

TRANSMITTAL

0150-10273-0000

TO
The Council

DATE
04/16/15

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT

**Agreement with SP Plus for
Parking Meter Revenue Counting and Collection Services**

Transmitted for your consideration. See the
City Administrative Officer report attached.



MAYOR

(Ana Guerrero)

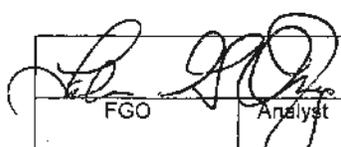
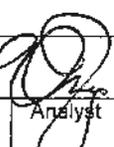
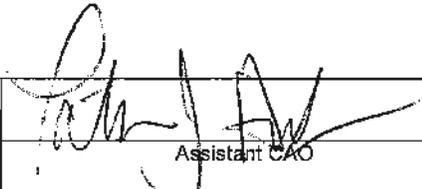
Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 04-16-2015	C.D. No.	CAO File No.: 0150-10273-0000				
Contracting Department/Bureau: Department of Transportation		Contact: Robert Andalon (213) 972-8404					
Reference: Transmittal from the Mayor dated September 16, 2014							
Purpose of Contract: To perform parking meter coin counting and collection services							
Type of Contract: (X) New contract () Amendment		Contract Term Dates: Five years, with the option to renew for four additional one-year periods for a total possible term of nine years					
Contract/Amendment Amount: \$27,605,441							
Proposed amount (for nine years) \$27,605,441 + Prior award(s) \$ 0= Total \$27,605,441							
Source of funds: Special Parking Revenue Fund							
Name of Contractor: SP Plus Inc., dba SP Plus Municipal Services							
Address: 1055 W. Seventh Street, #1500, Los Angeles, CA 90017							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	x			a. Equal Employmt. Oppty./Affirm. Action	x		
2. Appropriated funds are available	x			b. Good Faith Effort Outreach**	x		
3. Charter Section 1022 findings completed	x			c. Equal Benefits Ordinance	x		
4. Proposals have been requested	x			d. Contractor Responsibility Ordinance	x		
5. Risk Management review completed	x			e. Slavery Disclosure Ordinance	x		
6. Standard Provisions for City Contracts included	x			f. Bidder Certification CEC Form 50	x		
7. Workforce that resides in the City: %				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Los Angeles Department of Transportation (DOT) requests authority to enter into an Agreement with SP Plus Inc., dba SP Plus Municipal Services, to provide meter coin counting and collection services for the City of Los Angeles. The term of the Agreement is for nine years (five years with four one-year renewable options). In compliance with Charter Section 373 and Administrative Code Section 10.5, Council approval is required. The City Attorney has approved the proposed contract as to form.

The total estimated cost of the Agreement for the first five years is \$14,886,700.92. Should all four of the one-year options be exercised, an additional \$12,700,000 in costs is estimated, bringing the total cost over nine years to an estimated \$27.6 million. The Agreement is fully funded by the Special Parking Revenue Fund (SPRF).

 FGO	 Analyst	06150121	 Assistant CAO	 City Administrative Officer
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Background and Scope of Work

The scope of work for the proposed Agreement includes both coin counting and coin collection services. Currently, the coin counting services are performed by City employees and coin collection services are performed by outside contractors.

Six City employees are currently employed in coin counting. City employees are also responsible for the supervision and oversight of both the coin counting employees and the contractor that performs coin collection.

The City of Los Angeles has contracted with Serco, Inc. for meter collection since 1995. The current agreement (C-109171) expired on September 30, 2010. Both the City and Serco had mutually agreed to extend the terms through December 31, 2014 with additional month-to-month options through September 30, 2015 while DOT completes the process for awarding a new Agreement.

For the first time, the proposed Agreement will encompass both counting and collection. While the City employees involved in counting will be replaced by a contractor, the City employees responsible for the supervision and oversight will remain to continue to oversee both functions. The City workers that perform the coin counting function consist of six maintenance laborers. If the proposed Agreement is approved, these workers would be absorbed within DOT and will not experience a reduction in wages or benefits.

The final step in the collection process is the transportation of revenue to the bank. This has been contracted out and no changes are proposed to this by the proposed Agreement.

Parking meter revenue is deposited in the Special Parking Revenue Fund (SPRF), and is the top source of revenue for the SPRF. Parking Meter revenue has increased significantly since FY 2009-10 due to an increase in parking rates, extension of metered hours, and upgrades of parking meters to new technology capable of accepting credit cards. In the last 3 years, the frequency of meters collected has decreased by approximately 10%, due to credit card payments. DOT believes the frequency of collection will continue to be reduced as credit card payments rise. The City currently pays a contractor \$9.60 to collect from each pay station and \$0.62 to collect from each single space meter. DOT plans to gradually replace most pay stations with single space meters which will decrease cost and lower contractual expense.

Charter Section 1022 Review

Under a recent review of DOT's Parking Meter Collection Process by KH Consulting group in 2011, it was recommended to retain a single contractor to collect, sort, and count revenues, and pass them to the bank's armored truck service. During October 2013, this Office conducted a review of the proposal consistent with Charter Section 1022 and recommended that DOT be allowed to pursue services of an independent contractor based upon the possibility of achieving a cost savings.

Selection Process

On September 17, 2012, the DOT released a Request for Proposals (RFP) for meter collections and coin counting functions. The RFP was designed as a best value procurement, not a low bid procurement, meaning both price and non-price qualifications were considered.

A mandatory pre-proposal conference was held on October 1, 2012. Thirteen companies attended the pre-proposers conference. The purpose of the conference was to provide an overview of the RFP and an opportunity for prospective bidders to request clarification of the City's administrative requirements.

Proposers were encouraged to submit costs for two different options and prices were requested for each option:

- Option 1A: Bundled Meter Coin Counting and Collection Services, by crew rate (Nine single space meter crews and one pay station crew)
- Option 1B: Bundled Meter Coin Counting and Collection Services, by meter/pay rate (3,305,243 single spaced meters, 22,491 pay stations, along with six coin room operators for a daily eight-hour shift)

The RFP was evaluated in the following criteria listed below:

- Project Approach 50%
 - I. Coin collection services, staffing and management
 - II. Counting services, staffing and management
- Firm and team qualifications 25%
 - I. Firm qualifications
 - II. Project team and subcontractor qualifications
- Fee proposal 25%
 - I. All fees and rates based on the Statement of Work

A bonus of up to eight percent was awarded to proposers who qualified under the City's Local Business Preference Program (LBPP). This program is based on City of Los Angeles Ordinance No. 181910, which became effective October 19, 2011.

According to the Department, three proposals were received (Serco, NA., SP Plus Municipal Services and Xerox) by the RFP due date of November 26, 2012. All three proposals met the minimum qualifications. However, only SP Plus and Xerox submitted and received LBPP points.

The RFP evaluation committee consisted of five members of DOT staff involved in daily meter operations for the City: one Senior Transportation Engineer, one Senior Transportation Investigator, one Senior Management Analyst II, one Management Analyst II and one Systems Analyst II. These five members are all currently tasked with parking meter operations in their daily job duties and have expertise in different facets related to this procurement: transportation, finance, parking meter operations, and administration.

Option IB was determined by DOT staff to be the most cost effective because this unit pricing model will benefit the City more as collection schedules are adjusted based on demand. SP Plus was unanimously selected by the evaluation committee for their Option 1B (\$16,237,453.67), but the price of all proposers exceeded the City's current cost so DOT solicited a last "Best and final offer" (BAFO)

from each proposer, limited to pricing for each option. After review of the BAFO, the evaluation committee unanimously selected SP Plus again for their Option 1B – per meter/pay station rate (\$14,886,700.92). (See table)

Year	SP Plus	Serco	XEROX
1	\$2,785,459.76	\$2,802,350.65	\$2,806,949.92
2	\$2,880,159.12	\$2,855,558.15	\$2,912,102.39
3	\$2,970,815.31	\$2,915,045.59	\$3,021,200.39
4	\$3,070,581.79	\$2,973,182.17	\$3,134,380.52
5	\$3,179,684.93	\$3,033,000.14	\$3,251,985.95
Total	\$14,886,700.92	\$14,579,136.70	\$15,126,619.44

Each member of the evaluation committee ranked the proposals based upon an overall assessment of the proposals and oral interviews. Scores were only used for purposes of forced ranking for each committee member. Each committee member ranked all respondents from highest to lowest based on the final scores he or she gave to each respondent. Forced ranking was used to eliminate potential bias related to totaling or averaging points from evaluators with different variances between scores.

The final selection was between SP Plus and Serco. SP Plus scored higher (4-1) in Project Approach, while Serco scored higher (3-1-1) in Firm and Team Qualifications and Fee Proposal (5-0). SP Plus' higher overall final score was due to it having received the extra points for the LBPP, which Serco did not receive. The table below shows the rankings of each of the five evaluators.

	SP Plus	Serco	Tie
Project Approach	4	1	
Firm and Team Qualifications	1	3	1
Fee Proposal	0	5	
Local Business Preference Program	8	0	

SP Plus specifically stood out in the project approach with their presentation of technology that will allow DOT to be able to monitor collector performance, to obtain an exact count of meters collected, and to report any broken meters in real-time. This technology was not offered by the other two proposers. Additionally, SP Plus offered a substantial technology and equipment upgrade to the coin counting room, along with new and customized collection vehicles, totaling over \$1.27 million. SP Plus proposed a 30-day transition period for the collection operation, and a 270-day transition for equipment replacements and coin room security upgrade.

SP Plus is in compliance with all other City contracting requirements.

Protest

On February 27, 2014, DOT received a protest letter from Serco's representative Mayer Brown LLP regarding the recommended award pursuant to the RFP. Serco argues that SP Plus did not meet the RFP's minimum qualifications and their reference information does not demonstrate that SP or their subcontractors had experience with projects comparable to DOT. They challenged that SP Plus didn't submit the required financial information for its subcontractors and for these reasons Serco believes that SP Plus should be disqualified and the contract should be awarded to them. In addition, Serco

addressed that SP was only awarded the contract because Serco failed to file required administrative forms and collect eight additional LBPP points. Serco argues whether the inclusion of the LBPP points provide the best value for the City because without them Serco's overall combination of price, experience and technology is superior.

On August 13, 2014, the Evaluation Committee Chair, wrote a response to Serco's Protest letter to the Standing Protest Committee. The Standing Protest Committee reviewed and rejected Serco's protest. They did not find significant errors in the Board Report or flaws in the bidding process. This item was addressed at the Protest Hearing Committee on September 4, 2014. The Standing Protest Committee presented its findings to the Board of Transportation Commissioners (Board). The Board unanimously recommended that the Agreement be awarded to SP Plus. (See attachments)

RECOMMENDATION

That the City Council authorize the General Manager, Department of Transportation, to execute the agreement with SP Plus Inc., dba SP Plus Municipal Services to provide parking meter coin counting and revenue collection services for a term of nine years (five years, with four one-year options to renew).

FISCAL IMPACT STATEMENT

There is no General Fund impact. Funding for the first year of this project was included in the City's adopted Fiscal Year 2014-15 budget in the Special Parking Revenue Fund, and future years will be budgeted on an annual basis. The total cost of the contract over nine years is estimated to be \$27.6 million. The recommendations comply with City Financial Policies in that sufficient special fund revenues are available and eligible for this purpose.

MAS:FGO:06150121

Attachments

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: September 11, 2014

To: Honorable Eric Garcetti
Mayor of Los Angeles
Attention: Mandy Morales, Legislative Coordinator

From: Jasmin San Luis, Acting Commission Executive Assistant
Board of Transportation Commissioners

Subject: **APPROVAL OF SP PLUS MUNICIPAL SERVICES AS THE SUCCESSFUL PROPOSER FOR THE
PRKING METER COIN COUNTING AND COLLECTION SERVICES REQUEST FOR PROPOSAL**



OFFICE OF THE
CITY CLERK
2014 SEP 16 PM 1:44
CITY OF LOS ANGELES

At its regular meeting of September 11, 2014, the Board of Transportation Commissioners approved the above referenced. After your review, please forward it to the City Clerk's office for City Council consideration. A copy of the Board's action is attached for your information.

If you need further information, please contact Wayne Garcia at Wayne.Garcia@lacity.org or Anita Tang at Anita.Tang@lacity.org

WG/JSL

Attachments

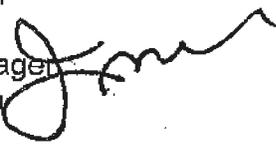
C: Wayne Garcia
Anita Tang
Jasmin San Luis

2014 SEP 17 PM 4:44
CITY ADMINISTRATIVE OFFICER

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

DATE: January 9, 2014

TO: Board of Transportation Commissioners
Department of Transportation

FROM: Jon Kirk Mukri, General Manager
Department of Transportation 

SUBJECT: Approval of Successful Proposer for the Meter Coin Counting and Collection Service Request for Proposals

SUMMARY

This Board Report requests the approval of the successful proposer for the meter coin counting and collection services, subject to City Council's and Mayor's approval.

RECOMMENDATIONS

That your Board:

1. APPROVE the selection of the proposal from SP Plus Municipal Services by the Evaluation Panel to provide meter coin counting and collection services for the City of Los Angeles.
2. RECOMMEND that the City Council, subject to the approval of the Mayor, APPROVE and AUTHORIZE the General Manager to execute a five year contract with an optional four one-year contract extensions with SP for parking meter coin counting and collection services for the City of Los Angeles, subject to the terms and provisions in the request for proposal.

BACKGROUND

The City of Los Angeles has contracted with Serco, Inc. for meter collection since 1995. The current agreement expired on September 30, 2010. Both City and Serco had mutually agreed to extend the terms through March 31, 2014 with additional month-to-month options through September 30, 2014.

In 2011, the Mayor's Office concurred with the portion of a recommendation in a recent management review of LADOT's Parking Meter Collection Process under the auspices of the Controller, KH Consulting Group, to retain a single contractor to collect, sort and count revenues, and pass them to the bank's armored truck service. This review also indicated that the current process is inefficient and redundant.

On April 11, 2012, the City's Personnel Department completed the Personnel Contract Review Report, in which it stated that "due to the staffing shortages, it is unlikely that LADOT will obtain the minimum position authorities to complete the task efficiently".

After receipt of the 1022 Determination from the Personnel Department, LADOT released a Request for Proposal (RFP) for the Meter Collections and Coin Counting functions on September 17, 2012. Three proposals, with the following two (2) different pricing options, were submitted by the due date of November 26, 2012.

- Option 1A: Bundled Meter Coin Counting and Collection Services, by crew rate
- Option 1B: Bundled Meter Coin Counting and Collection Services, by meter/pay station rate

The Office of the City Administrative Officer (CAO) released their Charter Section 1022 Determination on October 16, 2013, which stated that "based upon the feasibility and cost analysis findings, CAO recommends that LADOT pursue the services of an independent contractor to perform the collection and counting of parking meters and pay stations".

DISCUSSION

Overview

Three firms (SP, Serco, and Xerox) that submitted responses to the Request for Proposal (RFP) all met the minimum qualifications as established in the RFP. Two (2) of the firms, SP and Xerox, submitted their Local Business Ordinance (LBO) affidavits of eligibility, and LBO credits were granted.

Based on the written responses, oral presentations, and additional reference checks conducted by departmental staff, the evaluation committee unanimously agreed that two (2) of the three (3) firms, SP and Serco were well qualified as potential contractors; however, the evaluation committee was not confident that Xerox could effectively deliver the required meter coin counting and collection services.

This recommendation of SP for their Option 1B, reflects the evaluation committee's assessment that SP would provide the best service with an open design and adaptive set of solutions that exceeded the department's needs and addressed LADOT's evolving and expanding parking meter operation. As stated above, this was the unanimous consensus recommendation of all five evaluation committee members.

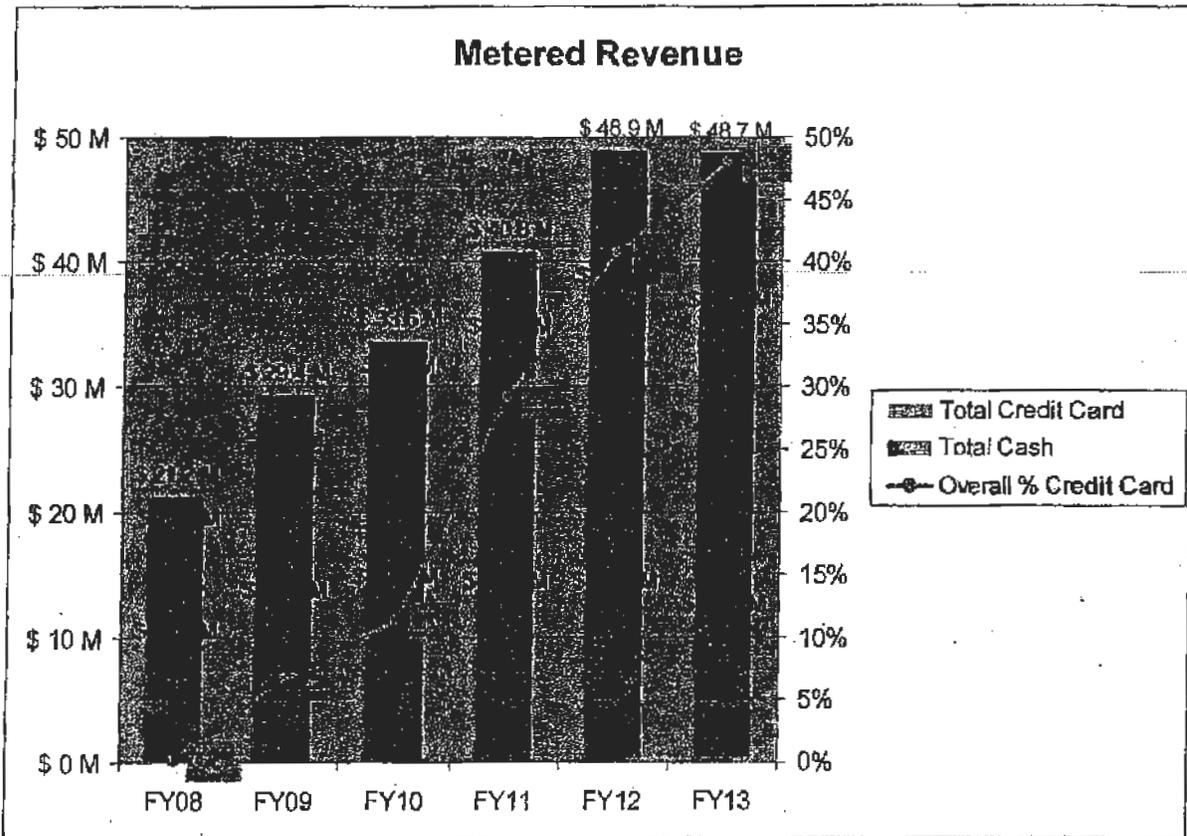
By using a "best value" selection process (see Appendix A), not a low bid procurement, LADOT found SP as the vendor that provides the best overall coin counting and collection services, as well as the equipment upgrades for these services for the term and cost of the contract.

