now understand Staff's explanation on the "Proposed Fees" scoring calculation. However, utilizing Staff's method does not support the scores for all of the Proposals (See Tab 1 "Unexplained Scores Assigned for LAZ and PCI). Based on Staff's method, LAZ should have received 13 points and PCI 11 points versus the 10 points each received on the scoring chart. It appears that staff arbitrarily gave what they considered the top two proposers the full 15 points and the next two Proposers 10 points. As explained below Ace should have received more points than Standard concerning proposed fees/costs to the Airport Authority.

As Supervisor Cox pointed out, Staff's weighting for "Proposed Fees" is arbitrary when compared to the Shuttle RFP. The parking contract has more economic impact to the Airport than the shuttle contract, yet the economics of the Parking Contract were weighted considerably less points in the evaluation process. Based on the financial significance of the parking contract, Staff should have given the "Proposed Fees" at least the same weighting as they did for the shuttle contract and many of the other concessions. Enclosed is a revised scoring chart based on the weighting used in the Shuttle RFP that increases the points for "Proposed Fees" from 15 to 35 while reducing the points for "Plan of Operations" from 35 to 15 points. If the same criteria was used for the Parking Contract as the Shuttle Contract, Ace would have outscored Standard by 3 points (93 to 90). (See Tab 2 Scoring/Points Summary)

The 3 Buckets Concept

At the Board meeting staff represented that they separated the proposed operating expenses into three buckets –

- Bucket 1 Management Fee
- Bucket 2 Direct Payroll Costs
- Bucket 3 Maintenance and Repairs

In determining the value of each company's "Proposed Fee" Staff only considered Buckets 1 and 2 under the reasoning that Bucket 3 contained "unknown costs like maintenance and repair". Enclosed is a chart titled "3 Buckets" that lists all of the items included in Bucket 3 (See Tab 3). As you can see, the majority of line items include normal operating expenses for things like payroll taxes, employee benefits, payroll processing, tickets, supplies, employee incentives, etc. In fact, there were only two line items that dealt with maintenance and repair ("Equipment Repairs & Maintenance" and "Surface Repairs"). The RFP package provided actual costs for these, as well as all of the expenses for all three buckets, over the last three years (2008 through 2010). Any parking operator should have known how to budget for these items.

For these reasons we believe that Staff should base their scoring and recommendation on the entire operating budgets (buckets 1, 2 and 3).

Standard Understaffing – Economic Impact to the Authority

Standard did not meet the requirements of the RFP. Not only did they not meet the minimum cashier/staffing requirements from the RFP, they failed to make up the required cashier coverage in other areas as suggested by Staff. The shortfall in cashiers results in approximately \$243,000 per year, or \$1,218,421 over 5 years in additional payroll related dollars. This increased payroll (cost) was not included in the Standard Proposal.

Page 25 of the RFP, item B sets forth Respondents Representation of Due Diligence. Clearly Standard did not conduct proper due diligence when investigating the Airport Parking Operation, the RFP, the questions and responses, and in putting together its budget and staffing plan. Standard did not even include cashiers/staffing for the Commuter Terminal parking facility!

It appears that all other Proposers submitted their Proposals based upon the Cashier/Staffing requirements as clearly specified on page 116 of the RFP. For whatever reason the Standard Proposal was the only Proposal that submitted inadequate Staffing of cashiers. The Standard Proposal did not meet the minimum requirements set forth on page 116 of the RFP.

As Staff is aware, there is no ability to "modify the form" as Staff indicated in its written response to our Protest. There is also no way to modify or reduce the minimum staffing requirements as set forth in the RFP without an Addendum to the RFP. A modification to the minimum cashier/staffing requirements of the RFP would be a material change. No such Addendum to the minimum cashier/staffing requirements on page 116 of the RFP was processed.

Staff has concluded that Standard Parking's proposed staffing "substantially" meets the requirements of the RFP. This conclusion begs the question. Only a proposer that met 100% of the minimum requirements as set forth in the RFP should have been considered. Standard Parking should be disqualified from this RFP as non-responsive, or should have been, at a minimum, granted significantly less points for its Plan of Operation (lack of adequate staffing) and its Proposed fees/costs to Airport (which were substantially understated based upon inadequate cashier/staffing). (See attached Tab 2)

Direct Enhancements Paid for by Ace

It appears that the Panel and/or Staff did not understand the written and oral (interview) commitments made by Ace and the resulting cost savings to the Authority. The Direct enhancement stated below does not require Board review and approval.

Ace offered to purchase a Taxi/CSR camera system and automated dispatch system to better enhance the curbside experience and to automate and speed up the sending of cabs & shuttles from the hold lot in compliance with SDCRAA Ground Transportation Plan. The cost of this system to be paid by Ace is \$37,000.

This system allows cost savings at the taxi/shuttle hold lot 365 days per year for an annual payroll savings of \$87,600 (or a 5 year reduction in Ace's proposed operating budget of approximately \$438,000).

This was addressed in Ace's cover letter, as well as on page 128 of the Ace suggested enhancements section in the proposal. It was also presented in Ace's power point presentation on July 22nd.

In Ace's presentation on July 22nd, Ace also provided information on an enhancement for a mobile license plate recognition system at a cost of \$100,000. This was also addressed in Ace's cover letter as well as on page 128 of Ace's suggested enhancements section in the proposal. It was also presented in Ace's power point presentation on July 22nd. This \$100,000 is part of Ace's proposed management fee, with no cost to the Airport Authority.

This enhancement allows cost savings of approximately 22 hours per day in lot checking payroll. On an annual basis this reduces the operating budget by \$115,000 per year, or \$575,000 over the 5 year term.

The total capital outlay by Ace totals \$137,000. The total 5 year cost reduction in Ace's proposed operating budget will save the Authority over \$1,000,000. Staff gave Ace no points or credit for these enhancements. (See attached Tab 2 Second Sheet)

Other Recommended Enhancements Paid for by the Authority

As set forth in our Written Protest, there were also other Ace recommended enhancements which were not given any credit or bonus (points) for the Plan of Operation or Proposed Fees/Costs to the Airport categories. With Board approval and minimal Authority investment these other recommended enhancements have the potential to increase revenues to the Authority to the tune of \$1.85 Million per year (or a total of \$9.25 Million in additional revenue over the five year term).

The Standard Proposal did not contain any recommended enhancements, no Environmental Plan, and it understated cashiers (including no cashiers for the Commuter Terminal Parking Lots). Yet Standard still received 34 points for its Plan of Operation and Ace received only 32 points for its Plan of Operation. Further, there is no way that the Ace Proposal and the Standard Parking Proposal should have been granted equal points as it relates to Proposed Fees/Costs to the Airport Authority. Clearly the Standard Proposal was going to be significantly more costly to the Authority and Standard should have received less points and Ace should have received more.

Airport Authority Staff has a fiduciary duty and legal obligation to maximize revenues for the Authority for Airport operations. A parking operator that will cost the

Authority at least \$5 Million more over the term of the Contract should not have been recommended for approval.

Ace Parking has the most experience in successfully operating the San Diego International Airport Parking

Although Standard Parking has airport experience and an Airport Management Division, Ace Parking clearly has the most experience operating at San Diego International Airport. In this case the incumbent was not given any "favor or unfair advantage" on any of the criteria or categories evaluated by Staff.

With Ace there will not be any change orders because of a staffing shortage, no downtime, no transition and no gearing up or education of a changed workforce and changed managers. We believe Ace should have received the same score as Standard for Experience and Qualifications based upon its extensive experience at San Diego International Airport.

Worker Retention

Both Standard and Ace answered the question the same and committed to meet the minimum worker retention standard. Standard in its response committed to hiring employees who had been on the job one year or longer, but specifically excluded management from any retention commitment.

At the close of the interview and presentation to your Staff and the Selection Panel on July 22nd, 2011, Staff asked if there was anything else that Ace would like to clarify as part of its Proposal. In response, Ace committed to hire all of the existing employees and all existing management positions (even if they were employed for less

than a year) at existing rates and benefits. Lorena Gonzalez confirmed this commitment at the Board Hearing. Unlike Standard, Ace had no exclusions or qualifications concerning this commitment. Our Client should have been granted the 2 Bonus points for Worker Retention.

Local Business Enterprise

Based upon the FAA rules we do not challenge the Staff response to the LBE Issue

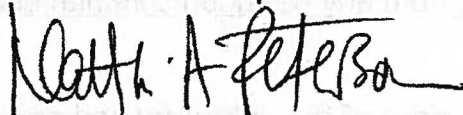
Conclusion

Our Client has been doing an excellent job and has committed to retain all of its employees (including management and other staff employed less than year). The Ace Parking Proposal met all of the RFP requirements (including required cashiers) and will save the Authority over \$5 Million over the term of this Contract. We would ask Staff to re-evaluate the various categories in light of our Protest, this appeal, and our presentation to the Board and revise the point scoring summary accordingly.

Thank you for your courtesy and hard work.

