

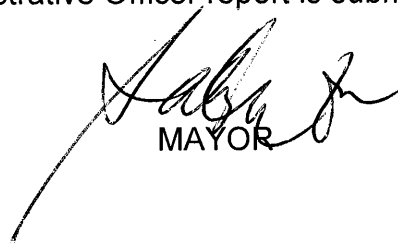
0150-08254-0000

TRANSMITTAL

| | | |
|-------------------|---------------------|------------------------|
| TO The Council | DATE SEP 07 2007 | COUNCIL FILE NO. |
| FROM The Mayor | | COUNCIL DISTRICT 13 |

Proposed Operating Agreement with New South Parking – California
for the operation and management of the Hollywood and Highland Parking Facility (Lot 745)

The attached City Administrative Officer report is submitted for your consideration.


MAYOR

KLS/ALB/06080039

SEP 07 2007
TRANSPORTATION

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

| | | | |
|--|----------------|---|-------------------------------|
| To: Mayor | Date: 09-04-07 | C.D. No. 13 | CAO File No.: 0150-08254-0000 |
| Contracting Department/Bureau: Department of Transportation | | Contact: Nancy Bower | |
| Reference: Referral from Mayor dated April 19, 2007 | | | |
| Purpose of Contract: Commercial parking operation and management services | | | |
| Type of Contract: (x) New contract () Amendment | | Contract Term Dates: 3 years from the date of execution, plus 2 optional 1-year extensions | |
| Contract/Amendment Amount: \$2,161,180 for the first year (includes \$10,000 start-up costs) and \$2,151,180 each year for two years (plus 3% cost of living increases as determined by Living Wage Ordinance) | | | |
| Proposed amount \$ 6,659,082+ Prior award(s) \$ 0= Total \$ 6,659,082 | | | |
| Source of funds: Special Parking Revenue Fund | | | |
| Name of Contractor: New South Parking - California | | | |
| Address: 626 Wilshire Blvd., Suite 1050, Los Angeles, CA 90017 | | | |
| | Yes | No | N/A* |
| 1. Council has approved the purpose | x | | |
| 2. Appropriated funds are available | x | | |
| 3. Charter Section 1022 findings completed | x | | |
| 4. Proposals have been requested | x | | |
| 5. Risk Management review completed | x | | |
| 6. Standard Provisions for City Contracts included | x | | |
| 7. Workforce that resides in the City: 100 % | | | |
| 8. Contractor has complied with: | | | |
| | Yes | No | N/A* |
| a. Equal Employmt. Oppty./Affirm. Action | x | | |
| b. Good Faith Effort Outreach** | x | | |
| c. Equal Benefits Ordinance | x | | |
| d. Contractor Responsibility Ordinance | x | | |
| e. Slavery Disclosure Ordinance | x | | |
| f. Bidder Certification CEC Form 50 | x | | |
| *N/A = not applicable ** Contracts over \$100,000 | | | |

COMMENTS

The General Manager of the Department of Transportation (DOT) requests approval to negotiate and execute an Operating Agreement, substantially in conformance with the Request for Proposals (RFP), with New South Parking – California (New South) for commercial parking operation and management services for the City’s Hollywood and Highland Parking Facility. Compensation to New South will include a one-time start-up payment of \$10,000 and \$179,265 per month, with an annual adjustment for cost of living increases equal to the adjustment of the City’s Living Wage standard. The term of the Agreement is for three years from the date of execution, with the option to continue for two additional one-year terms, on a month-to-month basis, for a total of 5 years. The total estimated cost for the first year of this Agreement is \$2,161,180.

Funding in the amounts of \$2.67 million and \$2.75 million was provided in the 2006-07 and 2007-08 Special Parking Revenue Fund (SPRF) Adopted Budgets, respectively, for this purpose. Any unspent funds will revert to the SPRF cash balance. Funding for subsequent years of this Agreement will continue to be budgeted annually in the Special Parking Revenue Fund.

| | | |
|--|---|--|
|  ALB Analyst 06080039 |  Assistant CAO |  City Administrative Officer |
|--|---|--|

Background

The Hollywood and Highland Parking Facility is a six-level subterranean parking facility consisting of 3,006 parking spaces. This garage serves patrons of the Hollywood and Highland Center, the Grauman's Chinese Theater, the El Capitan Theater, the Hollywood Bowl and other heavily-visited venues and businesses in the area.

On June 3, 2005, the City Administrative Officer (CAO) determined that because of the large size of this facility, there is insufficient City staff to operate this Parking Facility. It was also recommended that DOT competitively bid this project and that funds be provided in the 2006-07 Budget for this purpose. Funds in the amount of \$2.67 million were eventually provided in the 2006-07 Adopted Budget.

Competitive Process

On June 23, 2005, the Board of Transportation Commissioners authorized the General Manager of DOT to release a Request for Proposals (RFP) for a commercial parking operator for the Hollywood and Highland Parking Facility. The RFP sought a parking plan with stated parking rates and hours of operation, staffing requirements, employee training and development, required equipment, security services, electric vehicle outlets, credit card acceptance, a marketing plan, and maintenance services.

Charter Section 1022, Miscellaneous Contracting Provisions and Funding

The Personnel Department has determined that City classifications could perform the work outlined in the proposed Agreement. However, this Office determined that it is more feasible to contract.

The proposed contractor is in compliance with the remaining contracting policies and procedures. City Attorney review as to form is required.

Section 3.4 of the proposed contract provides for the replacement of the revenue control equipment in the parking structure. DOT has budgeted \$750,000 in 2006-07 in SPRF to reimburse the proposed contractor for this purpose.

RECOMMENDATION

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager of the Department of Transportation to negotiate and execute an Operating Agreement with New South Parking – California to provide commercial parking operation and management services for the City's Hollywood and Highland Parking Facility for a term of three years, with two options to continue the Agreement for one year on a month-to-month basis, for compensation of an estimated \$6,659,082 subject to the City Attorney approval as to form;
2. Transfer \$750,000 from the Special Parking Revenue Fund, Fund 363/94, Account 0040, Capital Equipment Purchases, to the Special Parking Revenue Fund, Fund 363/94, Account

0050, Contractual Services, to reimburse the proposed contractor for the purchase of revenue control equipment for the City's Hollywood and Highland Parking Facility.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as funding for this Agreement as Special Parking Revenue Funds are budgeted as described:

Funding in the amount of \$750,000 was provided in the 2006-07 Special Parking Revenue Fund Adopted Budget for the replacement of the revenue control equipment.

Funding in the amounts of \$2.67 million and \$2.75 million was provided in the 2006-07 and 2007-08 Special Parking Revenue Fund Adopted Budgets. Future funding will be requested during the budget process from the Special Parking Revenue Fund and is subject to the approval of the annual budget by the Mayor and Council. The recommendations contained in this report are consistent with the City's Financial Policies in that ongoing special fund revenues are available and eligible to support this purpose and the continuation of the Agreements will be subject to funding on an annual basis as part of the regular budget process.

KLS:ALB:06080039

Attachments

EFS

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CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

2007 APR 20 AM 11:13
CITY ADMINISTRATIVE OFFICER

April 13, 2007

To: The Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles

Attention: June Lagmay, Legislative Coordinator

From: Patricia Sanchez, Commission Executive Assistant *PS*
Board of Transportation Commissioners

Subject: APPROVAL OF RECOMMENDED PARKING OPERATOR FOR
THE OPERATION AND MANAGEMENT OF THE HOLLYWOOD
AND HIGHLAND PARKING FACILITY (LOT 745)

At its regular meeting of April 12, 2007, the Board of Transportation Commissioners considered the evidence presented at the public hearing and approved the parking operator for the operation and management of the Hollywood and Highland Parking Facility (Lot 745). A copy of the Board Report is attached for your information.

After your office reviews the Board Report, please forward same to the City Clerk's office for Council consideration.

If you need further information, please contact Nancy Bower, Senior Management Analyst, at (213) 972-4920. Thank you.

PS

Attachment

c w/attachment: Nancy Bower
Jasmin San Luis

DRAFT

OPERATING AGREEMENT BETWEEN

THE CITY OF LOS ANGELES

AND

NEW SOUTH PARKING - CALIFORNIA

FOR THE OPERATION AND MANAGEMENT OF THE

HOLLYWOOD AND HIGHLAND PARKING FACILITY

(LOT 745)

2007 AUG 15 PM 2:25
CITY ADMINISTRATIVE OFFICER

DRAFT

**OPERATING AGREEMENT
NEW SOUTH PARKING - CALIFORNIA**

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NEW SOUTH PARKING - CALIFORNIA**

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**OPERATING AGREEMENT
NEW SOUTH PARKING - CALIFORNIA**

EXHIBITS

| <u>Exhibit</u> | <u>TITLE</u> |
|-----------------------|--|
| A | Approved Parking Plan/Approved Staffing Schedule |
| B | SPRF Ordinances |
| C | Supplementary Services |
| D | Monthly Summary of Lot Operations |
| E | Special Parking Lot Use Agreement |
| F | Parking Rates and Hours of Operation |
| G | Insurance Requirements |
| H | Standard Provisions for City Personal Services Contracts |

Draft

OPERATING AGREEMENT BETWEEN THE

CITY OF LOS ANGELES
AND
NEW SOUTH PARKING - CALIFORNIA

FOR THE OPERATION AND MANAGEMENT OF THE
HOLLYWOOD and HIGHLAND PARKING FACILITY (LOT 745)
Located at
6801 Hollywood Boulevard
Los Angeles, CA 90028

This OPERATING AGREEMENT is made and entered into by and between the CITY of Los Angeles, Department of Transportation, a municipal corporation, acting by order of and through its Board of Transportation Commissioners or its designees (hereinafter referred to as "CITY") and New South Parking - California (hereinafter referred to as "OPERATOR") and any Successors in Interest to operate and manage the Hollywood and Highland Parking Facility located at 6801 Hollywood Boulevard, Los Angeles, California.

THE PARTIES AGREE AS FOLLOWS:

Section 1. Parking Facility, Governing Documents, Parties to the Agreement and Coordinating Framework

- 1.1 The CITY hereby provides to the OPERATOR one six-level subterranean parking garage located at 6801 Hollywood Boulevard (Lot 745 - 3,006 parking spaces, hereinafter referred to as "Parking Facility"), Los Angeles, for operation as a public parking facility. The OPERATOR hereby undertakes and agrees to perform all the services provided for herein in connection with the operation and management of the Parking Facility.
- 1.2 The operation and management of the Parking Facility shall be in accordance with the terms and conditions of:
 - A. This Operating Agreement;
 - B. The Request for Proposals (RFP), dated March 2006, and New South Parking - California's proposal in response to the RFP and incorporated herein by reference;

- C. The Hollywood and Highland Reciprocal Easement and Operating Agreement (REA), effective May 10, 1999, made by and among The Los Angeles County Metropolitan Transportation Authority ("MTA"), TrizecHahn Hollywood LLC ("Developer"), TrizecHahn Hollywood Hotel LLC ("Hotel Owner"), The Community Redevelopment Agency of the CITY of Los Angeles ("CRA"), and The CITY of Los Angeles, California ("CITY"), and incorporated herein by reference;
- D. Exhibit L of the Hollywood and Highland Reciprocal Easement and Operating Agreement (the "Approved Parking Plan") dated as of March 5, 1999, prepared by Walker & Associates, and the Approved Staffing Schedule, as amended in December 2004, by mutual agreement between the CITY and the Owner of the Hollywood and Highland Center (CIM/H&H Retail, L.P., a California limited partnership and its Successors in Interest, hereinafter referred to as "OWNER") and referenced as Exhibit 1 of the March 2006 Request for Proposals, attached to this Operating Agreement collectively as Exhibit A, and as may be amended or replaced from time to time. Said Exhibit is incorporated herein by reference; and,
- E. Section 141 of the Internal Revenue Code of 1986, as amended, which requires that no more than ten percent (10%) of the total spaces in the Parking Facility shall be reserved for exclusive or private use, i.e. not available for use by the general public; however, the ten percent daily limitation on exclusive or private use may be exceeded on a daily basis for up to 30 continuous days during every calendar year by the Academy of Motion Picture Arts and Sciences. Any uses by any entity other than the Academy is subject to the Guidelines referred to below or a prior approving opinion of tax counsel satisfactory to the CITY that such use would be permissible under Section 141 of the Internal Revenue Code, as amended.

Prior to the commencement of the operation of the Parking Facility, the CITY will provide the OPERATOR with a set of Guidelines for the operation and management of the Parking Facility as they relate to the requirements of Section 141 of the Internal Revenue Code of 1986, as amended, to ensure that the manner of operation and management of the Parking Facility will not jeopardize the tax exempt status of the Parking System Revenue Bonds Series 1999-A, which were used to finance the Parking Facility. The CITY will notify the OPERATOR of subsequent amendments to the provisions of Section 141 of the Internal Revenue Code of 1986, which would affect the

operation and management of the Parking Facility. The OPERATOR shall be entitled to rely on the Guidelines and amendments provided by the CITY.

1.3 The parties acknowledge CITY ordinances with respect to the use of monies collected from parking meters and revenue from public off-street parking facilities deposited into the Special Parking Revenue Fund (SPRF) (Ord. Nos. 172695 and 174054) and procedures for the issuance and sale of revenue bonds secured by the SPRF (Ord. No. 172282). Referenced ordinances are herewith attached as Exhibit B; and,

1.4 The representatives of the parties to the Operating Agreement are as follows:

A. The representatives of the CITY shall be, unless otherwise stated in this Operating Agreement:

Amir Sedadi, Assistant General Manager
CITY of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, CA 90012

Martin S. Bland, Senior Management Analyst II
CITY of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, CA 90012

Nancy R. Bower, Senior Management Analyst I
CITY of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, CA 90012

B. The representatives of New South Parking - California shall be, unless otherwise stated in this Operating Agreement:

Jerry Skillett, Vice President
New South Parking - California
626 Wilshire Blvd., Suite 1050
Los Angeles, CA 90017

Emanuel Eads, President
Central Parking System, Inc.
2401 Twenty First Avenue South, Suite 200
Nashville, TN 37212

Ronald Burns, President
Global Parking Systems, LLC
6600 Plaza Drive, Suite 307
New Orleans, LA 70127

Section 2. Term of Operating Agreement

The term of this Operating Agreement shall be for a period of three years commencing upon the execution by all parties to said Operating Agreement. As part of the consideration for entering into this Operating Agreement, the CITY reserves the right and option to extend said Operating Agreement for two additional terms of one year each, upon the same terms and conditions, and upon 30 days written notice by the CITY prior to the expiration of the then current term. In the event the OPERATOR is requested to continue operation of the Parking Facility after expiration of the term of the Operating Agreement, such continuance shall be construed to be a tenancy from month-to-month, on the same terms and conditions as set forth in this Operating Agreement. The terms and conditions of this Operating Agreement shall be binding on the Successors in Interest of all parties to the agreement.

Section 3. Compensation to OPERATOR

- 3.1 The CITY shall make a one-time payment to OPERATOR of ten thousand dollars (\$10,000) for OPERATOR's start-up costs, including staff recruitment, pre-employment background checks, and training, between the effective date of this Operating Agreement and the commencement of operation of the Parking Facility.
- 3.2 From the commencement of operation of the Parking Facility through June 30, 2008, The CITY shall pay the OPERATOR a monthly compensation of one-hundred seventy-nine thousand, two hundred and sixty-five dollars (\$179,265) for the operation and management of the Parking Facility in accordance with this Operating Agreement. Monthly compensation reflects all costs incurred for the management and operation of the Parking Facility, including labor, expenses, and profit, as presented in OPERATOR's response to the City's Request for Proposals (RFP), less costs deemed ineligible (Attachment 1A in OPERATOR's proposal). Should the commencement of operation of the Parking Facility not begin on the first day

of the calendar month, the monthly compensation paid to OPERATOR for the then ending month shall be prorated.

- 3.3 Each year on July 1 throughout the term of this Operating Agreement, the monthly compensation and the cost of supplementary services for the just ending fiscal year shall be revised by an amount equal to the adjustment to the CITY's Living Wage standard and become the monthly compensation paid for the next 12 months.
- 3.4 The CITY intends to replace the current revenue control equipment with a new state-of-the-art revenue control equipment system within the first six-months of the commencement of operation of the Parking Facility. The OPERATOR has budgeted \$750,000 for the purchase and installation of said equipment. The CITY will work with the OPERATOR to procure the equipment and the OPERATOR will be reimbursed by the CITY for actual costs incurred not to exceed \$750,000, per OPERATOR's response to the CITY's RFP (Attachment 1A in OPERATOR's proposal).
- 3.5 The OPERATOR may be requested by the CITY and/or the OWNER to provide additional attendant(s), cashier(s), or attendant/cashier supervisor(s) for the Parking Facility in excess of the mutually agreed-upon staffing levels then in effect. The cost for such service(s) will be reimbursed to the OPERATOR by the entity requesting additional staffing for the month incurred and this cost shall be based upon the cost presented by the OPERATOR in its response to the CITY's Request for Proposals, herewith attached as Exhibit C, and revised annually pursuant to Section 3.3, and upon presentation of substantiating invoices.
- 3.6 Upon commencement of operation of the Parking Facility, the OPERATOR will be required to provide the staffing levels in accordance with the Approved Staffing Schedule, as amended in December 2004, by mutual agreement between the CITY and the OWNER, as reflected in Exhibit A. Whenever the staffing levels required of the OPERATOR, as shown in Exhibit A, are revised by mutual agreement between the CITY and the OWNER, the CITY, in consultation with the OPERATOR, will adjust OPERATOR's monthly compensation to reflect the change in costs to OPERATOR.
- 3.7 The CITY may consider, at its sole discretion, the installation of a high-end parking guidance system and/or other new parking equipment technology in the Parking Facility. If any such systems are implemented during the term of this Operating Agreement, the daily staffing levels may be revised. In

consultation with the OPERATOR, the CITY will adjust OPERATOR's monthly compensation to reflect any change in costs to OPERATOR directly attributable to such installation(s).

Section 4. Operational Transition Plan and Start-Up Penalties

- 4.1 The OPERATOR shall obtain the CITY's Parking Facility Division approval of OPERATOR's written Transition Plan between the effective date of this Operating Agreement and the commencement of operation of the Parking Facility. This written program shall be designed to identify key administrative and operational activities necessary to begin operations and shall be based upon the Transition Plan proposed in OPERATOR's response to the CITY's RFP. The CITY's Parking Facilities Division staff will work jointly with OPERATOR to determine the best transition strategies and time line.
- 4.2 The OPERATOR will be required to commence operation of the Parking Facility within 30 days of execution of this Operating Agreement. Should the OPERATOR fail to commence operation of the Parking Facility in compliance with the start-up date, the CITY reserves the right to assess the OPERATOR penalties in the amount of \$15,000 per day.

Section 5. Financial Guarantee and Bank Deposit of Revenues

- 5.1 Before the commencement of operation of the Parking Facility, the OPERATOR shall provide the CITY with a irrevocable standby Letter of Credit or Certificate of Deposit equal to \$500,000. It shall be a condition of such Letter of Credit or Certificate of Deposit that, in case of default in the prompt deposit of gross revenues due CITY, the CITY shall have the right and option to draw payment from such guarantee, which payment shall be credited against any amounts owed by OPERATOR to CITY. The OPERATOR shall, at all times during the term of this Operating Agreement, maintain such guarantee in the amount stated herein.
- 5.2 The OPERATOR shall deposit all gross revenues collected from the Parking Facility to the CITY's Bank Account by the close of the next business day. The OPERATOR shall transmit the daily listing of deposits to the CITY's Department of Transportation Accounting Division and the CITY's Parking Facilities Division electronically or by facsimile machine each business day.
- 5.3 The OPERATOR is responsible for the safekeeping of parking revenues at all times, including overnight and weekends, until they have been deposited

into the CITY's Bank Account. The OPERATOR shall transport revenues via the CITY-contracted armored transport carrier at the CITY's expense.

- 5.4 The term "gross revenue", as used herein, shall include all parking fees and revenues derived by the OPERATOR from the parking and storage of vehicles, payments by the Owner of the Renaissance Hollywood Hotel, hereinafter referred to as "HOTEL", for the provision of up to 300 dedicated spaces in the Parking Facility, and fees from film permit related usage or other uses of the Parking Facility. Gross revenue also includes the CITY of Los Angeles Parking Occupancy Tax, which OPERATOR shall remit to CITY as part of the gross revenue. The CITY will be responsible for payment of the Parking Occupancy Tax to the CITY's Office of Finance.
- 5.5 The OPERATOR's deposit of gross revenues due to the CITY is delinquent if not received by the CITY by the close of the next business day following the day on which the revenues were collected. If the deposit is delinquent, the OPERATOR shall pay penalties according to the following schedule:
- A. If any gross revenues are deposited within one to 30 calendar days after the due date, a penalty may be assessed up to five percent (5%) of the amount of gross revenues due.
 - B. If any gross revenues are delinquent for over 30 calendar days after the due date, a penalty may be assessed up to ten percent (10%) of the amount of gross revenues due. The CITY shall have the right to attach or garnish the OPERATOR's Letter of Credit or Certificate of Deposit to cover the amount due and late payment charges.
 - C. The CITY retains the right to waive or reduce such penalties as assessed under this section in its reasonable discretion.
- 5.6 The OPERATOR will be required to accept credit cards as a form of payment at the Parking Facility. There are currently eleven credit card terminals located within the Parking Facility, including one terminal serving the Pre-Paid Cashier Station within the Hollywood and Highland Center. Expenses incurred for credit card acceptance will be considered an operating expense. Such expenses include, but are not limited to, credit card thermal paper and monthly fees for the eleven telephone lines associated with the credit card terminals. Service charges assessed by credit card companies will be paid directly by the CITY.