Significance

While outsourcing these two (2) services, LADOT aligns with five (5) of the Mayor's nine (9) Priority Outcomes (See Appendix B).

Parking meter revenue is deposited in the Special Parking Revenue Fund (SPRF), and represents one of the City's top sources of revenue for the SPRF. Parking Meter revenue has increased significantly since FY 2009-10 due to the increase in parking rates, the extension of metered hours, and upgrades of parking meters to new technology capable of accepting credit cards.

Revenues (including all meter and pay station payments, i.e., coins, currency and credit cards) over the last five years are shown in the chart below:



LADOT has developed a 5-year operations and maintenance plan (see Appendix C) to best manage and maximize SPRF revenue.

Cost

Contract and Price Model

The recommended contract structure, Per Meter/Pay Station Payment Option (1B), is essentially "unit pricing", meaning the cost will lower as collection decreases and vice versa. In the last 3 years, the number (frequency) of meters collected has decreased by approximately 10%. Given the increased use of credit card and smartphone payments, i.e. over 1.3 million transactions per month; the department believes that, with continued

efforts in analyzing and revising collection route scheduling and frequency, the number of meters to be collected will continue to be reduced.

As technologies evolved over the past five (5) years, the new single space meters are now capable of accepting coin and credit/debit card payments. With the intention to bring simplicity and convenience for the public, the department plans to gradually replace most on-street pay stations with single space meters. With such changes, contract costs to collect from pay stations may dramatically decrease, from \$9.14 (per pay station rate) to \$0.5346 (per single meter rate) and may further result in a lower contractual expense.

Pricing Models

Each proposer provided two (2) different pricing models:

- Option 1A: Bundled Meter Coin Counting and Collection Services, by crew rate
- Option 1B: Bundled Meter Coin Counting and Collection Services, by meter/pay station rate

All pricing proposals were based on the RFP that included an:

- Expanded scope of work requested by LADOT
- Enhanced infrastructure requirements by LADOT
- Enhanced information systems requested by LADOT
- Modernization of Coin Counting Facility and Equipment requested by LADOT
- Bundling Coin Counting and Coin Collection services

Appendix D documents the notable changes in the RFP compared to how the City currently operates.

Last Best and Final Offer (BAFO)

After review of the initial pricing proposals, and a consultation with the General Manager, all proposers were asked to submit "last best and final offers" (BAFO) on price, and reduced their costs according to LADOT's instructions.

The tables in Appendix E summarized the annual cost comparison between the original submittals and the BAFOs, utilizing the requirements as noted in the RFP:

- Option 1A: nine (9) single space meter crews and one (1) pay station crew
- Option 1B: 3,305,243 single spaced meters, 22,491 pay stations, along with six (6) coin room operators for a daily eight-hour shift.

Although both SP and Serco lowered their original pricing by 8% in their BAFOs, Serco's proposal eliminated the position of a SAM 3 Controller, who monitors all radio transmissions between the meter collectors and the City's Meter Collection Security and Investigation Section, and dispatches contracted supervisors to assist collectors in the field as needed. In addition, Serco also allocated a management position to fulfill the

role of the third collections supervisor; while SP did not diminish any of the all-inclusive propositions as outlined in their original proposal.

While all three BAFOs are valid for 360 days, Serco incorporated a clause which suggested if the projected number of multi-space meters to be collected varies significantly from the required 20,000; either the City or Serco may open discussions regarding reasonable cost-risk mitigation. Since LADOT intends to gradually replace most on-street pay stations with single space meters, the Department projects fewer collections from pay stations, which may lead to lower contractual cost. With Serco's clause, such decline in pay station collections would result in price re-negotiation, which may affect the anticipated cost reduction.

Cost Comparison

As previously reported in CF 10-2449, in-sourcing both parking meter coin counting and collection services would have a 5-year cost of \$23.5 million; while the recommended SP's Option 1B would cost \$14.9 million over a 5-year period, plus \$5.8 million for LADOT administrative and contract oversight costs, for total of \$20.7 million.

Thus, bundled contracting saves the City \$2.8 million. In addition, the recommended proposer offers a substantial technological and equipment upgrade to the coin counting room, along with new and customized collection vehicles, advanced technology and system enhancement (see Appendix F) that far exceeded the RFP requirements, totaling over \$1.27 million. Financial details are provided in Appendix G.

Service Quality

All three (3) proposers provide quality services in various aspects of transportation or parking related services to various clients across the United States and/or globally, as demonstrated in their proposals, oral presentation, and subsequent reference checks. However, for this specific procurement, the committee was not confident that Xerox could effectively deliver the required services with their limited experience in parking meter coin counting and collections and the limited experience of their proposed parking meter collection subcontractor. SP's qualifications (see Appendix H) and capabilities (see Appendix I) are proven facts to the evaluation committee that they will provide the best value and the best quality of service to the City.

System Capability

SP proposed to provide LADOT with an operational model and flexible set of parking solutions (highlights in Appendix J) that will address LADOT's evolving and expanding parking meter operation. The evaluation committee was impressed with their presentation of the Near Field Communications (NFC) "bread crumbing" meter collection live-tracking software. With "bread crumbing" technology, collectors will not be able to proceed to the next assigned meter without inputting a "reason code" for not collecting the meter. Therefore, LADOT and SP will be able to monitor collector performance, obtain exact count of meters collected, and report any broken meters in real-time. This technology was not offered by the two (2) other proposers.

Corporate Experience

SP is a division of Standard Parking Corporation, offering a wide-array of municipal parking services. It operates more than 2,200 parking facilities in over 335 cities throughout the United States and Canada, with an approximate \$1.5 billion collected and accounted for parking revenue annually. SP provides meter collection and counting services to cities such as City of Miami Beach, Florida; City of New Orleans, Louisiana; and City of Newport Beach, California. They also collect and count for Orange County Toll Roads/Transportation Corridor Agencies for their toll roads collection; and serve as the parking manager for the Los Angeles Dodgers, LLC.

Collections

Collections Fee

The collections fee under Option 1B is a fixed price charged by the contractor on each meter and pay station collected.

Capability

Staff

SP has proven their capability in fulfilling the obligations stipulated in the RFP, through their written and oral presentations. As for the coin counting service, LADOT is confident that, with their triple reconciliation redundancy approach, all collected meter revenue would be deposited into the City's bank account within 24 hours of collection.

Optional Services

LADOT requested proposers to provide a fee proposal for a Collection Analyst to monitor and adjust collection frequencies based on changes to payment (credit vs. coin) and parking patterns (RFP Sec. O, pp. 11).

All proposers submitted pricing for the Collection Analyst, with BAFOs ranging from \$267K to \$446K for a 5-year contract. However, SP has indicated during their oral presentation that, with their technology-based approach, their management staff should be able to provide all necessary analysis and reports by utilizing the system and software that are included in the RFP, without City subscribing such optional service.

Schedule

SP has proposed a 30-day transition period for the collection operation, and a 270-day transition for equipment replacements and coin room security upgrade. With the current contract extension with Serco, there would be ample time for SP to complete their implementation plan (see Appendix K) for meter collection services prior to the expiration of current contract extension.

Risk

Changing service providers inherently creates risk related to the timeline and complexity of the transition; however, the implementation plan submitted by SP provides LADOT with confidence that the project will be operationally deployed in accordance with the submitted implementation plan.

SP has successfully transitioned the City of Newport Beach's on-street operation which includes parking meter collections, maintenance, counting, and enforcement services in 2011, which has provided the experience necessary to transition the LADOT operation.

Additionally, since the current service provider must maintain continuity of service during the transition period, there should be no impact to City revenue and services.

Moreover, SP will negotiate extensions for existing vendor Agreements, if necessary, to ensure continuation of services without any impact on the daily collection and deposit of City meter revenues.

Term

A five year term is consistent with past practice and strikes a balance between having service consistency with the same provider and having competition that occurs during any procurement process.

In addition, the size and complexity of the contract and the resulting services require significant staff time, thus any term less than five years will increase net costs.

However, the Mayor and City Council have the authority to either reduce or lengthen the recommended contract term.

PERSONNEL IMPACT

Six (6) Maintenance Laborers currently perform the coin counting function. If the recommendations in this report are approved, those Maintenance Laborers could be reassigned to support various LADOT operations (e.g. temporary sign posting) and be provided additional training as necessary. LADOT has four (4) vacant Maintenance Laborer positions and 5 vacant Traffic Paint Sign Posting I (TPSP, 3421-1) position authorities that can accommodate the existing staff. Some of the existing staff have received partial training as TPSP and worked this function as needed on an overtime basis to support LADOT Field Operations. Currently, the department spends \$20,000 per pay period on overtime for temporary sign posting and other repair, maintenance and construction activities. The reassignment of these positions will not only help relieve the overtime burden to the general fund, but also provide opportunities for the employees to enhance their skills which may lead to promotional opportunities in the future.

The Maintenance Laborers that will be reassigned will not be laid off, will not experience wage cuts or loss in benefits, and may in fact have more flexibility in work schedules as

they will be working across job classification in sign posting, maintenance and construction.

In addition, in a separate communication (see Appendix L), that was not used in the evaluation, but is attached for your review; the California Teamsters Local 911 (Teamsters) unanimously endorsed SP for this procurement. According to the letter received by the Teamsters, "...SP is providing sustainable jobs with competitive compensation packages while at the same time delivering services for public agencies through public/private partnerships."

FISCAL IMPACT

Funding for the meter collection service performed under the proposed contract is historically included in the Special Parking Revenue Fund (SPRF). One of the highlights is to optimize collection scheduling and routes, and develop high-demand "priority" areas within meter sub-zones. Thus, the contract cost is off-set by meter revenue that is deposited into this fund. For FY 2012-13, the meter collection cost (\$1.84M) represented 3.78% of the \$48.7M in actual revenue.

While the coin counting service is currently performed by City staff, funding for this service is also being appropriated in the SPRF (salary) budget. As recommended by the KH's 2011 management review, it is more cost effective to outsource both the collection and counting services. The approved FY13-14 budget appropriated \$2,799,000 for this contract, so there is no significant impact to the SPRF budget.

ATTACHMENTS

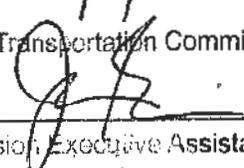
The attachments provide additional detail to support the analysis and recommendations in the main report.

- APPENDIX A – PROCUREMENT PROCESS
- APPENDIX B – MAYOR'S PRIORITY OUTCOMES
- APPENDIX C – HIGHLIGHTS OF MAJOR COMPONENTS CONTAINED IN THE SPECIAL PARKING REVENUE FUND (SPRF) 5-YEAR OPERATIONS & MAINTENANCE PLAN
- APPENDIX D – NOTABLE CHANGES IN RFP COMPARED TO HOW THE CITY CURRENTLY OPERATES
- APPENDIX E – PRICE COMPARISON
- APPENDIX F – TECHNOLOGY AND SYSTEM ENHANCEMENTS
- APPENDIX G – COST COMPARISON
- APPENDIX H – RECOMMENDED VENDOR QUALIFICATIONS

- APPENDIX I – CAPABILITY HIGHLIGHTS
- APPENDIX J – NEW SERVICES
- APPENDIX K – IMPLEMENTATION TIMELINE
- APPENDIX L -- SP' ENDORSEMENT LETTER FROM CALIFORNIA TEAMSTER LOCAL 911

JTV: RA: ast

Attachments

Approved: 9/11/2014
Board of Transportation Commissioners

Commission Executive Assistant

APPENDIX A – PROCUREMENT PROCESS

Procurement Type

The request for proposals (RFP) process was a “best value” procurement, not a low bid procurement. This means that both price and non-price qualifications were considered. This type of procurement was selected to ensure that the city will receive the best service quality possible.

Request for Proposals

Prior to releasing the final RFP, on May 14, 2012, LADOT released a draft to the industry for review and comment. This was to ensure that the RFP was clear, addressed industry issues, and incorporated private sector expertise in meter coin counting and collection services. A total of eight (8) companies received the draft RFP and two (2) companies submitted written comments to LADOT on June 4, 2012.

- Coin Mach Corp
- Duncan Solutions
- Garda Cash Logistics
- Laz Parking
- IPS Group, Inc.
- Serco, NA.
- SP Plus Municipal Services
- Xerox

All companies received copies of all other companies' comments and LADOT's responses. Most of the comments were incorporated into the final RFP.

On September 17, 2012, LADOT issued a RFP for meter coin counting and collection services. The RFP was electronically posted on the Los Angeles Business Assistance Virtual Network (BAVN) as required by city policy.

On October 1, 2012, a mandatory pre-proposal meeting was held at the LADOT headquarters office located at 100 South Main Street. The purpose of the pre-proposal conference was to provide an overview of the RFP and to provide an opportunity for prospective bidders to request clarification of the city's administrative requirements.

Thirteen (13) different companies participated in the pre-proposal meeting. The procurement officer chaired the meeting and the department's contract analyst was available to answer any questions regarding the city's administrative requirements. Addenda were issued at various times throughout the process, to address questions submitted by prospective proposer and to clarify sections as necessary.

Evaluation Committee

The evaluation committee (“committee”) consisted of the Acting Chief of Parking Meter Investigations (chair) plus four additional staff members with expertise in different facets

related to this procurement: transportation, finance, parking meter operations, and administration. The committee members have over 90 years of combined experience in transportation related services.

Evaluation Criteria

The RFP identified the evaluation criteria (summarized below) and weighing (maximum points for each criterion). A bonus of up to 8% was awarded to proposers who qualified under the city's "Local Business Preference Program".

Criteria	Max. Points
Project Approach	50
• Coin collection services, staffing and management	
• Counting services, staffing and management	
Firm and team qualifications, including references	25
• Firm qualifications	
• Project team and subcontractors qualifications	
Fee Proposal	25
• All fees and rates shall be based on the SOW	
Total	100

A complete description of the evaluation criteria is contained in the RFP on pp. 12.

Proposals Received

Three (3) companies submitted proposals on the due date of November 26, 2012 (in alphabetical order): Serco, NA., SP Plus Municipal Services, and Xerox.

Pre-Screening Proposals

A "pre-screening" of each proposal was completed by the department's contract administration division to verify that all required information was received before the committee evaluated the proposals, i.e. that the proposals were responsive to the city's administrative requirements. All proposals complied with the city's various contract requirements including business inclusion program, the living wage ordinance, the service contract worker retention ordinance, the equal benefits ordinance, the contractor responsibility ordinance, and the child support obligation ordinance.

Proposal Distribution to Committee Members

On December 19, 2012, the proposals were distributed to all committee members under the oversight of the deputy city attorney.

Evaluation Process

The evaluation process was administered as described in the RFP.

Initial Scoring

Committee members reviewed the written proposals and gave initial scores for each criterion for each proposer. Committee members did not discuss the proposals or share scoring with each other.

On February 28, 2013, all committee members turned in their scores for each proposer to the chair. The chair tallied the scores of each member and confirmed that all proposers scored the minimum required 70 points from all committee members.

Oral Presentations

All proposers made oral presentations to the committee on March 21, 2013 at LADOT headquarters.

References

The chair conducted telephone reference checks of current and former customers for all proposers:

Serco, N.A.

City of San Francisco
County of Montgomery

SP Plus Municipal Services

City of Newport Beach
City of Riverside

Xerox

District Dept of Trans. (DC)
City of Dallas

The customers were selected based on references provided by the proposers as well as other major customers selected by the chair.

Reference checks were used to validate statements made by each proposer and to assess their past and present performance as it relates to the scope, size, and complexity of services in the RFP. The quality and performance of all proposers were assessed based on the feedback received from each proposer's past and current customers.

On May 9, 2013, the chair verbally shared the results of the reference checks with the committee members.

Ranking

Each committee member gave final scores for each criterion for each proposer based on the quality of the written proposal, oral interview, and reference checks. (Initial scoring was not considered, did not account for all information available for each proposer, and was used for screening purposes only.) Based on each committee member's score and overall assessment of the proposals and oral interviews, each committee member ranked the proposers.

"Forced ranking" was used to eliminate potential bias related to totaling or averaging points from evaluators with different spreads (variances) between scores.

On April 30, 2013, the chair convened the committee and each member submitted his or her rankings to the chair. Committee members did not discuss their scores or rankings prior to submittal to the chair.

The chair tabulated the rankings and the unanimous consensus showed SP ranked first, followed by Serco as second, and Xerox as third. The committee then discussed the strengths and weaknesses of each proposal.

Last Best and Final Offer (BAFO)

On May 9, 2013, the committee met with the general manager and advised of the rankings and staff recommendation. The committee also advised that the price of all the proposers exceeded the current cost.

The general manager directed the chair to solicit a "last best and final offer" (BAFO) from each proposer limited to pricing for each option. No other changes to the proposals were allowed.

All proposers submitted their BAFO on the deadline of 5:00 p.m. PST, Wednesday, April 10, 2013 and all proposers reduced their proposed price. All BAFOs are valid for 180 days, expiring October 7, 2013.

Final Ranking

The committee members reconvened, were advised of the BAFO, and individually re-scored and re-ranked the proposers. The chair tabulated the rankings and the unanimous consensus again showed SP ranked first, followed by Serco as second, and Xerox as third.