Sincerely,

PETERSON & PRICE
A Professional Corporation



Matthew A. Peterson

cc: Chairman Robert H. Gleason and Members of the Board of the San Diego County Regional Airport Authority

Thella F. Bowen – President and CEO
Ace Parking Management
Breton Lobner – Office of the General Counsel SDCRAA
Vernon D. Evans – Vice President, Finance/Treasurer

TAB 1

Unexplained Scores Assigned for LAZ and PCI

Buckets 1 & 2 - Mgmt Fee + Payroll

	5 Year Total	% of Low	2-%	X 15	Score (Rounded)	Score Actual
Ace	20,816,622	100.00%	100.00%	15.00	15	15
Standard	21,333,390	102.48%	97.52%	14.63	15	15
LAZ	23,315,661	112.01%	87.99%	13.20	13	10
PCI	26,701,386	128.27%	71.73%	10.76	11	10

Calculating the scores for LAZ and PCI results in scores of 13 and 11, respectively. The staff assigned both companies scores of 10. This differential is unexplained.

TAB 2

Scoring/Points Comparison

Actual Per Staff Report	Experience & Quals	Plan of Operations	Financial Viability	Proposed Fees	Small Business	Sub- Total	Worker Retention	Max Total
Max Points	25	35	20	15	5	100	2	102
Ace	22	32	20	15	0	89	0	89
Standard	24	34	20	15	0	93	2	95

Points Adjusted Based on these Cost Comparisons:

(See Attached Chart for Details)

Ace 5 Year Expenses with Cost Savings from Enhancements	\$28,387,198
Standard's 5 Year Expenses Including Additional Payroll Hours to Bring Up to Specification Difference	(\$33,331,095)
	<u>(\$4,943,896)</u>

Weighting - Utilizing Staff Priorities

Max Points	25	35	20	15	5	100	2	102
Ace	22	32	20	15	0	89	2	91
Standard	24	34	20	12	0	90	2	92

Weighting - Utilizing Shuttle Priorities

Max Points	25	15	20	35	5	100	2	102
Ace	22	14	20	35	0	91	2	93
Standard	24	15	20	29	0	88	2	90

3 Bucket Scoring Summary & Points Assigned

Support for Points Under Both Weighting Systems

All Expenses + Ace Protest Issues (~\$1 Million Ace Savings & ~\$1,200,000 Standard Wages/Taxes/Benefits)

	Bucket 1	Bucket 2	Bucket 3						Airport Weight Score	Shuttle Weight X 35	
Ace	Mgmt Fee	Payroll	Normal Oper. Expenses	Payroll Savings Enhancement	Total	% of Low	2-%	X 15			
Year 1	399,000	3,448,889	1,681,079	(190,784)	5,338,185						
Year 2	463,000	3,552,358	1,698,423	(196,507)	5,517,272						
Year 3	474,000	3,658,927	1,716,291	(202,402)	5,646,816						
Year 4	550,000	3,768,695	1,734,556	(208,474)	5,844,777						
Year 5	620,000	3,881,755	1,753,227	(214,833)	6,040,149						
	2,506,000	18,310,622	8,583,576	(1,013,000)	28,387,198	100.00%	100.00%	15.00	15	35.00	
Standard	Mgmt Fee	Payroll	Normal Oper. Expenses	Payroll Understaffing	Total						
Year 1	448,750	3,605,352	2,017,951	229,996	6,302,049						
Year 2	462,213	3,695,486	2,073,387	236,520	6,467,606						
Year 3	476,079	3,787,873	2,149,133	243,528	6,656,613						
Year 4	490,361	3,882,570	2,228,164	250,634	6,851,729						
Year 5	505,072	3,979,634	2,310,649	257,744	7,053,099						
	2,382,475	18,950,915	10,779,284	0	1,218,421	33,331,095	117.42%	82.58%	12.39	12	28.90

Ace proposed total savings to Airport Authority is nearly \$5 million.

TAB 3

3 Buckets (No Enhancements as Proposed by Ace)

	Year 1			5 Years		
	Ace	Standard	Diff.	Ace	Standard	Diff.
Bucket 1						
Mgmt. Fee	399,000	448,750	(49,750)	2,508,000	2,382,475	123,525
Bucket 2						
Payroll	3,448,889	3,605,352	(156,463)	18,310,622	18,950,915	(640,293)
Subtotal	3,847,889	4,054,102	(206,213)	20,816,622	21,333,390	(516,768)
Bucket 3						
See Below	1,681,079	2,017,951	(336,872)	8,583,576	10,779,284	(2,195,708)
Total	5,528,988	6,072,053	(543,085)	29,400,198	32,112,674	(2,712,476)

Bucket 3

Normal Operating Expenses (not just maintenance and repairs) including:

Payroll Overhead	Vehicle Fuel and Maintenance
Health Benefits	Lockouts
Recruiting	Equipment Rental
Payroll Processing	Janitorial Supplies
Employee Incentives	Office Supplies
Shopping Tests	Equipment Repairs & Maintenance
Armored Transport	Surface Repairs
Professional Security	Telephone
Supplies	Water and Sewer
Uniforms	Electricity
Tickets & Decals	Business License and Taxes
Signs	Customer Service

