



SENT TO COUNCIL:

Distributed on:  
AUG 18 2011  
CITY MANAGER'S OFFICE

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** William F. Sherry, A.A.E.

**SUBJECT:** SEE BELOW

**DATE:** August 18, 2011

Approved

Date

8/18/11

**SUBJECT: POSTPONEMENT OF COUNCIL CONSIDERATION OF REVISING THE PREVAILING WAGE POLICY TO EXCLUDE ALL AIRPORT SERVICE CONTRACTS**

## INFORMATION

During the December 2010 Council discussion that revised the Airport Living Wage Ordinance (ALWO), Council made comments and adopted a motion that authorized staff to amend the contracts of Airport businesses and vendors to replace living and prevailing wage provisions of their contracts with provisions of the ALWO. The motion was recommended as part of the Airport's ongoing efforts to keep its operating costs competitive to attract needed air service and passengers to strengthen the Airport's capacity for being one of the region's primary generators of economic activity and jobs. At the time, staff believed Council's adopted motion signaled an intent to make the ALWO as the single minimum compensation requirement for service contracts at the Airport, except where state law/regulation required the payment of prevailing wage.

On May 9, 2011, the City released a Request for Proposals (RFP) for Airport Parking Operations and Management services. The RFP included instructions that reflected Staff's understanding of the compensation requirements under the ALWO.

After releasing the parking services RFP, staff subsequently learned that the Council's action had applied only to amending current contracts but had not revised the City's Prevailing Wage Policy to also apply to future contracts. Staff planned to return to the Council in August to seek clarification of Council's intent regarding the application of the City's Prevailing Wage Policy at the Airport to all future contracts, including the parking services RFP. This would essentially make the ALWO the sole minimum compensation requirement at the Airport for all service contracts, except where state law/regulation requires the payment of prevailing wage. It has been staff's intent to bring this item to Council on August 23.

HONORABLE MAYOR AND CITY COUNCIL

August 18, 2011

**Subject: Airport Parking Operations and Management RFP**

Page 2

However, Airport staff needs more time to conduct the necessary analysis on the potential cost savings to the Airport of establishing the ALWO as the minimum compensation requirement for service contracts. Accordingly, staff will not be bringing this issue forward until that analysis has been completed.

The current service provider is Ampco Systems Parking. The contract with Ampco expires on October 31, 2011. Delays in completing the RFP will also necessitate a further delay in the Parking Operations and Management RFP, which in turn, will necessitate the need for a six-month extension in the current Ampco parking management agreement. In September staff will be coming forward with a recommendation to approve a six-month extension.

The parking management RFP proposal due date is currently September 15, but will be extended into October, based on when the clarification of the prevailing wage issue is heard by Council.

/s/

William F. Sherry, A.A.E.

Director of Aviation

For questions, please contact Kim Aguirre at 408-392-3620.