APPENDIX B – MAYOR’S “BACK TO BASICS” PRIORITY OUTCOMES

By outsourcing the parking meter coin counting and collection services, LADOT aligns with five (5) of the Mayor’s nine (9) “Back to Basics” Priority Outcomes:

1. Promote good jobs for Angelenos all across Los Angeles

The current city staff will be reassigned to jobs that may lead to career advancement and promotional opportunities in the future. According to the proposals received, any one of the proposers would also provide an additional fifteen (15) to twenty-eight (28) private sector jobs by utilizing certified Los Angeles based MBE/WBE and DVBE.

2. Restore the City services that make our neighborhoods livable and attractive

The City staff (maintenance laborers) will be assigned to core services within the department, such as temporary parking restrictions, emergency response and special traffic operations, citywide street mark-outs, traffic safety projects and traffic surveys, that help meet this priority.

3. Live within our financial means

As shown by the cost analysis (Appendix E), the contracting of the parking meter coin counting and collection services saves the city \$2.8 million over 5 years.

4. Deploy innovation and technology to modernize city government

Throughout the scope of work of the RFP, there are numerous mandates of the selected contractor to provide the department with technological innovation and best practices for parking meter coin counting and collection.

5. Partner with citizens and civic groups to build a greater city

Each company that submitted a proposal made a commitment to partner with the department in making coin counting and collection services one of the best, if not the best, program in the nation.

APPENDIX C -- HIGHLIGHTS OF MAJOR COMPONENTS CONTAINED IN THE SPECIAL PARKING REVENUE FUND (SPRF) 5-YEAR OPERATIONS & MAINTENANCE PLAN

The Special Parking Revenue Fund (SPRF) was established as a special fund to be the depository account of all revenue collected from parking meters and public off-street facilities in the City of Los Angeles that are administered by DOT through the Board of Transportation Commissioners (BOTC). SPRF revenue has seen a dramatic increase over the last four fiscal years, primarily due to the implementation of operational and policy changes for metered parking.

To best manage the three major DOT parking programs, metered parking, parking facilities, and permit parking, over the next five years, LADOT developed a 5-year operations and maintenance plan in 2011. The following are highlights of the major components contained in this RFP that fall in line with the SPRF 5-year plan:

Meter Security

- Implement vehicle-based key programming with real-time authorization and monitoring system
- Implement RFID-based collection can & canister tracking system

Meter Collections

- Optimize collection scheduling and routes and develop high-demand "priority" areas within meter sub-zones

Revenue Equipment Replacement and Enhancement

- Deployment of innovative technology on: coin collection and counting equipment, maintenance equipment (vehicles, computers, and communication equipment) and management systems, including revenue, auditing, and reporting

The contractor is required to provide counting service on the same day as the meter revenue is collected and deposit that day's revenue into the City designated account within 24 hours from the time actual coin collection has occurred. All collected funds must be transported from the Coin Counting Facility via armored transport vehicle the same collection day.

1. **Class II Vault** – The contractor must provide a separate subcontract a Class II Vault located within the City of Los Angeles, to store meter collection revenue overnight on emergency basis, such as a fire, earthquake or other natural or man-made disaster.
2. **Coin Counting Equipment Replacement** – The contractor must replace the four (4) jet sorter machines and one (1) currency counter within the first year of award.
3. **Coin Counting Equipment Maintenance** – The contractor must enter into a maintenance agreement with the provider of the coin sorting equipment to keep the coin sorters in operational condition. The contractor will be responsible for providing proper maintenance and repairs of the coin and jet sorters.
4. **Coin Counting Staff Safety Equipment and Uniforms** – The contractor must provide all counting personnel with complete safety equipment and uniforms as recommended by OSHA, and sufficient changes for each employee to maintain a professional, clean and neat appearance.
5. **Ongoing Training Plan** – The contractor must provide all safety training required under federal, state and local law, which shall be conducted, as required, at its own expense.
6. **IT Support Services** – The contractor must provide, manage and support all IT infrastructures within the parking meter revenue collection and counting facility and related systems.

APPENDIX D -- NOTABLE CHANGES IN RFP COMPARED TO HOW THE CITY CURRENTLY OPERATES

A. Meter Collection Service

1. **LA Express Park** – The selected contractor resulting from this RFP must work collaboratively with the selected contractor of the LA Express Park program to support the efficient collection and tracking of parking meter revenue and to assist in the development of the processes for scheduling and coordinating the method of collection from single-space and multi-space meters in the LA Express Park project area. Developing an interface with the LA Express Park database will be required.
2. **Revenue Collection Equipment Replacement** – Within six (6) months of contract award, the selected contractor must provide full replacement of the City's existing four hundred (400) collection canisters (without heads) and provide forty (40) new collection carts.
3. **Collection System Upgrades** -- The contractor must propose a system by which collection carts are equipped with GPS receivers and may be tracked and monitored in a manner similar to collection vehicles. Additionally, the contractor must provide a system by which City's current coin canisters are electronically tagged.

The City is currently developing a comprehensive Meter Management System (MERGE) with Xerox, which will include collections workforce management and revenue reconciliation modules. The contractor must be able to integrate, interface and support MERGE and any current or future related system. The contract must also be able to support the City in development and implementation of future meter collection and revenue counting and reconciliation systems.

Smartphones – The contractor must provide smartphones running the latest stable version of the Android operating system (OS). The contractor is responsible for maintaining uninterrupted cellular service and data plans for each device using any major US wireless carrier for the duration of the contract period. The contractor must provide, at minimum, one (1) phone per collector, supervisor, and Meter Investigations & Security staff member.

4. **Collection Vehicle Upgrade** -- Vehicles must be outfitted with a GPS tracking system. The contractor and City must have an ability to monitor vehicle movements, route history, current and average speeds.

B. Coin Counting Service

The city currently performs coin counting in-house, with 6 Maintenance Laborers. The current annual operation cost for 6 Maintenance Laborers is \$640,700, or \$3.2 million over a five-year period.

APPENDIX E – PRICE COMPARISON

Pricing Model

Options

The RFP required proposers to submit prices based on pricing models established by LADOT as recommended by a recent management review. Under the auspices of the Controller, KH Consulting Group performed an audit of parking meter collection process, and recommended that the department should contract the coin counting function. The selected pricing models (summarized below) were designed to allow true “apples-to-apples” comparisons and to provide the Mayor and City Council with the prices for different policy options:

- Option 1A: Bundled Meter Coin Counting and Collection Services, by crew rate
- Option 1B: Bundled Meter Coin Counting and Collection Services, by meter/pay station rate

Recommended Pricing Model

LADOT staff recommends option 1B, as it is the most cost effective. A pricing model for collections billed per meter/pay station benefits the City more as collection schedules are adjusted based on demand. This is important as credit card usage continues to increase, as pay stations begin to be replaced by single space meters in the coming years. Increasing credit card usage means fewer coins being deposited in the meters/pay stations which subsequently require fewer collections.

Contract Cost

The proposed contract would provide for fixed unit pricing (i.e. per meter/pay station collected). Meter collection pricing will be lowered as collection decreases and vice versa. Because pricing is per unit and actual meter collections may vary, the total fiscal year cost may be higher or lower than the figures shown in this report.

Pricing Comparison

Proposers submitted costs for 2 different options as previously noted. Prices were submitted for each option by each proposer. The table below compares the proposed prices, original submittals and BAFOs, with requirements as noted in the RFP:

- Option 1A: nine (9) single space meter crews and one (1) pay station crew
- Option 1B: 3,305,243 single spaced meters, 22,491 pay stations, along with six (6) coin room operators for a daily eight-hour shift.

The pricing shows that the per meter/pay station option is more cost effective. Details for each pricing option follow the pricing summary table.

Pricing Summary

Option	Description	SP BAFO	SP Original	Serco BAFO	Serco Original	Xerox BAFO	Xerox Original
1A	Bundled - Crew Rate	\$15.2M	\$16.7M	\$14.5M	\$17.4M	\$15M	\$15.3M
1B	Bundled - Per Meter/Pay Station	\$14.9M	\$16.2M	\$14.6M	\$15.9M	\$15.1M	\$15.3M

Option 1A - Bundled (Per Crew Rate)

SUMMARY (BAFO - BUNDLED - PER CREW RATE)		
Lowest Cost	SERCO	\$14,517,035.92
2nd Lowest Cost	XEROX	\$14,951,735.32
3rd Lowest Cost	SP	\$15,156,866.26

OF CREW	
Single Space Meter	9
Pay Station	1

ORIGINAL PRICING (Bundled - Per Crew Rate)			
ANNUAL CONTRACT COST			
YEAR	SP	SERCO	XEROX
1	\$ 3,115,474.44	\$ 3,317,122.50	\$ 2,830,851.42
2	\$ 3,227,110.86	\$ 3,390,880.50	\$ 2,937,015.82
3	\$ 3,327,606.12	\$ 3,476,522.00	\$ 3,047,209.16
4	\$ 3,437,448.20	\$ 3,550,513.00	\$ 3,161,416.64
5	\$ 3,556,957.42	\$ 3,626,164.00	\$ 3,280,008.12
Total	\$16,664,597.04	\$17,361,202.00	\$15,256,501.16

BAFO (Bundled - Per Crew Rate)			
ANNUAL CONTRACT COST			
YEAR	SP	SERCO	XEROX
1	\$ 2,837,273.66	\$ 2,863,289.26	\$ 2,774,348.06
2	\$ 2,932,828.82	\$ 2,824,187.36	\$ 2,878,406.28
3	\$ 3,024,784.24	\$ 2,889,630.68	\$ 2,986,296.78
4	\$ 3,125,811.54	\$ 2,940,554.76	\$ 3,098,266.18
5	\$ 3,236,168.00	\$ 2,999,373.86	\$ 3,214,418.02
Total	\$15,156,866.26	\$14,517,035.92	\$14,951,735.32

OPTIONAL BIDDING DETAILS - PER METER/PAY STATION

YEAR	SP	SERCO	XEROX
1	-8.93%	-13.68%	-2.00%
2	-9.12%	-16.71%	-2.00%
3	-9.10%	-16.88%	-2.00%
4	-9.07%	-17.18%	-2.00%
5	-9.02%	-17.29%	-2.00%
Total	-9.05%	-16.38%	-2.00%

Option 1B - Bundled (Per Meter/Pay Station Rate)

BIDDING DETAILS - PER METER/PAY STATION

Lowest Cost	SERCO	\$14,579,136.70
2nd Lowest Cost	SP	\$14,886,700.92
3rd Lowest Cost	XEROX	\$15,126,619.40

OPTIONAL BIDDING DETAILS - PER METER/PAY STATION

Single Space Meter	3,305,243
Pay Station	22,491

OPTIONAL BIDDING DETAILS - PER METER/PAY STATION

YEAR	SP	SERCO	XEROX
1	\$ 3,034,163.30	\$ 2,951,508.95	\$ 2,830,821.58
2	\$ 3,143,897.49	\$ 3,099,069.88	\$ 2,937,064.53
3	\$ 3,242,210.12	\$ 3,206,633.85	\$ 3,047,341.82
4	\$ 3,349,916.17	\$ 3,274,592.83	\$ 3,161,544.88
5	\$ 3,467,266.59	\$ 3,343,917.77	\$ 3,279,926.62
Total	\$16,237,453.67	\$15,875,723.27	\$15,256,699.23

BIDDING DETAILS - PER METER/PAY STATION

YEAR	SP	SERCO	XEROX
1	\$ 2,785,459.78	\$ 2,802,350.85	\$ 2,808,949.92
2	\$ 2,880,159.12	\$ 2,855,558.15	\$ 2,912,102.39
3	\$ 2,970,815.31	\$ 2,915,045.59	\$ 3,021,200.87
4	\$ 3,070,581.79	\$ 2,973,182.17	\$ 3,134,380.52
5	\$ 3,179,684.93	\$ 3,033,000.14	\$ 3,251,985.95
Total	\$14,886,700.92	\$14,579,136.70	\$15,126,619.44

OPTIONAL BIDDING DETAILS - PER METER/PAY STATION

YEAR	SP	SERCO	XEROX
1	8.20%	5.05%	0.84%
2	8.39%	7.86%	0.85%
3	8.37%	9.09%	0.86%
4	8.34%	9.20%	0.86%
5	8.29%	9.30%	0.85%
Total	8.32%	8.17%	0.85%

APPENDIX F – TECHNOLOGY AND SYSTEM ENHANCEMENTS

Vehicle Costs	\$	299,530.58
Vehicle Customizations	\$	134,444.37
Phones & Accessories	\$	7,558.13
Solutioning Software & Hardware for Identified Capabilities	\$	196,783.13
Annual Support for IT & Solutioning	\$	178,850.25
Collection Canisters - 400	\$	144,200.00
Collection Carts - 40	\$	16,960.00
Jet Sort (4)	\$	53,792.32
Jet Scan (1)	\$	5,932.69
Counting Hardware - Computer/Interface (4)	\$	20,097.00
Coin Conveyor System	\$	8,964.00
Jensen Floor Scales	\$	1,107.80
Freight	\$	7,000.00
Building Access & Camera System	\$	65,195.63
Armored Courier	\$	50,895.00
Software development for identified capabilities	\$	25,121.25
Coin Bags - Fed Standard	\$	28,944.90
Security Seals	\$	24,468.75
Uniforms	\$	3,300.00
Ear Protection	\$	250.00
TOTAL	\$	1,273,395.80

APPENDIX G – COST COMPARISON (IN-SOURCING VS. OUTSOURCING)

1 COST OF CITY FORCES REQUIRED TO PERFORM PROPOSED CONTRACTED WORK

a Positions Required (list all)

A	B	C	D	E	F	G
Position Title	No. of Post.	Monthly Salary of Each Position	Total Monthly Salary Cost	Overhead Rate (CAP34 – 105.47%)	Duration (in mos.)	TOTALS
METER COLLECTION						
Parking Meter Collector	29	\$3,379	\$97,993	\$103,354	60	\$12,080,812
Sr. Parking Meter Col.	2	\$3,649	\$7,298	\$7,697	60	\$899,658
Ch. Trans. Inv.	0.5	\$7,042	\$3,521	\$3,713	60	\$434,062
Sr. Trans. Inv.	2	\$7,016	\$14,031	\$14,799	60	\$1,729,814
Sr. Mgmt. Analyst I	0.5	\$7,694	\$3,847	\$4,058	60	\$474,283
Management Analyst II	0.5	\$6,515	\$3,257	\$3,435	60	\$401,564
Clerk Typist	0.5	\$4,025	\$2,012	\$2,122	60	\$248,082
Subtotal Meter Collection						\$16,268,275
COIN COUNTING						
Maintenance Laborer	6	\$4,331	\$25,985	\$27,407	60	\$3,203,503
Ch. Trans. Inv.	0.5	\$7,042	\$3,521	\$3,713	60	\$434,062
Sr. Trans. Inv.	2	\$7,016	\$14,031	\$14,799	60	\$1,729,814
Sr. Mgmt. Analyst I	0.5	\$7,694	\$3,847	\$4,058	60	\$474,283
Management Analyst II	0.5	\$6,515	\$3,257	\$3,435	60	\$401,564
Clerk Typist	0.5	\$4,025	\$2,012	\$2,122	60	\$248,082
Subtotal Coin Counting						\$6,491,308
Total Salary & Overhead Costs						\$22,759,583

b Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item)

METER COLLECTION	
Uniform & Rain Gear	\$ 13,149
Shoes	\$ 4,185
Uniform Maintenance	\$ 70,525
COIN COUNTING	
Coin Bags	\$ 96,000.00
Coin Canisters & Accessories	\$ 214,200.00
Security Seals	\$ 66,600.00
Wireless Barcode Scanner	\$ 6,250.00
Counting Equipment/Scale Maintenance	\$ 147,250.00
Disinfectant Wipes - Safety	\$ 2,800.00
Armored Courier	\$ 134,280.00

TOTAL ESTIMATED PROJECT COSTS \$23,518,822

2 CONTRACTOR LABOR COSTS AND CITY COST TO ADMINISTER THE PROPOSED CONTRACT

a Total Proposed Contractor Labor Costs (SP- Option 1B) \$ **14,886,701**

b Total City Contract Administration Costs (Totals from 2.b.1) \$ **5,627,044**

1. Positions Required (list all)

A	B	C	D	E	F	G	H
Position Title	No. of Post.	Hourly Rate of Each Position	# of Hours	Total Monthly Salary Cost	Overhead Rate (CAP34 - 105.47%)	# of Months	TOTALS [H = (E + F) x G]
Ch. Trans. Investigator	1	\$40.47	174	\$7,042	\$7,427	60	\$868,125
Sr. Trans. Investigator	4	\$40.32	174	\$28,063	\$29,598	60	\$3,459,628
Management Analyst II	1	\$37.44	174	\$6,515	\$6,871	60	\$803,128
Clerk Typist	1	\$23.13	174	\$4,025	\$4,245	60	\$496,163
Total Salary & Overhead Costs							\$5,627,044

c Total Other Contract Costs (if needed; attach separate sheet with \$ amount for each item) \$ **167,000**

Collector Canisters - 400 \$150,000
Canister Carts - 40 \$17,000

TOTAL PROPOSED CONTRACT COSTS (2.b.1 + c) \$ **20,680,745**

ESTIMATED COST DIFFERENCE (CONTRACTOR VS. CITY FORCE) \$ **2,834,077**

COMMENTS: Please note that the estimated in-house cost does not include OSHA/ADA compliance requirements, electrical, installation of data/computer equipment, routine maintenance, office equipment, monthly cellular phone service, software & hardware for identified capabilities (for collection), hardware for coin counting, and any utility costs that may be charged by the Department of Water & Power.

APPENDIX H – RECOMMENDED VENDOR QUALIFICATIONS

Overview

SP is a division of Standard Parking Corporation, which is a leading national provider of parking facility management, ground transportation and other ancillary services. They also have significant experience operating meter coin counting and collection programs for various municipalities, including City of Miami Beach, Florida; City of New Orleans, Louisiana; and City of Newport Beach, California. SP is a provisionally qualified local business under the city's new "Local Business Preference Program".

Experience

SP operates over 2,200 parking facilities in over 33 cities throughout the U.S. and Canada, and reportedly collects over \$1.5 billion in annual parking revenues, far exceeding the minimum qualifications for this RFP.

Team

The local SP management team consists of 10 staff members and has 156 years of collective experience in the parking meter coin counting and/or collection program. Specific positions and staff are listed in the table below.