- 5.7 The OPERATOR shall be required to maintain a petty cash account to ensure timely deposits of all gross revenues into the CITY's Bank Account for the purposes of managing activities, including but not limited to, the reconciliation of hosted special events and OPERATOR's acceptance of checks. The existing petty cash account is approximately \$30,000.
- 5.8 The OPERATOR shall assume all responsibility for any losses which may result from its acceptance of checks or counterfeit bills for payment of parking fees when such checks are returned or bills are identified as counterfeit, and for losses resulting from any criminal activity such as theft or robbery of the OPERATOR's personnel. The OPERATOR may, at the OPERATOR's discretion, decline to accept checks, but shall notify the CITY when such a decision has been made for the Parking Facility.
- 5.9 The OPERATOR shall retain copies of daily deposit slips and armored transport acknowledgments for the above deposits for a period of not less than five years from the end of this Operating Agreement or upon completion of an audit by the CITY, whichever first occurs. Under no circumstance shall the OPERATOR permit funds collected in the Parking Facility to be taken anywhere off-site by any employee except to a place of deposit in an authorized account.
- 5.10 The OPERATOR shall not enter into any agreements concerning non-parking uses of the Parking Facility without the prior written consent of the CITY's Parking Facilities Division. Non-parking uses include, but are not limited to, product promotions or commercial advertising on CITY property or on ticket stock. Any revenues generated by such non-parking uses shall be identified and reported each month as part of the total revenue from the Parking Facility and deposited to the CITY's Bank Account according to this Section.

Section 6. Revenue Control Procedures and Audits

- 6.1. The OPERATOR shall implement revenue control procedures which account for parking fees collected and deposited, vehicles parked in the Parking Facility, tickets issued and collected, manually processed tickets, and lost tickets. Daily reports and logs, which contain the name of the parking cashiers and attendants who open and close the Parking Facility, opening and closing ticket numbers, opening and closing car counts, time of opening and closing, time of change of shifts, and list of overnight vehicles with amount due, shall be maintained. Daily audits shall be conducted by the OPERATOR, in addition to monthly reporting, complete audits, and surprise

field audits. The OPERATOR will be required to implement a secure system for collecting and moving cash from the parking booths to the on-site Parking Management Office. The OPERATOR shall ensure that all collected revenues are accurately counted and must provide a safe(s) and security devices that will prevent theft.

- 6.2 The OPERATOR must ensure that the camera surveillance equipment is properly maintained and in good operating condition at all times. The OPERATOR must immediately notify the CITY should the equipment be in need of repair, and arrange for the prompt restoration of the equipment to a good condition of repair, or install temporary equipment if prompt repair is not feasible.
- 6.3 Each Parking Lot Cashier shall prepare a daily report summarizing the revenue collected during the shift. The Cashier shall reconcile the revenue collected with the number and types of transactions indicated on the revenue control equipment fee computer tape and actual parking tickets processed. The Parking Manager shall ensure that the Parking Lot Cashier Report is audited and approved by the appropriate on-site Parking Lot Supervisor.
- 6.4 The Parking Manager or designated management employee shall ensure that all daily revenue deposits from each Parking Lot Cashier are reconciled with the OPERATOR's daily revenue summary report which shall be approved by the designated management employee.
- 6.5 The Parking Manager or designated management employee shall conduct surprise cash audits of each Parking Lot Cashier at least once every month. The OPERATOR shall be required to submit a monthly written report to the CITY containing the audit results and pertinent back-up documentation with appropriate recommendations, if any.
- 6.6 The OPERATOR shall retain the services of an independent firm to conduct undercover audits of parking operations by performing "ticket shopping" or "mystery shopping" services once every two months. Each ticket shopping audit will require that a minimum of 50 parking tickets are "shopped" for the specified audit. The OPERATOR shall be required to submit the independent firm's written report and back-up documentation to the CITY containing the audit results and the OPERATOR's summary with appropriate recommendations, if any.
- 6.7 The OPERATOR shall utilize independent internal auditors to conduct an audit of the parking operations every three months. The audit will include,

but not be limited to, ticket transactions, revenues collected, and internal controls. The OPERATOR shall be required to submit a written report to the CITY containing the audit results and pertinent back-up documentation with appropriate recommendations, if any.

Section 7. Parking Ticket Controls and Audits

- 7.1 The OPERATOR shall maintain the parking ticket inventory in a locked and controlled area within the Parking Facility. The OPERATOR will be required to maintain a log book of the ticket inventory which shall include, but not be limited to, entry for all tickets removed including date of removal, corresponding balance of tickets on hand, and assigned lane number.
- 7.2 All parking tickets removed from the ticket inventory (for the purposes of loading the Ticket Dispenser) shall be in sequential order.
- 7.3 The parking ticket inventory shall contain a separate series of parking tickets to be used by Parking Lot Cashiers for the purposes of processing manual ticket transactions for those patrons with "lost tickets" and other manual transactions. Parking Lot Cashier Supervisors must approve each "lost ticket" transaction and other manual transactions processed by Parking Lot Cashiers. All such manual transactions shall be duly accounted for and indicated in the end-of-shift Cashier Report.
- 7.4 The Parking Manager or other designated management employee shall conduct unannounced audits of the ticket inventory at least once every week. The OPERATOR shall be required to submit a written report to the CITY, on a monthly basis, containing the audit results with appropriate recommendations, if any.

Section 8. OPERATOR's Operations Office

Prior to the commencement of operation of the Parking Facility, the OPERATOR shall establish a central office and a records retention system within the City of Los Angeles. A 24-hour telephone service shall be maintained for emergency contact with the OPERATOR. The OPERATOR shall provide this number to the CITY and shall immediately notify the Department of any changes.

Section 9. OPERATOR's Accounting Plan and Procedures

Within the first month following the execution of this Operating Agreement, the OPERATOR shall submit to the CITY an Accounting Plan and Procedures for the approval

of the CITY, which approval will not be unreasonably withheld or delayed. This Accounting Plan and Procedures shall include but not be limited to record keeping, revenue control, collection and daily deposit of revenue. Any changes or revisions to the plan and procedures shall be mutually agreed upon by the CITY and the OPERATOR.

Section 10. OPERATOR's Operations Procedure Manual

Within the first month following the commencement of operation of the Parking Facility, OPERATOR shall develop and submit to CITY a complete Operations Procedure Manual for the Parking Facility for approval of CITY, which approval will not be unreasonably withheld or delayed. The Operations Procedure Manual shall include, but not be limited to, basic guidelines and procedures regarding revenue collection and audit controls, customer service procedures, employee training and development, employee duties and responsibilities, and emergency procedures.

Section 11. OPERATOR's Marketing Plan

The OPERATOR shall obtain the CITY's Parking Facility Division approval of OPERATOR's Marketing Plan for the Parking Facility within the first month of parking operations. This written program shall be designed to maximize garage revenues and occupancy and shall be based upon the marketing efforts proposed in OPERATOR's response to the CITY's RFP. The CITY's Parking Facilities Division staff will work jointly with the OPERATOR to determine the best marketing strategies, and the cost of implementation shall be the responsibility of OPERATOR.

Section 12. OPERATOR's Traffic Management Plan

Operation of the Parking Facility involves many high-profile public and private special events at the Hollywood and Highland Center, including the Kodak Theatre, the Renaissance Hollywood Hotel ballrooms and facilities, and other special events in the Hollywood area, and event parking for the Hollywood Bowl. Such events attract a large number of patrons resulting in peak or overflow demand. These events often occur simultaneously and generate large parking surges with the majority of the customers arriving and exiting at the same time which requires considerable planning and close coordination with the CITY and the OWNER to facilitate a smooth parking operation and positive guest experience.

Within the first month following the execution of this Operating Agreement, the OPERATOR shall obtain the CITY approval of the OPERATOR's written Traffic Management Plan for the Parking Facility. This written program shall be designed to address specific Parking Facility traffic management issues, including but not limited to, traffic ingress and egress at peak functioning hours, garage capacity strategies,

intersection control, traffic management and direction within the Parking Facility.

Section 13. Monthly Meetings, Statements, and Reporting Requirements

- 13.1 The OPERATOR's personnel, as identified in OPERATOR's response to the CITY's RFP, shall be available to meet at least monthly with the CITY and the OWNER to discuss problems and all matters with respect to the management and operation of the Parking Facility. Monthly meetings shall be held at the Caltrans Building, 100 South Main Street, 10th Floor, Los Angeles, or at another mutually agreed upon site, at a mutually agreed upon time.
- 13.2 The OPERATOR shall provide to CITY (Department of Transportation, Parking Facilities Division, Attention: Nancy Bower, 100 South Main Street, 10th Floor, Los Angeles, CA 90012; and to the Department's Accounting Division, Attention: Vicky Rojas, 100 South Main Street, 10th Floor, Los Angeles, CA 90012) monthly statements regarding utilization and gross revenue from the Parking Facility. The monthly statements shall be prepared on CITY forms provided, herewith attached as Exhibit D, and are due on or before the fifteenth (15th) calendar day of the succeeding month. The CITY reserves the right to change the monthly reporting requirements upon a 30-day written notice to OPERATOR.
- 13.3 Reports shall include a written summary showing daily, credit card, and monthly gross revenues collected and the resulting payment due CITY. The reports shall include, but not be limited to, the following items:
 - A. The parking utilization of the Parking Facility including ticket usage and validation sales indicating the beginning and ending sequence numbers, with corresponding revenues from the Parking Facility and payment due CITY;
 - B. The number of parkers utilizing validations sold to Hollywood and Highland tenants and off-site merchants;
 - C. Any unusual incidents occurring in the Parking Facility such as security problems, damage to the Parking Facility or equipment, parking patron complaints with action taken, or any incident in which a police report is taken and other actions that are noteworthy but not specifically covered in other reports;
 - D. Personal injuries;

- E. Use of the Parking Facility for other than regular fee parking, e.g. filming activity and community events;
 - F. Other CITY-approved use of the Parking Facility during the month;
 - G. Significant management and supervision changes and other key personnel changes of which CITY should be aware;
 - H. Monthly Key card Deposit Account balance; and
 - I. To the extent applicable, a complete list, specifying beginning and ending numbers of proximity key cards for all monthly customers, including customer name, monthly rate, date and amount paid, and license plate number, make, model and color of vehicle.
- 13.4 The OPERATOR shall immediately report to CITY any occurrences in the Parking Facility resulting in emergency response including any law enforcement agency personnel and/or fire or medical agency personnel, which immediate report must be followed by the further submission of a full written report within seven calendar days of any such incident.
- 13.5 The OPERATOR will be required to immediately advise the CITY's Parking Facilities Division, of the nature of any requests for use of the Parking Facility other than for regular fee parking. For special events or film crew parking, the OPERATOR must obtain the CITY's approval prior to the event. A sample Special Parking Lot Use Agreement is presented as Exhibit E.

Section 14. Parking Rates

- 14.1 The maximum permissible rates to be charged for the Parking Facility are established by the Board of Transportation Commissioners and are indicated in Exhibit F. Requests for changes in the parking rates, up to the maximum allowed by the Board of Transportation Commissioners, must be made in writing by the OPERATOR and may be made only with the advance written approval of the CITY, in consultation with the OWNER.
- 14.2 The OPERATOR shall cause the approved rates and a notice regarding the Parking Occupancy Tax to be clearly posted or displayed in the Parking Facility as required by the Los Angeles Municipal Code, subject to approval of CITY before installation.

- 14.3 The OPERATOR shall not charge variable parking rates at any time, except upon the prior written approval of the General Manager of the Department of Transportation or his/her designee.

Section 15. Operation of Parking Facility

- 15.1 The Parking Facility shall be operated and maintained by the OPERATOR in a manner consistent with a First-Class Project which upholds quality standards comparable to those used in other major tourist-oriented, destination retail and entertainment projects in cities or metropolitan areas with populations in excess of three million people. The Parking Facility shall be operated as a public parking facility on a first-come first-served basis with the exception of up to 300 parking spaces reserved for the HOTEL. The Parking Facility shall be operated in accordance with the Approved Parking Plan and the Approved Staffing Plan, Exhibit A, and the terms of this Operating Agreement.
- 15.2 During the currently established operating hours for the Parking Facility, as indicated in Exhibit F, OPERATOR, at its own expense, shall provide the staffing levels by position and time of day as shown in the Approved Staffing Plan, Exhibit A, and as may be revised from time to time. At no time shall the Parking Facility be left unattended during hours of operation.
- 15.3 OPERATOR shall provide sole and exclusive use of the HOTEL for a total of up to 300 spaces for its self-park and valet services operation. The HOTEL pays the CITY for each of the 300 parking spaces actually provided, whether or not the HOTEL actually uses such spaces. The rate paid per space will be equal to the current daily rate or \$10.00, whichever is less. The OPERATOR shall invoice the HOTEL monthly and shall be paid by the HOTEL within ten days after receipt each month. The HOTEL shall receive the revenue from its self-park and valet operation.
- 15.4 Consistent with Section 6.03 (j) of the REA, the OPERATOR may be required to operate the Parking Facility during additional hours beyond the regularly scheduled operating hours. After-hours parking may be limited to designated areas of the Parking Facility (e.g., the uppermost level) wherein signs and/or other devices shall be utilized to direct parking patrons to such designated areas during after-hours operation. The incremental cost for providing an after-hours parking operation will be reimbursed to OPERATOR by the entity (CITY or OWNER) requesting additional staffing for the month incurred and this cost shall be based upon the cost presented by the OPERATOR in its response to the CITY's Request for Proposals, herewith

attached as Exhibit C, and revised annually pursuant to Section 3.3, and upon presentation of substantiating invoices.

- 15.5 The Hollywood and Highland Center hosts various special events requiring close coordination among the CITY, the OPERATOR, and the OWNER. The OPERATOR may be requested by the CITY or the OWNER to provide additional staffing for such special events. The OPERATOR shall provide additional staffing at the request of either the CITY or the OWNER, upon reasonable notice. The incremental cost of any additional staffing in excess of the levels in the Approved Staffing Plan, Exhibit A, at the time of the request shall be reimbursed to OPERATOR by the entity (CITY or OWNER) requesting additional staffing for the month incurred, and this cost shall be based upon the cost presented by the OPERATOR in its response to the CITY's Request for Proposals, herewith attached as Exhibit C, and revised annually pursuant to Section 3.3, and upon presentation of substantiating invoices.

From time to time, the OPERATOR may make minor staffing schedule adjustments in preparation of addressing increased staffing needs to accommodate multiple, simultaneous special events. Such minor staffing adjustments may not occur without the prior approval of the CITY, in consultation with the OWNER. This will not constitute a change in compensation paid to OPERATOR.

- 15.6 Special event sponsors may choose to host guest parking from time to time. The OPERATOR will be responsible for coordinating said special events with event sponsors including the timely notification of the special events to the CITY's Parking Facilities Division. The OPERATOR will be responsible for the collection of a deposit based on the maximum parking rate and the valet surcharge, if applicable, per expected vehicle of the special event. The special event sponsor shall provide guests a pre-approved special event pass to be provided to the cashier upon exit, in order for the guest to exit the garage without paying the parking charge. The cashier will be required to immediately attach the event pass to the parking ticket issued to the guest for reconciliation purposes. The OPERATOR will be required to conduct an accounting and reconciliation of actual parking costs following the event and provide appropriate billing to the event sponsor of monies due or applicable refund. The OPERATOR will be required to submit a copy of the final billing invoice to the CITY's Parking Facilities Division for each hosted special event. The OPERATOR shall share with the CITY any profit made by providing additional parking staff, for which the CITY's share will be considered revenue to the CITY.

The CITY intends to review and revise the current special event hosted procedures. The OPERATOR will be expected to coordinate with the CITY to implement any replacement procedures.

- 15.7 Portions of the Parking Facility will be closed to the public during preparations for the annual Academy Awards ceremonies, and the entire Parking Facility is closed to the public on the day of the Awards. During the period prior to and just subsequent to the Academy Awards (“Academy Period”), the OPERATOR’s staffing levels shall remain consistent with the Approved Staffing Plan (Exhibit A), unless revised by prior mutual agreement between the CITY and the OWNER. If there is any mutually agreed upon revision to daily staffing levels during the Academy Period, CITY will adjust OPERATOR’s monthly compensation to reflect the change in costs for OPERATOR. Parking Facility employees working on the day of the Academy Award Ceremonies may be required to submit personal information for background checks.

The OPERATOR shall cooperate with any temporary relocation of the HOTEL parking area on Level P-1 required by the granting of the exclusive right to use the first level of the Parking Facility in conjunction with the Academy Awards ceremonies.

- 15.8 Stack parking of cars in the Parking Facility will be permitted once the CITY is provided with proof of insurance by the OPERATOR and only to the extent that the Parking Facility continues to be operated in a manner consistent with that of a First-Class Project. No spaces shall be reserved for certain patrons, businesses, or for special events without prior written approval by the CITY, with the exception of up to 300 reserved parking spaces for the HOTEL.
- 15.9 The OPERATOR shall resolve any operational problems and/or patron complaints and accurately report these problems and/or complaints to the CITY within 24 hours and follow up with a written report within ten days of the incident. The OPERATOR shall maintain a written log of all complaints, injuries and accidents, security problems, damage to the Parking Facility and equipment, and other unusual incidents occurring in the Parking Facility. The OPERATOR shall note the dates and times, as well as the action taken or the reason for non-action. The log shall be available for inspection by the CITY’s staff at all reasonable times.

- 15.10 Except for parking by patrons of the HOTEL, no storage of vehicles or long-term parking in excess of 24 hours shall be permitted without the written consent of the CITY's Parking Facilities Division.
- 15.11 The OPERATOR will operate the Parking Facility in a manner that will not endanger or abridge the tax-exempt status of the parking revenue bonds issued to finance the construction of the Parking Facility, and in a manner which entirely conforms to the provisions of Section 141 of the Internal Revenue Code of 1986, and any amendments thereto, which establish the requirements which must be met for the use of tax-exempt bonds. Prior to the commencement of operation of the Parking Facility, the CITY will provide the OPERATOR with a set of Guidelines for the operation and management of the Parking Facility as they relate to the requirements of Section 141 of the Internal Revenue Code of 1986, as amended, to ensure that the manner of operation and management of the Parking Facility will not jeopardize the tax exempt status of the Parking System Revenue Bonds Series 1999-A, which were used to finance the Parking Facility. The CITY will notify the OPERATOR of subsequent amendments to the provisions of Section 141 of the Internal Revenue Code of 1986, which would affect the operation and management of the Parking Facility. The OPERATOR shall be entitled to rely on the Guidelines and amendments provided by the CITY.
- 15.12 An employee break room is provided adjacent to the OWNER's management office at the Hollywood and Highland Center. The OPERATOR will be required to provide the following equipment for the OPERATOR'S employee use: mini refrigerator, microwave oven, table, and four chairs. Costs associated with the purchase of such required equipment shall be at the OPERATOR's sole expense and such equipment will remain the property of OPERATOR.
- The OPERATOR will be required to maintain the employee break room in good condition and repair and shall keep the area free of graffiti and trash. The OPERATOR will be required to procure and maintain evidence of insurance, as referenced in Exhibit G and shall name the OWNER as an additional insured. Given the location of the employee break room, the OPERATOR shall allow extra time for employees to travel to the break room during employee lunch hour and breaks.
- 15.13 A Validation Program is currently in place to provide retail, commercial, and restaurant customers a rate of \$2 for the first four hours of parking with validation from said establishments. Rubber validation stamps have been distributed to businesses on-site and in the immediate Hollywood area to

provide business customers with the \$2 parking rate. Customers parking four hours or less, must present a validated parking ticket upon exiting the parking facility to receive the \$2 rate. Validations are provided to customers making a purchase, although no minimum purchase is required. Without the validation, the regular parking rate of \$1 every 20 minutes with a \$10 daily maximum is charged. The OPERATOR will be required to effectively manage and monitor the current Validation Program and distribution of the parking validation stamps. The OPERATOR will be required to provide the CITY with a monthly accounting of the businesses participating in the Validation Program.

The CITY intends to review and revise the current Validation Program. The OPERATOR will expeditiously coordinate with the CITY to implement any replacement Validation Program.

- 15.14 The Parking Facility has several electrical outlets on Level P-2 for charging of electric vehicles. The OPERATOR shall monitor their use by parking patrons and shall promptly notify the CITY whenever problems or unusual circumstances regarding these outlets occur.

Section 16. Monthly Parking Program

The Parking Facility is to be operated as a public parking facility with the primary focus being the short-term parking needs of the businesses in the vicinity of the Parking Facility. Monthly parking is permitted to the extent that short-term parking is not negatively impacted. Monthly customers are provided proximity key cards to access the garage. The CITY has authorized the sale of 100 "quarterly parking permits" for \$150.00 each (\$50 per month if purchased for three months at a time, in advance, with no refunds). Although the current cap on the sale of monthly parking permits is 1,000, including the 100 Quarterly Permits, this number may be adjusted periodically as the demand for transient parking increases to fill the garage. Monthly parkers are directed to park on Level P-6 of the Parking Facility. The OPERATOR will be required to conduct routine inspections to ensure compliance with the Level P-6 parking requirement and the monthly parking restrictions for parking in the garage. The OPERATOR will be responsible for monitoring and reporting on the use of the key cards to prevent misuse and maintain an accurate database of all key cards issued.

A refundable \$25.00 deposit is required for each proximity key card issued. The OPERATOR will be required to maintain a separate bank account for key card deposits, from which timely refunds of the deposit fee may be made. The OPERATOR must maintain records of all key card account transactions and establish procedures to be approved by the CITY's Parking Facilities Division for deposits and disbursements from

said account. The OPERATOR will be required to submit to the CITY a monthly statement of the key card deposit account. The OPERATOR and the CITY will determine an appropriate monetary cap for this account and procedures will be established for the timely deposit to the CITY of those revenues exceeding the mutually agreed-upon cap.

