



Agenda Item

City Council

Item #: 9.5.

6/24/2025

File #: 25-0371

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Christopher Cash, Public Works Director

1. SUBJECT

Agreement with ACE Parking III, LLC for Paid Parking Implementation, Enforcement, and Management Services in the Orange Plaza area, specifically the Old Towne Commercial Core.

2. SUMMARY

A three-year agreement with ACE Parking III, LLC to provide implementation, enforcement, and management services for the Paid Parking Program in the Orange Plaza area. The total amount of the agreement is \$1,824,457 with an initial annual amount of \$813,895, which includes a 25% contingency. This agreement includes the option for a two-year extension which would be brought before the City Council at the expiration of the initial term. Based on projections, the year-one revenue from this program is estimated to exceed the initial annual cost, and the projected revenue is expected to sustain the program moving forward.

3. RECOMMENDED ACTION

Approve the agreement with ACE Parking III, LLC in the amount of \$1,824,457 for Paid Parking Implementation, Enforcement, and Management Services in the Orange Plaza area, specifically the Old Towne Commercial Core; and authorize the Mayor and City Clerk to execute on behalf of the City.

4. FISCAL IMPACT

The expense for this agreement is \$813,895 and will be funded from unspent salaries and benefits in the General Fund (100):

100.5001.51670.55091 Other Prof & Consulting Servs-Old Towne

This agreement is for three years totaling \$1,824,457, payable in annual installments. Future installments will be requested in conjunction with the annual operating budget.

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

In August 2022, the City commissioned the Old Towne Parking study, which evaluated parking inventory and occupancy on the streets and 14 city parking lots (including the Old Towne West Structure) around the Plaza. The study indicated that, while parking supply was adequate for current

and future (intermediate term) parking demand, there is a parking distribution imbalance that renders the parking supply inefficient and incompatible with current land use patterns. This contributes to traffic congestion, visitor frustration, and potentially suppresses the economic potential of Old Towne. The results of the study were presented to City Council in April 2023. In October 2023, the City Council awarded a professional services agreement to Dixon Resources Unlimited (Dixon) to develop a parking technology implementation plan. Specifically, Dixon's scope of work included, among other things, identifying ways to apply modern parking management concepts and technologies in and around the Plaza. The Dixon report discussed paid parking implementation (including equipment demos and financial analysis), enforcement improvements, wayfinding enhancements, and curb management strategies. The key takeaways from the report are that license plate-based paid parking and enforcement are the most effective ways to achieve these recommendations.

On February 25, 2025, City Council adopted Ordinance No. 02-25, establishing parking meter zones, operations, fees, and procedure for a paid Parking Program in the Orange Plaza area and directed staff to implement a paid parking program.

On May 16, 2025, the Public Works Department issued a Request for Proposals (RFP 24-25.25) for parking implementation and management services and optional enforcement services for the Paid Parking Program in the Old Town Commercial Core. Proposals were due on June 9, 2025, and six proposals were received:

1. Ace Parking III, LLC
2. iAMGroup, LLC
3. LAZ Parking California, LLC
4. Park Mobile, LLC
5. Parking Concepts, Inc.
6. PCAM, LLC dba Parking Company of America

Each proposal was evaluated based on several key criteria: the firm's experience and qualifications, capacity for timely performance, availability of personnel, client references, and overall pricing.

Following a comprehensive review, ACE Parking III, LLC (ACE) received the highest overall score of 93 out of 100. The firm's proposal highlighted the strength of its team, including a clear understanding of the services requested and extensive experience in municipal parking management services. ACE also provided detailed staffing plans and scheduling flexibility to meet City service requirements. Staff verified the firm's qualifications and customer service reputation through reference checks with other public agencies. The feedback was uniformly positive, confirming the firm's reliability, quality of work, and responsiveness.

ACE submitted a three-year cost proposal for initial program implementation and management totaling \$1,017,799, the lowest among all proposals received. Additionally, ACE submitted a proposal for dedicated enforcement that was not considered in the scoring of the proposals. The three-year cost proposal for the additional enforcement is \$441,767, bringing the total three-year proposal amount to \$1,459,566. Notably, the Year-1 program cost estimate (which includes capital outlay, operations, and enforcement) provided to City Council prior to adoption of Ordinance No. 02-25 was \$700,000. This proposal is within that estimate. The proposal is considered competitive and cost-effective when weighed against the scope of work and the evaluation criteria. Staff recommends

including a 25% contingency of \$364,891 to address potential modifications to this new program, bringing the total not-to-exceed contract amount to \$1,824,457.

A cost breakdown for the full term of the agreement is provided below:

Fiscal Year	Base Cost	Contingency (25%)	Amount
2025-26	\$651,116	\$162,779	\$813,895
2026-27	\$398,034	\$99,509	\$497,543
2027-28	\$410,416	\$102,604	\$513,020
Total	\$1,459,566	\$364,891	\$1,824,457

While the 3-year contract is for \$1,824,457, including contingency, the requested appropriation of \$813,895 is intended to cover only Year 1. Funding for subsequent years is contingent on City Council approval of the annual operating budget, which will be developed with the benefit of actual revenues collected as part of the paid parking program. Should funding not be appropriated in any given year, the agreement can be terminated with proper notice.

The paid parking program is expected to generate sufficient revenue to offset operating expenditures. Based on conservative estimates contained within the Dixon report, the program is projected to be revenue-positive, with net revenues of approximately \$900K in Year 1, and \$1.2M annually thereafter.

Based on their qualifications, competitive pricing, and favorable references, staff recommends awarding the three-year agreement to ACE Parking III, LLC.

7. ATTACHMENTS

- Professional Services Agreement with ACE Parking III, LLC