<u>PERMANENT STAFFING</u>			
Count	Position	Staff	Experience in Parking Meter Coin Counting & Collection Program (Yrs)
1	Contract Manager	Nicole Bandas	10
2	Counting & Collections Manager	Michael Romero	1
3	Director of Operations	Tim Downey	12
4	Regional Manager, Operations	Muhammad Mansoor	10
5	V.P, Regional Manager - Contractor's Executive Representation	Seth Shurtleff	12
6	Sr. V.P., Operations	David Jenkins	31
7	Managing Director, Municipal Services	Brian Scoggins	31
8	Sr. V.P., Municipal & Institutional Services	Roamy Valera	23
9	LBE-WBE, Consultant	Julie Dixon	21
10	OSSI Representative	Cyrus Baseghi	5
	TOTAL		156

APPENDIX I – CAPABILITY HIGHLIGHTS

Customized Communications

- Android Communication Device (ACD)
- Automated Directional Route Software (no paper maps)
- Push-to-Talk Communication
- Bread Crumbing
- Near Field Communication (NFC) Collections
- Meter Maintenance/Issues Reporting
- Live Monitoring & Tracking
- Supervisor Monitoring / Field Audits
- Alert Hierarchy & Escalation

Vehicles - Security & Safety

- New Customized Secure Collection Truck (2013-14) Isuzu NPR
- Lift Gates, Conveyor, Steel Locking Bar
- Real-Time GPS Monitoring, Tracking & Customized Alerts
- Live Security Video/Camera Monitoring for ALL Collection Vehicles
- Front, Reverse & Interior Camera Views
- Remote Alarm Controls & Notifications
- Driver Safety Program
- Ongoing Driver Safety Training
- Annual DMV Clearance
- 1-800 How's My Driving
- Preventative Maintenance Program

Vehicles Customization - Mega Truck

- Enhanced Security Features
- Continuous Revenue Custody
- Collection Shift Model
- Live Monitoring
- Customized, Secure Cargo & Passenger

Route Management & Optimization

- 85% Capacity Threshold
- Collection Plan/Staff Optimization Models
- Frequency Assessment/ Trend Analysis
- Beyond End of Cable Solution
- Logistics/Geography
- Ongoing Calibration/Review
- Remapping
- Key Performance Indicators (KPIs) Reporting
- Real-Time Missed/Skipped Meters
- Meter Maintenance Reporting
- Bread Crumbing, Meeting & Validating the Requirement of 1 Meter in Every 45 Seconds

Coin Room Operations

- Adaptation of Current Infrastructure
- Proposed Re-Engineering Design
- Streamline Process
- Tripe Reconciliation Redundancy
- Real-Time Reporting/Monitoring
- Revenue Transport (Sectoran/Garda Option)
- Objective: Same Day Counting, Transport & Deposit
- Daily Calibration of Infrastructure with Quarterly Certifications
- The PMS will Independently Validate of ALL Counted Parking Meter Monies

Coin Room Optimization

- Integrated Coin Room Counting Equipment & Infrastructure
- Infrastructure Consolidation (Elevated Counting platform, Conveyors & Scald Integration)
- Junk Sorting
- Weights, Count & Data Reconciliation
- Checks & Balances
- ACD Closeout Consolidation
- Enhanced Security & Live Monitoring
- Access Control
- Pan-Tilt-Zoom (PTZ) Camera Surveillance (Automatic Tracking)
- On-Site Level 2 Support & Preventative Maintenance

Analytics & Reporting

- Local Subject Matter Experts
- Logistics/Geography
- Collections Scheduling Module
- Route Mapping
- Ongoing Assessment/Analysis
- Client Reporting
- Daily, Weekly, Monthly, Annual
- Ability to Identify Needs for Special Collections
- Special Events
- Seasonal Peak Uses
- Adaptable Solution Tailored to LADOT Project Needs
- SAM3, Managers, Supervisors have Real Time Access Oversight to ALL Field & Coin Room Operations
- Transparent & Accessible Processes for ALL Levels
- Meter Investigation to Administration
- Commitment to Current Process for Program Continuity before Introducing a Structure Transition

APPENDIX J – NEW SERVICES

Below is a high-level summary of the services in the SP proposal that are in addition to services currently provided by the incumbent.

Parking Management System

- Integrated coin counting equipment, including sorters and scales
- Revenue reconciliation program, including balance and deposits
- Route optimization program (including frequency assessment and remapping)
- A comprehensive asset management system, including bar coding and NFC tagging
- Collection workforce management
- Enhanced security and access control (in field and on site)
- GPS tracking equipment
- Real-time reporting and accessible information
- Customized dashboards
- Express Park MERGE interface

Communication Software and Equipment

- Push-to-talk communications
- Automated GIS route mapping (no paper maps needed)
- Near Field Communications (NFC) meter collections
- Meter maintenance/issues reporting for IPS and multi-space meters
- Addressing connectivity concerns in certain geographic locations
- Live tracking via web application (with customized alerts for departure from designated collection routes) for collection carts and Collectors
- Dashboard customization can display collection vehicles and individual Collector locations and sync with collection routes

Vehicle Optimization, Safety and Security

- New, customized collection vehicles including ergonomically designed cargo area with high security locks and a modified cargo area that includes a steel locking roll bar for in-vehicle canister security
- Live GPS monitoring via web application (with customized alerts for deviation from schedule collection zones)
- Remote alarm controls and alarm activation notifications and alerts
- Live collection truck security camera feed – 4 cameras, including cargo area will provide live views and additional monitoring capabilities to LADOT
- Driver safety features, including front & reverse cameras, ongoing driver safety training, annual clearance & 1-800 How's My Driving program
- Preventative maintenance program

APPENDIX K – IMPLEMENTATION TIMELINE

City of Los Angeles Parking Meter Collection & Coin Counting Services - Implementation Plan			
SOW Category	SP Plus Deliverables	Municipal Services	Lead Time
Stage One - Procurement - Start up			
Coin & Data Collection Services	Meet with LADOT staff to identify priorities, critical issues, immediate needs and future plans		1 Day
Coin & Data Collection Services	Begin discussions with all existing employees to introduce our team members		1 Day
Coin & Data Collection Services	Set up office- Office Build Out		14 Days
Coin & Data Collection Services	Vehicles		21 Days
Coin & Data Collection Services	Implement Temporary, Secure Vehicle Deployment Plan		1 Day
Coin & Data Collection Services	Vehicle Customization - Vehicles implemented		7-31 Days
Coin & Data Collection Services	Android Communication Devices		7-31 Days
Coin & Data Collection Services	Hardware		1 Day
Coin & Data Collection Services	Software		30 Days
Coin Counting & Collection Facility	Security Control Access Equipment Upgrade		60 Days
Coin Counting & Collection Facility	Video Surveillance Update integration		60 Days
Coin Counting & Collection Facility	Inventory Verification		1 Day
IT Support Services	Asset Management System		45 Days
Coin & Data Collection Services	Route Analysis and Optimization		90 Days
IT Support Services	Parking Management System		45 Days
Uniforms	Uniforms - Transition		1 Day
Uniforms	Uniform Procurement Permanent		21 Days
IT Support Services	MERGE Integration - Subject to receiving client specification		TBD
Stage Two - Employee Training & On Boarding			
Personnel	SP Plus Orientation		1 Day
Personnel	SP Plus - Employee Fingerprinting & Background Checks		1 Day - Ongoing
Ongoing Training Plan	Policy & Procedure Roll Out		5 Days
Ongoing Training Plan	Technology training		
Ongoing Training Plan	Supervisory Staff		1 Day - Ongoing
Ongoing Training Plan	Field Staff		1 Day - Ongoing
Ongoing Training Plan	Technology Deployment		1 Day - Ongoing
Coin & Data Collection Services	Asset Management		1 Day - Ongoing
Coin & Data Collection Services	Routing		Day - Ongoing

Stage Three - LADOT on Board		
IT Support Services	Information Flow	Day - Ongoing
IT Support Services	Information Flow	Day - Ongoing
Coin Counting Services	Automated Reconciliation Process	Day - Ongoing
Coin Counting Services	Armored Service Transition	60 Days
Coin & Data Collection Services	Final assessment between LADOT staff, SP Plus® Municipal Services & Current Management	30 Days
Stage 4 - Delayed Procurement - Coin Room, Canisters / Carts		
Coin Counting Services	Coin Room Optimization	180 Days
Coin Counting & Collection Facility	Coin Room Equipment Replacement	270 Days
Coin & Data Collection Services	Fabrication of Canisters & Carts- Subject to LADOT Approval	60 Days

January 9, 2014

APPENDIX L – SP'S ENDORSEMENT LETTER FROM CALIFORNIA TEAMSTER LOCAL 911



Raymond B. Whitmer
Secretary-Treasurer

CALIFORNIA TEAMSTERS LOCAL 911

PUBLIC, PROFESSIONAL & MEDICAL EMPLOYEES UNION, THE COUNTIES OF LOS ANGELES,
ORANGE, RIVERSIDE, SAN DIEGO, IMPERIAL, SAN LUIS OBISPO, SAN BERNARDINO, SANTA BARBARA AND VENTURA

9900 FLOWER STREET • BELLFLOWER • CALIFORNIA • 90706

(562) 595-4518 • Fax (562) 427-7298 • teamsters911.com

An Affiliate of the International Brotherhood of Teamsters

VIA MAIL & E-Mail jalme.delavega@lacity.org

April 16, 2013

Mr. Jalme de la Vega, General Manager
City of Los Angeles, Department of Transportation
Department Headquarters
100 S. Main Street, 30th Floor
Los Angeles, CA 90012

Re: City of Los Angeles/Department of Transportation
Parking Meter Collections & Related Services Procurement

Dear Mr. de la Vega:

The purpose of this letter is to inform you that we have received information that SP Plus Municipal Services (SP) is participating in the above listed procurement.

We would like to inform you that we have had a contractual relationship with SP for over 25 years and they are signatory to our Los Angeles County Master Agreement.

Moreover, we would like to endorse their proposal. We believe that SP is providing sustainable jobs with competitive compensation packages while at the same time delivering services for public agencies through public/private partnerships.

Teamsters Local 911 currently represents over 8,000 members throughout Southern California with over 2,500 members within the City of Los Angeles including LADOT and LAWA contracts.

If you have any questions, please feel free to contact me at (562) 595-4518 extension 111 or via Email at crubio@teamsters911.com.

Sincerely,

Carlos J. Rubio
Business Representative

c: Robert Andalón, LADOT Executive Officer, Administration
María Elena Durazo, LA County Federation of Labor, Executive Secretary-Treasurer
Raymond B. Whitmer, Teamsters Local 911, Secretary-Treasurer
Antonio Villaraigosa, Mayor of Los Angeles
Los Angeles City Councilmembers

**The AGREEMENT BETWEEN THE
CITY OF LOS ANGELES
AND
SP PLUS CORPORATION
FOR
THE AUDITING AND COLLECTION OF
PARKING METER REVENUES**

This AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as "CITY"), acting by order of and through the Board of Transportation Commissioners and its designee, the General Manager of the Department of Transportation (hereinafter referred to as "DEPARTMENT") and SP Plus Corporation, a Delaware Corporation (hereinafter referred to as "CONTRACTOR"), to perform meter audit and collection activities:

AGREEMENT

WHEREAS, DEPARTMENT is responsible for the operation and maintenance of parking meters within CITY; and

WHEREAS, DEPARTMENT desires to provide comprehensive collection and processing of parking meters revenues within CITY; and

WHEREAS, CONTRACTOR is qualified to perform the services required hereunder; and

WHEREAS, the parties hereto wish to enter into an AGREEMENT pursuant to which CONTRACTOR shall perform the work and services as described herein for the consideration and under the terms provided herein.

THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein, the parties agree as follows:

1 APPLICABLE DOCUMENTS

The provisions of this Agreement along with its associated exhibits are hereinafter collectively referred to interchangeably as the "Agreement" and the "Contract." In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, services or other work, or otherwise between and/or among the main body of this Agreement and its exhibits, such conflict or inconsistency shall be interpreted in accordance with the following order of precedence:

- i. The Main Body of this Agreement

- ii. Scope of Work (Appendix A)
- iii. Standard Provisions for City Contracts (Rev. 03/09).
- iv. SP's Proposal & LBAFO (Appendix D)
- v. CITY's RFP and Addendums (Appendix F)

2 DEFINITIONS

As used herein, terms are as defined in this Agreement or in the Scope of Work (SOW).

3 ADMINISTRATION OF CONTRACT – CITY

3.1 CITY PROJECT DIRECTOR

CITY Project Director for this CONTRACT will be:

Seleta Reynolds, General Manager
Or Authorized Designee
Department of Transportation

3.2 RESPONSIBILITIES

CITY's Project Director, or designee, shall monitor and administer this CONTRACT to secure compliance with all of its objectives, technical standards and requirements.

CITY's Project Director, or designee, shall schedule regular meetings with CONTRACTOR's Project Manager.

CITY's Project Director will provide direction to CONTRACTOR in the areas relating to policy, information requirements, and procedural requirements.

CITY's Project Director shall monitor CONTRACTOR's status reports for compliance with project requirement and schedules.

CITY's Project Director shall monitor CONTRACTOR's compliance with and quality of delivered product for all facets of the proposed service levels.

3.3 NOTICES

The General Manager, Department of Transportation, or his designee shall execute all notice or demands authorized or required to be given under this CONTRACT on behalf of CITY.

All notices or demands required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been given if made by hand delivery with signed receipt, or when mailed by first class registered or certified mail, postage, prepaid, addressed to CITY and/or CONTRACTOR at their addresses, designated below, or at such other address that CITY or CONTRACTOR shall have furnished in writing to the other.

If to CITY: Seleta Reynolds
 General Manager
 Or Authorized Designee
 Department of Transportation
 100 South Main Street, 10th Floor
 Los Angeles, CA 90012

If to Dave Kilfoyle
CONTRACTOR: Senior Vice President
 SP Plus Corporation
 1055 W. 7th Street, Suite 1500
 Los Angeles, CA 90017

and

Legal Department
SP Plus Corporation
200 East Randolph Street, Suite 7700
Chicago, IL 60601

3.4 APPROVAL OF INVOICES

All invoices submitted by the CONTRACTOR for payment must be approved by CITY's Project Director or designee. If a portion of an invoice is disputed, the CITY shall notify the CONTRACTOR of the amount in dispute and shall approve for payment that portion of the invoice which is not in dispute.

4 ADMINISTRATION OF CONTRACT – CONTRACTOR

4.1 CONTRACTOR'S PROJECT MANAGER

CONTRACTOR's Project Manager shall be a full-time employee of CONTRACTOR, who shall have general oversight responsibility for CONTRACTOR's project. The CONTRACTOR's alternate Project Manager shall, likewise, be a full-time employee of the

CONTRACTOR, who shall be responsible for CONTRACTOR's day-to-day project activities.

4.2 RESPONSIBILITIES

CONTRACTOR agrees to provide the CITY all of the products and services specified at the described level in the CITY's RFP as stated in the SOW (Appendix A), CONTRACTOR's Proposal RFP Response (Appendix D) and in this Agreement, including all enhancements and additional products and services which the CONTRACTOR's Proposal states shall be provided to the CITY at no additional cost.

4.3 MEETINGS

CONTRACTOR's designated Project Manager shall report as specified by the CITY's Project Director on operations under this CONTRACT including, but not limited to:

- A) Any difficulties encountered by CONTRACTOR which could jeopardize the completion of project schedules, or maintenance of appropriate levels of service.
- B) Any deficiencies identified in the reporting mandated by Section 1G of the SOW, Appendix A.
- C) Progress made in correcting deficiencies previously identified.

4.4 SUBMISSION OF INVOICES

CONTRACTOR shall submit to CITY's Project Director a monthly invoice in a format specified by the CITY, which shall include, but not be limited to a:

- A) Description of services and/or deliverables rendered during the period.
- B) Detailed accounting, including any supporting or authorizing documentation of billable services necessary for verification and evaluation of CONTRACTOR's charges. The documents shall include, but not be limited to, processing records, invoices and reports. Failure to adhere to specified formats or to submit the necessary supporting documentation will cause the CITY to deny the expense.

4.5 GRATUITOUS WORK

CONTRACTOR agrees that, should work outside the scope of this Agreement and all incorporated documents be performed without the prior written approval by CITY, such work shall be deemed to be a gratuitous effort on the part of CONTRACTOR, and CONTRACTOR shall have no claim against the CITY for reimbursement.

4.6 CONTRACTORS' OVERHEAD CHARGE

The CONTRACTOR'S overhead charge for additional specified services and equipment beyond those required by the Scope of Work of this Agreement shall not exceed 10% above the actual cost of the item or service. CONTRACTOR shall provide CITY with a minimum of three bids and the purchases must receive prior written approval from CITY. If the CITY and the CONTRACTOR agree that the equipment and /or services are mutually beneficial, there will be no overhead charge.

5 CONTRACT TERM

5.1 BASE TERM

The Base Term of this Agreement shall commence with the signing of the Agreement by both the CITY and the CONTRACTOR and shall expire five (5) years thereafter. The base term shall commence at 12:01 a.m. on ____ 1, 2015. There shall additionally be four one (1) year options to extend the Agreement at the sole discretion of the CITY. The CONTRACTOR and CITY agree to a 30 day transition period described on pages 57 through 59 of the CONTRACTOR'S RFP response (Appendix D). By the end of the 30 day transition period the CONTRACTOR must be able to begin operations of the meter collection and coin counting contract. For purposes of this Agreement, -CONTRACTOR will be deemed to be ready to begin operations by, at a minimum,- completing all of the tasks outlined in Phases I through IV of the Transition Timeline in CONTRACTOR's RFP Response. The enhancements and optimizations to CONTRACTOR's services specified in the "City of Los Angeles Parking Meter Collection & Coin Counting Services-Implementation Plan" on page 62 -of the CONTRACTOR's RFP response may be completed subsequent to the 30 day transition period-

CONTRACTOR must be able to begin operations on 12:01 a.m. of ____ 1, 2015. If CONTRACTOR is unable to commence operation

on that day and CITY is required to arrange for meter collection through alternate means, a penalty of \$500.00 per collection day will be assessed, plus the cost of collection performed by the CITY or its designee.