Section 17. Parking Facility Equipment

Prior to the commencement of operation of the Parking Facility, the OPERATOR shall be required to purchase certain equipment and supplies to operate the Parking Facility in a manner consistent with that of a First-Class Parking Facility. The Parking Facility contains two Parking Management Offices located on Level P-2 adjacent to the elevator and escalator core. The primary office is currently used by the Parking Manager and the secondary office is currently utilized by assistant managers and office staff for various purposes, including posting employee work schedules and counting and safeguarding of parking revenues. The "money room" adjoins the secondary office and houses the CITY's master parking computer and a drop safe for the safekeeping of parking revenues. Unless specifically indicated, costs associated with the purchase of the required equipment shall be at the OPERATOR's sole expense and such equipment will remain the property of the OPERATOR.

- 17.1 The OPERATOR will be required to equip the Parking Management Offices with adequate resources, including but not limited to, office furniture, personal computers, printers, telephones, office safe(s), facsimile machine, photocopy machine, time clock, and any other equipment or materials necessary to effectively administer the offices.
- 17.2 The OPERATOR will be required to install a camera system for security purposes, similar to the existing camera system. The current surveillance system consists of four cameras and three monitors. The cameras are located outside the primary and secondary Parking Management Offices, and inside the secondary Parking Management Office and the adjacent "money room." The monitors are located within the primary office, the secondary office, and the "money room."
- 17.3 The OPERATOR will be responsible for the provision of at least one business telephone for each Parking Management Office, as described in Section 17.1. OPERATOR will be responsible for all telecommunication services at the parking facility, the cost of which shall be considered an operating expense.
- 17.4 The OPERATOR will be required to obtain two-way radios or similar devices to facilitate communications between managers, supervisors, and parking

staff. Costs associated with the two-way radios shall be at the OPERATOR's sole expense and such equipment will remain the property of OPERATOR. The OPERATOR shall provide either a telephone or radio communication device, at the OPERATOR's sole expense, in each parking booth for communication with the parking lot cashiers. All telecommunication equipment shall be operational during business hours.

- 17.5 The OPERATOR must provide a minimum of one golf cart to maximize mobility within this large capacity Parking Facility. The OPERATOR will be required to ensure that the golf cart(s) is properly maintained and operational to ensure a smooth parking operation and to facilitate prompt resolution and handling of emergency situations, customer complaints, garage incidents, and staff monitoring.

Section 18. Revenue Control Equipment

The Parking Facility is currently furnished with Federal APD parking access and revenue control equipment. The master parking computer, located in the secondary Parking Management Office, runs on Federal APD software and is remotely linked to the CITY's Parking Facilities Division for audit purposes. The CITY shall have access to the revenue control equipment on-site at all times. The CITY has entered into a maintenance service contract for weekly preventative maintenance and emergency service of the revenue control equipment. The OPERATOR will be required to oversee the operation of the revenue control equipment on a daily basis and work closely with the contract service vendor and the CITY to ensure that the equipment is fully operational at all times. The OPERATOR will be required to monitor the service and repair of the revenue control equipment, including recording the removal of revenue control equipment parts by the service vendor, and maintaining an accurate spare parts inventory. The OPERATOR's personnel will be expected to be trained in the proper use of the revenue control equipment and related software and the ability to generate comprehensive reports, including but not limited to, revenue reports, validation reports, manual transactions, monthly parking account activity, occupancy counts, and HOTEL usage counts. The CITY intends to replace the current revenue control system in accordance with Section 3.4 of this Operating Agreement; however, the OPERATOR's responsibilities in overseeing, operating, and managing the revenue control equipment will remain consistent with this Section of this Operating Agreement.

Section 19. Quality of Service to the Public and Customer Service

- 19.1 The OPERATOR shall maintain the highest degree and standards of courtesy on the part of its employees. All employees must perform assigned duties in an orderly and professional manner. Employees must always be

respectful of others and not engage in profanity or unsafe or illegal behavior. Employees must be able to communicate effectively in English.

- 19.2 The OPERATOR, in consultation with the CITY, shall implement a comprehensive Customer Service Plan including complaint abatement procedures to provide the highest level of service to Parking Facility patrons to ensure a positive guest experience and repeat patronage to the Hollywood and Highland Center. The Customer Service Plan shall be based upon the OPERATOR's Customer Service Plan, as detailed in the OPERATOR's response to the CITY's RFP.

Section 20. Uniforms and Appearance

The OPERATOR must furnish all employees with uniforms acceptable to the CITY consisting of a jacket, shirt, and full-length pants. Employees must be attired in clean uniforms bearing the OPERATOR's company name, and be well-groomed at all times while on duty. Employees shall wear name tags to clearly identify themselves to the public and to the CITY.

Section 21. Employee Training and Development

The OPERATOR must provide a formal training program for all new hires to develop their knowledge, skills, and abilities for achieving quality work performance. The program should involve classroom and field instruction and encourage employee participation. The training program shall include, but not be limited to, cashier training, reporting procedures, lot maintenance and safety inspections, ticket transactions, professional conduct, customer service and effective communication techniques, dispute handling, emergency procedures, and safety and security measures. The OPERATOR shall provide refresher training courses to existing employees every six months.

Section 22. Staffing Requirements and Job Descriptions

Demand for the Parking Facility is high on Friday and Saturday evenings and during special events, often times operating at peak or overflow demand. During special theater or cinema premiers or showings, large numbers of vehicles arrive and exit simultaneously. It is necessary that the Parking Facility be sufficiently staffed by parking attendants to direct traffic to available parking spaces and to close already-full parking levels. The use of attendants allows traffic to flow smoothly, reduces congestion, and helps to alleviate patrons searching for the last few spaces during peak hours.

Upon the commencement of operation of the Parking Facility, the OPERATOR will be expected to provide staffing for the Parking Facility according to the Approved Staffing

Schedule, Exhibit A. Should a change in parking conditions or requirements of the Parking Facility necessitate a revision to the initial Approved Staffing Schedule, the monthly compensation due OPERATOR will be increased or decreased in accordance with any applicable increases or decreases to the initial base staffing levels.

The OPERATOR shall ensure that all employees undergo a pre-employment background check upon commencement of the operation of the Parking Facility. The CITY reserves the right to conduct employee finger-print checks, should the CITY deem necessary, and the cost of finger print implementation shall be the responsibility of the CITY.

The following are job descriptions of key personnel for the Parking Facility.

- 22.1 Parking Manager - The OPERATOR will employ an on-site Parking Manager to oversee the parking operations of the garage and work cooperatively with the CITY, the OWNER, and other project stakeholders. This manager shall maintain a highly visible presence within the Parking Facility, including weekends and periods with high garage usage, and shall be responsible for overseeing all aspects of the parking operations, including but not limited to, daily revenue collection and deposits, supervising, planning, and scheduling all aspects of employee duties, hiring and dismissing of employees, evaluating employee performance, counseling and disciplining employees, investigating and responding to customer complaints, resolving conflicts, and overseeing the operation of the revenue control equipment. The Parking Manager shall oversee the removal of cash from the attendant booths and ensure that the garage is sufficiently staffed at all times. The Parking Manager will be expected to recommend operational enhancements to CITY staff and to provide revenue forecasts for any proposed parking rate adjustments.

The Parking Manager shall perform a written evaluation of parking employee's performance at least once during a twelve month period and other required supervisory duties. Said evaluation shall be available for inspection by CITY upon request.

The Parking Manager shall have extensive experience in managing special event parking and will be responsible for overseeing the operation of the Parking Facility during special events to ensure a smooth parking operation. The Parking Manager shall coordinate parking activities in connection with special events hosted within the Hollywood and Highland Center and adjacent facilities, including high-profile events such as the Academy Awards ceremonies. In addition to regular meetings with CITY staff, the Parking Manager will be required to meet at least weekly with the OWNER and other

stakeholders to discuss logistical planning activities within the Hollywood and Highland Center which will effect garage operations.

The Parking Manager will be responsible for conducting routine inspections of the Parking Facility on a daily basis. The daily lot inspections should be documented in the form of a checklist or log and must be available to CITY staff upon request. These inspections shall include, but not be limited to, Parking Facility maintenance, cleanliness, safety hazards, public safety, proper functioning of revenue control equipment, attendant performance, and cash and accounting audits. It is expected that the Parking Manager will ensure that all problems within the Parking Facility are promptly addressed and corrected

Should the OPERATOR find it necessary or desirable to replace the Parking Manager following the commencement of the Operating Agreement, the CITY's Parking Facilities Division staff shall participate in and have the right to approve or reject the selection of a replacement Parking Manager.

- 22.2 Assistant Parking Manager - The Assistant Parking Manager shall be responsible for supporting the Parking Manager in all aspects of the Parking Facility operations, including but not limited to, overseeing the administration of the parking office, developing procedures, processing paperwork, planning work schedules, reviewing and approving documents, monitoring employee performance and counseling employees, coordinating employee work activities, counting money, investigating revenue discrepancies, auditing employee and customer use of monthly key cards, ensuring that revenues collected are accurately recorded and properly secured, coordinating bank deposits, reviewing and preparing parking revenue reports, conducting parking facility inspections, responding to customer concerns and complaints, and ensuring that the Parking Facility is sufficiently staffed at all times.
- 22.3 Office Clerk - The Office Clerk will provide general office clerical support. The job responsibilities will include, but not be limited to, answering telephones, data entry, assisting employees and customers, collecting payments for monthly and quarterly parking permits, monitoring use of proximity key cards, calculating parking revenues, counting money, reconciling receipts, securing money in office safe, making photocopies, maintaining office files, ordering supplies, monitoring inventories of materials and supplies, processing invoices, distributing mail, delivering materials and supplies, and assisting managers and co-workers with miscellaneous tasks.

- 22.4 Cashier/Public Valet Attendant/Attendant Supervisor - This position will manage the tasks performed by Parking Facility personnel. The job responsibilities will include, but not be limited to, supervising and training the public valet drivers and public valet cashiers, parking attendants and cashiers, communicating instructions, overseeing the safekeeping of valet-parked vehicles, assigning employees to specific work areas, monitoring employee work performance, monitoring Parking Facility activities and interacting with the parking public, responding to customer complaints, keeping a daily log of incidents and activities, verifying that all equipment is functioning properly, ensuring that exit booths are staffed as scheduled and providing cashier relief, assisting employees with difficult parking transactions, resolving fee discrepancies according to City guidelines, transferring money between exit booths, and assisting customers with lost vehicle searches.
- 22.5 Parking Lot Cashier - The Parking Lot Cashier shall perform cashiering functions. The job responsibilities shall include, but not be limited to, accurately processing monetary transactions at exit booths and the Pre-paid Cashier Station, collecting parking fees from patrons, preparing end-of-shift cashier reports, possessing competent knowledge of Parking Facility procedures, guidelines and parking rates, greeting and assisting parking patrons, responding courteously and appropriately to patron complaints and notifying supervisors of unresolved customer complaints, generating daily end-of-shift updates and reports on credit card activity, and uploading daily cashier transactions to master parking computer at end of shift.
- 22.6 Public Valet Attendant - The Public Valet Attendant will be responsible for the proper and safe maneuvering of valet-parked vehicles within the public valet area. The responsibilities shall include, but not be limited to, knowledge of Parking Facility procedures, guidelines and parking rates, greeting and assisting parking patrons, and directing motorists. Public Valet Attendants must be able to drive a manual transmission, have a valid California Driver's License and excellent driving record with no moving violations or traffic accidents listed on the attendant's California Driver's License.
- 22.7 Parking Lot Attendant - The Parking Lot Attendant will actively coordinate vehicle movement inside the Parking Facility and act as a traffic guide to parking customers or conduct general maintenance activities within the parking facility. The responsibilities shall include, but not be limited to, knowledge of parking facility procedures, guidelines and parking rates, greeting and assisting parking patrons, directing motorists, locating available

parking spaces, placing and removing directional sign stands and traffic cones and barricades weighing up to 25 pounds, discarding debris that obstructs traffic flow, and daily cleaning and maintenance activities of the parking facility.

- 22.8 Parking Maintenance Attendant** - The Parking Maintenance Attendant will clean and maintain the parking facility and parking offices on a daily basis. The responsibilities shall include, but not be limited to, daily sweeping of all garage parking levels, including the entrance and exit ramps, picking up trash and debris, sweeping and mopping the garage stairwells, cleaning and maintaining the area immediately surrounding the central garage elevator and escalator core, the parking offices and parking booths, emptying waste baskets, cleaning and emptying ashtrays, touch-up painting, directing traffic and placing and removing directional sign stands and rubber traffic cones weighing up to 25 pounds. This position may involve interaction with the public in directing the public and answering questions.

Section 23. Maintenance Services

- 23.1** The OPERATOR shall maintain the Parking Facility in good order, condition and repair, consistent with that of a First-Class Project and the Approved Parking Plan (Exhibit A). Should the Parking Facility not be properly maintained according to the standards acceptable to the CITY and that of a First-Class Project, the CITY reserves the right, after reasonable notice and opportunity to cure, to clean the Parking Facility and/or perform repairs or necessary maintenance activities. The CITY will deduct the cost of these services from the monthly compensation due OPERATOR.
- 23.2 General Cleaning and Trash Removal** - The OPERATOR shall remove all papers, debris, refuse and surface waters and thoroughly sweep paved areas on a daily basis. The stairwells shall be swept and cleaned on a daily basis. No garbage or trash shall be permitted to accumulate, except in covered containers of a type approved by the CITY. The OPERATOR shall provide for regular trash collection services so as to maintain a clean and safe condition within the garage. Trash receptacles shall be cleaned, as needed. The OPERATOR shall remove all oil and grease deposits from the parking surface on an as-needed basis.
- 23.3 Power Sweeping** - The Parking Facility shall be power swept four times a week during non-peak hours. The OPERATOR shall secure a contract with a qualified company for power sweeping and provide a copy of the executed contract to the CITY.

- 23.4 Steam Cleaning - The Parking Facility shall be steam cleaned twice a year by a qualified vendor, upon prior approval of the CITY. The OPERATOR shall work cooperatively with the HOTEL to steam clean the 300 parking spaces reserved for the HOTEL.
- 23.5 Parking Booths - The Parking Facility is equipped with four CITY-owned handicapped accessible attendant booths in compliance with the Americans With Disabilities Act (ADA). The OPERATOR shall be responsible for the daily cleaning and maintenance of the parking booths. Maintenance shall include, but is not limited to, sweeping, trash removal, and cleaning the windows, doors, walls and work surfaces of each booth.
- 23.6 Parking Management Offices - The OPERATOR shall vacuum the floors, empty trash receptacles and perform other cleaning on a daily basis. The Parking Management Offices must be kept clean and presentable to the public at all times.
- 23.7 Entrances - The OPERATOR shall maintain, repair, and replace parking area entrance, exit and directional signs, markers and lights required for safety and consistent with that of a First-Class Project. OPERATOR shall periodically paint the curbs within the Parking Facility to maintain a clean appearance.
- 23.8 Lighting - The OPERATOR shall clean lighting fixtures and re-lamp and re-ballast them as needed. The Parking Facility shall be kept lighted for security purposes seven days each week and uniformly distributed throughout the Parking Facility. Light bulbs shall be replaced no later than 24-hours from the time of failure.
- 23.9 Signage - The OPERATOR shall clean, maintain, re-lamp and repair all existing signs in the parking facility, including parking rate signs, directional and other signage related to parking functions. The OPERATOR is not responsible for the directional signage pertaining to the elevator and escalator core, pedestrian only landing areas and elevator lobbies. The OPERATOR may be required by the CITY to provide additional signage in the garage from time to time, at the CITY's expense, subject to the approval of the CITY before installation.
- 23.10 Graffiti Removal - The OPERATOR will be required by the CITY to remove graffiti from the Parking Facility and paint and touch up garage surfaces and fixtures, as necessary. The CITY will require that the OPERATOR utilize the most recent technology to adequately remove graffiti and paint over

damaged areas to ensure that the work is commensurate with that of a First-Class Project.

- 23.11 Fire Alarm System - The OPERATOR shall maintain and oversee the operation of the fire alarm system within the garage. The OPERATOR shall secure a contract with a qualified company for the fire alarm monitoring of the Parking Facility and provide a copy of the executed contract to the CITY.
- 23.12 Exhaust Maintenance - The OPERATOR shall maintain and oversee the operation of the exhaust system within the Parking Facility. The OPERATOR shall secure a contract with a qualified company for the maintenance of the exhaust system including regular replacement of filters and provide a copy of the executed contract to the CITY.
- 23.13 Insect and Pest Control - The OPERATOR shall maintain and oversee the control of insects and pests within the Parking Facility. The OPERATOR shall secure a contract with a qualified company for the control of insects and pests and provide a copy of the executed contract to the CITY, subsequent to approval of vendor by the CITY.
- 23.14 Landscaping - Currently, there is no landscaping within the Parking Facility. Should the CITY landscape the Parking Facility in the future, the OPERATOR may be required to secure a contract with a qualified landscaping company to maintain, repair and replace landscaping, as necessary to keep the same in a thriving condition commensurate with that of a First-Class Project. Any such landscaping costs, if applicable, will be considered a reimbursable expense.
- 23.15 Notwithstanding anything to the contrary in this Section or otherwise in this Agreement, the OPERATOR shall not be responsible to make any repairs to the physical structure of the Parking Facility except to the extent damage to the physical structure is caused by the negligence of the OPERATOR.

Section 24. Other Services

The CITY reserves the right to request the OPERATOR to perform other services in special circumstances, the initial cost of which shall be assumed by OPERATOR. The cost for these services will be reimbursed to the OPERATOR for the month incurred upon presentation of substantiating invoices, provided the OPERATOR obtained prior written approval from the CITY to perform these services at an agreed-upon price. Such services may include, but are not limited to, the purchase of equipment and supplies, the installation of materials and equipment, and the performance of special maintenance activities in connection to the operation of the Parking Facility.

Section 25. Services Not Included

- 25.1 Pursuant to REA Section 6.05, regular pedestrian ingress and egress to the Parking Facility will be through the elevator and escalator core with landings on each floor of the Parking Facility and retail areas. Maintenance and repair of the escalators, elevators, light fixtures and artwork within the elevator lobbies and escalator landing areas will be provided by the OWNER and are not within the OPERATOR's scope of services.
- 25.2 Pursuant to REA Section 6.01 (c), the parties acknowledge that the OWNER will provide the Parking Facility with regular on-site security personnel, security equipment, including cameras and other security measures as are required to keep the Parking Facility operating in a safe and secure manner. The OPERATOR is not responsible for providing regular security services; however, the OPERATOR shall promptly notify the CITY and the OWNER whenever problems or unusual circumstances occur regarding the security patrol, security equipment or security issues within the Parking Facility.

Section 26. OPERATOR's Books and Records/Audits and Inspections

Between the effective date of this Operating Agreement and commencement of operations of the Parking Facility, the CITY shall meet with OPERATOR to review record keeping methodologies in place and recommend changes, as necessary to ensure adequate reporting and record keeping to CITY.

- 26.1 At any time during normal business hours and as often as the CITY may deem necessary, the OPERATOR shall make available to the CITY for examination, all books, ledgers, journals and accounting records which reflect receipts derived from the operation of the garage as well as accounting records pertaining to expenditures relative to the operation and maintenance of the parking facility. The CITY shall have the authority to audit, examine and make excerpts or transcripts from records, including but not limited to, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other documents or statistical data relating to the operation of the Parking Facility.
- 26.2 The aforementioned records, and all source documents, including, but not limited to tickets/ticket stubs, receipt for monthly parking, logs, validation receipts, daily bank deposit slips, invoices of services and other related records, should be retained by the OPERATOR for a period of not less than five (5) years or until the examination of the source documents are completed and the audit reports are finalized.

- 26.3 In the event that the OPERATOR fails to provide the CITY with the requested documents, including but not limited to books, ledgers, journals, accounting records or source documents during the examination and audit, the OPERATOR shall be fined a penalty of \$10,000 and the CITY shall have the right to terminate the Operating Agreement.
- 26.4 In the event that the CITY discovers any unreported revenues during the examination and audit, OPERATOR will pay the CITY all of the unreported amount and a penalty of five hundred dollars (\$500) for every incident, and one percent (1%) accrued interest per month. An additional one percent (1%) interest may apply until the requested unreported revenue(s) is(are) fully paid. The Operating Agreement may also be terminated as a result of the discovered unreported revenue(s).
- 26.5 The CITY reserves the right to dispatch auditors of its choosing to the Parking Facility. The OPERATOR shall provide an adequate private working area for the CITY's auditor. Such area shall include: a desk, chair, calculator and telephone. The auditor shall have ready access to a photocopy and facsimile machine. The CITY auditor(s) shall be allowed to interview any employees of the OPERATOR.
- 26.6 The OPERATOR shall agree that examination of the OPERATOR's books and records are made in accordance with generally accepted auditing standards applicable in the circumstances and that as such, said examination does not require a detailed audit of all transactions. Testing and sampling methods may be used in verifying reports submitted by the OPERATOR. Deficiencies ascertained by the use of such testing and sampling methods, by applying the percentages of error obtained from such testing and sampling to the entire period under examination, will be binding on the OPERATOR and shall be admissible in court to prove any amounts due the CITY from OPERATOR. This shall not prevent the OPERATOR from producing all actual records and figures in court to rebut the sampling method. The CITY shall then conduct an audit of all the records for the audit period. In the event the deficiency ascertained is 5% or more of the amount reported to the CITY, the OPERATOR will agree to pay the CITY for the entire cost of the audit.
- 26.7 The CITY retains the right to waive or reduce such penalties as assessed under this section in its reasonable discretion.