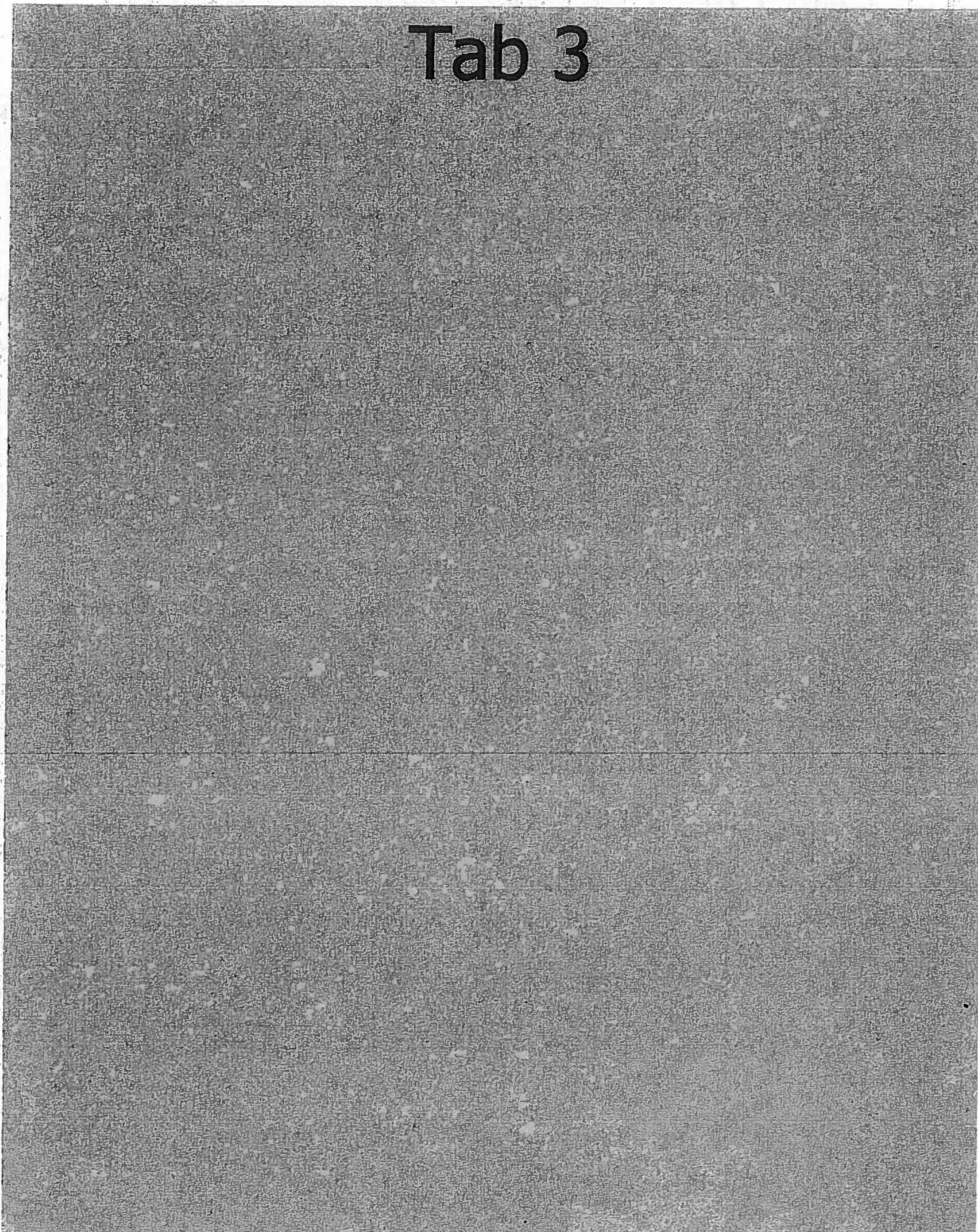
Tab 2

**SAN DIEGO INTERNATIONAL AIRPORT
AIRPORT PARKING 5-Year Pro Forma**

INCOME	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
	Estimated Annual Revenues					
Transient						
Employee Parking						
TOTAL INCOME		0.00	0.00	0.00	0.00	0.00
EXPENSES	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
PAYROLL (Modify to fit your organizational chart)						
Minimum daily cashier service levels for all parking facilities						
Day Shift	12 Cashiers					
Evening Shift	13 Cashiers					
Graveyard Shift	7 Cashiers					
Management						
General Manager						
Asst General Manager						
Operations Manager						
Valet Manager						
CSR Manager						
Pacific Hwy Manager						
HR Manager						
Ops Supervisors						
CSR Supervisors						
Valet Supervisors						
Staff						
Audit						
Office Coord						
Cashiers						
Lot Checkers						
Traffic Directors						
Maintenance						
CS Reps						
Valet						
HR Clerk						
Admin Asst						
Other						
Vacation						
Holiday						
Sub-Total Payroll Expenses		0.00	0.00	0.00	0.00	0.00
OPERATING EXPENSES	Detail	FY2012	FY2013	FY2014	FY2015	FY2016
Overhead (Modify to fit your organization)						
Payroll Overhead						
Workers Comp						
Health Insurance						
Armored Transport						
Business License						
Car Damages						
Computer Expense						
Jenitorial Supplies						
Liability Insurance						
Misc Expense						
Office Supplies						
Professional Security						
Shopping Tests						
Signs						
Surface Repairs						
Telephone						
Tickets & Decals						
Trash Removal						
Uniforms						
Equipment Maint						
Postage						
Truck Expenses						
Fuel						
Base Management Fee						
Telephone and Pager						
Water and Sewer						
Liability Insurance						
Car Damages						
Business License and Taxes						
Base Management Fee						
Vehicle Repairs						
Special Projects						
Sub-Total Operating Expenses		0.00	0.00	0.00	0.00	0.00
TOTAL EXPENSES		0.00	0.00	0.00	0.00	0.00
NET OPERATING INCOME		0.00	0.00	0.00	0.00	0.00

Minimum cashier service levels for all parking facilities	
Day Shift	12 Cashiers
Evening Shift	13 Cashiers
Graveyard Shift	7 Cashiers

Tab 3



1992 1993
1994 1995
1996 1997

1998 1999

2000 2001
2002 2003
2004 2005

2006 2007

2008 2009
2010 2011
2012 2013

2014 2015

SAN CASHIER SCHEDULE

Shift #	Time of Shift	Lot	HOURS							Hours
			Sat	Sun	Mon	Tue	Wed	Thu	Fri	
1	0700-1530	Terminal 1	8	8	8	8	8	8	8	56
2	0700-1530	Terminal 1	8	8	8	8	8	8	8	56
3	0600-1430	Terminal 1	8	8	8	8	8	8	8	56
4	0700-1530	Terminal 2	8	8	8	8	8	8	8	56
5	0700-1530	Terminal 2	8	8	8	8	8	8	8	56
6	0600-1430	Terminal 2	8	8	8	8	8	8	8	56
7	0700-1530	NTC 1	8	8	8	8	8	8	8	56
8	0700-1530	NTC 2	8	8	8	8	8	8	8	56
9	0700-1530	Harbor	8	8	8	8	8	8	8	56
10	0700-1530	Pac Hwy	8	8	8	8	8	8	8	56
11	0700-1530	Pac Hwy	8	8	8	8	8	8	8	56
12	1500-2330	Terminal 1	8	8	8	8	8	8	8	56
13	1500-2330	Terminal 1	8	8	8	8	8	8	8	56
14	1500-2330	Terminal 2	8	8	8	8	8	8	8	56
15	1500-2330	Terminal 2	8	8	8	8	8	8	8	56
16	1500-2330	NTC 1	8	8	8	8	8	8	8	56
17	1500-2330	NTC 2	8	8	8	8	8	8	8	56
18	1500-2330	Harbor	8	8	8	8	8	8	8	56
19	1500-2330	Pac Hwy	8	8	8	8	8	8	8	56
20	1500-2330	Pac Hwy	8	8	8	8	8	8	8	56
21	2300-0730	Terminal 1	8	8	8	8	8	8	8	56
22	2300-0730	Terminal 2	8	8	8	8	8	8	8	56
23	2300-0730	NTC 1	8	8	8	8	8	8	8	56
24	2300-0730	NTC 2	8	8	8	8	8	8	8	56
25	2300-0730	Harbor	8	8	8	8	8	8	8	56
26	2300-0730	Pac Hwy	8	8	8	8	8	8	8	56
Total Cashier Hours			208	208	208	208	208	208	208	1456

Day Shift

12 Required
11 Provided
Short: 1 Shift

Evening Shift

13 Required
9 Provided
Short: 4 Shifts

Graveyard Shift

7 Required
6 Provided
Short: 1 Shift

- Standard Parking's Proposal is short a total of **6 Cashier Shifts**.
- Standard Parking also failed to include cashiers for the **Commuter Terminal**.

A-557

Tab 4



Standard Parking

Airport or until the terminated contractor completely ceases operations at the Airport, whichever is later;

- Standard Parking will maintain a preferential hiring list of Incumbent Workers not initially hired; and
- Standard Parking will not be released from the obligation to hire from the job classification pools until all of the Incumbent Workers within a job classification pool have received a ninety (90) day employment offer or the pooling period as defined above has expired.

The following are additional components of Standard Parking's Worker Retention Program:

- Standard Parking will honor the seniority of all Incumbent Workers for purposes of job position, shift preference and vacation.
- Standard Parking will hire Incumbent Workers at, or above their rate of pay at the time of the transition.
- Standard Parking will waive all requirements related to waiting periods for health care eligibility and provide uninterrupted health care benefits/first day coverage to all Incumbent Workers receiving health care benefits during the last month prior to transition.

The following are exceptions from Standard Parking's Worker Retention Program:

- Standard Parking will not be required to hire Incumbent Workers that do not meet our selection criteria, or more specifically candidates that fail a drug tests or background checks. This exception is necessary to protect the Airport Authority as well as Standard Parking.
- Standard Parking will not be required to hire Incumbent Workers for critical management positions.
- Standard Parking will not be required to hire Incumbent Workers for positions requiring a specialized skill or license not available from the pool.

The following are administrative instructions for the program:

1. Standard Working will include the following instructions:

Standard Working will not be used for the following purposes:

The following are administrative instructions for Standard Working:

Standard Working will not be used for the following purposes:

Standard Working will not be used for the following purposes:

Standard Working will not be used for the following purposes:

The following are administrative instructions for Standard Working:

Standard Working will not be used for the following purposes:

Standard Working will not be used for the following purposes:

Standard Working will not be used for the following purposes:



ROSALES LAW PARTNERS LLP

August 26, 2011

Mara E. Rosales

 mara@rosaleslawpartners.com

Chairman Robert H. Gleason
 Honorable Members of the San Diego County
 Regional Airport Authority

Ms. Thella F. Bowen
 President & Chief Executive Officer
 Third Floor, Commuter Terminal
 3225 North Harbor Drive
 San Diego, CA 92101

Re: Recommendation to Award Parking Management Services Contract

Dear Chairman Gleason, Members of the Authority and Ms. Bowen:

We represent Standard Parking ("Standard") in the above matter. At Standard's request, we have reviewed the Request for Proposals for Parking Management Services ("RFP") and related documents, including the Letter of Protest submitted to you by Ace Parking Management Services Inc. ("Ace"). Additionally, we have reviewed the webcast of the San Diego County Regional Airport Authority's ("Authority") August 4, 2011 proceedings.

At the outset, I note that the Authority's staff embarked upon a comprehensive competitive selection process which is well organized, easy to understand, gives fair notice of the applicable requirements and is consistent with the Authority's rules and law governing public sector RFP processes. The invitation to interested parties drew several responsive proposals, at least two of which had team members who are small businesses and Airport Concession Disadvantaged Business Enterprises ("ACDBEs"), and at least one San Diego based company. Thus, the RFP satisfied the Authority's commendable public policy goals of promoting competition, ensuring fairness in the process, incentivizing large firms to reach out to the small business community and include small companies, including ACDBEs, in the contract award process. While the RFP process leading up to the Authority's August meeting is sound, this correspondence addresses a troubling theme of potential favoritism voiced at the Authority's August 4 meeting in apparent response to Ace's Letter of Protest.

In the protest letter, Ace's counsel attempts to identify technical irregularities with Standard's proposal (which the Authority's staff has disproved) but the essence of Ace's presentation to the Authority (and Ace supporters' comments) is focused on Ace's status as a San Diego based company. The argument presented is that the Authority should prefer Ace as

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 www.rosaleslawpartners.com

August 26, 2011

Page 2

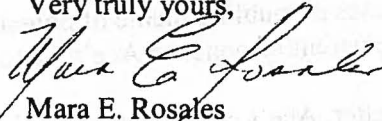
the better company or "fit" for the Authority *because of its local business status*. This position is unacceptable as a matter of law. The California Supreme Court and the Ninth Circuit have found this line of reasoning inconsistent with a competitive bidding/process standard. (See, *Associated Builders and Contractors, Inc. v. San Francisco Airports Commission* (1999) 21 Cal.4th 352, 367; *Associated General Contractors of California v. City & County of San Francisco* (9th Cir. 1987) 813 F.2d 922, 925-7.)