5.2 EXTENSIONS OF BASE TERM

There shall be four one-year options to extend this Agreement at the sole discretion of the DEPARTMENT. The CONTRACTOR will be notified in writing of the DEPARTMENT's intent to extend at least three (3) months prior to the end of each contract period. The terms of the four one-year extensions shall be as follows:

Extension one (1) shall run from 12:01 a.m. of ____1, 2020 to midnight of _____, 2021.

Extension two (2) shall run from 12:01 a.m. of ____1, 2021 to midnight -of, 2022.

Extension three (3) shall run from 12:01 a.m. of ____1, 2022 to midnight of _____, 2023.

Extension four (4) shall run from 12:01 a.m. of ____1, 2023 to midnight of _____, 2024.

Further, if an extension beyond the four (4) one (1) year extension, does not significantly impact either the scope of work or cost of the contract, the Department's General Manager may, at his/her sole discretion, grant a contract extension on a month-to-month basis under the same terms and conditions as the attested contract then in effect and with a (30) thirty day notice to the CONTRACTOR.

During any extension period beyond the Base Term, the CONTRACTOR shall be compensated according to compensation rates mutually agreed to by the parties. All other terms and conditions shall remain unchanged during such extensions, unless otherwise agreed to by both parties in writing.

6. TERMINATION OF CONTRACT

6.1 TERMINATION FOR CONVENIENCE

The **CITY** may terminate this Contract for the **CITY'S** convenience at any time by giving **CONTRACTOR** thirty (30) days written notice thereof. Upon receipt of said notice, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. The **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to affect such termination. Thereafter, **CONTRACTOR** shall have no further claims against the **CITY** under this Agreement. All finished and unfinished documents and materials procured for procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon the date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.

6.2 TERMINATION FOR BREACH OF CONTRACT

- 6.2.1 Except for excusable delays as provided in PSC-7, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the **CITY** may give **CONTRACTOR** written notice of such default. If **CONTRACTOR** does not cure such default within thirty (30) days, or provide a plan to cure such default which is acceptable to the **CITY** within the time permitted by the **CITY**, then the **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
- 6.2.2 If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then the **CITY** may immediately terminate this Contract.
- 6.2.3 If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates the **CITY'S** lobbying policies, the **CITY** may immediately terminate this Contract.
- 6.2.4 In the event the **CITY** terminates this Contract as provided in Section 6.2, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of

effort to those terminated, and CONTRACTOR shall be liable to the CITY for all of its costs and damages, including, but not limited to, any excess costs for such services.

- 6.2.5 All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property that is not preexisting intellectual property therein, shall become CITY property upon date of such termination. CONTRACTOR agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.
- 6.2.6 If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that CONTRACTOR was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A), Termination for Convenience.
- 6.2.7 The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

6.3 COOPERATION AFTER TERMINATION OR EXPIRATION.

In the event of termination or expiration of this Agreement, the CITY will designate a transition period during which CONTRACTOR shall work cooperatively with the CITY and the successor contractor selected by the CITY in order to support a successful transition of the meter operations. During this period the CONTRACTOR will enable the successor to plan for: the transition of current collection and counting facilities and equipment; the transfer of IT operations; the transition of telecommunications services and equipment. CONTRACTOR shall, at a minimum, perform the following transition requirements: (i) provide the successor contractor with access to meter condition reports in a mutually agreeable format; (ii) provide the successor contractor with a maintenance report on all other CITY-owned equipment, including collection canisters and carts; (iii) allow key personnel of the successor contractor to "shadow" CONTRACTOR's collection

workforce on routes and schedules and to observe the operations in the coin counting room; and (iv) allow key personnel of the successor contractor any other access to CONTRACTOR's operations reasonably required by the CITY to support a successful transition of the meter operations.

6.4 TRANSFER OF DATA AFTER TERMINATION

In the event the CITY terminates this CONTRACT, CONTRACTOR shall transfer to the CITY or its DESIGNEE, at no cost, all archived data and all data maintained by CONTRACTOR for CITY in an agreed upon file format and media.

7 COMPENSATION

- 7.1 During the contract year commencing at 12:01 a.m. on ____1, 2015 and ending at 12:00 Midnight on, ____ 2016, CITY shall pay CONTRACTOR: a unit of price of \$.59572394 per meter collected; \$17.71430255 per paystation from which revenue is collected in accordance with this Agreement; and, \$278.69 for Coin Room Operator (per operator per day) for work performed in accordance with this Agreement.
- 7.2 During the contract year commencing at 12:01 a.m. on ____1, 2016 and ending at 12:00 Midnight on ____ , 2017, CITY shall pay CONTRACTOR: a unit price of \$.61724264 per meter collected; \$18.27029520 per paystation from which revenue is collected in accordance with this Agreement; and, \$286.07 for Coin Room Operator (per operator per day) for work performed in accordance with this Agreement.
- 7.3 During the contract year commencing at 12:01 a.m. on ____1, 2017 and ending at 12:00 Midnight on____, 2018, CITY shall pay CONTRACTOR a unit price of \$.63816542 per meter collected and \$18.68941001 per paystation from which revenue is collected in accordance with this Agreement; and, \$294.12 for Coin Room Operator (per operator per day) for work performed in accordance with this Agreement.
- 7.4 During the contract year commencing at 12:01 a.m. on ____1, 2018 and ending at 12:00 Midnight on February 28, 2019, CITY shall pay a unit price of \$.66154320 per meter collected and \$19.12546166 per paystation from which revenue is collected in accordance with this Agreement; and, \$302.58 for Coin Room

Operator (per operator per day) for work performed in accordance with this Agreement.

- 7.5 During the contract year commencing at 12:01 a.m. on _____, 2019 and ending at 12:00 Midnight on _____, 2020, CITY shall pay a unit price of \$.68744104 per meter collected and \$19.57895378 per paystation from which revenue is collected in accordance with this Agreement; and, \$311.45 for Coin Room Operator (per operator per day) for work performed in accordance with this Agreement.

COMPENSATION SUMMARY TABLE

	COMPENSATION TO CONTRACTOR	COMPENSATION TO CONTRACTOR	COMPENSATION TO CONTRACTOR
CONTRACT BASE TERM YEAR	PER METER COLLECTED	PER PAYSTATION COLLECTED	PER COINROOM OPERATOR PER DAY
YEAR 1	\$ 0.59572394	\$17.71430255	\$278.69
YEAR 2	\$ 0.61724264	\$18.27029520	\$286.07
YEAR 3	\$ 0.63816542	\$18.68941001	\$294.12
YEAR 4	\$ 0.66154320	\$19.12546166	\$302.58
YEAR 5	\$ 0.68744104	\$19.57895378	\$311.45

- 7.6 Whenever a special collection is requested on a day that is not a normal CITY workday (Saturdays, Sundays, holidays, etc.), CITY will negotiate the rate for such collections in advance with CONTRACTOR.
- 7.7 As specified in CONTRACTOR'S LBAFO (Appendix D), the CITY shall reimburse the CONTRACTOR in full for the cost of the Collection Canisters and Collection Carts based on the pricing indicated in Appendix D. Payment shall be made in equal monthly installments over the remainder of the five-year base term of this Agreement beginning with the date of purchase. If this Agreement is terminated prior to the expiration of the base term of the CONTRACT under the provisions of Section 6 of this CONTRACT, then the City shall pay CONTRACTOR the remaining installments via a one-time lump sum payment. Once the CITY has fully reimbursed the CONTRACTOR for the cost of the Collection Canisters and Carts enumerated in Appendix D, the CITY shall obtain ownership of these items.

- 7.8 Notwithstanding anything in this Agreement to the contrary, in the event a change in federal, state, or local legislation and regulations increases CONTRACTOR'S operating costs, CONTRACTOR shall have the right to request an amendment of the affected part of this Agreement. The parties shall enter into good faith negotiations for a period of forty-five (45) days regarding any potential increase in CONTRACTOR'S compensation as a result of the changes to legislation or regulations. If the parties have not come to an agreement after the end of such 45-day period, the CITY shall have the right to terminate this Agreement in accordance with Section 6.1 of this Agreement. If the parties agree to amend this Contract, they shall do so in accordance with Section 22 of this Agreement.
- 7.9 The CONTRACTOR will support the alternative pricing scheme outlined in the CONTRACTOR's Zero Risk Guarantee described in the CONTRACTOR's Last Best And Final Offer (LBAFO), Appendix D. The Zero Risk guarantee gives the Department the discretion and flexibility to reevaluate the best value pricing module presented by CONTRACTOR at six (6), twelve (12), and/or eighteen (18) months after the start of operations under this Contract, in order to ensure the lowest possible cost for the services provided by CONTRACTOR. After such reevaluation, the CITY may elect to adjust CONTRACTOR's compensation to the Option 1-Crew Rate pricing module as set forth in CONTRACTOR's LBAFO, if the CITY determines that such change in its economic best interest.
- 7.10 If this Agreement is terminated prior to the expiration of the base term of the CONTRACT under the provisions of Section 6 of this CONTRACT, then the City shall reimburse the CONTRACTOR the unamortized balance of the cost of the following equipment: solutioning software & hardware; building access & camera system; jet sorts; counting hardware; coin conveyer system; phones & accessories; jet scan; Jensen floor scales, and, any other equipment purchased by the CONTRACTOR for use by the CITY under this CONTRACT. The CITY and CONTRACTOR shall work together to compile a list of the equipment covered by this Section. Once compiled, this list will be included in Appendix O and will be updated as long as the Agreement is in effect. The cost of such equipment shall be amortized on a straight-line basis over the remainder of the five-year base term of this Agreement. Upon termination of the Agreement the CITY shall make a one-time lump sum payment for the remaining unamortized cost of this equipment to the CONTRACTOR.

- 7.11 If this Agreement is terminated prior to the expiration of the base term of the CONTRACT under the provisions of Section 6 of this CONTRACT, the CITY shall pay CONTRACTOR a one-time lump sum payment of an amount equal to the remaining lease payments due to CONTRACTOR's financier under CONTRACTOR's lease of vehicles obtained by CONTRACTOR for servicing the contract as outlined in Section I.E.5 of Appendix A.
- 7.12 If this Agreement is terminated prior to the expiration of the base term of the CONTRACT under the provisions of Section 6 of this CONTRACT, then the CITY shall reimburse the CONTRACTOR for the remaining unamortized balance of the cost of the upgrades to the Coin Counting and Collections Facility undertaken by the Contractor during the first twelve months of the Agreement.
- 7.13 During the 30 day transition period described in Section 5.1 of this Agreement the CONTRACTOR and CITY shall prepare an inventory of assets belonging to the CITY and CONTRACTOR respectively. This inventory shall be incorporated into this Agreement as Appendix O, which will be updated as long as the Agreement is in effect. Unless superseded by a specific reference to the ownership of and compensation for an asset in the text of this Agreement or the SOW, Appendix O shall serve as the basis for determining ownership and compensation in the event of either early termination or expiration of this Agreement.

8 MONTHLY STATEMENTS AND REPORTS

- 8.1 CONTRACTOR shall submit an invoice to the Chief Transportation Investigator, at 555 Ramirez Street, Space 310, Los Angeles, CA 90012, by the fifteenth (15th) day of each month for work performed the preceding month. Each invoice shall contain a typed or stamped statement indicating CONTRACTOR's compliance with the CITY's Living Wage and Equal Benefits Ordinances accompanied the signature of the company's authorized signatory attesting to such compliance. The statement indicating compliance shall be worded as follows: "The CONTRACTOR certifies under penalty of perjury that the CONTRACTOR is in compliance with the CITY's requirements, including Living Wage and Equal Benefits Ordinances." After approval of the invoice, the DEPARTMENT will sign and forward the invoice for payment. Payment shall be due and payable within ten (10) days after receipt of invoice.
- 8.2 Payment to CONTRACTOR will not be made if an insurance policy required by Section 10.2 of this Agreement is not currently in effect

and/or if the invoice does not include a properly signed statement of compliance.

8.3 The CONTRACTOR shall complete and submit quarterly Minority/Women Business Enterprise (MBE/WBE) utilization reports to the DEPARTMENT to ensure compliance with the CITY's Minority Business Enterprise, Women Business Enterprise, and Other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program as stated in Section 28 of this AGREEMENT. Reports shall be sent to the Chief Transportation Investigator, at 555 Ramirez Street, Space 310, Los Angeles, CA 90012, by the fifteenth (15th) day of each month for work performed the preceding month.

9. SERVICES TO BE PROVIDED BY CONTRACTOR

9.1 Scope of Work (SOW).

CONTRACTOR shall provide parking meter collection and coin counting services as further described in the SOW attached hereto as Appendix A, which is incorporated into this Agreement by reference.

10. INSURANCE AND BONDS

10.1 Performance Bond

Within fifteen (15) days of receipt of the fully executed contract and thirty (30) days prior to commencing any contract extensions the CONTRACTOR shall furnish the DEPARTMENT with a Performance Bond in the amount of \$500,000 as security to guarantee the faithful performance of the work described in this AGREEMENT. As required by the City Administrative Officer the CONTRACTOR shall obtain and maintain a \$500,000 surety bond for the life of the Agreement's base term. The CONTRACTOR shall solely be responsible for the payment of a premium on a \$100,000 of the bond. The CITY shall reimburse the CONTRACTOR for the difference in the surety bond premium cost between obtaining and maintaining a \$100,000 and \$500,000 surety bond over the life of the 5 year base term of this Agreement. The reimbursement amount shall not exceed \$4,000 annually or \$20,000 over the 5 year base term of this Agreement. The CONTRACTOR shall be required to provide evidence of payment towards the premium cost

of the \$500,000 surety bond prior to obtaining any reimbursement from the CITY. The bond shall be executed by a surety company authorized to engage in the business of furnishing surety bonds in the State of California and conduct business with the City of Los Angeles as the payee. All sureties obtained by the CONTRACTOR must be satisfactory to the City. The Performance Bond must remain in full force and effect for the term of the AGREEMENT. No work shall commence until the City Administrative Officer has approved the CONTRACTOR's Performance Bond. The CONTRACTOR shall be required to submit proof to the City Administrative Officer, Risk Management Division that the Performance Bond remains in force for each contract year.

If the Contractor provides the City with a bond for a period less than the full term of this Agreement, the Contractor shall provide advance written notice to the City at least ninety (90) days prior to the expiration of the bond if the corporate surety decides to cancel the bond, not to extend the term of the bond, or not to issue a Continuation Certificate.

Failure on the part of Contractor to procure and maintain the required performance bond, or performance bond alternative instrument or payment shall constitute a material breach of the Contract upon which City may terminate the Contract.

10.2 Insurance

During the term of this Agreement and without limiting the CONTRACTOR's indemnification of the CITY, the CONTRACTOR shall provide and maintain at its own expense the following insurance coverage in accordance with the requirements of Section PS-24 of the Standard Provisions for CITY Personal Services Contracts, incorporated by reference and attached hereto as Appendix E.

The CONTRACTOR shall maintain annual limits of no less than:

- 1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separate to this location or the general aggregate limit shall be twice the required occurrence limit.
- 2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage, combined or equivalent in split limits.

- 3) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- 4) Professional Liability: \$1,000,000 per occurrence.
- 5) Crime Insurance: \$500,000.

11 EQUIPMENT TO BE PROVIDED BY CONTRACTOR

CONTRACTOR shall provide certain hardware, software, vehicles, equipment and other materials and supplies as further described in the SOW –attached hereto as Appendix A, CONTRACTOR'S proposal attached hereto as Appendix D, and, the inventory of assets referenced in Section 7.13 of this Agreement.

12. EQUIPMENT TO BE PROVIDED BY THE CITY

CITY shall provide certain equipment, materials and supplies for CONTRACTOR'S use in connection with the services as further described in the SOW (Appendix A) and the inventory of assets referenced in Section 7.13 of this Agreement.

13 WITHOLDING OF FEES

The CITY shall have the right to withhold the payment to the CONTRACTOR of all processing and collection fees due and payable pursuant to this Contract for a continued failure by the CONTRACTOR to perform any of its material obligations as described in this Contract, unless such failure is otherwise subject to the liquidated damages provisions in this Contract. Such right to withhold shall continue until the CONTRACTOR remedies such failure to perform, provided that such failure must have been identified in writing and delivered by certified mail to the CONTRACTOR prior to such withholding.

14 LIQUIDATED DAMAGES

Section VIII of Appendix A to this Agreement identifies certain liquidated damages provisions. Additionally, the list of CONTRACTOR'S failures to comply with this Agreement for which the parties agree to liquidate CITY'S damages, shall include, but, not be limited to the following:

- 14.1 A Delivery and Deployment Schedule shall be provided within ten (10) days of the start of operations under this Agreement. Failure to

submit each schedule shall result in liquidated damages of \$1,000 per day until submitted.

- 14.2 Should CONTRACTOR supplied equipment be damaged or stolen during CONTRACTOR performed maintenance and support services, the CONTRACTOR shall repair or replace said equipment within four (4) business days. If CONTRACTOR fails to repair or replace, DEPARTMENT shall have the option to repair or replace at its cost, and subtracting these amounts from any monies owed to the CONTRACTOR.
- 14.3 Should CONTRACTOR fail to provide maintenance or support within the timeframe provided in Appendix A, DEPARTMENT shall notify the CONTRACTOR of the default in writing. Liquidated damages of \$1,000 per day shall be assessed for every day following such notice.
- 14.4 Should CONTRACTOR fail to respond to a Notice of Default within one (1) business day, liquidated damages of \$1,000 per day shall be assessed.
- 14.5 Should CONTRACTOR fail to provide plans for correcting action to a default to DEPARTMENT on a weekly basis, liquidated damages of \$500 shall be assessed thereafter on a weekly basis.
- 14.6 For each instance the CONTRACTOR fails to respond to telephone contact to its service desk within 30 minutes, liquidated damages of \$100 per hour of delay shall be assessed.

15 — **PENALTIES**

CONTRACTOR's failure to perform its obligations under this Agreement and the SOW, Appendix A, shall result in the assessment of penalties as further indicated in Section VIII of the SOW.

16 — **SECURITY PROCEDURES**

The Security Procedures shall performed by CONTRACTOR in accordance with Appendix A, the SOW.