Section 27. Semi-Annual Review of Parking Operations

The CITY's Parking Facility Division reserves the right to conduct a written review of the OPERATOR's management and operation of the Parking Facility, on a semi-annual basis. A copy of the review will be provided to the OPERATOR to provide suggested methods to improve OPERATOR performance, if appropriate.

Section 28. Monthly Compensation Deductions

Upon review of the parking facility operations and required reports, the CITY reserves the right to deduct fees from the OPERATOR's monthly compensation under any of the conditions listed below. These monthly compensation fee deductions do not preclude, minimize or replace the OPERATOR's responsibility for ensuring that appropriate corrective actions are taken when necessary.

For the purposes of monthly compensation fee deductions, "Office Employee" is defined as any individual performing duties as a Manager, Assistant Manager, and Office Clerk. "Field Employee" is defined as any individual performing duties as a Cashier/Public Valet Attendant/Attendant Supervisor, or Cashier and Parking Lot Attendant. "Paperwork" is defined as any documents used by OPERATOR at the direction of the CITY to record daily business activities, including but not limited to, payroll records, incident reports, monthly revenue reports, fee collections, parking validations, over-rings and under-rings, and bank deposits.

- A. \$25 will be deducted for each individual page of paperwork that the OPERATOR processes and fails to submit to the CITY at the direction of the CITY.
- B. \$25 will be deducted for each individual page of paperwork that the OPERATOR submits to the CITY that is not properly completed, missing required information or contains inaccuracies.
- C. \$50 will be deducted for each instance that an Office Employee or Field Employee is absent from an assigned work area for reasons of abandonment or personal, non-emergency interest. Such penalty will not preclude the OPERATOR from initiating the employee disciplinary process.
- D. \$50 will be deducted for each instance that an Office Employee or Field Employee rudely interacts with a customer while performing his/her duties.

- E. \$200 will be deducted each time the OPERATOR fails to submit the required Monthly Summary of Lot Operations Report by the end of the business day on the due date.
- F. \$200 will be deducted for each instance that a Field Employee fails to adequately anticipate the need for open lanes by not scheduling off-peak period employee breaks, thereby resulting in exiting delays for the public.
- G. \$200 will be deducted for each instance that a Field Employee engages in activity that detracts from a professional and alert stance while on duty (including, but not limited to drinking alcohol, sleeping, eating meals, maintaining lengthy personal conversations, or holding non-emergency telephone calls.) Drinking water, cold drinks and hot beverages is acceptable, but should not be consumed while assisting the traveling public. Such penalty will not preclude the OPERATOR from initiating the employee disciplinary process.
- H. \$250 shall be deducted for each instance that an Office Employee fails to properly maintain the parking ticket inventory and required procedures and controls, including but not limited to, completion of the parking ticket inventory log book.
- I. \$250 shall be deducted for each instance that a Field Employee fails to obtain approval when processing a parking ticket manually.
- J. \$250 shall be deducted for each instance that an Office Employee fails to conduct the weekly unannounced audit of the parking ticket inventory and submit the required written report.
- K. \$250 shall be deducted for each instance that an Office Employee fails to notify the CITY should the camera surveillance equipment be in need of repair and to arrange for the prompt restoration of the equipment to a good condition of repair, or for temporary replacement of the equipment.
- L. \$250 shall be deducted for each instance that a Field Employee fails to audit and approve the Cashier end-of-shift report.
- M. \$250 shall be deducted for each instance that an Office Employee fails to reconcile the daily revenue deposits with the daily revenue summary report.

- N. \$500 shall be deducted for each instance that an Office Employee fails to conduct a monthly surprise cash audit of each Parking Lot Cashier, and submit the required written report.
- O. \$500 shall be deducted for each instance that the OPERATOR fails to retain the services of an independent firm to conduct an undercover audit of the parking operations once every two months, and submit the required written report.
- P. \$500 will be deducted for each instance that an Office Employee or Field Employee commits vandalism or deliberate disabling or defacing of property and equipment (including revenue control equipment) belonging to the CITY. In addition, the OPERATOR will be required to return said damaged property to its original condition or better. Such penalty will not preclude the OPERATOR from initiating the employee disciplinary process or either entity reporting said employee to the appropriate authorities.
- Q. \$500 will be deducted for each instance that an Office Employee or Field Employee commits theft of CITY revenues or CITY property. Such penalty will not preclude the OPERATOR from initiating the employee disciplinary process or either entity reporting said employee to the appropriate authorities.
- R. \$500 will be deducted for each instance that an Office Employee or Field Employee commits theft of property belonging to the parking public, contractors, visitors, or retail tenant employees. Such penalty will not preclude the OPERATOR from initiating the employee disciplinary process or either entity reporting said employee to the appropriate authorities.
- S. \$500 will be deducted for each instance that improvements, structures, facilities, or additions are made in, to, or upon the Parking Facility by the OPERATOR without receiving prior written authorization from the CITY. In addition, the OPERATOR will be required to return said property to its original condition or better.
- T. \$1,000 shall be deducted for each instance that the OPERATOR fails to utilize independent internal auditors to conduct an audit of the parking operations every three months, and submit the required written report.

The CITY retains the right to waive or reduce such penalties as assessed under this Section in its reasonable discretion.

Section 29. Conditions Governing Improvements and Alterations by OPERATOR

- 29.1 No improvements, structures, facilities, alterations or additions shall be made in, to, or upon Parking Facility by the OPERATOR without the prior written consent of the General Manager of the Department of Transportation or his/her designee.
- 29.2 Expenses incurred in connection with the repairs or alterations of the Parking Facility as directed or mandated by the CITY, shall be the responsibility of the CITY, unless they are caused by the fault or gross negligence of OPERATOR or its employees, in which case, OPERATOR is solely liable.

Section 30. Restriction on Use

- 30.1 The OPERATOR, in its operation of the Parking Facility, shall be subject to all reasonable orders, directions or conditions issued by the CITY. Other uses, including but not limited to storage of vehicles, film permit related usage, public and private events, and retail or wholesale commercial activities, are permissible only with a written request to, and advance approval by, the CITY.
- 30.2 For approved non-parking events or activities, the permittee shall be required to provide the CITY special events insurance coverage, unless OPERATOR's General Liability Insurance Policy includes contractual coverage.

Section 31. Use of Parking Facility By CITY

- 31.1 The Parking Facility is intended for motor vehicle parking on a transient and monthly basis.
- 31.2 The CITY reserves the right to use Parking Facility to erect signs and structures for the purpose of advertising, together with the installation and maintenance of any wiring or equipment necessary to utilize Parking Facility for advertising purposes.
- 31.3 The CITY further reserves the right to install public pay telephones, security gates, alarm systems, additional lighting and any other security equipment

and personnel or improvements it deems necessary in the Parking Facility. Such installations or improvements shall be, wherever practical, made in such a manner as not to interfere with Parking Facility operations.

Section 32. Taxes and Licenses

- 32.1 The Office of the Los Angeles County Assessor may deem that the OPERATOR holds a possessory interest in the Parking Facility through the award of this Operating Agreement. Should payment be mandated by the County Assessor, the OPERATOR shall be responsible for the payment of such possessory interest tax based upon the OPERATOR's interest in the parking Facility. Payment of possessory interest tax, if any, shall be at the sole expense of the OPERATOR and will not be considered a reimbursable operating expense.
- 32.2 The OPERATOR shall be responsible for and pay all other taxes which may be levied or charged upon the rights of OPERATOR to perform the service of operating Parking Facility in the City of Los Angeles, and upon OPERATOR's improvements, equipment, fixtures, facilities or other property thereon.
- 32.3 The OPERATOR, at its sole expense, shall obtain all licenses and permits which may be required for the conduct of its business within the terms of this Operating Agreement, or for the making of repairs, alterations, improvements or additions as directed by CITY.

Section 33. Insurance and Bonds

- 33.1 The OPERATOR, at its sole expense, shall obtain and maintain for the term of this Operating Agreement, insurance and bond coverages at levels meeting or exceeding those indicated in Insurance Requirements, Exhibit G. The CITY of Los Angeles shall be included as "Additionally Insured" under the types of coverage and in the amounts specified in Exhibit G.
- 33.2 Prior to the commencement of this Operating Agreement, the OPERATOR shall submit evidence of such insurance and bonds, in accordance with the requirements detailed in Exhibit G, to the CITY at the following address:
- City of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, CA 90012
Attention: Nancy Bower, Parking Facilities Division

Section 34. Amendment

The parties may, by mutual consent, amend this Operating Agreement by a contract amendment, which must be approved by the Mayor and/or City Council.

Section 35. Termination By CITY

The CITY shall, at its sole discretion, have the right to terminate and cancel this Operating Agreement in its entirety and all rights granted thereunder upon 30 days written notice to the OPERATOR. Upon receipt of said 30-day notice, OPERATOR shall provide CITY with a listing of all current monthly permit holders, if any, and outstanding merchant validations for the Parking Facility and the names and telephone numbers of the personnel employed at the Parking Facility, including supervisory personnel.

Section 36. CITY's Right of Re-Entry

The CITY shall, as an additional remedy, upon giving written notice of termination as provided in Section 35 hereof, have the right of re-entry to Parking Facility and every part thereof on or at any time after the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or other legal proceedings or otherwise. Such re-entry or regaining, or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of OPERATOR under this Operating Agreement.

Section 37. Remedies of CITY

If the OPERATOR violates any conditions of this Operating Agreement or fails to perform, CITY shall give written notice to the OPERATOR to correct or cure such failure to perform or violation. If within ten days from date of receipt by OPERATOR of such notice, the failure or violation has not been corrected in a manner satisfactory to CITY, the CITY shall have the right to give the OPERATOR a 30-day Notice of Termination of this Operating Agreement. The CITY also retains the right to terminate this Operating Agreement, at its sole discretion, pursuant to the provisions of Section 35, herein above.

Section 38. Surrender of Possession

The OPERATOR covenants and agrees to return peaceably, promptly, and in good condition and repair to CITY, possession of Parking Facility and all property thereon belonging to the CITY on the date of the termination of this Operating Agreement, whether such termination be by cancellation, expiration or otherwise. The OPERATOR shall, in case of such termination, have the right to remove its equipment, supplies, furnishings, inventories, removable fixtures and other personal property from Parking Facility. If OPERATOR fails

to remove said personal property on or before the termination of this Operating Agreement, CITY may remove such property to a public warehouse or retain the same in its possession and sell same at public auction, the proceeds of which shall be applied first to the expense of removal, storage and sale, and second, any sums owed by OPERATOR to CITY, with any balance remaining to be paid to OPERATOR. If the expense of such removal, storage and sale shall exceed the proceeds of sale, then OPERATOR shall pay such excess to CITY upon demand.

Section 39. Assignments Prohibited

- 39.1 The OPERATOR shall not assign, mortgage, encumber, pledge or otherwise transfer any interest in this Operating Agreement without the express written consent of CITY. Absent said written consent, any attempted assignment, mortgage, encumbrance, pledge or other purported transfer shall be null and void and shall confer no right, title or interest in or to this Operating Agreement.
- 39.2 The OPERATOR shall not enter into any subcontract with any entity for the performance or operation of any activity mandated or allowed by this Operating Agreement, without the written permission of CITY, which permission will not be unreasonably withheld or delayed. Copies of all such contracts shall be supplied to CITY's Parking Facilities Division.
- 39.3 The terms, conditions, obligations and responsibilities of the OPERATOR as set forth in this Operating Agreement shall be binding upon any and all Successors in Interest of the OPERATOR.

Section 40. Incorporation of Standard Provisions - Order of Document Precedence

- 40.1 Hereby incorporated by reference into this Operating Agreement and made a part thereof are the provisions of the Standard Provisions for City Personal Services Contracts which is attached hereto as Exhibit H. The OPERATOR shall comply with all City of Los Angeles requirements outlined in the RFP, including the Standard Provisions for City Contracts (Revised 10/03), as amended. The OPERATOR shall complete all required forms attached hereto in the Standard Provisions for City Personal Services Contracts.
- 40.2 In the event of any inconsistency between this Operating Agreement and the Standard Provisions for City Personal Services Contracts, the inconsistency shall be resolved by giving precedence to paragraphs of this Operating Agreement.

- 40.3 All persons who do business with or within the City of Los Angeles are required to obtain a Business Tax Registration Certificate (BTRC) from the City Clerk's Office and pay business taxes. OPERATOR must submit a copy of its City of Los Angeles BTRC and have the Certificate on file with the City Office of Finance, City Hall, Room 201, 200 North Spring Street, Los Angeles, CA 90012.
- 40.4 The OPERATOR must have on file with the Office of the City Clerk, City Hall, Room 360, 200 North Spring Street, Los Angeles, CA 90012, a bond or bonds indemnifying parking patrons, on each lot it operates, against loss by reason of theft, or other unlawful taking or damages to such vehicles accepted for parking or storage for which the selected OPERATOR is liable. Said bond(s) must be in the form and amount specified in Section 103.202 of the Los Angeles Municipal Code. The amount of bond(s) shall range between \$10,000.00 and \$50,000.00, depending on the total number of parking lots operated by the OPERATOR within the City of Los Angeles. Forms of evidence of said bond(s) are available at the Office of the City Attorney, Insurance and Bonds Section, Room 1225 City Hall, 12th Floor, 200 North Spring Street, Los Angeles, CA 90012.
- 40.5 The OPERATOR shall have on file with the Los Angeles Police Commission, 150 N. Los Angeles Street, Los Angeles, CA 90012, a written permit for each parking facility it operates or manages as stated in Section 103.202 of the Los Angeles Municipal Code.
- 40.6 During the term of this Operating Agreement and without limiting the OPERATOR's indemnification of CITY, OPERATOR shall provide and maintain the insurance requirements indicated in Exhibit H, Standard Provisions for City Personal Services Contracts. The City of Los Angeles shall be included as "Additionally Insured" under the types of coverage and in the amounts specified in the Insurance Requirements. The OPERATOR will be required to submit evidence of such insurance and bonds prior to the execution of the Operating Agreement and in forms prescribed by the CITY. The OPERATOR shall furnish certificates of renewal at least ten days prior to the expiration of the policy.

Section 41. Indemnification

Except for the active negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, OPERATOR undertakes and agrees to defend, indemnify and hold harmless CITY and any and all of CITY's Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and

against all suits and causes of action, claims, losses, demands and expenses, including but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including OPERATOR's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors or omissions, or willful misconduct incident to the performance of this Operating Agreement on the part of the OPERATOR or any subcontractor of the OPERATOR.

Section 42. Living Wage and Service Contractor Worker Retention Ordinances

Unless otherwise exempt in accordance with the provisions of these Ordinances, this Operating Agreement is subject to the applicable provisions of the Living Wage Ordinance (LWO) Section 10.37 et seq., of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the CITY shall have the authority, under appropriate circumstances, to terminate this Operating Agreement and otherwise pursue legal remedies that may be available if CITY determines that OPERATOR has violated provisions of either the LWO or the SCWRO.

The OPERATOR shall refer to the Standard Provisions for City Personal Services Contracts, which is attached hereto as Exhibit H, for further information regarding the requirements of these Ordinances.

Section 43. Contractor Responsibility Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Operating Agreement is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of the Los Angeles Administrative Code, which requires the OPERATOR to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect OPERATOR's fitness and ability to continue performing the Operating Agreement. In accordance with the provisions of this Ordinance, by signing this Operating Agreement, OPERATOR pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Operating Agreement, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. The OPERATOR shall refer to the Standard Provisions for City Personal Services Contracts, which is attached hereto as Exhibit H, for further information regarding the requirements of this Ordinance.

Section 44. Minority, Women, and Other Business Enterprise Outreach Program

It is the policy of the City of Los Angeles to provide Minority-Owned Business Enterprises (MBE's) and Women-Owned Business Enterprises (WBE's) and all other business enterprises an equal opportunity to participate in the performance of all City contracts. The OPERATOR shall assist the CITY in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBE's and WBE's, have an equal opportunity to compete for and participate in City contracts. The OPERATOR's commitment is 4% MBE and 18% WBE subcontractor participation for this contract. The OPERATOR shall not change any designated subcontractors/subconsultants, nor shall OPERATOR reduce their level of effort, without prior written approval of CITY, provided that such approval shall not unreasonably be withheld. The OPERATOR shall refer to the Standard Provisions for City Personal Services Contracts, which is attached hereto as Exhibit H, for further information regarding the requirements of this Program.

Section 45. Equal Benefits Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Operating Agreement is subject to the applicable provisions of the Equal Benefits Ordinance (EBO) Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

During the performance of the Operating Agreement, OPERATOR certifies and represents that the OPERATOR will comply with the EBO. The OPERATOR agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

'During the performance of an Operating Agreement with the CITY of Los Angeles, the OPERATOR will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the CITY of Los Angeles' Equal Benefits Ordinance may be obtained from the Office of the CITY Administrative Officer, Contractor Enforcement Section at (213) 978-7650.'

The OPERATOR shall refer to the Standard Provisions for City Personal Services Contracts, which is attached hereto as Exhibit H, for further information regarding the requirements of this Ordinance.

Section 46. Slavery Disclosure Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Operating Agreement is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. OPERATOR

certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Operating Agreement. The OPERATOR shall refer to the Standard Provisions for City Personal Services Contracts, which is attached hereto as Exhibit H, for further information regarding the requirements of this Ordinance.

Section 47. Contractor Evaluation Ordinance

At the end of this Operating Agreement, the CITY will conduct an evaluation of the OPERATOR's performance. The CITY may also conduct evaluations of OPERATOR's performance during the term of the Operating Agreement. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the OPERATOR assigns to the Operating Agreement. An OPERATOR who receives a 'Marginal' or 'Unsatisfactory' rating will be provided with a copy of the final CITY evaluation and allowed 14 calendar days to respond. The CITY will use the final CITY evaluation, and any response from the OPERATOR, to evaluate proposals and to conduct reference checks when awarding other personal services contracts.

Section 48. Miscellaneous

- 48.1 This Operating Agreement shall be construed and enforced according to the laws of the State of California.
- 48.2 Any action brought to enforce or nullify this contract or the provisions hereof must be brought in Los Angeles County, State of California and in no other forum.
- 48.3 No waiver by either party of any breach of any provision of this Operating Agreement shall be deemed for any purpose to be a waiver of any breach of any other provision hereof or of a continuing or subsequent breach of the same provision.
- 48.4 The City's liability under this Operating Agreement shall only be to the extent of the present City appropriation to fund the Operating Agreement. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the Operating Agreement.
- 48.5 All notices required hereunder shall be in writing and shall be personally delivered or mailed by first class mail, postage prepaid, and addressed to

the CITY or the OPERATOR with their respective addresses as herein provided, except for the copies of OPERATOR's monthly reports specified in Section 13 of this Operating Agreement.

CITY: Martin S. Bland, Parking Facilities Division
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, CA 90012

Copy to: Nancy Bower, Parking Facilities Division
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, CA 90012

OPERATOR: Jerry Skillett, Vice President
New South Parking - California
626 Wilshire Blvd., Suite 1050
Los Angeles, CA 90017

Emanuel Eads, President
Central Parking System, Inc.
2401 Twenty First Avenue South, Suite 200
Nashville, TN 37212

Ronald Burns, President
Global Parking Systems, LLC
6600 Plaza Drive, Suite 307
New Orleans, LA 70127

Section 49. Severability

In the event any provision of this Operating Agreement is found to be unenforceable, the remainder of Operating Agreement shall not be affected, and any provision found to be invalid shall be enforced to the extent permitted by law. The parties agree that, in the event two different interpretations may be given to any provision hereunder, one of which will render the provision enforceable, the interpretation rendering the provision enforceable shall be adopted.

{SIGNATURES ON NEXT PAGE}

IN WITNESS WHEREOF, CITY has caused this Operating Agreement to be executed by their duly authorized representatives.

For: THE CITY OF LOS ANGELES
Department of Transportation

For: New South Parking -
California

Central Parking System, Inc.

By: _____
Gloria J. Jeff, General Manager

By: _____

Date: _____

Date: _____

Approved as to Form and Legality:
Rockard J. Delgadillo, City Attorney

By: _____

Date: _____

By: _____
Shelley I. Smith
Assistant City Attorney

Global Parking Systems, LLC

By: _____

Date: _____

Attest:
Frank T. Martinez

Date: _____

By: _____
Deputy City Clerk

Date: _____

Said Agreement is Number _____
of City Contracts

EXHIBIT A

APPROVED PARKING PLAN

AND

APPROVED STAFFING SCHEDULE



TrizecHahn is constructing a mixed-use development in Hollywood. The complex will include theaters (live and movie), restaurants, nightclubs, shops, a hotel with function space, and some office space. The site is bounded by the northern edge of the existing Holiday Inn property on the north, Hollywood Boulevard on the south and North Orange Drive on the west and Highland Avenue on the east. Walker Parking Consultants was hired to provide TrizecHahn with a parking functional design review, a parking management plan and a parking access and revenue control equipment plan. This initial report concerns the parking management plan; it will cover issues having to do with facility management and finances.

The first section of this report provides a detailed operations plan for the garage, including access, staffing and type of revenue control. The second part of this report provides detailed estimates of the costs associated with operating the garage, and the potential revenues to be earned from it. The full range of the study is detailed in the Scope of Services below.

Project Assumptions: In order to project revenue, it is necessary to have estimates of the parking demand that will be placed on the garage. Kaku Associates generated parking demand estimates for the Community Redevelopment Agency, and we have based our projections on their analysis of traffic and parking patterns. This includes adjustments made to demand to account for alternate transportation modes and walk-in patronage from other sites (including other parking facilities) in the area. Their Parking Accumulation Summary is provided in Appendix A.