Moreover, Ace's pleas for favored status because it is a local company, if accepted by the Authority, is contrary to the spirit and letter of applicable federal regulations, particularly 49 CFR Part 23 ("Part 23"). Part 23 envisions a level playing field for all competitors for airport concession business opportunities and management contracts such as the parking management services contract at issue. Grant recipients are not to create artificial obstacles to the full participation of ACDBEs and are expected to help remove such barriers (Part 23, sec. 23.1.) Here, some Authority members seem inclined to select a second placed local company because it is well liked over a first placed company with an accomplished ACDBE partner who is not headquartered in San Diego. An intentional decision to favor Ace, therefore, results in an exclusion of Daja, Inc. We urge the Authority to be mindful of its federal regulatory duties in the decision making process.

Finally, we address what appeared from the webcast to be a possible desire to reject all proposals and re-advertise. It is unclear what would be the legitimate basis for such a decision. As stated, the Authority, through its staff, prepared and implemented a solid RFP process - which resulted in a *unanimous* recommendation of a multi-member evaluation panel to award the contract to Standard. The above listed concerns will not be avoided if the Authority were to elect to reject all proposals and re-advertise. Substantial evidence in the record thus far strongly suggests that the issuance of a new RFP would be for the purpose of changing the procedures to enhance Ace's chances of winning the second round. In stating the obvious, a public agency cannot, consistent with a competitive solicitation standard, manipulate its procedures to favor any contractor. (See *Domar Electric, Inc. v. City of Los Angeles* (1994) 9 Cal.4th 161, 173 ["competitive bidding requirements necessarily imply equal opportunities to all whose interests may impel them to compete at the bidding"].)

To maintain the integrity of the RFP process, the Authority should accept the recommendation of staff and award the Parking Management Services Contract to Standard. A contrary decision would be viewed as an attempt to circumvent a credible process to give Ace an unfair second bite at the competitive apple.

Very truly yours,



Mara E. Rosales

cc: Bret Lobner, General Counsel
Pam Brown, Standard Parking

**Standard Parking®**

The Tower at Erleview
1301 East Ninth Street • Suite 1050
Cleveland, Ohio 44114

(216) 522-0700 • Fax (216) 523-8080

August 24, 2011

Mr. Jeffrey Woodson
Vice President Administration
San Diego County Regional Airport Authority
Commuter Terminal - 3rd Floor
3225 North Harbor Drive
San Diego, CA 92101

RE: Parking Management Services RFP – Protest Response

Dear Mr. Woodson:

The purpose of this letter is to respond to the Protest filed on behalf of Ace Parking challenging the Staff Report recommending the Award of an Agreement with Standard Parking Corporation for Parking Management Services at San Diego International Airport.

Succinctly, said Protest contains significant inaccuracies and false and misleading representations. We are concerned that such statements if not exposed and rebutted, may undermine an otherwise well designed and properly administered selection process.

Notwithstanding myriad extraneous statements relating to Ace's proposal, none of which form a proper basis for Protest, the logic and facts relied upon by Ace are wholly unsubstantiated and incorrect. Specifically:

- Ace contends that Standard Parking did not comply with minimum bid/staffing requirements of the RFP. **False:**
 - Standard Parking's comprehensive Proposal clearly reflects staffing which meets and exceeds all requirements for the SAN system.
 - The Ace Protest deliberately misrepresents Standard Parking's staffing schedules inasmuch as it selectively highlights only one segment of Standard Parking's personnel and omits certain other categories of staff including relief cashiers, valet cashiers and cashier supervisors.
 - Ace correspondingly contends that as a result thereof, Standard Parking's budget is inaccurate. On the contrary, Standard Parking's budget is all inclusive with respect to staffing and accurately reflects anticipated expenses.
 - Ace relies upon the above misrepresentations as the basis for the disqualification of Standard Parking. This assertion is unfair, unprofessional and improper.

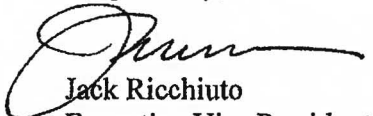
- Ace next questions Staff's recommendation based upon Standard Parking being Chicago based. Quoting Staff recommendation, "it is critical that the Authority select the most qualified contractor with sound cash handling and revenue control procedures and an excellent sense of customer service. Standard Parking will allow SDIA to reach higher levels of ground transportation service for our customers and stakeholders and explore every available revenue enhancement opportunity." Clearly Standard Parking, a national provider with unmatched experience and expertise serving over 60 airports across the country is the most qualified proposer.
- Ace further challenges Staff's methodologies and evaluations of the cost proposals. Without merit, and based upon misleading assumptions, Ace unfairly claims its costs to be lower and its revenues to be greater than Standard Parking's. Such is not the case. Staff understands thoroughly the operations and the costs and revenues associated therewith. In fact the budget is subject to staff review and approval on an annual basis.
 - Standard Parking submitted a detailed budget containing realistic projected year-over-year increases based on historic industry trends for all major expense categories including in particular health insurance.
 - Conversely, Ace Parking conveniently underestimates expenses in numerous significant cost categories. For example:
 - **Health Insurance**-Ace's increases for health insurance are 1% for each of the five years. This flies in the face of fact. Standard Parking's realistically projects an increase of 6.8%. By low balling this category Ace creates the illusion of \$289,000 in cost savings just for this category.
 - **Advertising**-Ace failed to include \$41,000 per year in promotion and advertising that had previously been a part of past budgets. This represents the illusion of over \$200,000 in cost savings over five years.
 - **Equipment Repairs**-Ace's historical data shows that equipment repairs have averaged \$241,000 per year, with the current year trending at \$260,000. Notwithstanding these numbers and the exaggerated fact that the equipment is not being replaced and requires more maintenance, Ace questionably budgeted \$219,000 per year. On the other hand, Standard Parking submitted the realistic budget of \$260,000 per year.
 - Other than health insurance as discussed above Ace cavalierly projects annual cost increases not exceeding .5%. Such a projection is unfounded, historically inaccurate and unrealistic at best.
 - Ace's methodology presents a significant exposure to the Airport. These underestimated increases may very well result in substantial unanticipated expenses.
 - Operating expenses are subject to fluctuation based upon market conditions, inflation, and volume while the management fee is not subject to change. The management fee is the true competitive component of each proposal and Standard Parking's total management fee is lower than Ace Parking's by over \$123,000.

- Ace contends in its Protest that it now can generate additional revenues through proposed enhancements. This assertion is riddled with unsubstantiated assumptions as well as lingering questions. Without explanation, their year two projected revenues increase by an unbelievable 40%. Once again we believe the basis for this reckless projection was self serving and designed to illustrate large discrepancies between their budgeted revenue returns and Standard Parking's.
 - Ace portends to institute a new marketing plan, but fails to describe any concrete program; moreover, it includes no marketing expense budget, thereby begging the question of "what marketing plan?"
 - Similarly, Ace makes additional revenue enhancement claims, without providing any basis or substantiating data. Significantly, Ace conveniently ignores including any expense budget that would be necessary to implement any such programs.
 - Having provided parking services at San Diego International Airport for decades, it is fair to ask why no revenue enhancement plans have been implemented to date.
- Lastly, Ace reiterates portions of the RFP and portions of its Proposal. Clearly, this is redundant and a veiled attempt to state its case twice. All such matters were clearly considered by Staff and included in Staff's determination that Standard Parking's experience, expertise, operating plan and realistic financial projections were superior.

Ace's protest claims that Staff has "missed the mark" in terms of their scoring methodology and handling of the RFP process. Further, Ace's proposal attempts to create the appearance that they are progressive in their approach to cost savings and revenue generation and that such fine qualities deserve a higher score. Inasmuch as they have been the operator in San Diego for decades and are just now getting around to such endeavors, this last gasp attempt to appear engaged serves to only demonstrate how Ace has 'missed the mark'.

For all of the above reasons, and in order to validate a well defined and well executed process, Standard Parking respectfully asks that Ace's protest be rejected and that the recommendation of staff be upheld.

Respectfully,


Jack Ricchiuto
Executive Vice President

cc: Robert Gleason, Board Chair
and Members of the Board of the San Diego County Regional Airport Authority
Thella F. Bowens, President/CEO
Jana Vargas, Director of Procurement



AUTOMOTIVE AND ALLIED INDUSTRIES EMPLOYEES

OF SAN DIEGO COUNTY

Teamsters Local No. 481

AFFILIATED WITH INTERNATIONAL BROTHERHOOD OF TEAMSTERS

2840 ADAMS AVENUE, ROOM 202, SAN DIEGO, CALIFORNIA 92116-1495 • PHONE (619) 282-2187 • FAX (619) 284-0481

345

VICTOR TORRES

SECRETARY-TREASURER

TO: THELLA BOWENS - San Diego County Regional Airport Authority

July 14, 2011

Re: Bidders for Airport Shuttle Services and Airport Parking Management Services

Teamsters Local 481 is the Exclusive Collective Bargaining Representative for the employees of the incumbent contractors who are performing Airport Shuttle Services and Parking Management Services.