17 **RESERVATION OF RIGHT TO COLLECTION**

CITY reserves the right to collect, with its own personnel or through its designee, coins from any meter or number of meters or pay stations at any particular time. CITY shall give CONTRACTOR prior written notice of

such collections, which shall be infrequent and non-routine and shall not diminish the scope of work to be provided by CONTRACTOR under this Agreement.

18 INDEPENDENT CONTRACTOR STATUS

CONTRACTOR is acting hereunder as an independent contractor and not as an agent or employee of the CITY. CONTRACTOR 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.

19 ASSIGNMENTS PROHIBITED

CONTRACTOR shall not assign and/or subcontract any interest in this AGREEMENT, and shall not transfer any interest in the same without prior written consent of CITY. The CITY may allow a reasonable assignment or subcontract by CONTRACTOR. Examples of reasonable assignment and/or subcontracting shall include, but, not be limited to the following: a subcontractor going out of business during the term of the contract; changes in law requiring different or additional subcontractors.

20 TAXES AND LICENSES

CONTRACTOR, at its sole expense, shall obtain and hold all licenses and permits, including a Business Tax Registration Certificate from the CITY Clerk prior to _____, 2015. Said Business Tax Registration Certificate shall remain in full force and effect throughout the full term of this AGREEMENT. A copy of the Certificate shall be attached to invoice CONTRACTOR presents for payment for collections performed during the month of _____, 2015.

21 MONTHLY MANAGEMENT REVIEW

DEPARTMENT and management level CONTRACTOR employees shall meet at least quarterly or whenever required by DEPARTMENT to review operations and security and to resolve any problems or concerns. A written summary of each meeting shall be provided by CONTRACTOR to DEPARTMENT.

22 CONTRACT AMENDMENT

The CITY reserves the right to change any portion of the work required under the contract, or amend such other terms and conditions which may become necessary. Any revisions and amendments to this Agreement shall be accomplished as follows:

22.1 CHANGES

For any change which does not significantly affect the scope of work, as set forth in the SOW, the period of performance, payments, or any term or condition included under the contract, a Change Notice shall be prepared and signed by the Department's General Manager and the CONTRACTOR's authorized representative.

22.2 AMENDMENTS

For any revision which significantly affects the scope of work, period of performance, payments, or any term or condition included in the contract, an Amendment to the contract shall be approved by the Contractor's Project Director and executed by the General Manager of the Department of Transportation and the Contractor's authorized representative, subject to the approval of the Mayor and City Council. All Contract Amendments shall be subject to the approval of the City Attorney as to form and legality.

22.3 EXTENSIONS

To the extent that an extension to this Contract beyond the five year base term and four 1 year extensions to complete a SOW deliverable does not significantly impact either the scope of work or cost of the contract, the Department's General Manager may, at his/her sole discretion, grant a contract extension on a month-to-month basis under the same terms and conditions as the attested contract.

22.4 CHANGES IN LAW.

If a change in statutory language or its interpretation by a Court affects a material term in this Agreement or SOW, the CONTRACTOR shall have the right to request an amendment of the affected part of this Agreement from the CITY. The amendment process shall take place as described in Section 7.438 of this Agreement.

23 INTEREST OF CONTRACTOR

CONTRACTOR hereby covenants that it has, at the time of the execution of this AGREEMENT, no interest, and that it shall not acquire any interest in the future, direct or indirect, that would conflict in any manner or degree

with the performance of services required to be performed pursuant to this AGREEMENT. CONTRACTOR further covenants that in the performance of this work no person having any such interest shall be employed.

24 NON-DISCLOSURE OF INFORMATION

Due to the value of property involved, all information pertaining to the collection and delivery of monies under this AGREEMENT shall be held and used in strict confidence by CONTRACTOR, its employees and agents.

25 INDEMNIFICATION

25.1 Except for the active negligence or willful misconduct of the CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, CONTRACTOR undertakes and agrees to defend, indemnify and hold harmless the 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, actual damages, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR'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 CONTRACTOR or its subcontractors of any tier. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the CITY. The provisions of this section shall survive expiration or termination of this Contract.

26 INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR hereby specifically agrees to the Intellectual Property indemnity provision of Section PSC-21 of the Standard Provisions for City Contracts, which is incorporated by reference and attached hereto as Appendix E.

27 INCORPORATION OF STANDARD PROVISIONS

Hereby incorporated by reference into this AGREEMENT and made a part hereof are the provisions of the Standard Provisions for City Personal Services Contracts that are attached hereto as Appendix E.

28 COMPLIANCE WITH CITY ORDINANCES, STATE AND FEDERAL STATUTES

CONTRACTOR agrees to comply with the provisions of the referenced CITY's MBE/WBE/OBE Outreach Program, Equal Benefits Ordinance, Child Support Assignment Orders, Living Wage and Service Worker Retention Ordinances, CONTRACTOR Evaluation Ordinance, CONTRACTOR Responsibility Ordinance, Slavery Disclosure Ordinance, the Americans with Disabilities Act, California's Unruh Civil Rights Act, and, any other applicable state or federal statutes and regulations

29 CONTRACTOR EVALUATION ORDINANCE

At the end of this AGREEMENT, CITY will conduct an evaluation of CONTRACTOR's performance. CITY may also conduct evaluations of CONTRACTOR's performance during the term of the 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, and the expertise of personnel that CONTRACTOR assigns to the AGREEMENT. CONTRACTOR will be provided with a copy of the final CITY evaluation and allowed fourteen (14) calendar days to respond. The CITY will use the final CITY evaluation and any response from CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other personal services contracts.

30 INCORPORATION OF DOCUMENTS

The following Appendices are to be attached to and made part of this AGREEMENT by reference:

- A. Scope of Work
- B. Minority Business Enterprise, Women Business Enterprise, and Other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program and Utilization Report
- C. Insurance Requirements and City's Special Endorsement Forms
- D. Contractor's Proposal
- E. Standard Provisions for Personal Service Contracts
- F. Request for Proposals
- G. Non-Discrimination/Equal Employment Practices, Affirmative Action

- H. Equal Benefits Ordinance Compliance
- I. Certificate of Compliance with Child Support Ordinance
- J. Service Contractor Worker Retention / Living Wage Ordinance Compliance
- K. Slavery Disclosure Ordinance Compliance
- L. Contractor Responsibility Ordinance Compliance
- M. Municipal Lobbying Ordinance
- N. First Source Hiring Ordinance
- O. Inventory of Assets

31 AUTHORIZED REPRESENTATIVE

31.1 CITY's Representative

The CITY hereby appoints the General Manager of the DEPARTMENT, or his designee, to administer this AGREEMENT and to represent CITY with respect to amendments to this AGREEMENT, provided, however, that any amendments that would increase CITY's financial obligation or substantially change the requested performance of either party hereunder shall be subject to the consideration and approval of the Mayor and City Council

31.2 CONTRACTOR's Representative

During the term of this AGREEMENT, Dave Kilfoyle, Senior Vice President, is authorized to represent CONTRACTOR with respect to all matters regarding this AGREEMENT.

32 MISCELLANEOUS

- 32.1 This AGREEMENT shall be construed, enforced and interpreted under the laws of the State of California.
- 32.2 Any action brought to enforce or mollify this AGREEMENT or the provisions hereof must be brought in Los Angeles County, State of California and in no other forum.
- 32.3 No waiver by either party of any breach of any provision of this 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.
- 32.4 CITY reserves the right to audit the operational records of CONTRACTOR at any reasonable time within the three (3) years of the last year this AGREEMENT is in effect.

33 SEVERABILITY

In the event any provision of this AGREEMENT is found to be unenforceable, the remainder of this 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 (2) different interpretations may be given to any provision hereunder, one (1) of which will render the provision enforceable, the interpretation rendering the provision enforceable shall be adopted.

34 STATEMENT OF UNDERSTANDING

This CONTRACT and the Exhibits thereto, constitute the complete statement of understanding between the parties which supersedes all prior agreements.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective duly authorized representatives.

For: THE CITY OF LOS ANGELES
Department of Transportation

For: SP Plus Corporation

By: _____:

Seleta Reynolds
General Manager

By: _____

Ed Simmons
Executive Vice President

Date: _____

Date: _____

Approved as to Form and Legality:

ATTEST:

City Attorney

By: _____

By: _____:

Assistant Corporate Secretary

(Affix Corporate Seal Below)

Date: _____

ATTEST: _____

City Clerk

By: _____

Date: _____

Said AGREEMENT for Parking Meter Revenue
Collection is Number _____ of City Contracts

TABLE OF TERMS/ABBREVIATIONS

TERM / ABBREVIATION	DEFINITION / FULL TEXT OF TERM / ABBREVIATION
ISO	International Standards Organization
Jet Sorter	Coin sorter
LAN	A local area network (LAN) is a computer network that interconnects computers in a limited area
Medeco	Manufacturer of electromechanical locks
MERGE	City's comprehensive Meter Management System, currently in development by Xerox
Meter Security	A Division of LADOT responsible for the safeguarding of parking meter revenue, and conducting surveillance on collection staff and parking meter technicians.
MMS	Meter Management Software
MSSQL	Microsoft SQL Relational Database
MST	Money Systems Technology Inc., manufacturer of the coin sorter
Multi-Space Meters Collection Crew	One driver and one parking meter collector
Nexgen Key	Medeco Electronic Key
Nexgen Lock	Not Integrated Medeco Electromechanical Lock
NFC Sensor	Near Field Communication Sensor
Non-Productive Time	The driving time between routes and walking time on blocks that have few or no meters.
ODBC	Open Database Connection
OLE	Object Linking Embedding
Digital Payment Technologies	Multi-space parking meter manufacturer
Pay Station	Multi-space parking meter
PDT	Personal Data Terminal
Reino / Duncan	Multi-space parking meter manufacturer
Reino / Duncan MMS	Reino/Duncan Meter Management System
City	CITY OF LOS ANGELES
City Meter Repair Shop	City meter maintenance headquarters, located at 555 Ramirez St, Los Angeles, CA
Single-Space Meters Collection Crew	One driver and at least two parking meter collectors.
This Agreement	Contract for Parking Meter Collection and Coin Counting between the City of Los Angeles and SP Plus.
Transportation Investigators	Peace Officers employed by LADOT tasked with the safeguarding of parking meter revenue and the conduct investigations of parking meter revenue theft.
SQL	Structured Query Language
T1	A point-to-point telecommunication line
WAN	A wide area network (WAN) is a telecommunication network that covers a broad area
XML	Extensible Markup Language (XML) is a set of rules for encoding documents in machine-readable form

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Contractor will be required to develop and submit a parking meter collection plan to the City for its review and approval that will ensure that every parking meter is collected on a consistent schedule. This schedule will ensure that no canister is filled above 85% of the canisters capacity and should discourage theft. Once approved and implemented, the City requires that the collection plan be re-evaluated by the City and Contractor on a monthly basis.

Contractor will be required to incorporate the following parameters into its proposed coin collection plan:

- 1) Collection work shall be set at a frequency such that no coin canister on a collection route is expected to be filled more than 85% of its capacity by volume using recent revenue data.
- 2) Collection work shall be designed so that the number of collection crew shifts required to collect the assigned meters maximizes revenue across all five working days of the week.
- 3) The collection plan shall demonstrate flexibility in adjusting to different parking meter rates and payment methods across the City.
- 4) The Collection plan should include optimizing collection route and subzone boundaries.
- 5) Contractor will develop a collection plan to include collection maps.
- 6) The collection plan shall minimize the amount of Non-Productive Time.
- 7) The ability to combine single- and multi-space collection routes for enhanced coin collections.
- 8) Contractor must perform meter collections daily, Monday through Friday.
- 9) A specific crew for 'just in time' collections in the LA Express Park area (M-F).
- 10) Special Projects, as needed on weekends determined by Meter Investigation and Security (MIS) or Meter Planning.
- 11) Special Collection Days Citywide for loose coins in the meter wells.

Contractor will be responsible for checking City website each calendar year to verify the dates of observed meter holidays. Currently the City observes twelve meter holidays and does not collect on those days. The twelve holidays are: New Year's Day, Martin Luther King's Birthday, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving and Christmas Day. However, the City reserves the right to require Contractor to collect from City parking meters on City-observed meter holidays and weekends, if necessary.

C. Collection Schedule

The collection schedule will be based on a cycle set forth by the City. Daily collection schedules will be divided into collection routes assigned collection crews composed of a minimum of three people for single space meters and two person multi space meters with each crew using one safeguarded vehicle.

D. Required Collection Services

Contractor will issue at the beginning of each collection day, at a time specified in advance, all required equipment (e.g.: electronic Nexgen keys, Handheld devices, daily assignments lists, and locked and sealed collection canisters on wheeled carts) each labeled with permanent identification numbers and appropriate security seals/devices. The collection routes and schedules shall be established by the City. A City representative or his/her designee will assign schedules and route/sub-route assignments before each collection day within the appropriate management systems. The Contractor will collect the revenue from all

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parking meters in strict accordance with the appropriate schedule, showing the routes and the frequency of collection as approved by the City. Collections from meters shall be made in strict accordance with the appropriate schedule set forth by the DEPARTMENT showing the rules and the frequency of collection. The route schedule and collection frequency will change periodically as required by normal meter installations and removals, rate changes, when segregated revenue rate tests are requested, or when additional collections are required by DEPARTMENT. All collection schedules and changes thereto shall be approved in advance by DEPARTMENT. Daily collection schedules will be divided into collection routes assigned to three (3) person collection crews with each crew using one safeguarded vehicle. Collections are not to be performed on CITY holidays unless requested by DEPARTMENT. CONTRACTOR will be furnished an annual schedule of holidays and will be notified in advance of any change in that holiday schedule.

The collection shall take place in the manner outlined below. Each collector shall collect from all meters on each daily assigned route, and must not be allowed to cross zones. Each collector shall open only one parking meter vault at a time, remove the coin can, empty coins into a canister, place the empty can into the meter vault, and close and lock the vault door before moving on to the next meter. No employee of the contractor may ever use the parking meter vaults or pay stations as storage for other than the coins/currency deposited in the meters and pay stations. Collector shall not allow the collection canisters to be filled beyond 85% of the canisters' capacity.

Contractor will supply the Coin Counting Facility with an approved transmittal form identifying each collection coin canister by number, route, sub-route street side (Odd/Even, North/South, or East/West), collector's name and Crew Leader's name. Contractor will deliver parking meter coins the same day they are collected to the Collections and Counting Facility in enough time to allow for coin counting and armored car pick-up of proceeds. All coins collected shall be transported in fully enclosed and secured vehicles

1) **Single-Space Meters:**

The City currently utilizes single-space parking meter mechanisms furnished by IPS. The City parking meter housings have been outfitted with a Medeco Nexgen Lock. The City shall provide the Contractor with DeoxIT D5 spray to be used for cleaning of Nexgen keys and locks. The Contractor shall be responsible for spraying and wiping the Nexgen keys and locks with the DeoxIT D5 spray when accumulation of dirt or dust inhibits the proper operation of the locks or keys. In order to access the meter vault, the Contractor will be required to use a Nexgen electronic key. Contractor will open only one (1) single-space parking meter vault at a time, remove the coin can, insert the coin can in the head of the collection canister and turn the coin can sufficiently to empty the can. Once empty, the collector will remove the coin can from the head of the collection canister, reinsert the empty can into the parking meter vault and close, secure and lock the parking meter vault door. It is the responsibility of the Contractor to ensure that coin cans are reinstalled correctly in the meter vault and the vault door is properly closed by collectors once they complete their collection activities. It is expected that the Contractor will collect on average from at least one meter every 45 seconds. When collecting IPS meters the Contractor will ensure that each meter is reset by properly inserting the audit collection card into meter's credit card slot (or an alternate, updated process authorized by the City). If a meter fails to reset, it must be reported in the daily meter condition report.

2) **Multi-Space Meters (Pay Stations):**

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The City currently utilizes two types of multi-space Pay Stations: Duncan (Reino, VMNS) and Digital Payment Technologies Shelby. Pay Stations have been outfitted with a Medeco Nexgen Lock. In order to access any type of Pay Station vault Contractor will be required to use a Nexgen electronic key. Contractor will open only one (1) Pay Station at a time according to manufacturer's instructions based on the type of Pay Station. In the future, other manufactured Pay Stations may be used. The security protocol must be followed explicitly by removing filled cash boxes and placing empty cash boxes into the Pay Station vault, and securely locking the unit after the vault door is closed. The Contractor should verify that cash boxes are seated properly by reading the paystation's display. The cash boxes shall be stored in vehicles where access is controlled. Contractor will ensure that each Crew Leader maintains logs of what cashboxes were inserted and collected from which Pay Stations. The control log shall at a minimum contain the following information:

- a) Collection Date
- b) Collection Time
- c) Pay Stations Location ID
- d) Collected Cashbox ID
- e) Empty Cashbox ID
- f) Collection Route/Sub-route
- g) Collector's identification
- h) Crew Leader's signature (may be electronic)

Neither collectors, crew leaders nor supervisors shall carry tools of any kind when performing their collection duties. To include knives, scissors, wire cutters, or any other cutting tool.

3) End of Cable:

The End of Cable Program is a program designed by Nexgen in order to prevent the collection of unassigned sub zones by collectors. The importance of this program is to prevent the mixing of revenues from one zone to another zone. The End of Cable Program will prevent a collector from collecting meters that are assigned to another zone by utilizing Nexgen key technology and software.

The Nexgen Security Manager System (NSMS) will be used to manage the programming of each individual key with the specific Sub Zones. The Sub Zones programmed into the key will not have an associated collection canister assigned by the NSMS at the time of programming. This function will occur in the field and will be carried out by the collector assigned to a specific route and sub zone.

The End of Cable program will work in the following manner. When the Nexgen key is connected to a collection canister by the collector the key will become active in "Collect Mode". At this point the key will recognize the canister and will read the lock associated with the canister. The key will not open the canister it will only recognize the canister. Once the collector marries the canister and the key, the collector will begin their collection route. The first meter lock that is touched by the key after the key has been set to "Collect Mode" will lock that key to the specific sub zone being

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collected. This will prevent the collector from collecting other subzones not associated with the collection canister, thus preventing the mixing of revenue from one zone to another by the collector.