Since the project summary for the development has changed since Kaku Associates issued their report, we have adjusted their demand projections to account for recent changes in land use sizes. The most recent project summary, based on TrizecHahn's March 23, 1999 Leasing Assumptions, is shown in Table 1. Please note that the studio venue has been split between retail and office, as it will combine elements of both.

Garage capacity, based on February 8, 1999 plans provided by Altoon and Porter Architects, is outlined in Table 2.

INTRODUCTION

Background and Project Description



Table 1: Project Summary

| | | |
|-----------------|---------|---------------|
| Cinemas | 3,200 | seats |
| Live Theater | 3,000 | seats |
| Retail | 186,780 | sq. ft. (gla) |
| Restaurants | 52,417 | sq. ft. (gla) |
| Nightclubs | 60,526 | sq. ft. (gla) |
| Office | 87,052 | sq. ft. (gla) |
| Hotel Rooms | 645 | rooms |
| Hotel Ballroom | 32,113 | sq. ft. (gla) |
| Hotel Mtg Rooms | 22,198 | sq. ft. (gla) |

Table 2: Garage Plan

| LEVEL | DISABLED | COMPACT | STANDARD | TOTAL |
|--------------|-----------|--------------|--------------|--------------|
| P-1 | 6 | 79 | 55 | 140 |
| P-2 | 39 | 103 | 203 | 345 |
| P-3 | 0 | 187 | 444 | 631 |
| P-4 | 0 | 176 | 461 | 637 |
| P-5 | 0 | 167 | 421 | 588 |
| P-6 | 0 | 459 | 218 | 677 |
| TOTAL | 45 | 1,171 | 1,802 | 3,018 |

The parking garage will have two sets of entrances and exits. One will be on Highland Avenue between the hotel and the garage, and will be the entry point for all valet traffic and a portion of the self-park traffic. There will be a porte-cochère at that entrance, at which hotel guests using the valet service will leave their cars. Patrons using the public valet service will drive their cars into the entrance and down to level two, where a valet drop-off area will be located. Hotel valet customers will pick up their car at the porte-cochère, while public valet customers will exit on Orange Street. Self-park visitors will have the option of using Highland Avenue or Orange Avenue to enter and exit the garage.

Of the garage's six levels, all of levels 1 and 2, and part of level 3, will be reserved for valet parking. Level P1 will be the valet area for the hotel; it has 140 spaces. The hotel will also use parts of levels 2 (78 spaces) and 3 (82 spaces) for their valet operation; they will have a total of 300 spaces. The hotel valet will use the parts of level 2 that

METHOD OF OPERATION



are immediately past the Highland Avenue entry gates, and that valet area will extend down the ramp into level 3. This area will be easily accessible for valet attendants coming in from the Highland Avenue porte-cochère. They will have access cards that allow them to use express (card-only) lanes instead of having to go through cashier lines. The rest of level 2 (267 spaces) will be reserved for public valet parking. Self-park guests will use levels P3-P6, which will have attendants guiding them to available spaces.

There will be two sets of entrance and exit lanes. The first set, located by the hotel entrance on Highland Ave., will be the point of entry for all valet customers. (It will only be the exit for hotel valet customers; public valet customers will be directed to the exit on Orange Avenue.) Self-park traffic will be able to enter and exit at both Orange Avenue and Highland Avenue.

All customers for hotel valet parking will leave their cars at the porte-cochère at the Highland Avenue entrance, and will return there to retrieve their car. Hotel guests that opt for self-park can use either the Highland Avenue or Orange Avenue entrances and exits.

Customers using the public valet service will be directed to the Highland Avenue entrance, but will not use the hotel porte-cochère. Instead they will drive down to the area reserved for public valet drop-off and pick-up on level P2. As they enter level P2, they will go through an access gate with a ticket dispenser, and will be issued a six-part valet ticket. After obtaining a ticket, customers will proceed to the drop-off area, which will be a drive aisle located immediately to the west of the elevators. There will be one lane (northbound) for drop off, and one (southbound) for pick-up. The attendant at the drop-off area will take the car and the ticket, which will be distributed as follows: Part 1 will be hung from the vehicle rear view mirror; Part 2 contains information regarding the make of the car, license number and existing damage to the vehicle, and is placed on the location board in the cashier's booth; Part 3 is placed under the windshield wiper of the vehicle. Part 4 is placed (with the keys) on the key rack located in the cashier's booth; Parts 5 and 6 are issued to the customer. Part 5 contains the contract and Part 6 is surrendered to the valet attendant to claim the vehicle at the time of retrieval.

When customers return to pick up their cars, they will pay a cashier located at the drop-off/pick-up area. As soon as they show their ticket stub, the cashier will use the ticket number to notify the attendants to retrieve the car. The price for valet parking will be \$5 plus the regular

Hotel Valet

Public Valet



hourly self-park charge. Customers will pay the entire fee to the valet cashier, and will receive a lag-time exit ticket (see information on lag-time tickets in the section on self-parking below).

Most of levels P3 and all of P4, P5 and P6 will be used for self-parking customers. Customers for these levels can use either the Orange Avenue or Highland Avenue entrance and exit lanes.

Based on the demand projections generated by Kaku Associates, it is clear that the garage is going to be in high demand and at or near capacity on many Friday and Saturday evenings and during special events. Furthermore, at many times there are going to be large volumes of cars arriving at the same time (e.g., when a theater or cinema show is starting). For these reasons it is going to be necessary to have attendants directing cars on each level of the garage. Attendants will reduce traffic congestion in the garage significantly by directing people to the remaining spaces. Without them, there are likely to be lines of cars searching for the last remaining spaces on each level. There are electronic devices on the market that perform that function, but it is our opinion that in a structure like this one they would not function adequately. The design of this garage – the two-way 90-degree layout – would not allow the detectors to get accurate counts. In addition, the need to get people out of any level at any time makes it impossible to use permanent barriers. That is, attendants will need to be available at all times to move barriers back and forth for exiting customers. In any case, attendants will be far more accurate in determining when a garage level needs to be closed to new patrons, and when it can be re-opened. In a situation where the garage has emptied out just enough to admit a number of new patrons, attendants will be able to direct the cars to the few open spaces without holding up out-bound traffic. Clearly, an electronic counter cannot perform that function.

Attendants will be used on levels P2-P5. P1 does not require an attendant since it is reserved for valet parking; P2 will require only 2 attendants, located at key driving aisles where valet spaces are vulnerable to use by self-parkers. P6 does not require additional attendants since it is the bottom level (cars do not need to be directed elsewhere as it fills). There will be four attendants per level on levels P3-P5, located at the entrance/exit to each ramp. There will also be a supervisor who will move from level to level as each one fills. This supervisor will be stationed in the middle of the level to survey the entire floor. He or she can signal the ramp attendants to show them where on the level to direct traffic, and also when the level has filled. At that point the ramp attendants would direct traffic to the next level

Self-Park

Labor Plan



down using barricades at the drive aisles. The barricades would be moved for cars exiting the garage.

By filling the garage level by level, this management plan makes it possible to reserve whole levels of the garage when necessary. Attendants can simply barricade off areas that are to be reserved.

In some garages, attendants are sometimes used to double park cars in the aisles and thus increase the number of cars that can be parked. This will not be feasible in this garage, as it would congest lanes needed to get cars in and out, slowing traffic considerably. Furthermore, many additional attendants would be needed to handle the number of cars that are likely to enter or exit at once. In high-volume situations it is likely that customers would have to wait quite a while for their cars. In short, it would not be conducive to a positive guest experience.

Recommended labor schedules for attendants and all other garage staff are provided in Appendix B. Please note that we have not included labor for the hotel valet attendants, as they will be paid by the hotel. The hotel will receive the revenue from their valet operation, over and above the regular daily rate.

Self-park customers will have several payment options. One will be the traditional pay-on-exit system. The other two will be slightly different versions of a pay-on-foot system. In the pay-on-exit system, customers drive to the exit booth and give the cashier the time-stamped ticket they received on entry. The cashier will enter the ticket in a fee computer that automatically calculates the fee owed and displays it on a fee indicator for the customer. Once the customer pays, the cashier will raise the barrier gate. These transactions take enough time that at busy hours exit queues can form. To prevent this potential problem, there will be pay-on-foot options, which work as follows: When a customer is ready to leave the complex, he or she takes the ticket received upon entry to the garage and brings it to an automated pay station (a machine not unlike an ATM) located on the Plaza level near the garage elevators. The customer inserts their parking ticket into the machine, and the machine calculates the fee owed and displays the fee to the customer. The customer then puts money into the machine (the machines give change and can accept credit cards if desired) and receives an exit ticket. The customer then goes to his or her car and drives to a cashierless exit lane, inserts the ticket in a reader similar to those that handle monthly parking cards, and the barrier gate goes up. The reader is programmed to allow a 15 or 20 minute time lag from the time the customer pays at the pay station until the time he or she

Revenue Control System



arrives at the exit. This gives customers time to get back to their car and through the garage.

Because this system requires only a very short transaction at the exit barrier, it does not create queuing problems. The other pay-on-foot scenario is almost exactly like this one, except that the customer pays a cashier (called an express cashier) at the Plaza-level pay station rather than using the automated system. This service is provided for those who are reluctant to use automated devices. They receive the same time-lag exit ticket as automated pay station users, and exit the garage without waiting in the pay-on-exit queue.

Walker conducted two rate surveys as background for this study. One survey looked at commercial parking rates in the Hollywood area. The other examined entertainment complexes throughout the Los Angeles area. Our surveys indicated that rates in the area are generally lower than the proposed rates for this development. The results of both surveys are provided in Appendix C.

Our revenue projections are based on rates provided by Kaku Associates. The basic rate is \$3 per hour or any fraction thereof. Generally, patrons find it more palatable to pay in smaller increments (i.e., \$1 per 20 minutes). Therefore, from a public relations standpoint, this is often the better rate structure. It does, however, result in a loss of revenue. In the interest of showing a comparison between the two rate structures, we have run two sets of revenue projections. One uses the original hourly rate; the second uses a 20-minute increment. In both cases, the hourly total, daily maximum, hotel, valet and validated rates are the same.

| | |
|-----------------------------|--|
| <u>Daily Parking:</u> | \$3 each hour \$10 maximum |
| <u>Hotel Guest Parking:</u> | \$15 valet \$10 self-park (in and out privileges) |
| <u>Validations:</u> | Retail/restaurant – first hour = \$1 Cinema – first 2 hours = \$1 |
| <u>Valet Parking:</u> | \$5 in addition to regular hourly fee |

FINANCIAL PROJECTIONS

Operating Revenue

Rates



Validations will specify that they offer the *first* number of hours at a discount. That means a customer cannot get their first two hours for \$1 with a cinema validation and then get another hour for \$1 with a retail validation.

According to the report issues by Kaku Associates, there are plans to provide off-site parking for all employees. Our projections assume there will be no employee parking on-site.

1. We have used the demand estimates supplied by Kaku Associates as the basis for our revenue projections. These numbers show us what peak demand for each land use is likely to be. However, we have made adjustments to the revenue calculations to reflect the fact that the garage is not always going to experience peak demand.
2. Our estimates, like those of Kaku Associates, show the garage reaching capacity on some weekend nights. We have discounted our projected gross income by 2% to account for the loss in income on weekend evenings and other peak times when the garage cannot accommodate the expected demand.
3. Demand for the hotel is projected at a flat 300 spaces per day. Ballroom and meeting room demand is not included in those 300 spaces. It is likely that the hotel will almost always use its entire supply of spaces, and therefore that function guests will park in the public valet or self-park areas. Although the hotel may need to use public spaces when its valet areas are full, we have not projected revenue from the hotel beyond its 300 spaces.
4. Revenue projections are based on occupancy, which will increase in the first few years. The development is expected to be fully occupied by year 4 (fiscal year 2004). Occupancy rates by land use and year are shown in Table 3. These figures are based on TrizecHahn's March 23, 1999 Leasing Assumptions.

Other Revenue Assumptions

Hollywood & Highland Entertainment Center

Parking Management Plan and Financial Analysis



WALKER
PARKING CONSULTANTS

Table 3: Ramp-Up Assumptions

| | Stabilized Program Data | Ramp-Up Percentage | | | |
|-----------------|----------------------------|--------------------|--------|--------|--------|
| | | Year 1 | Year 2 | Year 3 | Year 4 |
| Cinemas | 3,200 seats | 1.00 | 1.00 | 1.00 | 1.00 |
| Live Theater | 3,000 seats | 1.00 | 1.00 | 1.00 | 1.00 |
| Retail | 186,780 sf | 0.73 | 0.88 | 0.94 | 1.00 |
| Restaurants | 52,417 sf | 0.71 | 0.80 | 0.95 | 1.00 |
| Nightclubs | 60,526 sf | 0.75 | 0.75 | 1.00 | 1.00 |
| Office | 87,052 sf | 0.83 | 0.88 | 1.00 | 1.00 |
| Hotel Rooms | 645 rooms | 1.00 | 1.00 | 1.00 | 1.00 |
| Hotel Ballroom | 32,113 sf | 1.00 | 1.00 | 1.00 | 1.00 |
| Hotel Mtg Rooms | 22,198 sf | 1.00 | 1.00 | 1.00 | 1.00 |

Estimated stabilized (year 4) revenue is provided in Tables 4 and 5. Table 4 shows revenue assuming a non-incremental hourly rate. Table 5 shows revenue assuming an incremental hourly rate.

Hollywood & Highland Work Schedule - Monday

| Employee Type | Morning | | | | | Afternoon | | | | | Evening | | | | | Night | | | | | # of Hours | | | | |
|------------------------------|---------|---|---|---|----|-----------|----|----|----|----|---------|----|----|----|----|-------|----|----|----|---|------------|---|---|---|-------------|
| | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | | 2 | 3 | 4 | 5 |
| Attendant -P2 | | | | | | | | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | | | | 16.0 |
| Attendant -P3 | | | | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | | | | | | 20.0 |
| Attendant -P4 | | | | | | | | | | | | | | | | | | | | | | | | | 0.0 |
| Attendant -P5 | | | | | | | | | | | | | | | | | | | | | | | | | 0.0 |
| Attendant -Breaks | | | | | | | | | | | | | | | | | | | | | | | | | 0.0 |
| Attendants-Maint. | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 24.0 |
| Total Attendant Hours | | | | | | | | | | | | | | | | | | | | | | | | | 60.0 |
| Valet Attendant | | | | | | | | | | | | | | | | | | | | | | | | | 20.0 |
| Total Valet Hours | | | | | | | | | | | | | | | | | | | | | | | | | 20.0 |
| Cashier-Highland | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 1 | 1 | 1 | 1 | 46.0 |
| Cashier-Orange | | | | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | | | | 25.0 |
| Valet Cashier | | | | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 8.0 |
| Cashier-Pre-pay | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 12.0 |
| Total Cashier Hours | | | | | | | | | | | | | | | | | | | | | | | | | 91.0 |
| Attendant Supervisor | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Valet Supervisor | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Cashier Sup - Orange | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Cashier Sup - Highland | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 8.0 |
| Total Sup. Hours | | | | | | | | | | | | | | | | | | | | | | | | | 56.0 |
| Clerks | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Asst. Manager on Duty | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 18.0 |
| Total Positions | 1 | 1 | 5 | 9 | 12 | 14 | 14 | 14 | 14 | 14 | 17 | 15 | 19 | 19 | 19 | 19 | 17 | 17 | 11 | 8 | 1 | 1 | 1 | 1 | |

Total Hours-Monday 261.0

Parking Manager not reflected on schedule.

Hollywood & Highland Work Schedule - Thursday

| Employee Type | Morning | | | Afternoon | | | Evening | | | Night | | | # of Hours | | | | | | | | | | |
|------------------------------|---------|---|---|-----------|----|----|---------|----|----|-------|----|----|-------------|----|----|----|----|----|----|---|---|---|---|
| | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | | | | | | | | | | | |
| Attendant -P2 | | | | | | | | | | | | | 16.0 | | | | | | | | | | |
| Attendant -P3 | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 32.0 | | | | | | | | | | |
| Attendant -P4 | | | | | | | | | | | | | 8.0 | | | | | | | | | | |
| Attendant -P5 | | | | | | | | | | | | | 0.0 | | | | | | | | | | |
| Attendant -Breaks | | | | | | | | | | | | | 0.0 | | | | | | | | | | |
| Attendants-Maint. | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 40.0 | | | | | | | | | | |
| Total Attendant Hours | | | | | | | | | | | | | 96.0 | | | | | | | | | | |
| Valet Attendant | | | | | | | | | | | | | 34.0 | | | | | | | | | | |
| Total Valet Hours | | | | | | | | | | | | | 34.0 | | | | | | | | | | |
| Cashier-Highland | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 46.5 | | | | | | | | | | |
| Cashier-Orange | | | | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 29.5 | | | | | | | | | | |
| Valet Cashier | | | | | | | | | | | | | 8.5 | | | | | | | | | | |
| Cashier-Pre-pay | | | | | | | | | | | | | 12.0 | | | | | | | | | | |
| Total Cashier Hours | | | | | | | | | | | | | 96.5 | | | | | | | | | | |
| Attendant Supervisor | | | | | | | | | | | | | 16.0 | | | | | | | | | | |
| Valet Supervisor | | | | | | | | | | | | | 16.0 | | | | | | | | | | |
| Cashier Sup - Orange | | | | | | | | | | | | | 16.0 | | | | | | | | | | |
| Cashier Sup - Highland | | | | | | | | | | | | | 16.0 | | | | | | | | | | |
| Total Sup. Hours | | | | | | | | | | | | | 64.0 | | | | | | | | | | |
| Clerks | | | | | | | | | | | | | 8.0 | | | | | | | | | | |
| Asst. Manager on Duty | | | | | | | | | | | | | 18.0 | | | | | | | | | | |
| Total Positions | 1 | 1 | 6 | 10 | 13 | 16 | 16 | 16 | 16 | 16 | 17 | 22 | 22 | 25 | 25 | 25 | 22 | 14 | 11 | 2 | 1 | 1 | 1 |

Parking Manager not reflected on schedule.

Total Hours-Thursday 316.5

Hollywood & Highland Work Schedule - Saturday

| Employee Type | Morning | | | | | Afternoon | | | | | Evening | | | | | Night | | | | | # of 5 Hours | | | | | |
|------------------------------|---------|---|---|---|----|-----------|----|----|----|----|---------|-----|----|----|----|-------|----|----|----|----|--------------|---|---|---|---|-------|
| | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | | 2 | 3 | 4 | 5 | |
| Attendant -P2 | | | | | | | | | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | | 22.0 |
| Attendant -P3 | | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | | | | 43.0 |
| Attendant -P4 | | | | | | | | | | | | | | 4 | 4 | 4 | 4 | 4 | 4 | | | | | | | 20.0 |
| Attendant -P5 | | | | | | | | | | | | | | | | | | | | | | | | | | 0.0 |
| Attendant -Breaks | | | | | | | | | | | | | | | | | | | | | | | | | | 0.0 |
| Attendants-Maint. | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | | | | 32.0 |
| Total Attendant Hours | | | | | | | | | | | | | | | | | | | | | | | | | | 117.0 |
| Valet Attendant | | | | | | | | | | | | | | | | | | | | | | | | | | 54.0 |
| Total Valet Hours | | | | | | | | | | | | | | | | | | | | | | | | | | 54.0 |
| Cashier-Highland | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 58.0 |
| Cashier-Orange | | | | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 1.5 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | | | | 38.5 |
| Valet Cashier | | | | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 8.0 |
| Cashier-Pre-pay | | | | | | | | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | 12.0 |
| Total Cashier Hours | | | | | | | | | | | | | | | | | | | | | | | | | | 116.5 |
| Attendant Supervisor | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Valet Supervisor | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Cashier Sup - Orange | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Cashier Sup - Highland | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 16.0 |
| Total Sup. Hours | | | | | | | | | | | | | | | | | | | | | | | | | | 64.0 |
| Clerks | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | 8.0 |
| Asst. Manager on Duty | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 18.0 |
| Total Positions | 1 | 1 | 3 | 9 | 13 | 13 | 17 | 18 | 18 | 20 | 20 | 23 | 29 | 29 | 29 | 29 | 29 | 29 | 21 | 19 | 11 | 5 | 1 | 1 | 1 | |

Total Hours-Saturday 377.5

Parking Manager not reflected on schedule.

EXHIBIT B

SPECIAL PARKING REVENUE ORDINANCES

ORDINANCE NO. 172695

An ordinance amending Section 5.117 of the Los Angeles Administrative Code with respect to the use of money deposited in parking meters and revenue from public off-street parking facilities.

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. Section 5.117 of the Los Angeles Administrative Code is hereby amended to read as follows:

**Sec. 5.117. Use of Money Deposited in Parking Meters and Revenue
from Public Off-Street Parking Facilities.**

All monies collected from parking meters and revenue from public off-street parking facilities of the City of Los Angeles shall be placed in a separate fund which shall be a special fund to be known as the "Special Parking Revenue Fund", which fund is hereby created and which fund together with all interest accruing thereon shall be devoted exclusively to the following purposes:

1. For the purchasing, leasing, installing, repairing, maintaining, operating, removing, regulating and policing of parking meters and parking meter spaces in the City of Los Angeles, for the collection of the receipts therefrom and for the payment of any and all expenses relating or incidental thereto. For purposes of this section, the policing of parking meters shall not include the routine and customary issuance of parking citations.

2. For the purchasing, leasing, acquiring, designing, constructing, improving, operating and maintaining of off-street parking facilities in the City of Los Angeles; consistent with the purpose of the regulation of traffic and the prevention of congestion of the city streets, it is the intention of the City that off-street parking facilities be acquired or constructed within or in close proximity to the business district which parking meter zones are established, and paid for from the receipts of the off-street parking facilities and the parking meters installed on streets within or in proximity to said business districts; provided, that notwithstanding such intent, the City may pledge any and all funds in the Special Parking Revenue Fund to fund the acquisition, design, construction, operation and maintenance of a particular off-street parking facility within a parking meter zone anywhere in the City.