Airport Shuttle Services

On behalf of the employees who are currently rendering these services, we have contacted as many of the prospective bidders as we could to make sure that they were aware of and agreed to abide by the Airport Authority's Worker Retention Policy as it relates to successor contractors and the National Labor Relations Act as it applies to successor Employers.

We are happy to report that Local 481 would be pleased to endorse the bids from Ace Parking Management, DAJA International and Standard Parking Corporation. These Employers understand and have acknowledged their obligations to their employees under both the Airport Authority's requirements and the National Labor Relations Act.

Conversely, Local 481 would oppose the granting of this work to any other bidder on the basis that they have failed to indicate that they understand and will abide by their obligations under both the Airport Authority's policies, bid specs and the obligations under the National Labor Relations Act.

Parking Management Services

With respect to parking management services, Local 481 similarly attempted to contact all of the potential bidders. We are happy to report that we can support the bids of Ace Parking Management, DAJA International and Standard Parking Corporation. These Employers similarly have indicated that they understand their obligations under both the Airport Authority's policies and the National Labor Relations Act. As such we can, on behalf of the current employees, endorse their bids.

Similarly we would oppose and object to favorable consideration of the bid from any other contractor on the basis that they have failed to indicate in writing their understanding of their obligations to the existing employees if they are the successful bidder.

If you have any questions in this regard, or if we can be of any further assistance to you, as you evaluate the bids, please feel free to communicate with the undersigned.

Sincerely,

Victor D. Torres
Secretary-Treasurer
Teamsters Local 481

VDT/ha

000309.5

Teumate's Local No. 481



Local No. 481 of the International Brotherhood of Teamsters

1234 Main Street, Suite 500, San Francisco, CA 94102

July 15, 2017

TO THE HONORABLE JUDGE JUDITH S. GILBERT

The Honorable Judge Judith S. Gilbert, Superior Court of the State of California

Case No. 17CV00123, Plaintiff: Teumate's Local No. 481, Defendant: [Name Redacted]

LEGAL OPINION

The undersigned, a member of the bar of the State of California, is of the opinion that the facts and circumstances of the case are such that the defendant's actions constitute a violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972).

The defendant's actions are in violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972). The defendant's actions are in violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972).

The defendant's actions are in violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972). The defendant's actions are in violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972).

CONCLUSION

It is the opinion of the undersigned that the defendant's actions constitute a violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972). The defendant's actions are in violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972).

The undersigned, a member of the bar of the State of California, is of the opinion that the facts and circumstances of the case are such that the defendant's actions constitute a violation of the National Labor Relations Act, 29 U.S.C. § 185, and the National Labor Relations Board's decision in *Beck*, 406 U.S. 163 (1972).

If you have any questions in the event of a hearing, please contact the undersigned at the address above.

Sincerely,
[Signature]
[Name]
[Address]

1/1/17



AUTOMOTIVE AND ALLIED INDUSTRIES EMPLOYEES

OF SAN DIEGO COUNTY

Teamsters Local No. 481

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345

VICTOR TORRES
SECRETARY-TREASURER

May 5, 2011

TO WHOM IT MAY CONCERN:

I have known Mike DeGraffenreid and his predecessors at Lindbergh Parking, Inc., since 1994. In that time I have always found Mr. DeGraffenreid to be very professional, trustworthy and fair in his dealings with our membership.

Although we have not always agreed on Labor-Management issues he has always looked at what is best for his customers and his employees. In my opinion and based on my dealings with Mr. DeGraffenreid and Lindbergh Parking, Inc. it would be in the **best interest of San Diego, my Teamster members and the Airport Authority**, as well, to renew Lindbergh Parking, Inc.'s contract with the Airport Authority concerning airport operations at Lindbergh Field.

Please do not hesitate to call the undersigned if you should have any questions.

Sincerely,

Victor D. Torres
Secretary-Treasurer
Teamsters Local Union #481

VDT/ha

.RESOLUTION NO. 2011-0103

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AWARDING AN AGREEMENT TO STANDARD PARKING CORPORATION FOR PARKING MANAGEMENT SERVICES FOR A TERM OF FIVE (5) YEARS IN AN AMOUNT NOT TO EXCEED THIRTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$35,500,000); AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE AGREEMENT.

WHEREAS, the San Diego County Regional Airport Authority (the "Authority") has established a need for qualified firms to manage its parking services at San Diego International Airport; and

WHEREAS, parking services include management of approximately 6,100 public parking spaces, 1,340 airport employee parking spaces, taxicab and shuttle-for-hire hold lot, customer service representatives (CSRs) management and myriad additional services supporting the airport's roadways, access system, signage and emergency response; and

WHEREAS, in accordance with Authority's Policy 5.01, on April 27, 2011, the Authority issued a Request for Proposals for Parking Management Services; (the "RFP"); and

WHEREAS, on June 10, 2011, the Authority received the four (4) proposals in response to the RFP; and

WHEREAS, the proposals were evaluated based upon the following criteria: Experience and Qualifications, Plan of Operation, Financial Viability, Proposed Fees/Cost to Airport, Small Business Preference, and Worker Retention Program; and

WHEREAS, additional consideration was given in the evaluation process for proposals that met or exceeded the required standards for small business participation and worker retention; and

WHEREAS, on July 22, 2011, the Authority interviewed four (4) proposers; and

WHEREAS, following an exhaustive evaluation, Standard Parking ("Standard") was deemed by the evaluation panel to be the most qualified firm; and

WHEREAS, on August 2, 2011 the Authority received a letter from Ace Parking Management ("Ace") formally protesting staff's recommendation to award an agreement for parking management services to Standard; and

WHEREAS, the protest was reviewed and evaluated by the Procurement Director and on August 3, 2011, the Procurement Director issued a response letter rejecting the protest, a copy of which is attached to this Resolution as Exhibit A and incorporated herein by this reference; and

WHEREAS, on August 10, 2011, Ace has filed an appeal to the rejection of their protest;

WHEREAS, the appeal was reviewed and evaluated by the Vice President of Administration and on August 25, 2011 the Vice President of Administration issued a response letter rejecting the appeal, a copy of which is attached to this Resolution as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Board adopts the comments and conclusions set forth in Exhibits A and B to this Resolution; and

WHEREAS, the Board believes that it is in the best interests of the Authority and the public that it serves for the Board to award an agreement to Standard for Parking Management Services for a term of five (5) years upon the terms and conditions set forth in the proposal.

NOW THEREFORE BE IT RESOLVED that the Board hereby awards to Standard Parking Corporation the agreement for Parking Management Services for a term of five (5) years in an amount not to exceed thirty-five million five hundred thousand dollars (\$35,500,000), upon the terms and conditions set forth in the proposal, with such minor changes or modifications as the Authority President/Chief Executive Officer ("President/CEO") or designee may deem to be in the best interest of the Authority and the public that it serves; and

BE IT FURTHER RESOLVED that the President/CEO or designee hereby is authorized, upon approval as to form by the General Counsel, to execute and deliver such agreement with Standard Parking Corporation; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees and agents hereby are authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate in order to effect fully the foregoing resolutions.

BE IT FURTHER RESOLVED that the Board hereby ADOPTS the comments and conclusions set forth in Exhibits A and B to this Resolution; and

BE IT FURTHER RESOLVED that the Board FINDS that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of September, 2011, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY**

P.O. BOX 82776, SAN DIEGO, CA 92138-2776
619.400.2400 WWW.SAN.ORG

August 3, 2011

Via Fax and US Mail

Matthew A. Peterson
Peterson & Price
530 B. Street, Suite 1800
San Diego, CA 92101-4476

For: Ace Parking Management Inc.
RE: Protest Letter – Parking Management Services RFP

Dear Mr. Peterson:

On August 2, 2011, the San Diego County Regional Airport Authority ("Authority") received a letter on behalf of Ace Parking Management Incorporated ("Ace") formally protesting the Authority's recommendation to award an agreement for parking management services to Standard Parking Corporation on the grounds that:

- 1) Standard Parking did not meet the minimum cashier staffing requirements specified in the RFP and therefore should be disqualified because its projected expenses and costs are inaccurate.
- 2) Standard Parking's proposal is higher than that of Ace. The Authority has a fiduciary duty and legal obligation to maximize revenues by awarding to Ace whose proposal is less expensive.
- 3) Ace contests the rankings given for Experience and Qualifications.
- 4) Ace contests the rankings given Standard Parking for Worker Retention.
- 5) Ace requests it be awarded 2 bonus points as a "local business", contending the Authority's Local Business Opportunities Policy applies a preference to this RFP process.

This letter constitutes the written decision of the Procurement Director. Each assertion in the Protest is summarized and set forth below followed by the Procurement Director's determination.

First Assertion: Standard Parking did not meet the minimum cashier staffing requirements specified in the RFP and therefore should be disqualified because its projected expenses and costs are inaccurate.