All collection attempts will be stored in the Nexgen Key memory and will remain stored until the key is downloaded at the end of the day. Once the download occurs a report will be generated that will identify the sub zones and the meters that were collected, a report will also be generated detailing any missed or skipped meters in the sub zone. Once the collector completes their collection route, the collector will be required to touch their coin canister once again to disengage the "Collect Mode". Once this is accomplished the collector will be able to change canisters and proceed to a new sub zone. Once the collector begins the new sub zone, the collector will be required to touch the new canister in order to place the key into the "Collect Mode" at this point the collector will be able to continue their collection route, or begin a new route in a different sub zone.

4) **Specialized Collections Projects:**

The Contractor must work collaboratively with the City on specialized collection projects to support the efficient collection and tracking of parking meter revenue and to assist in the development of the processes for scheduling and coordinating the method of collection from single-space and multispace meters.

E. **Equipment Requirements**

If City-owned equipment is damaged or stolen by the Contractor or its employees or subcontractors while Contractor is performing collection services, Contractor will attempt to replace the equipment within ten (10) Calendar Days of the incident but no longer than 30 calendar days. If Contractor fails to replace the items within the specified time, the City shall have the option of replacing the equipment and crediting the expense from monies owed to Contractor's for monthly services.

1) **Revenue Collection Equipment**

Initially the City will provide the Contractor with electronic collection keys (Nexgen Keys), collection canisters and collection canister heads, canisters security locks (current model Medeco padlock 52-W-6201 00-26M7), and collection carts.

The City current inventory is as follows, subject to verification by Contractor during the transition period:

- a) Collection Canisters and Collection Canister Heads: 400
- b) Collection Carts: 40

The Contractor will bear responsibility for the maintenance and care of equipment issued to it by the City that it will use in the performance of its duties. The Contractor will maintain a complete and orderly inventory list of all the equipment provided by the City. All the equipment issued by City is subject to inspection at any time without notice. Within 6 months of the commencement of this Agreement as defined in Section 5.1 of the Agreement, the Contractor will provide full replacement of the City's existing 400 collection canisters (without heads) and provide forty (40)

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new collection carts, subject to final inventory at the beginning of the transition period. Collection canister and cart designs must be approved by City prior to any purchase. The reimbursement for these collection carts and canisters shall be done in accordance with Section 7.7 of this Agreement. If this Agreement is terminated under the provisions of Section 6 of the Agreement between the City and SP Plus, then the City shall reimburse the Contractor the remaining unamortized balance of the cost of the canisters and carts that were purchased by the Contractor with prior authorization from the City. The Contractor will provide a system by which collection carts are equipped with GPS receivers or alternative electronic devices approved by the City which enable the tracking and monitoring of the collection carts in a manner similar to collection vehicles. Additionally, the Contractor shall provide a system by which City's current coin canisters are electronically tagged. This system must timestamp and record GPS-derived coordinates for every meter can collection event. The collection event coordinate log, with Meter or Can ID, GPS-coordinates, and timestamp must be transmitted to the City daily along with and in a manner similar to other collection logs or reports.

The Contractor will supply key chains, belt loops and other collection-related equipment as necessary and approved by the City. The Contractor will provide proper security seals (or a mutually agreed upon alternate solution) at its own expense. Security seals need to be blue in color and bar-coded and logged.

The Contractor will provide smartphones running the latest stable version of the Android operating system (OS). The Contractor is responsible for maintaining uninterrupted cellular service and data plans for each device using any major US wireless carrier for the duration of the contract period. Contractor must provide, at minimum, one (1) phone per collector, supervisor, and Meter Investigations & Security staff member.

The phone must have a GPS receiver and supporting software allowing the City to track or recover the device as needed. Devices shall have the ability to restrict any hardware or software feature at the discretion of the City, including but not limited to:

- c) All incoming and outgoing voice calls, including Voice over IP (VOIP), to City-approved emergency services only
- d) All forms of messaging or chatting, including but not limited to SMS text messaging and any text or video chat clients (Google Talk, Skype)
- e) Camera access and functionality
- f) Voice-recording functionality
- g) Mobile application installation, access and configuration
- h) Device and OS configuration
- i) Remotely clear the device memory, including any personal information and installed applications

The City's preferred smartphones is one that utilizes a Press-to-Transmit (Push-to-talk or PTT) feature. This feature is useful, in that it allows the device to communicate only over an open group line, ensuring all communication will be available to the entire user group. The PPT feature must be restricted to group communications. The smartphones used by the Contractor may not have the capacity for individualized communications between the Contractor's employees.

The smartphones will be used primarily for near real-time reporting of meter conditions. The Contractor is responsible for ensuring the devices are not used for any purpose other than those specified by the City.

Contractor must recommend an inventory asset management system that includes the ability to barcode all the equipment owned by the City and/or the Contractor.

2) **Equipment Inspection and Maintenance**

The Contractor will conduct and document, at a minimum, a monthly inspection of all the collection carts, canisters and related parts, inside and outside, for broken welds, cracks, dents, and other problems that may endanger the integrity of the canister, canister head, and collection cart. The coin canister receptacle (receiver) on the lid of the collection canister is to be inspected for broken or missing keys or any other type of damage. All equipment must be inspected and condition must be identified and mutually agreed to within 60 days of the start of the Base term. In addition, the Contractor will inspect the rubber boot on the bottom of the inside of the coin canister receptacle. If this boot is not tightly in place, is torn or worn, or is missing the metal weight that keeps the boot in place, it is the responsibility of the Contractor to maintain and pay for equipment repairs.

The Contractor will inspect the collection canisters to ensure that the canister doors are sealed after collections are completed. At the end of every business day, the Contractor will record the number of the seals used on every collection canister and input the seal numbers to the MERGE meter management system.

If the Contractor discovers that a seal is missing, the Contractor will notify the City representative immediately, LADOT's Meter Security will conduct a proper investigation of the incident and submit a report to DOT Management Staff within five business days of the incident and the Contractor will replace the missing seal.

3) **Collection Keys Control**

The Contractor will bear responsibility for all Nexgen keys issued to the collection staff and other related equipment in the possession of its staff for the duration of the contract term. The Contractor may not duplicate any keys. Should keys or locks fail while a meter vault is open, Contractor must immediately report the failure to the LAODT Meter Security staff. After meters have been collected each day, the keys shall be stored in a secured locked room as directed by LADOT Meter Security staff. In case of missing collection key equipment, LADOT Meter Security staff shall conduct a full investigation and provide the City with a written report that describes the Contractor's corrective actions taken within five business days of the incident. In the event of a broken key, the Contractor will retrieve all pieces of a broken key if they are not stuck in the meter and deliver them to the City. The City's security staff shall have access to the key safe at all times and be able to inventory all keys on a daily basis at the beginning of shift and the end of shift. The Contractor will report lost or broken collection equipment owned by the City, to the City's security staff on the same day of the incident, using the city approved Missing or Damaged Equipment Report.

4) **Electronic Locks**

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The City's current parking meter technology utilizes the Medeco Nexgen Locks. Contractor will be provided with appropriate system accesses and equipment to conduct meter collections. At the beginning of every collection day the Contractor will issue collectors a Nexgen Key that is programmed by a City's security staff representative to only open the meters along their designated routes. Upon assignment of a Nexgen Key, the Contractor is responsible for entering the names of the collectors assigned to each key into the Nexgen system. The Contractor's collection employees shall sign for the Nexgen Keys before each day's collection and return them after completing their regular collection activities. Once the Nexgen Keys are issued, the Contractor will store them in a secure lockbox fastened to the inside of the collection's vehicle. The Contractor will be responsible for the security of the Nexgen Keys while the collectors are performing their duties. When not in use, the Nexgen Keys shall be stored in a City approved locked storage area. Contractor will provide 24-hour video surveillance of the handheld storage unit.

-The City does not utilize mechanical locks and keys in any of its parking meter vault doors.

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5) Vehicles

Contractor will provide a sufficient number of regular vehicles and backup vehicles to perform required collection services. Contractor will be responsible for ensuring that its vehicles remain in good working condition and that they have procedures in place to procure or lease additional vehicles if necessary to complete daily collection services. In the event that one of the contractor's vehicles is delayed during business hours, contractor shall provide immediate notice of the delay to LADOT Transportation Investigators. Additionally, contractor shall immediately advise Transportation Investigators of any accidents involving contractor's vehicles. The Contractor may fulfill this notice requirement via a phone call or an in-person conversation. All collection vehicles shall have standard safety equipment, including but not limited to spare tires, flares and cones. The City reserves the right to inspect a collection vehicle with or without prior notice during normal operations hours.

Both single-space and multi-space collection vehicles features shall include, at a minimum, the following:

- a) Vehicle security system to ensure that collection trucks can be recovered if stolen.
- b) An interior panel or cage on walls and bulkhead separating the driver compartment from the canister storage area.
- c) All doors shall lock automatically when closed and all trucks are to be equipped with an alarm system; e.g. an anti-theft device that disengages the ignition system.
- d) The rear and side doors shall be equipped with secure locks other than the manufacturers' regularly installed locks. The locks currently approved by the City are Medeco Padlock 54-7100 series and the Master Lock 15KA.
- e) Only equipment issued by the City for the collection of parking meters and required safety equipment may be carried in the cab or the back of the vehicle(s) at any time.
- f) The vehicle(s) used to transport the Collectors shall contain no tools unless approved by City security personnel, except for a jack and wrench to change the vehicles' tires.

- g) All items and materials issued to the Contractor by the City that are necessary to complete the collection of that day's schedule, such as route/key lists, shall be kept in a secure box. This box shall be securely fastened (e.g. bolted) to the vehicle. Access to this box shall be supervised by crew leader and/or collection supervisor.
- h) Vehicles shall be outfitted with a GPS tracking system. Both Contractor and City should have an ability to monitor vehicle movements, route history, current and average speeds.
- i) The anti-theft alarm shall be activated any time the vehicle is unoccupied. Features specific to single-space collection vehicles shall include, at a minimum, the following:
 - a) A lift gate to load and off load collection canisters.
 - b) Single-Space Collection Vehicle shall be able to transfer at least 30 collection canisters, three collection carts and other relevant collection equipment.
 - c) The vehicle's cargo hold shall have a method to anchor canisters to the inside of vehicles to prevent damage.
 - d) Vehicles shall have a Gross Vehicle Weight (GVW) capacity to handle a minimum payload of 3,000 lbs.
 - e) In the vehicle(s) used to transport collection canisters, carts and filled canisters, the portion of the vehicle used to hold equipment and filled collection canisters shall be accessible only through the rear door.

Features specific to multi-space collection vehicles shall include, at a minimum, the following:

- a) Vehicles used to collect multi-space Pay Stations shall be designed to facilitate this collection activity and shall have a secured storage area for Pay Station canisters.
- b) Vehicle cashbox storage capacity shall accommodate at least 50 cashboxes.
- c) Cashboxes shall be accessible via the rear door of the vehicle.

F. Collection Workforce Management

The City is currently developing a comprehensive Meter Management System (MERGE) with Xerox, which will include collections workforce management and revenue reconciliation modules. Contractor shall be able to integrate, interface, and support MERGE and any current or future related system. Contractor must also be able to support the City in development and implementation of future meter collection and revenue counting and reconciliation systems.

Contractor's system must have the ability to integrate relevant collections workforce data with the City. The system must be online (web-based), near real-time, and must be able to interface with the Contractor-provided smartphone devices.

City will provide Contractor with detailed interface and data specifications for the MERGE system. Contractor's system must be able to exchange information via a RESTful web service transmitting

- j) Null ION Error Message (Medeco Electromechanical Lock specific fault)
- k) Canister Lock Won't Open (Green light)
- l) Electronic lock is not properly assigned
- m) No communication
- n) Spinner 180
- o) Spinner 360
- p) Construction zone
- q) IPS- No reset
- r) IPS- Blank Screen
- s) IPS- Bad Collection Card
- t) Nexgen Lock Won't Open - Red Light
- u) Unable to Download Primary Audit

2) Missing or Damaged Equipment Report

Contractor will report to City all missing or damaged equipment on the day of the incident. Each report will include the date and time of the incident, a description of the damaged or lost equipment, and a short description of the events.

LADOT Meter Security staff will conduct an internal investigation and submit the report to DOT Management staff.

3) Weekly Skipped Meters Report

Contractor will analyze daily electronic lock collection audits to determine which meters were not collected as part of daily collection assignment. Meters that are not collected shall be verified against the daily meter condition report. All exceptions shall be investigated and explained. A weekly Skipped Meters Report shall be submitted to the City along with appropriate explanations and a plan of corrective actions on Monday of every work week.

4) Meter Collection Reports

Contractor will analyze total daily collections from all meters and pay stations. The report shall be divided by meter zones, subzones, and lots. The collection data (collection date and the collected amount for each subzone or lot) shall be stored in a database, which will enable the Contractor to provide the City with reports for any zones, subzones, lots when requested by the City. Additionally, the contractor shall provide a daily and monthly collection total collection report to LADOT's Contract Manager.

II COIN COUNTING SERVICES

A. Coin Counting Overview

The Contractor will provide counting services on the same day as the revenue is collected and deposit that day's revenue into the City designated account within 24 hours from the time actual coin collection has occurred. All collected funds shall be transported from Coin Counting Facility via armored transport vehicle the same collection day. LADOT Transportation Investigators shall

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have unfettered 24 hour a day access to the Coin Counting Facility located at 555 Ramirez St., Space 315. Contractor must develop and implement a method or procedure for counting and depositing coins on weekends and holidays.

In the event that the Contractor fails to transport parking meter coin revenues with the armored vehicle service during the same collection day, Contractor will reimburse the City for the loss of interest for every Day that the shipment is delayed. In the event that the Contractor fails to deposit parking meter coin revenues within 24 hours of receipt, the Contractor will reimburse the City for the loss of interest for every Day that the deposit is delayed.

The Contractor may be excused from the provisions listed above in case where a delay leading to weekend collections occurred outside of Contractor's control including weekend collections. Examples of such a delay include: natural disasters, power loss, and failure to pick up collections by the armored service. Contractor will notify the City in writing when this occurs, describing any conditions that it alleges will excuse its performance. Contractor will develop and implement a method for securely storing coins that have not been deposited.

Contractor must develop and implement a method to accurately count and sort wet or sticky coins, bent coins, foreign coins, and slugs.

All counting operations shall be performed under camera surveillance. The City shall have access to a "live" view of such surveillance. The Contractor will keep an electronic copy of all procedures recorded for a minimum of 180 days. These recordings shall be made available to the City within one business day of the City's request. The recordings may be stored on Contractor's servers, or, on any other medium agreed to by the Department.

The Contractor will negotiate weight tolerances with armored car service carriers. Agreed upon tolerances shall be approved in writing by the City.

Contractor must develop and implement a method that will be used to deal with deposit discrepancies between the Contractor and an armored car service.

B. Acceptance of Collection Canisters

Once notified of the imminent arrival of a collection crew, the Coin Counting Supervisor shall ensure that the vehicle and the area around it are secure before allowing the vehicle into the facility. The Coin Counting Supervisor shall collect the daily collection reports/assignments from the Crew Leader, confirm that the seals on each collection canister are intact, and sign a form verifying that the collection crew returned a security seal on each collection canister issued to the crew.

C. Required Coin Counting Services

The Contractor's coin counting staff will verify that the collection canister identification number and security seal match the daily collection assignment. For single-space meters, the coin counter shall remove the security seal and lock from the collection canister and empty the contents of the

collection canister into coin sorter chute for processing. Coin counters shall only open one collection canister at a time.

For multi-space meters, coin counters shall open the cash box with a key and empty the contents of the cash box into the coin or jet sorter machine. Once the cash box is empty, for Duncan Pay Stations, the counter shall place the cash box in its cradle to download the audit information. For other types of multi-space machines, no audit download is available.

The Contractor will maintain records of machines that do not have audit download and retain these records for the duration of the Agreement.

Coin sorting machines will be used for counting and sorting of all the coins. The sorted and counted coins will be automatically deposited into the coin storage bins (each denomination is deposited into separate bin). The coin sorter software will record coin denomination totals and weights in the computer memory. A paper copy of the transaction is also provided as a backup to the electronic records.

The following parameters are manually entered before the coin-sorting process begins:

- 1) Collection Crew Number
- 2) Collection Canister Number
- 3) Collection Sub-route
- 4) Seal Number
- 5) Gross Weight
- 6) Empty Weight

The following parameters are automatically recorded after the coin-sorting process begins:

- 1) Transaction Number
- 2) Sorter Number
- 3) Net Weight
- 4) Time of Transaction
- 5) Coin Type
- 6) Quantity of Coins
- 7) Cash Value
- 8) Coin Weight (lbs.)
- 9) Coin weight Value

The Contractor will be required to retain coin sorting data for the term of the Agreement. Electronic record keeping is required for the term of the agreement. Where the initial record is in paper format, the contractor shall be required to transfer it at contractor's expense to electronic format. The City shall have unlimited access to all coin sorting records for the term of the agreement.

D. Class II Vault

Contractor will also have, or provide by a separate subcontract, a Class II Vault located within 15 miles of the Coin Counting Facility. The vault is to be used to store meter collection revenue overnight in the case of an emergency (e.g., fire, earthquake, flood, or other disasters).

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Any subcontract of a Class II Vault shall be reviewed by and be reasonably satisfactory to DOT. DOT reserves the right to inspect CONTRACTOR's facility or other facilities provided by the CONTRACTOR at any time, in order to satisfy itself that such facilities are sufficient for the purposes described in this section.

E. Coin Counting Equipment

The coin counting equipment in the coin room is currently owned by the City. Upon contract award, the Contractor will assume full responsibility for all maintenance, and upgrades that may be required during the term of this Agreement.

1) Coin and Currency Counters

The City currently has four (4) jet sorter machines and one (1) currency counter that are over 5 years old. Any replacement sorter recommended by Contractor must have the ability to print all count values, interface with City's scales, barcode readers and other data-entry peripherals, and with contemporary Windows-based server systems.

2) Scales

Each coin sorter is equipped with **Mettler Toledo IND 221** scales that allow weighing of the counted coin bags prior to processing. Additionally, the City's coin room facility must be equipped with a Jensen floor scale that is used for weighing coin bins prior to armored transport shipment.

The Contractor will conduct quarterly certifications of the scales operational order and accuracy by a City-approved calibration specialist. The quarterly inspection certificate shall be added to that month's billing document. Contractor, at its expense, will maintain and repair all scales throughout the term of this Agreement.