3. For the painting and marking of streets and curbs required for the parking of motor vehicles within parking meter zones.

4. For the repayment of any money borrowed from any other fund, or any money which has been advanced or which may be advanced by the City Council from any other fund with the intent that reimbursement be made from the Special Parking Revenue Fund.

5. For the payment of principal, interest and any redemption premium on any bonds, notes, other evidences of indebtedness and payments on certificates of participation issued for the acquisition (including purchases and leases), design, construction, improvement or rehabilitation of any off-street parking facilities, and related financing costs, such as bond insurance, credit enhancement and costs of issuance.

Section 2. The provisions of this ordinance shall take effect on July 1, 2000, and no earlier than said date.

32229

Sec. 3. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles _____ and was passed at its meeting of _____.

J. MICHAEL CAREY, CITY CLERK

BY Maria Koshenitz

Presented to me for my consideration June 1, 1999, and returned to the City Clerk on June 11, 1999 with my disapproval letter dated June 10, 1999.

Deputy

Mayor

Approved _____

Approved as to Form and Legality

James K. Hahn, City Attorney

By Shelley I. Smith
SHELLEY I. SMITH
Assistant City Attorney

I hereby certify that the foregoing ordinance was again introduced at the meeting of the Council of the City of Los Angeles on June 29, 1999 and was passed at its meeting of June 29, 1999 by a three-fourths vote, notwithstanding the objections of the Mayor, pursuant to Charter Section 29.

J. MICHAEL CAREY, City Clerk

By Leonard Carter

Deputy

ORDINANCE NO. 174054

An ordinance amending Section 5.117 of the Los Angeles Administrative Code with respect to the use of money deposited in parking meters and revenue from public off-street parking facilities.

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. Paragraph 2 of section 5.117 of the Los Angeles Administrative Code is hereby amended by adding the words "for the provision of parking for the public and for City employees" to the first sentence therein, following the words "City of Los Angeles."

Section 2. A new unnumbered paragraph is hereby added to section 5.117 of the Los Angeles Administrative Code at the end thereof to read as follows:

Notwithstanding any other provision of this section to the contrary, all fees paid to the City by City employees for parking privileges at off-street parking facilities shall be deposited in the City Employees Ridesharing Fund, as established by section 5.344 of this Code.

Section 3. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles JUN 08 2001, and was passed at its meeting of JUN 19 2001.

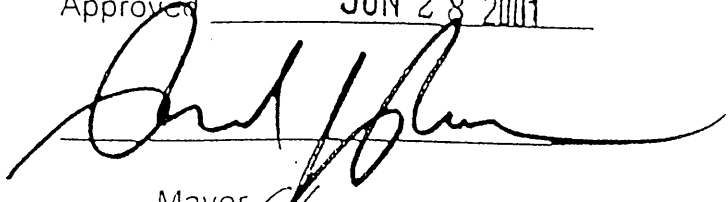

J. MICHAEL CAREY, City Clerk,

By

Amiad Carter
Deputy

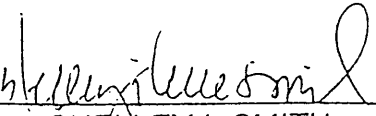
Approved

JUN 28 2001


Mayor 

Approved as to Form and Legality

James K. Hahn, City Attorney

By 

SHELLEY I. SMITH
Assistant City Attorney

File No. 00-1410

SIS #65145

Mayor concurred 6.28.01

An ordinance adding to the Los Angeles Administrative Code new procedures for the issuance and sale of revenue bonds secured by the Special Parking Revenue Fund.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. Chapter 1 of Division 11 of the Los Angeles Administrative Code is hereby amended to add Article 6.1 to read as follows:

ARTICLE 6.1

PROCEDURES FOR ISSUANCE AND SALE OF
REVENUE BONDS SECURED
BY THE SPECIAL PARKING REVENUE FUND

Sec. 11.27.20. Power of the Council.

The Council, exercising the powers reserved to the City under the Constitution of the State of California, and its power under Section 3(4) and Section 2(11)(v) of the Charter of the City, may determine that revenue bonds, notes and other evidences of indebtedness (collectively, the "Bonds") shall be issued as provided in this article to acquire and/or construct public off-street parking facilities.

Sec. 11.27.20.1. Resolution Authorizing Bonded Indebtedness.

Whenever the Council deems it necessary for the City to incur a bonded indebtedness to fund all or any portion of the acquisition and/ or construction of public off-street parking facilities, it shall by resolution:

- (a) State that it deems it necessary to incur the bonded indebtedness and authorized the issuance of Bonds.
- (b) Specify the amount of the debt to be incurred.
- (c) State the maximum term of the Bonds to be issued, which term shall not exceed 30 years.
- (d) Specify the maximum rate of interest which the Bonds shall bear.
- (e) Provide for the issuance of the Bonds pursuant to a master indenture and a supplemental indenture. The indentures shall, among other things, prescribe the form of the Bonds and the time and place for payment of the principal and interest on the Bonds, and may provide for the redemption of the Bonds issued under this article before maturity at determined prices.

Sec. 11.27.20.2 Sale of the Bonds.

The City may sell the Bonds at such times and in such manner as the Council deems to be in the public interest, provided that the Bonds shall not be sold for less than par. The

Council shall give notice inviting bids for the Bonds in such manner as the Council shall prescribe by resolution. If satisfactory bids are received, the Bonds offered for sale shall be awarded to the lowest responsible bidder. If no bids are received or if the Council determines that the bids received are not satisfactory as to price or responsibility of the bidders, the Council may reject all bids received, if any, and either readvertise or sell the Bonds at private sale.

Sec. 11.27.20.3. Signature, Countersignatures.

The Bonds shall be signed by the Mayor, or such other officer of the City as the Council authorizes by resolution and by the City Treasurer or a Deputy City Treasurer. The Bonds shall be countersigned by the City Clerk or a Deputy City Clerk. All signatures and countersignatures may be printed, lithographed or otherwise mechanically reproduced except that one signature must be signed manually. If any officer whose signature appears on the Bonds ceases to be an officer before the delivery of the Bonds, his or her signature shall be as effective as if he or she had remained in office.

Sec. 11.27.20.4. Bonds as Unconditional Obligations of the City.

Bonds issued under this article shall be unconditional obligations of the City, payable as to principal, premium (if any) and interest exclusively from the Special Parking Revenue Fund of the City established pursuant to Sec. 5.117 of the Los Angeles Administrative Code. From and after the date of issuance of any Bonds under this article, the City shall pay solely from money contained in the Special Parking Revenue Fund the principal of, premium (if any) and interest on the Bonds due and payable (whether by maturity, mandatory sinking fund redemption, tender for purchase or otherwise), together with an amount sufficient to pay liquidity or other credit enhancement costs relating to the Bonds.

Sec. 11.27.20.5. Other Forms of Financing.

The provisions of this article shall not preclude the City from financing the costs of construction of off-street parking facilities by any other legally available means.

**Sec. 11.27.20.6. Effect of Provisions of Article on Validity of Sale of the Bonds;
Severability.**

The provisions of this article are directory only and any failure to comply with them or any departure from them shall not affect the validity of any Bonds issued hereunder or the indebtedness or obligation of the City created thereby. If any portion of this article is declared illegal, invalid or unenforceable, then such portion or provision shall be deemed to be severable from this article, and such illegality, invalidity or unenforceability shall not affect the remained hereof.

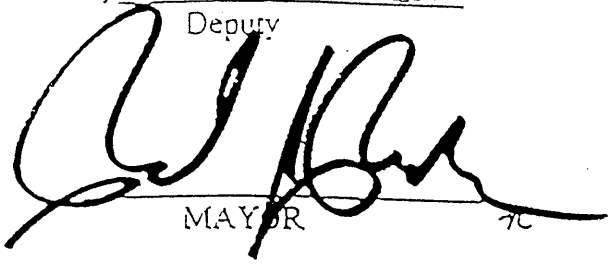
Sec. 2. The City Clerk shall certify to the passage of this ordinance and cause it to be published in a daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles at its meeting of NOV 04 1998.

J. Michael Carey, City Clerk


by Maia Kobernick
Deputy

APPROVED: NOV 04 1998


MAYOR

Approved as to form and legality
OCT 21 1998

JAMES K. HAHN, City Attorney

By 
Assistant City Attorney

Council File No. 97-2190
doc. # 35334

EXHIBIT C

SUPPLEMENTARY SERVICES



New
South
Parking

Proposed Cost of Supplementary Services

Name of Proposer: New South Parking – California

Date: May 22, 2006

PROPOSED COSTS OF SUPPLEMENTARY SERVICES THE HOLLYWOOD AND HIGHLAND PARKING GARAGE

Cost per hour of each additional attendant: \$ 15.00

Cost per hour of each additional cashier: \$ 15.00

Cost per hour of each additional attendant/cashier
supervisor: \$ 17.00

Submitted by:

Jerry D. Skillett, Vice President _____
Name, Title (Please Print)

5/23/06

EXHIBIT D

**MONTHLY SUMMARY OF PARKING FACILITY
OPERATIONS FORM**

**City of Los Angeles - LADOT
 Monthly Summary of Garage Operations
 Hollywood & Highland Parking Facility - Lot 745**

Contract No.

Month/Year

| | |
|---------------------------|-----------|
| LADOT Accounting Use Only | |
| OR#: _____ | By: _____ |
| Date Stamp: | |

MONTHLY REVENUE SUMMARY

| Source | Total Number | Gross | Receipts |
|---|--------------|-----------|----------|
| Transient Parking (From Daily Summary) | 0 | | \$0.00 |
| Validations (From Schedule A) | | \$ | - |
| Special Events (From Schedule B) | | \$ - | |
| Monthly Parking (From Schedule C) | 0 | \$ | - |
| Promise to Pay (P.T.P.) Collections (From | | \$ | - |
| Hotel (From Schedule E) | | \$ | - |
| Other Deposits (From Schedule F) | | \$ | - |
| TOTAL GROSS RECEIPTS | | \$ | - |

MONTHLY COMPENSATION DUE OPERATOR

| | |
|---|-------------|
| Monthly Compensation for month/year | |
| Authorized Expenses with supporting documentation | |
| TOTAL DUE TO OPERATOR | \$ - |

Please complete Schedules A through F and Incident/Other Activities as needed

CERTIFICATION

I certify the foregoing to be true and accurate statement of activities for the period specified.

 Signature & Date

 Printed Name

 Title

SUBMITTAL: 1 COPY EACH

1) City of Los Angeles
 Department of Transportation
 Accounting Division
 100 South Main Street, 10th Floor
 Los Angeles, Ca 90012

1) City of Los Angeles
 Department of Transportation
 Parking Facilities Division
 100 South Main Street, 10th Floor
 Los Angeles, Ca 90012

| Actual Deposit | Regular Deposit | Special Event Deposit | Other Amount | Coin Deposit | Discrepancy | Explanation | Hotel Deposit | Monthly Deposit | Other Deposit | P.T.P. Total | P.T.P. Collections # | P.T.P. Collections Amount | Grand Total | Date |
|----------------|-----------------|-----------------------|--------------|--------------|-------------|-------------|---------------|-----------------|---------------|--------------|----------------------|---------------------------|-------------|--------|
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 1 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 2 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 3 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 4 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 5 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 6 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 7 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 8 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 9 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 10 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 11 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 12 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 13 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 14 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 15 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 16 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 17 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 18 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 19 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 20 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 21 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 22 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 23 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 24 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 25 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 26 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 27 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 28 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 29 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 30 |
| \$ - | | | | | \$0.00 | | | | | | | | \$0.00 | 31 |
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0 | \$0.00 | \$0.00 | Totals |

Color-coding for Discrepancies
 Red - equipment problems
 Black - no discrepancy
 Blue - cashier error (hit wrong key)
 Brown - Customer error (forgot to provide voucher)
 Green - cause listed under "other."

Past Due \$ -
 Total \$0.00
 Payment Received \$0.00
 Total Due \$0.00

EXHIBIT E

SPECIAL PARKING FACILITY USE AGREEMENT

SPECIAL PARKING FACILITY USE AGREEMENT

This Special Parking Lot Use Agreement shall be for use of Lot Number _____

- 1. Lot Address _____
- 2. Special Use _____

- 3. Date _____
- 4. Time _____
- 5. Number of Spaces _____
- 6. Fees Collected _____
- 7. Date Received _____
- 8. Copy of Insurance _____
- 9. For Film Use: Film permit No.: _____

Company: _____

Address: _____

Telephone: _____

Operator: _____

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

EXHIBIT F

PARKING RATES AND HOURS OF OPERATION

**Hollywood and Highland Parking Facility
Parking Rates and Hours of Operation**

| Current Parking Rates (10% City Tax included) | Maximum Permissible Rates (10 % City Tax excluded) | Hours of Operation |
|---|---|---|
| <p><u>Validated Hourly/Daily Parking:</u> \$2 for first four hours w/validation from retail, commercial & restaurants \$1.00 each 20 minutes thereafter \$10.00 daily maximum \$5.00 extra for valet services</p> <p><u>Non-Validated Hourly/Daily Parking (Kodak Theatre, Hotel Ballrooms and Facilities):</u> \$1.00 each 20 minutes \$10.00 daily maximum \$5.00 extra for valet services</p> <p><u>Validations:</u> Sold at 90% face value</p> <p><u>Monthly:</u> \$95.00 Monthly \$150.00 Quarterly (3 months)</p> | <p>\$15.00 daily maximum \$7.50 extra for valet services</p> <p>\$150.00 monthly</p> | <p>In general, the hours of operation of the Hollywood and Highland Center are:</p> <p>Monday - Sunday 9:00 a.m. - 2:00 p.m.</p> |

EXHIBIT G

INSURANCE REQUIREMENTS

Insurance Requirements

Name: _____

Date: 11/14/05

Agreement/Reference: Hollywood Highland Parking Facility

Evidence of coverages checked below which have as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSL"). Split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.

| | Limits |
|---|------------------|
| <input checked="" type="checkbox"/> Workers' Compensation (Statutory Limit)/Employer's Liability | 250,000 |
| <input checked="" type="checkbox"/> Waiver of Subrogation in favor of City | |
| <input type="checkbox"/> Longshore & Harbor Workers | |
| <input type="checkbox"/> Jones Act | |
| <input checked="" type="checkbox"/> General Liability | 1,000,000 |
| <input checked="" type="checkbox"/> Premises and Operations | |
| <input checked="" type="checkbox"/> Contractual Liability | |
| <input checked="" type="checkbox"/> Independent Contractors | |
| <input type="checkbox"/> _____ | |
| <input type="checkbox"/> Collapse and Underground | |
| <input checked="" type="checkbox"/> Products/Completed Operations | |
| <input type="checkbox"/> Fire Legal Liability _____ | |
| <input checked="" type="checkbox"/> Automobile Liability (if vehicle is used for this contract, other than commuting to/from work) | 1,000,000 |
| <input checked="" type="checkbox"/> Hired Automobiles | |
| <input checked="" type="checkbox"/> Non-owned Automobiles | |
| <input checked="" type="checkbox"/> Owned Automobiles | |
| <input checked="" type="checkbox"/> GarageKeeper's Liability | |
| Professional Liability (Errors and Omissions) | |
| Discovery Period 12 Months after completion of work or termination of contract | |
| Property Insurance to cover value of building (as determined by City or insurance company) | |
| <input type="checkbox"/> All Risk Coverage | |
| <input type="checkbox"/> Extended Coverage | |
| <input type="checkbox"/> Flood _____ | |
| <input type="checkbox"/> Earthquake _____ | |
| <input type="checkbox"/> Boiler and Machinery | |
| <input type="checkbox"/> Debris Removal | |
| <input type="checkbox"/> _____ | |
| <input type="checkbox"/> _____ | |
| Pollution Liability | |
| <input type="checkbox"/> _____ | |
| Fidelity Bond | |
| Surety Bond | |
| <input checked="" type="checkbox"/> Crime Insurance | 500,000 |
| Other <u>Note: Garage Keeper's Liability - \$1MM</u> | |
| _____ | |
| _____ | |

EXHIBIT H

**STANDARD PROVISIONS FOR
CITY PERSONAL SERVICES CONTRACTS**

STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein.

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Contract shall be construed according to its fair meaning and not strictly for or against the **CITY** or the **CONTRACTOR**. The word "**CONTRACTOR**" or "**CONSULTANT**" herein and in any amendments hereto includes the party or parties identified in the Contract wherein this Appendix is incorporated by reference; the singular shall include the plural; if there shall be more than one **CONTRACTOR/CONSULTANT** herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Number of Originals.

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party.

PSC-3. Applicable Law, Interpretation and Enforcement.

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY** including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California. **CONTRACTOR/CONSULTANT** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

If any part, term or provision of this Contract shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

PSC-4. Time of Effectiveness.

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A This Contract has been signed on behalf of the **CONTRACTOR/CONSULTANT** by the person or persons authorized to bind the **CONTRACTOR/CONSULTANT** hereto;
- B. This Contract has been approved by the **CITY'S** Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form;
- D. This Contract has been signed on behalf of the **CITY** by the person designated to so sign by the **CITY'S** Council or by the board, officer or employee authorized to enter into this Contract.

PSC-5. Integrated Contract.

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. Amendment.

All amendments hereto shall be in writing and signed by the persons authorized to bind the parties thereto.

PSC-7. Excusable Delays.

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires, floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. Breach.

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any

representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. Waiver.

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-10. Independent CONTRACTOR/CONSULTANT.

The **CONTRACTOR/CONSULTANT** is acting hereunder as an independent contractor and not as an agent or employee of the **CITY**. The **CONTRACTOR/CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the **CITY**.

PSC-11. Prohibition Against Assignment or Delegation.

The **CONTRACTOR/CONSULTANT** may not, unless it has first obtained the written permission of the **CITY**;

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

PSC-12. Permits.

The **CONTRACTOR/CONSULTANT** and its officers, agents and employees shall obtain and maintain all licenses, permits, certifications and other documents necessary for the **CONTRACTOR'S/CONSULTANT'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR/CONSULTANT** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-13. Nondiscrimination and Affirmative Action.

The **CONTRACTOR/CONSULTANT** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, the

CONTRACTOR/CONSULTANT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. The **CONTRACTOR/CONSULTANT** shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The **CONTRACTOR/CONSULTANT** shall also comply with all rules, regulations, and policies of the **CITY'S** Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by said Office. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph. Failure of the **CONTRACTOR/CONSULTANT** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the **CONTRACTOR/CONSULTANT** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR/CONSULTANT'S** contract with the **CITY**.

PSC-14. Claims for Labor and Materials.

The **CONTRACTOR/CONSULTANT** shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible matter produced by the **CONTRACTOR/CONSULTANT** hereunder), against the **CONTRACTOR'S/CONSULTANT'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required.

The **CONTRACTOR/CONSULTANT** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance (Article 1, Chapter 2, sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Contract, the **CONTRACTOR/CONSULTANT** shall maintain, or obtain as necessary, all such Certificates required of it under said ordinance and shall not allow any such Certificate to be revoked or suspended.

PSC-16. Bonds.

Duplicate copies of all bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy and shall be filed with

the Office of the City Attorney for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

PSC-17. Indemnification.

Except for the active negligence or willful misconduct of **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR/CONSULTANT** undertakes and agrees to defend, indemnify and hold harmless **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S/CONSULTANT'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by the **CONTRACTOR/CONSULTANT** or its **SUBCONTRACTORS** of any tier. The provisions of this paragraph survive expiration or termination of this Contract.

PSC-18. Insurance.

A. **General Conditions**

During the term of this Contract and without limiting **CONTRACTOR'S/CONSULTANT'S** indemnification of the **CITY**, **CONTRACTOR/CONSULTANT** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR/CONSULTANT** but not less than the amounts and types listed on the Insurance Requirements Sheet (Form Gen 146/IR in Exhibit 1 hereto, covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the instructions set forth on Form General 133 and with the conditions set forth on the applicable City Special Endorsement form(s), copies of which are included in Exhibit 1, and shall otherwise be in a form acceptable to the City Attorney. Specifically, such insurance shall: 1) protect **CITY** as an Insured or an Additional Interest Party, or a Loss Payee As Its Interests May Appear, respectively, when such status is appropriate and available depending on the nature of the applicable coverages; 2) provide **CITY** at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at the option of the insurer; and 3) be primary with respect to **CITY'S** insurance program. Except when **CITY** is a named

insured, **CONTRACTOR'S/CONSULTANT'S** insurance is not expected to respond to claims which may arise from the acts or omissions of the **CITY**.

B. Modification of Coverage

CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving **CONTRACTOR/CONSULTANT** ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to the **CONTRACTOR/CONSULTANT**, **CITY** agrees to negotiate additional compensation proportional to the increased benefit to **CITY**.

C. Failure to Procure Insurance

All required insurance must be submitted and approved by the City Attorney prior to the inception of any operations or tenancy by **CONTRACTOR/CONSULTANT**. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by **CITY**. Non-availability or non-affordability must be documented by a letter from **CONTRACTOR'S/CONSULTANT'S** insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

Within the foregoing constraints, **CONTRACTOR'S/CONSULTANT'S** failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which **CITY** may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect **CITY'S** interests and pay any and all premiums in connection therewith and recover all monies so paid from **CONTRACTOR/CONSULTANT**.

D. Worker's Compensation

By signing this Contract, **CONTRACTOR/CONSULTANT** hereby certifies that it is aware of the provisions of Section 3700 et seq., of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Contract.