Procurement Director's Response: Each RFP respondent was required to file an Exhibit E – Budget, specifically Schedule B1 ("5-year Pro Forma"). The RFP instructions specifically instruct respondents to "modify (the form) to fit your organizational chart". This instruction is specified twice under both payroll and overhead. The minimum cashier service levels allow for flexibility in the organizational structure of each respondent. The



SAN DIEGO
INTERNATIONAL
AIRPORT

5-year pro forma submitted by Standard Parking includes payroll for relief cashiers and working cashier supervisors which exceed the minimum cashier service levels for all parking facilities. I conclude that Standard Parking's proposal substantially meets the minimum requirements as to the minimum number of cashier staffing hours required. Accordingly, the protest is denied as to Ace's First Assertion

Second Assertion: Standard Parking's proposal is more costly to the Authority than that of Ace. Because the Authority has a fiduciary duty and legal obligation to maximize revenues, it must award to Ace whose proposal is less expensive.

Procurement Director's Response: The Authority's Parking Management Contract RFP was a process requesting a proposal, not a bid. Part 9 of the General Information in the RFP package states in section D, "The award of an agreement may be made to the Respondent who demonstrates, in the Authority's sole judgment, that it is best capable of and will meet or exceed the Authority's goal and objectives." The RFP provides the criteria for evaluating the relative merits of each proposal, which include the following: Experience and Qualifications, Plan of Operation, Financial Viability, Proposal Fees/Cost to Airport, Worker Retention Program and Small Business Preference. In other words, cost is only one evaluation criteria among many.

While the Authority has a general legal obligation pursuant to Pub. Util. Code § 170064 (c) "to the extent practicable . . . to maximize the revenues generated from enterprises located on the property of the Authority", § 170064 (c) does not require the Authority to conduct bidding for all contracts and award to the lowest bidder. Rather, the Authority is vested with broad discretion to conduct competitive contracting processes that best meet its needs and requirements – including Requests for Proposals ("RFPs") rather than Requests for Bids ("RFBs") where good cause exists. The operation of a large, complicated and multi-million dollar public parking system justifies the use of a proposal process to ensure the retention of an experienced and knowledgeable parking management company. An RFP process is utilized at most large airports in the United States. Accordingly, the protest is denied as to Ace's Second Assertion

Third Assertion: Ace contests the ranking given Standard Parking for Experience and Qualifications, pointing out that Standard Parking's proposed manager has only 1.5 years of experience and that its response was vague.

Procurement Director's Response: The evaluation criteria published in the RFP (Part 4. Evaluation Criteria, Section A. Experience and Qualifications), states the following:

"Describe the Respondent's professional history skills, and relevant experience demonstrating a capable working knowledge of performing the services requested in this RFP or of similar projects. Provide an organization chart delineating who would have overall and daily responsibility for the project. If required, indicate whether Respondent has sufficient licenses, permits, qualifications, and approvals that are required to perform the services requested in this RFP."

The score given by each proposer for experience considered multiple factors and was not disproportionately reliant on the experience of one managing individual or person. While by legal necessity an evaluation process should not overly favor or provide an unfair advantage to an incumbent operator thereby discouraging fair competition, RFP evaluation criteria regarding experience should consider the overall experience of each proposer using objective standards and comparisons. Both Ace and Standard Parking have compelling experience. The evaluation panel recognized Ace currently operates the Authority's public parking system. The evaluation panel also noted that Standard Parking serves some of the nation's premier airports, including Denver, Chicago O'Hare, Dallas-Fort Worth and Hartsfield-Jackson Atlanta International Airports. Standard Parking's airport parking team has over 120 years of combined airport experience. There are sufficient facts to support the scoring of the panel with regard to experience. Accordingly, the protest is denied as to Ace's Third Assertion.

Fourth Assertion: Ace contests the rankings given to Ace and Standard Parking for Worker Retention.

Procurement Director's Response: Ace's proposal agrees to each term specified in the Worker Retention language cited on page 16 of the RFP document. Ace's proposal then proceeds to describe employee incentives and rewards unrelated to Worker Retention. After a close reading of Ace's proposal, I find that while Ace has fully agreed to comply with the Authority's Worker Retention requirements, it has failed to specify that it will exceed in any manner or way these requirements.

In comparison, Standard Parking also committed to adhere to the Authority's Worker Retention requirements, but in addition received two (2) bonus points based on the following commitments to exceed the Worker Retention requirements:

- Standard Parking will honor the seniority of all Incumbent Workers for purposes of job position, shift preference and vacation.
- Standard Parking will hire Incumbent Workers at, or above their rate of pay at the time of the transition.
- Standard Parking will waive all requirements related to waiting periods for health care eligibility and provide uninterrupted health care benefits/first day coverage to all Incumbent Workers receiving health care benefits during the last month prior to transition.

Accordingly, Ace's assertion that bonus points should be removed from Standard Parking's score must be denied. In order to receive bonus points, Ace was required to provide in its proposal an adequate written and detailed commitment of how it intended to exceed Worker Retention requirements. It did not meet this burden. I find that Ace is not entitled to any bonus points. It should also be noted that even if two bonus points were to be awarded to Ace Parking Management, this would have no bearing on the outcome of the recommended award.

Fifth Assertion: Ace requests it be awarded 2 bonus points as a "local business", contending the Authority's Local Business Opportunities Policy 5.13 applies a preference to this RFP process.

Procurement Director's Response: Ace's argument is without merit. While Ace qualifies as a "local business", the RFP document is clear that no bonus points shall be awarded to proposers who qualify as a "local business". Page 17 of the RFP states that the only evaluation criteria are the following: Experience and Qualifications, Plan of Operation, Financial Viability, Proposal Fees/Cost to Airport, Worker Retention Program and Small Business Preference. Although the RFP package requests that proposers complete Attachment D – Small and Local Business Eligibility Statement, completion of the form is not to determine additional evaluation points, but rather as in informational item similar to other information requested in the RFP package. A local preference is not specified in the Evaluation Criteria, or anywhere within the RFP documents. Accordingly, Ace's fifth assertion is denied.

Conclusion: Based upon the information received, this protest is denied on the grounds set forth herein.

Please be advised that pursuant to Part 14, section G entitled "Protest Procedures", Ace may appeal this decision by filing an appeal within (5) working days of the date of this finding.

Sincerely,



Jana Vargas
Director of Procurement

**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY**

P.O. BOX 82776, SAN DIEGO, CA 92138-2776
619.400.2400 WWW.SAN.ORG

August 25, 2011**Via Fax and U.S. Mail**

**Matthew A. Peterson
Peterson & Price
530 B Street, Suite 1800
San Diego, CA 92101-4476**

**For: Ace Parking Management Inc.
Re: Appeal Letter – Parking Management Services RFP**

Dear Mr. Peterson,

I have received your appeal letter dated August 10, 2011 on behalf of Ace Parking Management Inc. ("Ace"). Your letter formally appeals the protest decision rendered by the San Diego County Regional Airport Authority ("Authority") regarding the Parking Management Services RFP for San Diego International Airport ("Airport"). I understand your appeal is based on the following grounds:

- Standard Parking ("Standard") did not meet the minimum cashier/staffing requirements as specified in the RFP. The plan of operation is deficient and their proposed fees/costs to the Airport are understated.
- Fiduciary and legal obligation to maximize revenues.
- Weighting system.
- The three buckets concept.
- Standard understaffing – economic impact to the Authority.
- Direct enhancements paid for by Ace.
- Other recommended enhancements paid for by the Authority.
- Ace has the most experience in successfully operating the San Diego International Airport parking.
- Worker Retention

Acknowledging FAA rules prohibit local business preferences on parking management contracts, it is my understanding that Ace is not challenging the Authority's response to the Local Business Enterprise.



**SAN DIEGO
INTERNATIONAL
AIRPORT**

This letter constitutes the final decision of the Vice President of Administration as the designated appeal officer. I will address each appeal item identified by Ace and render a judgment for each.

Standard Parking did not meet RFP minimum cashier/staffing requirements

Standard's proposal was responsive to the specifications in the RFP. As discussed in response to Ace's Protest, Standard's 5-year *pro forma* [Exhibit E] provided relief and working cashier staffing and payroll levels that substantially meet and accomplish the required service levels. While Standard's proposal differed in configuration from Ace, its proposal contained a staffing pattern with associated costs accounted for in the proposed budget/operating *pro forma*. The RFP instructions permit proposers to "modify" the forms to fit its organizational chart.

Standard has submitted a responsive proposal that meets the Authority's RFP requirements. Therefore, the appeal is denied.

Fiduciary and legal obligation to maximize revenues

Authority staff assigned a 15% value to the cost and fees criteria used in the evaluation process for each proposal. The 15% figure was set based upon the professional experience and judgment of staff. The figure was used after weighing and considering the relative importance of each of the criteria as they apply to the parking program's ability to establish and operate an effective, profitable and efficient public airport parking lot system. Given the nature and structure of the parking management program, staff determined that the combination of the other criteria (experience, qualifications, plan of operation, financial viability, etc.) reflects the characteristics needed to successfully operate an efficient, effective and profitable airport parking operation. As was properly observed in the Procurement Director's response to Ace's Protest (dated August 3, 2011), the Authority issued an RFP, not a request for bids (RFB). The Authority's use in the RFP evaluation process of a 15% weight for cost was reasonable, appropriate and legal. The relative weight given to experience, qualifications, plan of operation, financial viability, worker retention and small business criteria is reasonable and supports the Authority's goal to provide a parking management operation that is effective, profitable and efficient.

