



City of Austin

Recommendation for Action

File #: 24-4411, Agenda Item #:

5/2/2024

Posting Language

Authorize negotiation and execution of an amendment to a contract for continued parking operations management services for Austin-Bergstrom International Airport with SP Plus Corporation d/b/a SP+, to increase the amount by \$25,000,000 and to extend the term by up to 37 months for a revised total contract amount not to exceed \$115,639,880.

[Note: This contract was awarded in compliance with City Code Chapter 2-9C (Minority-Owned and Women-Owned Business Enterprise Procurement Program) with 2.11% MBE and 1.78% WBE participation].

Lead Department

Financial Services Department.

Client Department(s)

Department of Aviation.

Fiscal Note

Funding in the amount of \$5,885,417 is available in the Fiscal Year 2023-2024 Operating Budget of Aviation. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

June 16, 2016 - Council approved a contract for parking operations management services for the Austin-Bergstrom International Airport with SP Plus Corporation.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Council Committee, Boards and Commission Action:

April 10, 2024 - To be reviewed by the Airport Advisory Commission.

Additional Backup Information:

The contract amendment will provide continued operations and management of the parking facilities and shuttle bus operations at Austin-Bergstrom International Airport (AUS). With this amendment, the contractor will continue to provide overall management of all parking operations at AUS. The contractor currently provides all personnel and services to manage AUS' 24-hour complimentary shuttle bus transfer services in support of both the Barbara Jordan Terminal and South Terminal, and management of over 18,000 airport parking spaces. Additionally, the contractor maintains all assets necessary to support the parking operations, including

a fleet of shuttle buses, personnel, marketing, and customer service initiatives promoting AUS' parking products and services to increase market share and maximize revenue. The City reimburses the contractor for all authorized expenses associated with the management of parking and transportations services.

It is essential to maintain the existing agreement to provide consistent and reliable services to align with the implementation and completion of various construction and facility optimization projects related to the Airport Expansion and Development Program (AEDP). The AEDP is a strategic, phased approach to guiding construction and improvement projects, including select 2040 Master Plan projects, at AUS over the next several years. Driving regional economic recovery and supporting Austin's growth is the primary goal of the program. The program will create jobs and provide opportunities for local businesses and the Minority-Owned and Woman-Owned businesses in the contracting community.

Without this contract amendment, AUS would have to execute a short-term agreement for interim operations with undetermined outcomes.

The related departmental goal is to ensure the economic sustainability of the airport and a related performance indicator of that goal is the revenue per enplaned passenger. This amendment will provide continued management of parking operations at AUS, which is 23% of revenue for the Austin airport. AUS tracks progress towards the departmental goal to ensure the economic sustainability of the airport through the contractor's implementation of marketing strategies for parking/shuttle service, financial reports (to track ongoing revenues and operating expenses), and customer satisfaction which is evaluated through a third-party survey.

Contract Details:

Contract Term	Length of Term	Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	3 years	\$52,530,783		\$52,530,783
Extension Option 1	1 year	\$12,099,731		\$12,099,731
Extension Option 2	1 year	\$12,693,236		\$12,693,236
Extension Option 3	1 year	\$13,316,130		\$13,316,130
Proposed Amendment	1 year		\$8,000,000	\$8,000,000
Optional Extension 1	1 year		\$8,300,000	\$8,300,000
Optional Extension 2	13 months		\$8,700,000	\$8,700,000
Total	9 years 1 month	\$90,639,880	\$25,000,000	\$115,639,880

Note: Contract Authorization amounts are based on the City's estimated annual usage.

M/WBE Summary

Participation goals stated in the original approved compliance plan for the contract were 2.11% MBE and 1.78% WBE. Participation for this amendment:

<u>NON - MBE/WBE TOTAL - PRIME</u>	<u>95.46%</u>
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SP Plus Corporation, Cleveland, OH

<u>MBE TOTAL - SUBCONTRACTORS</u>	<u>2.11%</u>
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<u>Hispanic Total – Subcontractor</u>	<u>1.58%</u>
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(MH) Cultural Strategies, Austin, TX

(Marketing consulting)

<u>African American Total – Subcontractor</u>	<u>0.53%</u>
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(MB) JAH Auto Services, Inc., Austin, TX

0.53%

(Vehicle cleaning services)

<u>WBE TOTAL – SUBCONTRACTOR</u>	<u>1.78%</u>
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(FW) ACW Solutions, Inc. d/b/a

Building Stars of Austin, Austin, TX

1.78%

(Janitorial/custodial services)

<u>NON MBE/WBE – SUBCONTRACTOR</u>	<u>0.65%</u>
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R Solutions, Solon, OH

0.65%

(Marketing services)

Overall participation based on expenditure for the entire project as of March 12, 2024 (not including this amendment):

PRIME:

93.00% (Total) NON M/WBE

SUBCONSULTANTS:

0.30% (Total) MBE; **6.76%** (Total) WBE; and Non M/WBE **0.00%** (Total)

TOTAL:

0.30% (Total) MBE; **6.76%** (Total) WBE; and Non M/WBE **0.00%** (Total)