A Waiver of Subrogation in favor of **CITY** will be required when work is performed on **CITY** premises under hazardous conditions.

PSC-19. Child Support Assignment Orders.

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code. Pursuant to this Ordinance, **CONTRACTOR/CONSULTANT** certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of **CONTRACTOR/CONSULTANT** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of **CONTRACTOR/CONSULTANT** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of **CONTRACTOR/CONSULTANT** to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the **CONTRACTOR/CONSULTANT** under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to **CONTRACTOR/CONSULTANT** by **CITY**. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the **CONTRACTOR/CONSULTANT** to obtain compliance of its subcontractors shall constitute a default by the **CONTRACTOR/CONSULTANT** under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to **CONTRACTOR/CONSULTANT** by the **CITY**.

CONTRACTOR/CONSULTANT shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. **CONTRACTOR/CONSULTANT** assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

PSC-20. Living Wage Ordinance and Service Contractor Worker Retention Ordinance.

- A. Unless otherwise exempt in accordance with the provisions of these Ordinance, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO) Section 10.37 et. seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:
1. **CONTRACTOR/CONSULTANT** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.
 2. **CONTRACTOR/CONSULTANT** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR/CONSULTANT** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR/CONSULTANT** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S/CONSULTANT'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of the **CONTRACTOR/CONSULTANT** with respect to such pledges and fully discharge the obligation of the **CONTRACTOR/CONSULTANT** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. The **CONTRACTOR/CONSULTANT**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR/CONSULTANT** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.

4. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-20 and shall incorporate the provisions of the LWO and the SCWRO.
 5. **CONTRACTOR/CONSULTANT** shall comply with all rules, regulations and policies promulgated by the designated administrative agency which may be amended from time to time.
- B. Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR/CONSULTANT** has violated provisions of either the LWO or the SCWRO or both.
- C. Where under the LWO Section 10.37. 6(d), the designated administrative agency has determined (a) that the **CONTRACTOR/CONSULTANT** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the **CONTRACTOR/CONSULTANT** in accordance with the following procedures. Impoundment shall mean that from monies due the **CONTRACTOR/CONSULTANT**, the awarding authority may deduct the amount determined to be due and owing by the **CONTRACTOR/CONSULTANT** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6 (d) (3) and disposed of under procedures described therein through final and binding arbitration. Whether the **CONTRACTOR/CONSULTANT** is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The **CONTRACTOR/CONSULTANT** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

Earned Income Tax Credit

This Contract is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further

make available to employees the forms required to secure advance EITC payments from employers.

PSC- 21. Americans with Disabilities Act.

The **CONTRACTOR/CONSULTANT** hereby certifies that it will comply with the Americans with Disabilities Act 42, U.S.C. Section 12101 et seq., and its implementing regulations. The **CONTRACTOR/CONSULTANT** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The **CONTRACTOR/CONSULTANT** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the **CONTRACTOR/CONSULTANT**, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC- 22. Retention of Records, Audit and Reports.

CONTRACTOR/CONSULTANT shall maintain records, including records of financial transactions, pertaining to the performance of this Contract, in their original form, in accordance with requirements prescribed by the **CITY**. These records shall be retained for a period of no less than three years following final payment made by the **CITY** hereunder or the expiration date of this contract, whichever occurs last. Said records shall be subject to examination and audit by authorized **CITY** personnel or by the **CITY**'s representative at any time during the term of this contract or within the three years following the final payment made by the **CITY** hereunder or the termination date of this contract, whichever occurs last. **CONTRACTOR/CONSULTANT** shall provide any reports requested by the **CITY** regarding performance of this Contract.

PSC-23. Discount Terms

CONTRACTOR/CONSULTANT agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Agreement which meet the discount terms.

PSC-24. Contractor Responsibility Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of the Los Angeles Administrative Code, which requires **CONTRACTOR/CONSULTANT** to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously

provided if such change would affect **CONTRACTOR'S/CONSULTANT'S** fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, **CONTRACTOR/CONSULTANT** pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. The **CONTRACTOR/ CONSULTANT** further agrees to: 1) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the **CONTRACTOR/CONSULTANT** is not in compliance with all applicable federal, state and local laws in performance of this contract; 2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the **CONTRACTOR/ CONSULTANT** has violated the provisions of Section 10.40.3(a) of the Ordinance; 3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and 4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Ordinance in performance of the subcontract.

PSC-25. Warranty and Responsibility of CONSULTANT/CONTRACTOR

CONSULTANT/CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S/CONSULTANT'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-26. Minority, Women, And Other Business Enterprise Outreach Program

CONTRACTOR/CONSULTANT agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR/CONSULTANT** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR/CONSULTANT** shall not change any of these designated subcontractors/subconsultants, nor shall **CONTRACTOR/ CONSULTANT** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-27. Ownership

Unless otherwise provided for herein, all documents, material, data, and reports originated and prepared by **CONTRACTOR/CONSULTANT** under this contract shall be and remain the property of the **CITY** for its use in any manner it deems appropriate. The provisions of this paragraph shall survive expiration or termination of this Contract.

PSC-28. Equal Benefits Ordinance.

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the applicable provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

(1) During the performance of the Contract, the **CONTRACTOR/CONSULTANT** certifies and represents that the **CONTRACTOR/CONSULTANT** will comply with the EBO. The **CONTRACTOR/CONSULTANT** agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the **CITY** of Los Angeles, the **CONTRACTOR/CONSULTANT** will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Office of the City Administrative Officer, Contractor Enforcement Section at (213) 978-7650.”

- (2) The failure of the **CONTRACTOR/CONSULTANT** to comply with the EBO will be deemed to be a material breach of the Contract by the Awarding Authority.
- (3) If the **CONTRACTOR/CONSULTANT** fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- (4) Failure to comply with the EBO may be used as evidence against the **CONTRACTOR/CONSULTANT** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

- (5) If the City Administrative Officer determines that a **CONTRACTOR/CONSULTANT** has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Contract on behalf of the **CITY**. Violation of this provision may be used as evidence against the **CONTRACTOR/CONSULTANT** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

PSC 29 - Slavery Disclosure Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. **CONTRACTOR/CONSULTANT** certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

EXHIBIT 1
INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

PERSON TO CONTACT Direct all correspondence, questions, requests for additional forms, etc., to the contact person listed here or to the department that administers your contract, lease or permit:

| | |
|---------|--------|
| CITY | AGENCY |
| ADDRESS | |
| TEL | FAX |

GENERAL INFORMATION

- 1. Project ID** All submissions must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and dollar amounts** specified on the Insurance Requirements Sheet (Form Gen. 146) included in your CITY documents.
- 2. When to submit** Normally, no work or occupancy may begin until a CITY Attorney insurance approval number has been obtained, so documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings but before construction commences.
- 3. Availability of Insurance** Coverages and limits are subject to availability on the open market at reasonable cost as determined by the CITY. For requirements to be relaxed or waived, your broker or agent must document non-availability or non-affordability in a letter to the CITY. It must show a good faith effort to place the required insurance, must list the names of the insurance carriers contacted and show the declinations or cost indications received from each.
- 4. Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed their financial statements.

ADMINISTRATIVE REQUIREMENTS

- 5. California Licensee** All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.
- 6. Aggregate Limits/Impairment** If any of the required insurance coverages contain annual aggregate limits, you must give the CITY written notice of any pending claim or lawsuit which may diminish the aggregate within thirty (30) days of knowledge of same. You must take steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage.

EXHIBIT 1 - Cont.
INSURANCE REQUIREMENTS

required. No substantial reductions in scope of coverage which may affect CITY'S protection are allowed without CITY'S prior written consent.

7. **Signature** All submissions must bear the manual autograph in ink of a person with authority to bind coverage. Signatures which are rubber stamped, mechanically reproduced, initialed by others or photocopied are not acceptable.

POLICY CONDITIONS

8. **Additional Insured/Loss Payee** The CITY must be included as an additional insured in applicable liability policies to cover the CITY'S vicarious liability for the acts or omissions of the named insured. Such coverage is not expected to respond to the active negligence of the CITY. The CITY is to be named a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

9. **Notice of Cancellation** You agree contractually to maintain all required insurance in full force for the duration of your business with the CITY. By ordinance, all required insurance must provide at least 30 days' prior notice directly to the CITY by receipted delivery (certified mail, courier or in-person delivery) if your *insurance company* elects to cancel or reduce coverage prior to the policy expiration date. This also applies when the **scope of coverage** which affects the CITY'S interest is to be reduced or when the **dollar limits** of coverage are to be reduced for any reason except impairment of an aggregate limit due to prior claims. Submissions not meeting this requirement will be rejected.

10. **Primary Coverage** The coverage must be primary with respect to any insurance or self insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

11. **Separation of Insureds (Severability of Interest)** In **construction contracts**, the CITY must be able to retain its rights as a potential claimant as well as to be protected as an additional insured for vicarious liability to third party claimants except with respect to the insurance company's limits of liability.

PROCEDURES

12. **Acceptable Evidence and Approval** **CITY Special Endorsement** forms completed by your insurance company or its designee are the preferred form of evidence of insurance. (**Note:** The CITY forms are acceptable to the California Department of Insurance from *any* insurance carrier. They need not be re-filed by individual insurance companies.) Altered forms may not be accepted but the "Other Provisions" box on the CITY forms, may be used, as necessary, to provide pertinent information such as important exclusions, specific provisions or scheduled locations/equipment. Additional pages may be attached for this purpose, as well. If they are, make note of it in this box. An acceptable alternative to the Special Endorsement form is a **certified copy of full insurance policy** which contains a 30-day cancellation notice provision and additional-insured or loss-payee status, when appropriate, for the CITY. **Binders and Cover Notes** are also acceptable as interim evidence for up to 90 days. However, non-binding documents such as broker letters and **Certificates of Insurance are not acceptable as stand-alone evidence of coverage**. Certificates are acceptable for the following purposes: 1) supplemental information to accompany endorsements; renewals or extensions of coverage already on file with the CITY; 2) for the naming of third-party, additional insureds; 3) as an indication of compliance with statute, such as Workers' Compensation Law or the California Financial Responsibility Law for Automobile

EXHIBIT 1 - Cont.
INSURANCE REQUIREMENTS

Liability, 4) as proof of coverage beyond CITY requirements or which does not directly relate to the CITY'S interests.

13. **Renewal** When an existing policy is timely renewed, submit a renewal endorsement or a manually-signed Certificate of Insurance. However, if your policy number changes or you use a different underwriting company (insurer) you must submit new evidence which meets the policy conditions listed in Sections 8 through 11 of this information sheet.

COVERAGE INFORMATION

14. **Dollar Limits** of required insurance are sometimes set by statute or ordinance. When there is no specific amount required by law, limits are based on the amount of risk to the CITY from the contractor, vendor or permittee's activities.

15. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third party claims which may arise out of your work or your presence on CITY premises. **Contractual liability** coverage is a required inclusion in this insurance. (See separate information sheet on the CITY'S SPARTA program as an optional source of low-cost insurance which meets all requirements.)

16. **Automobile Liability** insurance is required only where vehicles are used in performing the work of your Contract or where they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

17. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

18. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. **Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc.

19. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Fire Legal Liability** is required for persons occupying a portion of CITY premises.

20. **Surety** coverage may be required to guarantee performance of work. A **Fidelity bond** may be required to handle CITY funds, high value property and under certain other conditions. **Specialty coverages** may be needed for certain operations.

**EXHIBIT 1
INSURANCE REQUIREMENTS**

Date: _____, 200_

Name: _____
 Agreement/Reference: _____

Evidence of coverages checked off below which have as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSL"). Split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.

Limits

Workers' Compensation (Statutory Limit)/Employer's Liability \$ _____
 Waiver of Subrogation in favor of City

General Liability \$ _____

| | |
|--|--|
| <input type="checkbox"/> Premises and Operations | <input type="checkbox"/> Collapse & Underground |
| <input type="checkbox"/> Contractual Liability | <input type="checkbox"/> Products/Completed Operations |
| <input type="checkbox"/> Independent Contractors | <input type="checkbox"/> Fire Legal Liability |
| <input type="checkbox"/> _____ | |

Automobile Liability (if vehicle is used for this contract, other than commuting to/from work) \$ _____

| | |
|--|--|
| <input type="checkbox"/> Hired Automobiles | <input type="checkbox"/> Owned Automobiles |
| <input type="checkbox"/> Non-owned Automobiles | <input type="checkbox"/> _____ |

Professional Liability (Errors and Omissions) \$ _____

Discovery Period **12 MONTHS AFTER COMPLETION OF WORK OR FROM** DATE OF TERMINATION OF THE AGREEMENT/ CONTRACT.

Property Insurance to cover value of bldg (as determined by city or insurance company)

| | | |
|--|---|----------|
| <input type="checkbox"/> All Risk Coverage | <input type="checkbox"/> Boiler and Machinery | \$ _____ |
| <input type="checkbox"/> Extended Coverage | <input type="checkbox"/> Debris Removal | |
| <input type="checkbox"/> Flood | <input type="checkbox"/> _____ | \$ _____ |
| <input type="checkbox"/> Earthquake | <input type="checkbox"/> _____ | \$ _____ |

Pollution Liability \$ _____

Fidelity Bond _____ Surety Bond \$ _____

_____ \$ _____

_____ \$ _____

Notes: _____

Insurance Requirements

Name: _____

Date: 11/14/05

Agreement/Reference: Hollywood Highland Parking Facility

Evidence of coverages checked below which have as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSL"). Split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.

| | Limits |
|---|----------------|
| <input checked="" type="checkbox"/> Workers' Compensation (Statutory Limit)/Employer's Liability | <u>250,000</u> |

- | | |
|--|---|
| <input checked="" type="checkbox"/> Waiver of Subrogation in favor of City | <input type="checkbox"/> Longshore & Harbor Workers |
| | <input type="checkbox"/> Jones Act |

| | |
|--|------------------|
| <input checked="" type="checkbox"/> General Liability | <u>1,000,000</u> |
|--|------------------|

- | | |
|---|---|
| <input checked="" type="checkbox"/> Premises and Operations | <input type="checkbox"/> Collapse and Underground |
| <input checked="" type="checkbox"/> Contractual Liability | <input checked="" type="checkbox"/> Products/Completed Operations |
| <input checked="" type="checkbox"/> Independent Contractors | <input type="checkbox"/> Fire Legal Liability _____ |
| <input type="checkbox"/> _____ | |

| | |
|---|------------------|
| <input checked="" type="checkbox"/> Automobile Liability (if vehicle is used for this contract, other than commuting to/from work) | <u>1,000,000</u> |
|---|------------------|

- | | |
|---|--|
| <input checked="" type="checkbox"/> Hired Automobiles | <input checked="" type="checkbox"/> Owned Automobiles |
| <input checked="" type="checkbox"/> Non-owned Automobiles | <input checked="" type="checkbox"/> <u>GarageKeeper's Liability</u> |

Professional Liability (Errors and Omissions) _____

Discovery Period 12 Months after completion of work or termination of contract

Property Insurance to cover value of building (as determined by City or insurance company) _____

- | | |
|--|---|
| <input type="checkbox"/> All Risk Coverage | <input type="checkbox"/> Boiler and Machinery |
| <input type="checkbox"/> Extended Coverage | <input type="checkbox"/> Debris Removal |
| <input type="checkbox"/> Flood _____ | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Earthquake _____ | <input type="checkbox"/> _____ |

Pollution Liability _____

| | | |
|---------------------|-------------------|---|
| Fidelity Bond _____ | Surety Bond _____ | <input checked="" type="checkbox"/> Crime Insurance <u>500,000</u> |
|---------------------|-------------------|---|

Other Note: Garage Keeper's Liability - \$1MM

BOARD REPORT
DEPARTMENT OF TRANSPORTATION

Council District: 13
Lot 745
Hollywood and Highland

DATE: *April 12,*
~~March 15,~~ 2007

TO: Board of Transportation Commissioners

SUBJECT: APPROVAL OF RECOMMENDED PARKING OPERATOR FOR THE OPERATION AND MANAGEMENT OF THE HOLLYWOOD AND HIGHLAND PARKING FACILITY (LOT 745)

RECOMMENDATIONS:

That your Board:

1. APPROVE the selection of New South Parking – California to operate and manage the Hollywood and Highland Parking Facility (Lot 745);
2. REQUEST that the City Council, subject to the approval of the Mayor, APPROVE AND AUTHORIZE the General Manager to negotiate and execute an Operating Agreement, substantially in conformance with the Request for Proposals, with New South Parking – California for a term of three years with two one-year options at the sole discretion of the City, subject to the City Attorney review and approval as to form and legality.

INITIATED BY

In accordance with Section 22.484 (g) (2) (A) (6) of the Los Angeles Administrative Code, your Board has control of, and responsibility for, the Special Parking Revenue Fund, and has the authority to issue requests for the purchase of services that may be required for the purposes set forth in Section 5.117 of the Los Angeles Administrative Code, subject to the direction and approval of the City Council by ordinance or resolution, or through the Budget or any amendments.

The annual cost of operating the Hollywood and Highland Parking Facility is included in the Contractual Services Account of the Special Parking Revenue Fund (SPRF). The Fiscal Year 2006-07 approved budget includes \$2,675,000 for the operation and management of the Hollywood and Highland Parking Structure.

Board of Transportation Commissioners

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March 15, 2007

April 12,

BACKGROUND

The Hollywood and Highland Parking Garage is a six-level subterranean parking facility consisting of 3,006 parking spaces. The garage serves the patrons of the Hollywood and Highland Center, as well as the Grauman's Chinese Theater, El Capitan Theater, Hollywood Bowl and other live venues in the area, along with adjacent businesses. The Hollywood and Highland Center, fronted by the Hollywood Walk of Fame and adjacent to the Mann's Chinese Theater and Metrorail subway station, includes the Kodak Theatre, a live-broadcast theater, home to the Academy Awards ceremonies, a six-screen 1,600 seat movie theater, a broad combination of retail shops, nightclubs, restaurants and the Renaissance Hollywood Hotel equipped with meeting rooms and a ballroom. The Center incorporates commercial and retail space, as well as public space to be used for special events or other civic, art or public entertainment uses.

DISCUSSION

On June 23, 2005, the Board of Transportation Commissioners (Board) authorized the General Manager to release the Request for Proposals (RFP) for the selection of a commercial parking operator through a competitive bid process to operate the Hollywood and Highland Parking Facility. The General Manager was directed to report back to the Board with a recommended Parking Operator for a term of three years with two one-year options to renew. Upon completion of the RFP evaluation process, the General Manager would present the Panel's recommendation to the Board for their consideration and approval. The Board, in turn, would make their recommendation of the selected Operator to the Mayor and City Council for approval and request authority to negotiate and execute the contract with the selected Operator.

Charter Section 1022 Finding

While the Personnel Department reported that City employees can do the type of work involved in parking operations management, the City Administrative Officer found that, because of the unique nature of the Hollywood and Highland project, the work can be performed more feasibly by an independent contractor.

Contract Appeal Process

In early 2006, the Department developed a contract appeal process with the assistance from the City Attorney. The new process allows contractors to file a written protest on the content (terms and conditions) of a Request for Proposals (RFP) or the RFP selection process. The new Protest Procedure was included in the Hollywood and Highland RFP.

Board of Transportation Commissioners

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~~March 15, 2007~~

APRIL 12,

The RFP Process

In March 2006, the Department advertised the RFP on the City's website, including the Los Angeles Business Assistance Virtual Network, in a local business publication, The Daily Journal, and through mailings to known parking operators. The Department conducted a Pre-Proposal Conference on April 18, 2006, to address RFP requirements and prospective Responders' related questions. Subsequent to the initial release of the RFP, two addendums were issued to revise the RFP by including a transparent set of accountability measures in areas such as parking ticket and revenue controls and required parking operator audits with associated performance penalties for non-compliance. A further revision required all RFP Responders to include a line-item amount of \$750,000 in the Responder's proposed budget for the purchase and installation of a new state-of-the-art revenue control equipment (RCE) system. It was noted that should the Department require the services of the selected parking operator in replacing the revenue control system currently in place; the selected operator would be reimbursed for actual costs, not to exceed \$750,000. The Special Parking Revenue Fund Fiscal Year 2006-07 approved budget includes \$750,000 for the replacement of the revenue control equipment system.

As there were no protests based on the content (terms and conditions) of the RFP within the required timeframe, the Department continued with the RFP process.

The Department received five proposals on May 23, 2006, the deadline for submittal of the RFP responses. Although the City of Los Angeles, Department of General Services (GSD), was invited to participate in the RFP process, GSD elected not to participate at this time and did not submit a proposal for the operation of the parking facility. The Department's Contract Administration staff began their review of the proposals for compliance with the City's contract requirements and with Good Faith Effort Outreach efforts to Minority Business Enterprises (MBE), Women-Owned Business Enterprises (WBE), and Other Business Enterprises (OBE) for potential subcontracting opportunities. Upon completion of their contract compliance review, the Department's Contract Administration staff advised that one RFP Responder, Modern Parking, Inc. was found to be non-compliant with respect to the City's MBE/WBE/OBE Subcontractor Outreach Program. On June 6, 2006, Modern Parking, Inc. was notified in writing that its proposal was deemed non-responsive and disqualified from further consideration. By early June 2006, a five-member Evaluation Panel was convened and began review of the remaining four proposals. The Panel consisted of three representatives from the Department of Transportation, Parking Facilities Division and two highly experienced parking professionals from the City of Pasadena and the City of Beverly Hills.

The Evaluation Process

The Evaluation Panel evaluated the prospective operators according to weighted criteria, as detailed in the RFP, reflected in Figure 1 below.