It is not an abuse of discretion to set a 15% weight for cost and fees; and a higher percentage for this criteria (as requested by Ace) is not required or justified. Under

the facts, it would not be appropriate for the appeal officer to replace the panel's judgment with his own. The appeal is denied.

Weighting system

The evaluation panel used its professional judgment and experience in determining the appropriate weights to be applied to each criteria in the evaluation of the proposals. The weights were established in accordance with the panel's determination of the qualifications needed to achieve effective, efficient and profitable parking operations. While Ace argues that cost was given greater weight in the evaluation of the Authority's Shuttle RFP process, it is patently clear that the nature of the two contracts is markedly different. The operations conducted under the parking management contract provide the Authority with one of its largest sources of airport operating revenue (more than \$30,000,000 annually), while the shuttle contract generates no revenue whatsoever. While it is true that the Ace's proposal for costs was lower than that of Standard for parking management, the methodology used by the evaluation panel in evaluating and comparing cost was logical, reasonable and fair. Furthermore, it would be improper to change the relative weights used in the RFP process after responses to the RFP were received.

The appeal officer will not replace the panel's collective professional judgment with his own. The appeal is denied.

The three buckets concept

The weight to be given for the cost component in the RFP evaluation process was established prior to the submission of proposals. Proposers were required to submit costs for three buckets: Base Management Fee, Employees (Payroll) and Reimbursable Expenses (Operating). The relative weight given for "Cost", however, was calculated using only two of the three submitted cost buckets - Base Management Fee and Employees (Payroll). The formula provided a methodology for fairly assigning relative scores to each proposer based on a consideration of the same costs and fees submitted. I find the formula has a rational basis.

Under the weighted formula used, which was applied equally to all proposals, Ace and Standard achieved tied scores. It would be improper after proposals have been received for the Authority to then devise and apply a new and different formula to evaluate relative costs. The Authority is obligated to use the formula originally established for the process. The use of the original formula is fair as it applies the same criteria in evaluating all of the proposers. While the formula worked to award

Ace and Standard the same number of points for cost, despite a cost difference, the relative cost difference of the two proposals was not sufficiently significant considering (a) the 15% weight factor, and (b) the weight assigned other evaluation criteria. It cannot be concluded that the use of the formula is an abuse of discretion or arbitrary.

Therefore, the appeal is denied.

Standard understaffing – economic impact to the Authority

Ace claims Standard did not meet the minimum requirements of the RFP for (1) minimum cashier/staffing requirements, and (2) making up the required cashier coverage in other areas. Ace alleges this shortfall amounts to \$1,218,421 in Standard's proposal over the five year contract. A review and analysis of Standard's proposal confirms that Standard submitted a responsive proposal that considered the Authority's requirements as evidenced by Standard's operating *pro forma*. The form provided in the RFP allows proposers to modify the format to fit their organization. This is clearly outlined in four areas of the form (pp. 115-116). The appeal is denied. The earlier discussion in this letter, above, is incorporated by reference herein.

Direct enhancement paid for by Ace

Staff acknowledged the "enhancements" offered by Ace. Staff also acknowledged "enhancements" offered by Standard. Each proposer did a good job of offering additional services/benefits for consideration. The Authority's RFP opened the door for these enhancements in the minimum qualifications (section E3L) where it states: "Illustrate any creative cost savings or management programs you would implement." It must be pointed out, however, that to ensure fairness to all proposers and to keep a level playing field, one must keep in mind that enhancements in one proposal may be a standard way of doing business in another. These enhancements are not part of the evaluation criteria and can only serve as additional general information for consideration. As a result, the appeal is denied.

Other recommended enhancements paid for by the Authority

As stated, Ace and Standard both provided enhancements within their proposals. Also as stated above, this does not allow for a clear "apples-to-apples" comparison because enhancements in one proposal may be standard operation in another. The evaluation criteria does not provide for bonus points for enhancements. The

assessment and evaluation of each proposal is heavily reliant upon the objective professional judgment of each panel member to ascertain the best proposal for the Authority. The panel members are presumed to have followed the evaluation criteria in performing their responsibilities, including giving appropriate consideration for enhancements in assigning points for each proposer's plan of operation and other applicable criteria. The appeal is denied.

Ace Parking has the most experience in successfully operating the San Diego International Airport parking

While it is undeniable that Ace has been managing parking at San Diego International Airport for some years, the contract was initially awarded to another company – LPI. Standard presented qualifications and experience demonstrating that it operates at numerous major airports across the United States, including Denver, Chicago O'Hare, Hartsfield-Atlanta and Dallas-Fort Worth airports. Exhibit C of the RFP lists the expected services to be provided by the contractor. The services, with the possible exception of some software applications, appear to be standard within the parking industry. The RFP was issued in a manner to create a level playing field for all potential proposers and was not tailored or slanted to provide any advantage to the incumbent. The evaluation and assessment of experience and qualifications was based on *total* parking facilities management – not just experience at San Diego International Airport. Again, the appeal officer relies on the professional and objective assessment of the panel, finds that the panel's actions on this issue are reasonable and based on sufficient facts, and denies this appeal.

Worker retention

I applaud the efforts and intent of both proposers to address the retention of incumbent workers. There is a difference in the approach taken by each. The Ace proposal states that it will retain current workers. It meets the *minimum* standards established in the RFP, however there is insufficient evidence in Ace's proposal to conclude it has proposed to exceed the worker retention standards in the RFP.

Standard's proposal exceeds the minimum Worker Retention requirements by 1) honoring the seniority of all incumbent workers for the purposes of job position, shift preference and vacation; 2) hiring incumbent workers at or above their rate of pay at the time of transition; and 3) waiving all requirements related to healthcare eligibility and providing uninterrupted healthcare benefits/first day coverage to all incumbent workers receiving healthcare benefits during the last month prior to transition.

Matthew A. Peterson

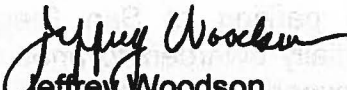
August 25, 2011

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The exceptions cited by the Standard proposal are those allowed for and outlined in the RFP language, with the exception of failed drug tests or background checks. These exceptions appear to be reasonable. The appeal is denied.

Conclusion: Based up on the information received, this appeal is denied on the grounds set forth herein.

Sincerely,



Jeffrey Woodson
Vice President, Administration

SAN ORG



San Diego International Airport

Item 10



Parking Management Services Contract Recommendation

Vernon D. Evans, CPA

Vice President, Finance/Treasurer and CFO

September 1, 2011

Parking Management Services



- Parking Management Services is a revenue-generating contract
- Services include management of:
 - 6,100 parking spaces
 - SAN Park Valet
 - Employee parking
 - Taxicab & shuttle hold lots and transportation islands
 - Customer Service Representatives (CSRs)
 - Signage, facilities (minor repair and maintenance)

Parking Management Services



- Parking Management revenue = \$32 million/year
- Parking Management = 44% of non-aviation operating revenue
 - Single largest non-aviation revenue stream
- Potential to increase revenue through:
 - Improved technology
 - Greater efficiency
 - Enhanced customer service
 - Expanded operations

Selection Process



- Received proposals from:
 - Ace Parking Management, LAZ/PPM Parking, Parking Concepts, Standard Parking
- July 22, 2011: Interviews with evaluation panel
- August 2, 2011: Protest received from Ace Parking
- August 3, 2011: Ace protest denied by Airport Authority
- August 4, 2011: Staff recommendation presented to Board
- August 10, 2011: Protest appeal received from Ace Parking
- August 25, 2011: Ace appeal denied by Airport Authority
- September 1, 2011: Staff recommendation presented to Board

Evaluation Criteria



- **Experience and Qualifications – (25 Points)**
Relevant experience operating large parking facilities
- **Plan of Operation – (35 Points)**
The means and methods by which the proposer intends to manage the operations
- **Financial Viability – (20 Points)**
Ability to finance the cash flow needed for parking operations
- **Proposed Fees/Cost to Airport – (15 Points)**
Amount of proposed fees and cost to the airport
- **Small Business Preference – (5 Points)**
Allotted if respondent is qualified as a small business under Authority Policy 5.12
- **Worker Retention Program – (2 Points)**
Additional points allotted if respondent exceeds the standards of the Authority’s worker retention program

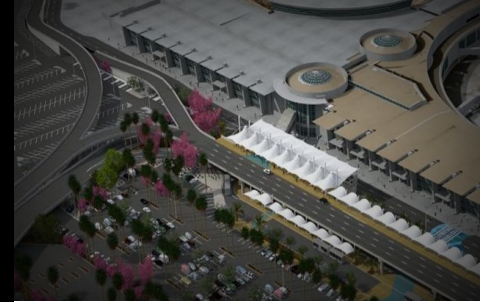
Evaluation Matrix



Evaluation Criteria	Experience & Qualifications	Plan of Operation	Financial Viability	Proposed Fees/Cost to Airport	Small Bus.	Sub-Total	Worker Retention Program	Max Total
Maximum Pts▶	25	35	20	15	5	100	2	102
ACE Parking	22	32	20	15	0	89	0	89
LAZ/PPM	19	25	20	10	0	74	0	74
Parking Concepts	17	23	20	10	0	70	0	70
Standard Parking	24	34	20	15	0	93	2	95

Standard Parking received the highest total score

Why Standard?