Figure 1. RFP Rating Criteria

| Final Rating Criteria/Description | Maximum Points |
|---|----------------|
| <p>Monthly Compensation Includes: Proposed monthly compensation and financial feasibility of proposal, adequacy of start-up operations and proposed start-up costs, compliance with required staffing schedule and salary costs, and adherence to the Living Wage Ordinance (LWO) or LWO exemption</p> | 40 |
| <p>Parking Management Experience, Including Reference Checks i) Company experience in parking management; and ii) Staff experience and qualifications in parking operations Includes: Demonstration of proposer's capabilities, qualifications and experience in large-scale special event management and high-volume traffic operations and valet operations, and the qualifications required to perform in accordance with the scope of work and responsibilities. Demonstration of depth of parking operations experience of the proposer's key corporate personnel and the designated parking manager, the assessment of reference checks for relevant experience in managing comparable parking operations, Traffic Management Plan, and response to and verification of Additional Questionnaire</p> | 30 |
| <p>Management Capabilities and Responsiveness i) Existing management operations infrastructure ii) Field supervision and staff accountability; iii) Revenue control, collection and deposit procedures; iv) Records management; v) Approaches to marketing; vi) Complaint abatement procedures; vii) Security and emergency procedures; viii) Personnel training and development; and ix) Standard parking operating procedures and forms Includes: Demonstration of proposer's ability and experience in cash management and audit controls, demonstration of a valid revenue management system for controlling parking revenues, records management, field supervision and accountability, quality customer service, complaint abatement and emergency procedures. Provision of comprehensive Marketing Plan, Employee Training and Development Plan, and Operational Transition Plan</p> | 20 |

| Final Rating Criteria/Description | Maximum Points |
|--|-----------------------|
| Previous Operator Experience with the City of Los Angeles Includes: Experience in contracting with the City, and evaluation of performance by City entities | 5 |
| Costs of Supplementary Services Includes: Proposed costs of supplementary services, and demonstration of adequate supporting cost documentation provided | 5 |
| Maximum Evaluation Score | 100 |

On July 19, 2006, the Evaluation Panel conducted oral interviews to clarify various aspects of the proposals and as a final evaluation of the Responders' ability to meet the RFP criteria. Each interview consisted of a presentation by the RFP Responder and questions from the panel regarding the Responder's proposed budget, experience in managing high-volume traffic and valet operations, depth of parking operations experience of the key corporate personnel including the proposed Parking Manager, and compliance with required staffing levels.

The four Responders indicated their intent to request an exemption from the Living Wage Ordinance by entering into a Collective Bargaining Agreement with Teamsters Local 911, should they be awarded the contract. Further, all Responders complied with the RFP required staffing levels and budgeted \$750,000 for replacement of the revenue control equipment. Finally, all Responders adequately budgeted for the independent ticket audits, per the RFP Revision No. 2.

The RFP Responders were directed to propose a monthly compensation amount to be paid to the parking operator representing full payment for all costs incurred for the operation of the parking garage and a one-time start-up compensation to cover training and costs related to the operator transition. The Special Parking Revenue Fund Fiscal Year 2006-07 approved budget includes \$2,675,000 for the operation of the parking garage, including the monthly compensation paid to the Operator and contingency fees to cover unexpected costs to maintain the garage in a manner commensurate with that of a first-class operation. The four responders' estimated annual contract value for the first 12 months of operation, including the one-time compensation for start-up costs, ranged from \$2,098,296 to \$2,266,273 based upon approximately 116,000 total staffing hours, including the Parking Manager. A comparison of the proposed compensation packages follows in Figure 2 below.

Figure 2. Proposed Start-Up and Monthly Compensation for 1st Year of Operation

| Prospective Operator | One-Time Start-Up Compensation | Monthly Compensation | Annual Compensation | Annual Compensation with Start-Up Costs | Annual Compensation with RCE and Start-Up Costs |
|--------------------------------|--------------------------------|----------------------|---------------------|---|---|
| CIM/H&H Ampco Parking, LLC | \$5,725 | \$188,379 | \$2,260,548 | \$2,266,273 | \$3,016,273 |
| Classic Parking, Inc. | \$14,827 | \$185,636 | \$2,227,632 | \$2,242,459 | \$2,992,459 |
| New South Parking - California | \$10,000 | \$179,265 | \$2,151,180 | \$2,161,180 | \$2,911,180 |
| Parking Concepts, Inc. | \$8,556 | \$174,145 | \$2,089,740 | \$2,098,296 | \$2,848,296 |

Although the original monthly budget of \$185,678 submitted by Classic Parking Inc. included a monthly expense of \$42 for performance penalties, it was determined during the oral interview that this expense was inadvertently included and should be deleted accordingly. Therefore, the final monthly compensation package for Classic Parking is \$185,636, as shown above.

The original monthly budget of \$180,390 submitted by New South Parking – California included monthly expenses of \$625 for capital equipment and \$500 for revenue control equipment maintenance; however, it was determined during the oral interview that such expenses are ineligible per the RFP and RFP Clarification Questions and should be deleted accordingly. Consequently, the final monthly compensation package for New South Parking – California is \$179,265, per the above Figure 2.

Although the original monthly budget of \$174,595 submitted by Parking Concepts, Inc. included monthly expenses of \$375 and \$75 for golf carts and golf cart maintenance, it was determined during the oral interview that these expenses are ineligible per the RFP and RFP Clarification Questions and should be deleted. Therefore, the final monthly compensation package for Parking Concepts, Inc. is \$174,145, as shown above.

Finally, there were no changes to the proposed budget submitted by CIM/H&H Ampco Parking, LLC.

Evaluation Panel's Recommendation

All four qualified RFP Responders are highly respected parking operators with relevant parking management experience, very good to excellent references, and performance recommendations, verified by Department staff. In the end, the Evaluation Panel concluded that New South Parking – California, a partnership formed in 1994 between Central Parking System, Inc., a national parking company and Global Parking Systems of LA, LLC, a minority business enterprise, offered the best overall value to the City based on various factors including the depth of Central Parking's operations experience since 1959, the complexity of projects they have managed and their capacity as an organization, as well as the professional experience of the personnel they proposed to commit to the project. With extensive nation-wide experience in parking operations, Central Parking will be responsible for the day-to-day management and operation of Hollywood and Highland, while Global Parking will bring business development expertise and familiarity of the Los Angeles market to the project. Figure 3 below represents the Evaluation Panel's final scores.

Figure 3. RFP Final Scores

| Prospective Operator | Rater A | Rater B | Rater C | Rater D | Rater E | Final Average |
|--------------------------------|---------|---------|---------|---------|---------|---------------|
| New South Parking - California | 91 | 91 | 90 | 90 | 90 | 90.4 |
| Classic Parking, Inc. | 90 | 89 | 88 | 86 | 88 | 88.2 |
| CIM/H&H Ampco Parking, LLC | 85 | 87 | 87 | 87 | 85 | 86.2 |
| Parking Concepts, Inc. | 85 | 88 | 86 | 83 | 85 | 85.4 |

As a partnership, New South Parking – California (NSP) presently operates the parking and/or transportation services at Louis Armstrong New Orleans International Airport, George Bush Intercontinental, William P. Hobby and Dallas/Fort Worth International Airports, as well as a cooperative effort at Burbank Airport for self-park, valet, and shuttle services, for which approximately 1,500 vehicles are valet-parked daily. In addition, Central Parking System, Inc. has relevant special event parking experience at numerous stadiums and arenas throughout the country, extensive experience in handling high-profile public valet operations such as the local Burbank Airport and experience in managing a vast number of retail and commercial projects similar in scope to Hollywood and Highland. Central's own parking lot inventory of over 100 parking facilities in and around the Los Angeles area will ensure the capability of maintaining a significant pool of available staff for special event parking at Hollywood and Highland.

NSP proposed the 2nd lowest compensation package of all Responders. The compensation package contains a financially feasible budget with reasonable operating expenses and offers appropriate salaries to the parking manager, assistant managers, and supervisors to attract and retain qualified management staff for the operation of a first-class parking facility such as Hollywood and Highland.

The partnership of NSP represents a strong business model with Central Parking partnering with Global Parking Systems of LA, LLC, a minority business enterprise, and utilizing the expertise of the Criscom Company, a local business specializing in public relations and business development, to function within NSP's business model to assist with garage marketing efforts and to provide outreach to the community. Further, NSP's proposed professional management team has many years of collective experience in the parking industry. As a long-time national parking company, Central has broad corporate resources to draw from for this project and has an extensive employee training program. NSP's comprehensive plan for providing quality customer service will help to ensure that the Hollywood and Highland Parking Facility will operate as a First-Class Facility. NSP has proposed to deliver, prior to contract commencement, a complete operations procedure manual specifically for Hollywood and Highland. Finally, NSP presents a viable financial model of return on investment to the City.

Classic Parking, Inc. and CIM/H&H Ampco Parking, LLC were judged the 2nd and 3rd best proposals respectively. Classic Parking, Inc. proposed a highly qualified parking operations management team with competitive salaries, and an excellent employee training program. While Classic Parking has relevant experience in managing high-profile special events in and around Hollywood, Classic does not have the depth of corporate resources as NSP and the proposed compensation package was considerably higher than that of NSP, despite a waiver of \$8,696 in monthly fees for certain maintenance services, including profit. CIM/H&H Ampco Parking, LLC (a joint

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venture between CIM/H&H Parking, L.P. and Ampco System Parking) submitted a detailed proposal with excellent standard operating procedures. While Ampco Parking offers relevant special event experience and CIM, as the owner of multiple Hollywood properties including the Hollywood and Highland Center, offers valuable development expertise, the proposed compensation package is the highest of all Responders, despite a waiver of \$5,524 in monthly fees for certain maintenance services.

Parking Concepts, Inc. offers appropriate special event experience and has proficiently operated parking facilities in Hollywood and Venice for the Department for the last eight years, as well as currently operating numerous other public and private parking facilities in and around the Los Angeles area. Although Parking Concepts, Inc. proposed the lowest compensation package, the salaries for the parking manager and assistant parking managers are substantially lower than the other Responders' management salaries, raising concerns regarding the ability to provide quality parking services commensurate with a first-class facility with the complexities involved in managing the Hollywood and Highland complex.

After careful review and consideration of all four RFP Proposals, the Evaluation Panel recommended New South Parking – California for the award of the Hollywood and Highland contract. On November 1, 2006, the four RFP Responders were notified of the Evaluation Panel's recommendation via certified mail.

Hollywood and Highland Protest

On November 8, 2006, the Department received a timely written protest from one of the Hollywood and Highland RFP Responders, CIM/H&H Ampco Parking, LLC, specific to the RFP selection process. The new Protest Procedure stipulates that should the Department receive a protest on the specific selection process, the protest review shall be conducted by a protest committee consisting of at least two members of Department senior staff, not otherwise involved with the proposal evaluation, and a Transportation Commissioner. At a public meeting on December 14, 2006, the Board of Transportation Commissioners appointed Commissioners George E. Moss and Angela Reddock to serve on a Standing Protest Committee. These Commissioners, along with two members of Department senior management staff, not otherwise involved with this RFP evaluation, were asked to participate in a protest review of the Hollywood and Highland Parking Facility recommendation selection.

On Thursday, February 1, 2007, the Protest Committee convened a publicly-noticed meeting to hear the protest concerning the Hollywood and Highland RFP specific selection process and consider whether there was sufficient grounds to grant the protest.

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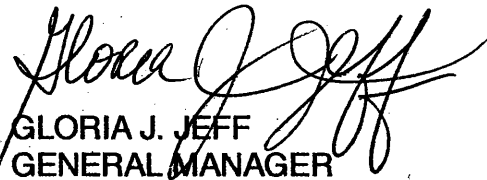
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Representatives from CIM/H&H Ampco, LLC (CIM) addressed the Committee and presented various grounds to support the protest filed by CIM. Department staff was present and responded to questions regarding the protest. There was an opportunity for public comment, including comments from the recommended parking operator, New South Parking – California. CIM was afforded an opportunity to offer rebuttal information.

After consideration of all the evidence and testimony presented, the Protest Committee voted unanimously to deny the protest and uphold the Evaluation Panel's recommendation. Attachment A contains a detailed summary of the protest hearing.

In conclusion, I support the Evaluation Panel's recommendation of New South Parking - California for contract award and formally submit this report for your Board's approval.

Approved by:

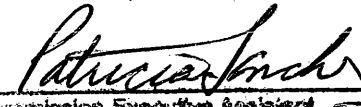


GLORIA J. JEFF
GENERAL MANAGER

Attachment: Hollywood and Highland Protest Hearing Summary

GJJ:AS:NRB:nrb

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|--|
| Approved: <u>April 12, 2007</u> |
| Board of Transportation Commissioners |
|  |
| Commission Executive Assistant |

On Thursday, February 1, 2007, the Standing Protest Committee convened a publicly-noticed meeting to hear the protest concerning the Hollywood and Highland RFP specific selection process and consider whether there was sufficient grounds to grant the protest.

The Protest Committee members were:

Commissioner Angela Reddock, Chairperson
Commissioner George E. Moss
John Fisher, Assistant General Manager, DOT
Iris Ingram, Assistant General Manager, DOT

Representatives from CIM/H&H Ampco, LLC (CIM) addressed the Committee and presented various grounds to support the protest filed by CIM. Department staff was present and responded to questions regarding the protest. There was an opportunity for public comment, including comments from the recommended parking operator, New South Parking – California. CIM was afforded an opportunity to offer rebuttal information.

Discussion occurred during the Protest Hearing regarding CIM's previous request that certain public records pertaining to the Hollywood and Highland RFP be made available for inspection pursuant to the California Public Records Act (CPRA). On Monday, January 29, 2007, the Department made available for inspection all records that would be responsive to CIM's request unless they were otherwise exempt from public disclosure under the CPRA. In particular, the Department indicated that the proposals themselves would not be made available for inspection at that time since a final selection recommendation had not gone forward for consideration by the Los Angeles City Transportation Commission and the Los Angeles City Council. The Department considers all proposals to be currently confidential and that the public interest is clearly better served by non-disclosure than by disclosure at this time.

Although the protest appeared to center around issues such as the mandatory Pre-Proposal Conference, cost, customer service, required staffing levels, and presumed irregularities in the bidding process, the following reflects the primary grounds for protest, as presented by CIM in the hearing.

- 1) Certain of the proposed operators engaged in improper practices during the bidding process and/or neglected to comply with the RFP requirements, rendering these proposals invalid.

The Request for Proposals stipulated that attendance at the Pre-Proposal Conference was mandatory for proposals to be considered and that principals

were urged to attend. The Department held the Pre-Proposal Conference on Tuesday, April 18, 2006, to discuss details regarding the scope of work and City requirements. During the Protest Hearing, CIM argued that the proposal by New South Parking – California (NSP) should be rejected since the two parent companies comprising NSP (Central Parking System and Global Parking Systems) were not represented at the mandatory Pre-Proposal Conference. However, it was determined from the Pre-Proposal sign-in sheet that NSP was represented at the Pre-Proposal Conference. Mr. Jerry Skillett, Vice President of New South Parking – California and Regional Manager of Central Parking System attended the Conference on April 18th. It was also noted that another principal of Central Parking attended the meeting.

Department staff confirmed that they were not aware of any irregularities in the overall bidding process.

- 2) CIM, as the operator of the Hollywood and Highland Center, is better situated to provide an appropriate level of service for this Parking Facility.

During the Protest Review Hearing, CIM maintained that as the owner of the Hollywood and Highland Center, CIM is better situated to ensure high customer service levels to help guarantee the return of customers to the Center. It was noted that one important component of providing quality customer service is to ensure that the length of time it takes a guest to exit the 3,000 space parking facility is minimized. CIM argued that without its direct involvement in the parking operations, CIM would lose control resulting in a reduction in quality customer service levels. CIM expressed concern that with the selection of another parking operator, CIM would have no mechanism to communicate with the parking operator. However, it should be observed that there will be a new parking operator regardless of whether CIM is part of the recommended entity.

Department staff stated that the Department believes that CIM is a valuable component of the parking project. DOT is committed to maintaining close ties with CIM regarding parking management issues to ensure continued success of the parking facility and the Hollywood and Highland Center. The Department will continue to work and cooperate with CIM to strengthen synergies and maintain a continued successful relationship among the project stakeholders, including the proposed parking operator.

DOT believes that the Hollywood and Highland Parking Facility is its flagship parking facility and has a vested interest in the success of the garage. The Department is committed to providing continued quality customer service and a superior parking experience to all of its parking customers. DOT staff manages

the parking operator on a daily basis to ensure that the garage is operated and maintained consistent with that of a First-Class Project and will continue to do so.

Several Committee members collectively reiterated that all parties have a stake in the project and that CIM, the City, and the parking operator should work together to maximize utility and to promote a cooperative and fruitful relationship. The assumption is that whichever operator is selected, which will be new to this Facility, the City will work closely and in good faith with CIM.

It was also noted that the rating criteria used to evaluate the RFP proposals included a customer service component. NSP's proposal included a comprehensive plan for providing quality customer service and complaint abatement procedures at the parking facility. In addition, the RFP requires that the selected operator maintain the highest degree and standards of courtesy and that the garage is to be operated and maintained in a manner consistent with that of a First-Class Project.

It should be explained that the City has made numerous operational enhancements to improve customer service levels and patron egress from the garage, including implementing credit card acceptance, increasing use of the pre-pay cashier station by improving way-finding signage and extending the hours of the pre-pay cashier station, and extending the traffic signal timing whenever possible. For peak special events, DOT Parking Enforcement provides Traffic Officers to assist in alleviating the garage queues by mitigating on-street traffic congestion in the general area of the Hollywood and Highland Center. Finally, the City intends to make significant customer service improvements upon commencement of the new Operating Agreement by installing a new state-of-the-art revenue control equipment system.

3) Some of the proposed operators may lack the qualifications to operate the Facility and/or may have misstated their qualifications generally.

CIM maintained that New South Parking – California, as a Tennessee-based company, may lack the qualifications required to operate the Hollywood and Highland Parking Facility. It was explained that NSP is a partnership between Central Parking System and Global Parking Systems. Global Parking Systems is a Minority Business Enterprise and Central Parking System will act as the managing member of the partnership involved in the day-to-day management of the parking facility. Further, it was clarified that the NSP team is based entirely within the City of Los Angeles. Central Parking maintains an office within the City of Los Angeles and is a Los Angeles employer of over 700 employees. Central Parking System has extensive nationwide experience in parking operations,

including high-profile public valet operations and retail and commercial projects similar in scope to Hollywood and Highland. In addition, NSP's proposed professional management team has many years of collective experience in the parking industry.

- 4) Proposals may be inconsistent with the terms of the Reciprocal Easement Agreement (REA) resulting in parking operations that are not commensurate with that of a First-Class Facility.

The City of Los Angeles and the Developer of the Hollywood and Highland Project, TrizecHahn, entered into a Reciprocal Easement Agreement (REA) which contains certain requirements for operation of the parking facility. The Hollywood and Highland Parking Facility is required to be operated and maintained in a manner commensurate with that of a First-Class Project and the operation must adhere to required staffing levels set in place to ensure a First-Class parking operation. DOT does not believe that the proposals submitted in response to the RFP are inconsistent with the REA as the RFP clearly stipulates that the Parking Facility is to be operated and maintained as a First-Class Facility and the Operating Agreement resulting from the RFP will contain the same provision.

Further, the RFP stipulates that all RFP Responders must adhere to the garage staffing schedule and base their monthly compensation on the current staffing levels in place, as included in the RFP. The mandated staffing levels were approved by the City and CIM, as the current owner of the Hollywood and Highland Center, in consultation with the parking operator, with no compromise to the operation of a First-Class Parking Facility. The RFP stipulates that any change to the initial base staffing levels may only be made with the consent of the City and CIM, as the owner of the Center. The Operating Agreement resulting from the RFP will contain such a provision.

- 5) Monthly Compensation Costs.

In response to questions raised by CIM regarding the proposed costs, Department staff stated that the evaluation panel conducted a comprehensive review of costs while evaluating the proposals. Cost is an important factor and staff has a due diligence to keep costs at a minimum. For this reason, among others, cost was set at 40 points of the total 100 rating criteria points. Other factors were included in the rating criteria, such as parking management experience, reference checks, cash management and audit controls, quality customer service, marketing, and employee training and development.

It is important to note that no protest from any RFP Responder was raised or filed relating to the setting of 40 points to Cost.

The RFP Responders were directed to propose a monthly compensation to be paid to the selected parking operator representing full payment for all expenses, including labor, incurred for the operation of the parking facility. The RFP mandates that the selected Operator will be required to staff the garage in accordance with the approved staffing schedule. The annual compensation submitted by CIM/H&H Ampco Parking, LLC was the highest of the four RFP Responders and approximately \$109,000 higher than the annual compensation submitted by New South Parking - California. During the Protest Hearing, CIM suggested that its proposal was the highest due to the provision of additional labor and that perhaps not all the RFP Responders had actually complied with the required staffing schedules resulting in lower costs. As noted in the Board Report dated March 15, 2007, all RFP Responders complied with the required staffing schedule, as detailed in the RFP. Differences in costs were primarily the result of variations in salaries for the management positions such as the Parking Manager and the Assistant Parking Managers. All RFP Responders have indicated that they will enter into a Collective Bargaining Agreement with Teamsters Local 911 which dictates that certain wages are to be paid to Union employees (cashiers and attendants) employed at this facility.

The rating criteria included five points of the 100 points total for Supplementary Costs, to fund the cost of providing additional as-needed labor. All proposals contained labor costs for supplementary services that were within a satisfactory range of one another. It was noted that the report detailing the Evaluation Panel's recommendation contains sufficient detail to justify the recommendation of New South Parking – California for contract award.

After consideration of all the testimony and documents presented, the Protest Committee voted unanimously to deny the protest and uphold the Evaluation Panel's recommendation of New South Parking – California for contract award.