- **Why was Standard recommended?**
 - History and size/scope of airport parking experience
 - Plan of Operation to enhance financial reporting, innovation and customer service training
 - Greater potential to maximize revenues going forward
 - Annual revenues exceed \$1.5 billion; \$86.9 million gross profit
 - Exceeds Authority's minimum worker retention requirements

Why Standard?



■ Plan of Operation: Financial Reporting

■ Real-time, technologically advanced system

- Provides Authority immediate access to parking management data

- Enables Authority to more effectively set parking rates and increase revenue

- Standard's proven technology integrates readily and seamlessly with existing system, requiring minimal investment by Authority

- Leverages Standard's millions of dollars in IT investment and years of experience at more than 60 airport operations

ClientView Financial Reporting System
2020 Marvin Gardens
Statement of Revenue & Expense
December 2003

Financial Periods	CURRENT MONTH				YEAR-TO-DATE			ANNUAL BUDGET Total
	Actual	Budget	Variance		Actual	Budget	Variance	
REVENUES								
+ December 2003	58,712.00	58,154.00	558.00	Monthly Parking	690,012.50	697,848.00	(7,835.50)	697,848.00
+ November 2003	3,343.50	2,766.00	577.50	Transient Parking	45,439.50	33,192.00	12,247.50	33,192.00
+ October 2003	6,984.00	6,531.00	453.00	Coupon Revenue	85,530.00	78,372.00	7,158.00	78,372.00
+ September 2003	1,810.00	.00	1,810.00	Building Monthly Parking	14,935.00	.00	14,935.00	.00
+ August 2003	910.00	.00	910.00	Vendor Monthly Parking	8,320.00	.00	8,320.00	.00
+ July 2003	110.00	.00	110.00	Key Deposits	2,580.00	.00	2,580.00	.00
+ June 2003	364.50	.00	364.50	Special Event	632.00	.00	632.00	.00
+ May 2003	.00	.00	.00	Cash Over Short	(1.00)	.00	(1.00)	.00
+ April 2003	72,234.00	67,451.00	4,783.00	Total Gross Revenue	847,448.00	809,412.00	38,036.00	809,412.00
+ March 2003	(5,780.81)	(6,132.00)	351.19	Sales Tax (Parking)	(75,106.63)	(73,583.00)	(1,523.63)	(73,583.00)
+ February 2003	66,453.19	61,319.00	5,134.19	Total Revenue	772,341.27	735,829.00	36,512.27	735,829.00
OPERATING EXPENSES								
+ December 2003	5,628.99	4,010.00	(1,618.99)	Salaries & Wages	67,126.66	54,173.00	(12,953.66)	54,173.00
+ November 2003	841.53	704.00	(137.53)	Payroll Taxes & Burden	10,035.38	7,724.00	(2,311.38)	7,724.00
+ October 2003	844.91	494.00	(350.91)	Health, Welfare & Pension	8,407.81	5,928.00	(2,479.81)	5,928.00
+ September 2003	721.84	485.00	(236.84)	Worker's Compensation	8,805.69	6,556.00	(2,049.69)	6,556.00

Why Standard?



- **Plan of Operation:
Proven Innovative Programs**
 - Automated Frequent Parker Program
 - Click and Park Web-based Parking Reservations System
 - Corporate Parking Program
 - Amenity Programs
 - Driver assistance
 - Customer appreciation days
 - Courtesy umbrellas for customers



click and PARK
Your Space is Ready When You Are™

Customer Login
Email Address: _____ Password: _____

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America's Thanksgiving Day ...	Q, up	11/23/06
The Grand Parade Company		
2006 Champs Sports Bowl	Q, up	12/29/06
Florida Citrus		
2007 Capital One Bowl	Q, up	12/29/06
Florida Citrus		
2007 Capital One Bowl	Q, up	01/01/07
Florida Citrus		
NAB 2007	Q, up	04/15/07
Las Vegas Convention Center		

Event Parking Search

Event Name: _____ Search

Or, search by location, venue or date of event:

Location: _____

Venue: Select _____

Date: Month _____ Day _____

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Why Standard?



- **Plan of Operation:
Proven Training Program**
 - Standard provides exceptional training
 - Manages nearly 10,000 employees
 - Standard University training program has helped achieve award-winning customer service
 - More than 300 modules
 - Program is monitored for compliance

Why Standard?



■ Superior Experience and Qualifications

- 60 years experience in airport parking
- Experience including Chicago O’Hare, Denver, Hartsfield–Jackson Atlanta, Dallas Fort Worth, Kansas City, Chicago Midway and Portland, OR
- Manages over 270,000 airport parking spaces nationally with more than 100,000 parking transactions per day
- Collects and manages more than \$600 million in annual airport parking revenue
- Proven track record of increasing revenues

Why Standard?



- **Standard exceeds Worker Retention requirements by committing to:**
 - Hire incumbent workers at or above rate of pay at time of transition
 - Waive waiting periods and provide uninterrupted health care benefits
 - Honor incumbent worker seniority for position, shift preference and vacation

Responses to Board Questions

Responses to Board Questions



- **Why was Plan of Operation allocated 35 points and Proposed Fees/Cost to Airport allocated 15 points, unlike the Shuttle Services contract?**
 - Plan of Operation = potential for more revenue
 - Parking generates \$32 million in revenue annually
 - Therefore, Plan of Operation was allocated 35 points
 - Shuttle Services do not generate revenue, therefore cost was the main criteria and was allocated points accordingly

Responses to Board Questions



- **Why were operating expenses not included in the evaluation criteria?**
 - Evaluation criteria were established by the panel before proposals were received
 - Operating expenses were not considered as part of Proposed Fees / Cost to Airport as they are a pass-through and controlled by the Authority
 - However, operating expenses were requested in the RFP in order to validate historical expense data

Responses to Board Questions



- Why does Ace claim that it can save the Authority \$2.2 million in operating expenses?

Proposed Costs	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total	Difference
Standard Proposed	\$ 2,017,951	\$ 2,073,387	\$ 2,149,133	\$ 2,228,164	\$ 2,310,649	\$ 10,779,284	
Ace Proposed	\$ 1,681,079	\$ 1,698,423	\$ 1,716,291	\$ 1,734,556	\$ 1,753,227	\$ 8,583,576	\$ 2,195,708

Actual Costs	FY 2008	FY 2009	FY 2010	FY 2011
Expenses - Operations	\$ 1,848,865	\$ 2,308,684	\$ 2,115,164	\$ 2,409,140

- Ace's average actual operating costs over past 4 years: \$2,170,463

Responses to Board Questions



- How did Ace and Standard receive the same score for Proposed Fees / Cost to Airport?

	2011-12	2012-13	2013-14	2014-15	2015-16	Total	Score
Standard Parking	\$4,054,102	\$4,157,699	\$4,263,952	\$4,372,931	\$4,484,706	\$21,333,390	15
Ace Parking	\$3,847,889	\$4,015,356	\$4,132,927	\$4,318,695	\$4,501,755	\$20,816,622	15
LAZ Parking	\$5,147,598	\$5,443,095	\$5,463,928	\$5,618,536	\$5,778,324	\$27,451,481	10
Parking Concepts, Inc.	\$4,771,986	\$5,017,355	\$5,390,184	\$5,596,201	\$5,812,810	\$26,588,536	10

Divisor used to calculate scoring:

$20,816,622$ (lowest cost estimate) \div 15 (max points) = $\$1,387,774.80$

Standard: $20,816,622 - 21,333,390 = -516,768 \div 1,387,774.80 = -0.42 = 0$

LAZ: $20,816,622 - 27,451,481 = -6,634,859 \div 1,387,774.80 = -5.44 = -5$

PCI: $20,816,622 - 26,588,536 = -5,771,914 \div 1,387,774.80 = -4.73 = -5$

Responses to Board Questions



- Why didn't Ace receive points for worker retention?
 - Respondent must exceed Authority's worker retention requirements to receive 2 bonus points in scoring
 - Standard exceeds worker retention requirements by committing to:
 - Hire incumbent workers at or above rate of pay at time of transition
 - Waive waiting periods and provide uninterrupted health care benefits
 - Honor incumbent worker seniority for position, shift preference and vacation
 - Ace meets minimum worker retention requirements:
 - Ace met minimum criteria for worker retention
 - Ace's proposal did not address anything that exceeded the minimum worker retention requirements

Responses to Board Questions



- Why were no points allocated for local preference?
 - 49 CFR Part 23.79 states that, “You must not use a local geographic preference” for an airport concession
 - 49 CFR Part 23.3 states that a parking management contract is a concession
 - Ace conceded this point in its August 10 letter of appeal

Staff Recommendation



- Recommend awarding agreement to Standard Parking Corporation
 - History and size/scope of airport parking experience
 - Plan of Operation to enhance financial reporting, innovation and customer service training
 - Greater potential to maximize revenues going forward
 - Annual revenues exceed \$1.5 billion
 - Exceeds Authority's minimum worker retention requirements

Questions ?



San Diego International Airport