3) Equipment Maintenance

The Contractor will be required as part of the agreement, to properly maintain the City coin counting equipment in good operational condition. The Contractor will be required to enter into a maintenance agreement with the provider of the coin sorting equipment (or other vendor approved by City in its reasonable discretion) to keep the coin sorters in operational condition. The Contractor will be responsible for providing proper maintenance and repairs of the coin and jet sorters. If the City-owned equipment is damaged or stolen while Contractor is performing counting services, the Contractor will replace the equipment within 10 days of the incident. If the Contractor fails to replace the items within the specified time, the City shall have the option of replacing the equipment and crediting the costs of such replacement from monies owed to Contractor for monthly services.

F. Reconciliation Reporting and Data Storage Requirements

Contractor will perform all coin counting and revenue reconciliation. Contractor must make all data collected through the collections and counting process available daily by the end of the day's

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counting process. This information includes as a minimum all parameters listed in Section I.G. All data must be made available daily via **BOTH** following methods:

- 1) Contractor must work with the MERGE developer to ensure secure, accurate transfer of all data via HTTPS web services as specified in Section I. F. Data must be made available to MERGE in near real-time throughout the day as the various procedures are completed.
- 2) As a contingency for network interruption, all data must be made available in CSV format daily. City may request CSV reports as needed. Contractor must deliver all requested data files within 24 hours of City's request (excluding weekends and City-observed holidays).

III. COIN COUNTING AND COLLECTIONS FACILITY

The City currently owns and occupies a coin counting facility located at 555 Ramirez Street in Los Angeles, CA. The design of this facility and the related coin counting equipment was influenced by industry best practices for meter coin counting facilities at the time it was built.

Within the first twelve months of the start of the Base term of this Agreement, Contractor will upgrade the 24-hour security video surveillance system, (inside and outside of the facility), burglary alarm system, and the secure programmable building access system.

IV. PERSONNEL

A. Qualified Personnel

Contractor will provide a sufficient number of collectors, counters, crew leaders, supervisors, and managers to ensure the timely collection, counting and reconciliation of the parking meter coins and revenue data.

The Contract Manager, Collections Manager, and supervisors shall possess good oral and written communications skills sufficient to submit reports and communicate with City staff as needed. Senior Contractor personnel (Regional Manager, Contract Manager and Collections and Counting Manager) shall respond to communication requests from the City personnel (the Meter Shop Supervisor, the Contract Administrator, or the Contract Analyst assigned to the Agreement) within one hour after receiving the request through phone call or e-mail.

Communications between collection crew supervisors and the Meter Shop occur primarily through radio devices, which shall be provided to the Contractor by the City. Collection supervisors shall respond to City communications requests from Meter Shop personnel within thirty (30) minutes.

All the work shall be performed only by competent personnel under the supervision of, or in the employment of, the Contractor. The Contractor will comply with reasonable City requests regarding assignment of personnel (e.g., to cover gaps in service), but all personnel, including those assigned at the City's request, shall be supervised by the Contractor.

To prevent delays or gaps in the performance of the Agreement, the Contractor shall agree that if any delay occurs, it will assign additional qualified personnel to meet service requirements.

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Contractor will provide, at a minimum, the following full-time management positions dedicated exclusively (with an exception of Regional Manager) to services and functions related to this Contract. Each of these positions shall be considered a full-time, separate and unique position and each position shall be filled for the duration of the contract term:

- 1) Regional Manager- Contractor's Executive Representation -for major issues impacting the Agreement
- 2) Contract Manager- Day-to-Day Operational and Contract Oversight
- 3) Collections and Counting Manager- Operational support for these services
- 4) Two Collection Supervisors- Field Support
- 5) One Coin Counting Supervisor

B. Employment Requirements

Contractor's employment screening policies and procedures will include:

- 1) Pre-employment drug testing
- 2) Criminal history checks
- 3) Drug and alcohol testing
- 4) Random search policy of clothing and possessions
- 5) Social Security Number verification
- 6) Fingerprinting
- 7) Detailed procedures of employee training
- 8) DMV record (if applicable)

Upon request by City at any time, the Contractor will furnish the City with an organization chart and a complete list of all personnel and their assignments.

To ensure that Contractor's employees are qualified for security purposes for any work performed under this Agreement, the Contractor will perform, at its expense, a criminal and DMV records check on personnel performing services for the City, and retain all documentation of these checks for the duration of the Contract. The fingerprints shall be processed by the LADOT's Franchise and Taxicab Regulations Bureau (or another facility designated by the Department) and shall include both FBI and DOJ background checks. CONTRACTOR shall perform and pay for background checks, drug tests, and a criminal history search on all of its employees assigned to the Contract with the CITY, including a criminal history search, at contractor's cost. The CONTRACTOR shall provide testimony from an officer of the CONTRACTOR that each employee has cleared the necessary background check.

The City reserves the right to initiate its own review of the criminal records of all persons proposed for employment by the Contractor. All personnel must pass the security screening process before starting work. Individuals with criminal records will be precluded from working on the Agreement during the terms of the agreement. Individuals shall notify Meter Security of any contact with Law Enforcement that leads to an arrest and/or conviction of a crime during the course of the contract. DOT will determine if an individual will be allowed to continue collecting for the City.

For employees whose duties include driving, CONTRACTOR shall provide copies of drivers' licenses and driving history records generated within thirty (30) days of request for all employees on or before the start of their duties and on an annual basis thereafter, for new personnel any time a change of personnel occurs, and upon request by DEPARTMENT.

CITY reserves the right to require that persons with background check results unsatisfactory to CITY not be employed on work required by this AGREEMENT. The Contractor shall not be required to provide the Department with access to the detailed background check and drug testing results for employees assigned to provide services under this Agreement. Rather, an officer of the Contractor shall certify in a signed affidavit whether or not each such employee passed or failed the required background check and drug testing.

The Contractor will provide confirmation of, and maintain the ability to generate DMV record checks and criminal checks for the duration of this Agreement. The Contractor will submit verification of DMV record checks and criminal checks to the City Contract Administrator upon request in a written format approved by the City. The Contractor will update verifications as listed above on each anniversary date of the Agreement.

Persons with the following history are **NOT** acceptable as employees:

- 1) Persons whose records show convictions for offenses involving dishonesty or deceit, including, without limitation, theft, embezzlement and forgery.
- 2) Persons who at the time of the record check are on parole or probation for any felony or misdemeanor.

The Contractor's employees must be qualified for security purposes by the Contractor and be cleared through fingerprinting and review of reported arrest records at the expense of the Contractor. All personnel must pass the security screening process before starting work.

The Contractor's personnel will perform duties at all locations as instructed by the City. The Contractor's supervisory personnel shall instruct employees as to their daily duties.

Payment for Services: The City will not pay for any service provided by Contractor's employees who do not meet the qualifications as specified above. The granting of any payment by the City or the receipt of the payment by the Contractor will not constitute acceptance of services for which payment is made.

Prohibited Items and allowed personal belongings:

Contractor's meter collection personnel may only carry clear storage items, including, but, not limited to: bags, water bottles, lunch bags, cups.

Contractor's employees shall be prohibited from using non-clear personal items including, but, not limited to: paper lunch bags, plastic grocery bags, trash bags, Styrofoam cups, mugs.

Contractor shall implement security measures to ensure compliance with these restrictions. Contractor shall be responsible for immediately reporting any failures to comply with the restrictions on personal belongings to LADOT Transportation Investigators.

As POST certified California Peace Officers, LADOT Transportation Investigators have the power to search and arrest contractor's meter collection employees under *Cal. Penal Code § 834 et. seq.*

CONTRACTOR shall bear responsibility for all vault keys, vault locks, and coin boxes, in the performance of its duties. Should keys or locks fail while a coin vault is open, CONTRACTOR shall immediately report the failure to DEPARTMENT and await assistance from DEPARTMENT before continuing collection duties.

V. STAFF DRESS CODE

A. Staff

All collections personnel are to be provided with complete safety equipment and uniforms (pants, shirts, jackets, hats, black boots or shoes, and, rain gear) and sufficient changes for each employee to maintain a professional clean and neat appearance. Uniforms are to have the Contractor identification on the back of the jackets or safety vest, on the front of the shirts, and on hats and rain gear (excluding boots). Contractor will provide uniforms at its expense. Uniforms shall be of a standard guard style, dark blue or dark gray, or a combination thereof. All collections personnel must wear their uniforms at all times while on duty.

The Contractor will provide each collector with a photo identification badge with the employee's name and the Contractor name that shall be worn on his/her person while on duty. The I. D. badge shall not be stored in a pant or jacket pocket, but shall be visibly displayed worn around the neck and turned into the Contractor's office daily after the collection schedule is completed. I.D. Badges are mandatory for collectors to have while collecting City revenue, a collector not having an I.D. Badge will not be allowed to collect until they have a valid I.D. on their person. California Drivers Licenses are also mandatory at all times while collecting City Revenue.

The Contractor will provide all collectors with equipment necessary to physically secure collection keys, collection cards and other relevant equipment to their person such as a chain that is not shorter than 12 inches or longer than 18 inches, and a lock that will secure all keys issued to the collector for the collection of the parking meters.

All counting personnel are to be provided with complete safety equipment and uniforms (pants, shirts, jackets, hats and black boots or shoes) as recommended by OSHA, and sufficient changes for each employee to maintain a professional, clean and neat appearance. Uniforms, coveralls or other clothing worn inside the counting room shall be free of pockets or other means to carry items on the person. The Contractor will also provide OSHA certifications/recommendations in regards to coin room working conditions (sound and dust levels) to the City within 60 days of the commencement of this Agreement.

Uniforms and equipment provided by the Contractor are subject to approval by the City. City shall make random unannounced inspections of uniforms worn by collections personnel. Uniforms will only have three (3) open pockets necessary for carrying the any of the following items: wallets, pens, keys, medications,

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sanitary or personal hygiene items, or, any other items expressly authorized by LADOT Meter Security Personnel. Any additional pockets must be sewn shut.

Contractor's employees shall be allowed to carry only one hat/cap, pair of gloves, change of undergarments or socks unless expressly authorized by LADOT Meter Security.

Contractor shall implement security measures to ensure compliance with these restrictions. Contractor shall be responsible for immediately reporting any failures to comply with the restrictions on personal belongings to LADOT Transportation Investigators.

VI. ONGOING TRAINING PLAN

The Contractor will provide training specific to each function area for both line staff and supervisors during the term of this Agreement. This training shall include those pertinent security procedures described in this Scope of Work as well as the Contractor's own security procedures. Each staff person shall sign a Certificate of Understanding that attests to their participation in training in their designated function area. This document shall be kept by the Contractor and made available by request to the City. The Contractor will provide all safety training required under federal, state and local law, which shall be conducted, as required, at its own expense.

VII. IT SUPPORT SERVICES

Contractor will provide, manage and support all IT infrastructures within the parking meter revenue collection and counting facility and related systems. The duties include, but are not limited to, the following:

A. Qualified IT Services

Troubleshoot all hardware, software and connectivity issues. These types of issues include, but are not limited to:

- a) Hardware failure
- b) Software bugs
- c) Connection failures
- d) Infrastructure issues
- e) Comprehensive IT troubleshooting of Contractor-developed infrastructure and systems not specifically mentioned

Contractor will:

- 1) Create and be prepared to implement both backup recovery and disaster recovery plans when/if necessary.

- 2) Maintain the system, at a minimum, of 97% uptime with the exception of scheduled downtime during routine maintenance.
- 3) Provide systems support, at a minimum, of 8:00 a.m. to 5:00 p.m. Monday through Friday. Occasional overtime will be required to account for systems failures and other unforeseen events. This overtime will not be compensated by City.
- 4) System upgrades. This includes replacing items which are failing as well as performing standard maintenance on both the hardware and software.
- 5) Full maintenance of all the servers and network devices.
- 6) Closely monitor performance of the existing hardware and software.
- 7) Recommend and implement improvements to existing systems and technologies as appropriate.
- 8) Support integration, City meter management software.
- 9) Program and support Handhelds, Medeco keycards, Nexgen keys and other related equipment.
- 10) Assist City with the integration of any new systems and technologies.

B. Contractor Responsibility for Resolution of Issues

The Contractor will have sufficient knowledge to identify the root cause of any issues related to all Contractor-provided infrastructure and systems. These issues that may arise include routing and connectivity problems, firewall and security problems, and performance bottleneck or communication gaps. Contractor will be responsible for providing the recommendation or solution to the City and for testing and resolving issues with the cooperation of City IT staff, as needed.

Example 1:- If there are any performance issues related to the connectivity, Contractor shall have the expertise to determine the root cause of this issue. This issue could exist in the Contractor system or in a City system. Contractor will identify and resolve the issue.

Example 2:- If there is any problem in an electronic report, the Contractor will identify the issue and address it.

Example 3:- If there is any communication gap, Contractor will determine the depth and nature of the communication gap and assist City in resolving it.

VIII CONTRACTOR'S LOCAL OPERATING OFFICE

CONTRACTOR shall provide and maintain its own operating office for the coin collections staff and collection vehicles. This office shall be of sufficient size and capacity to accommodate the necessary staff and vehicles and must be located within the City or its immediate vicinity. The Local Operating Office shall be staffed between the hours of 6:00 a.m. and 4:00 p.m; have a telephone; be located in a commercial zone; and, have adequate off-street parking for all CONTRACTOR's vehicles.

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IX PERFORMANCE PENALTIES

Contractor acknowledges that its failure to perform certain obligations under this Agreement during the respective time limits imposed will cause City to incur inconvenience not contemplated under this Agreement, which cost and inconvenience will constitute damage to City, the City and the public, and that the exact amount of such damage will be extremely difficult or impractical to fix. City and Contractor agree that the amounts described as liquidated damages in this Agreement are not penalties, but represent a fair and reasonable estimate of the costs that the City will incur by reason of Contractor's failure to perform, and are fair compensation to City for its losses. Failure by City to impose liquidated damages for specified violations will not be a waiver of the right to enforce this Section, nor will it constitute a waiver of any other right of City under this Agreement

In the event liquidated damages are triggered under the terms of this Agreement, the City may deduct a sum representing such liquidated damages from any money due to Contractor under this Agreement.

A. Collection and Counting Personnel Attire

If the Contractor's collectors and/or coin room operatives are not wearing the approved uniforms or displaying their badges, in violation of the requirements of this Agreement, or if Contractor's personnel is utilizing items prohibited under this Agreement, the City will issue a written warning. If a similar incident occurs again, the Contractor will be assessed liquidated damages of \$25 per incident without further warning. Further violations of this Section will subject the Contractor to liquidated damages in the amount of \$50 per incident without further warning.

B. Adhering to Collection Schedule

If the Contractor fails to meet its collection schedule obligations as required under this Agreement the City will issue a written warning. If such an incident occurs again, the Contractor will be assessed liquidated damages of \$500. Should a similar violation occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of a warning in the amount of \$550 per incident.

C. Reporting Requirements

If the Contractor fails to submit any report required by this Agreement, the City will issue a written warning. If the Contractor fails to remedy the issue within three days from receiving the written warning, the Contractor will be assessed liquidated damages of \$50 per day for each day that the report is overdue from the date of the warning, not to exceed \$250 per month per report.

Should a violation of those Sections occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of warning in the amount of \$60 per day for each Day from the date of the occurrence, not to exceed \$300 per month per report.

D. Collection Services

If the Contractor fails to provide collection services as required under this Agreement, the City will issue a written warning. If such an incident occurs again, the Contractor will be assessed liquidated damages of \$500.

E. Counting Services

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If the Contractor fails to provide counting services as required under this Agreement the City will issue a written warning. If such an incident occurs again, the Contractor will be assessed liquidated damages of \$500.

Should a violation of this Section occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of warning in the amount of \$550 per incident.

F. Collection and Counting Equipment Maintenance

If the Contractor fails to maintain collection and counting equipment in good operational order, as required by this Agreement, the City will issue a written warning. If the Contractor fails to remedy the issue within three Days from receiving written warning, the Contractor will be assessed liquidated damages of \$150.

Should a violation of this Agreement's maintenance requirement occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of warning in the amount of \$175 per incident.

G. Radio Response

If senior Contractor personnel (Regional Manager, Contract Manager and Collections and Counting Manager) fail to respond to communication requests from City personnel (the Meter Shop Supervisor, the Contract Administrator, or the Contract Analyst assigned to the Agreement) within one hour after receiving the request through phone call or e-mail as required by the Agreement, the City will issue a written warning. If the incident occurs again, the Contractor will be assessed liquidated damages of \$50.

Should a similar violation occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of warning in the amount of \$75 per incident.

H. Program Manager Response

If Collection supervisors fail to respond to City communications requests from the Meter Shop as required under this Agreement within one half hour, the City will issue a written warning. If the incident occurs again, the Contractor will be assessed liquidated damages of \$75.

Should a similar violation occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of warning in the amount of \$100 per incident.

I. Keys

Keys must not be duplicated by Contractor's employees and/or sub-Contractor's employees. A lost key must be reported to the City immediately. The Contractor will conduct an investigation and submit a written report to the City on each lost key incident, including a description of any corrective actions taken (LAPD report must be submitted with any Contractor report of incident). The CONTRACTOR must pay a penalty of \$500.00 per any lost key, per incident. If a lost key results in a meter revenue loss (defined as more than a ten percent reduction in the historical revenue for the affected meters from the time the key was lost until the locks were re-keyed), then the CONTRACTOR must pay an additional penalty of \$3,000.00 per lost key for lost revenue. Such penalties will be deducted from the invoices due to the CONTRACTOR.

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J. Two-way Radios

The City will provide the CONTRACTOR with a sufficient number of two-way radios with batteries and radio holsters through the term of the contract. The CONTRACTOR will be responsible for the safekeeping of such equipment and accessories, which will be returned to the City in good condition at the termination of the contract. The City will be responsible for the routine maintenance of radios and will provide batteries. The CONTRACTOR will be responsible and pay for the replacement of any lost or damaged radios, batteries, and accessories caused by its employees or subcontractors. (LAPD report must be obtained and submitted along with a report of the circumstances involving the lost radio).

K. Other

Penalties and or costs will be assessed for lost keys, damaged or lost equipment. The penalty structure is as follows:

Radio antenna replacement	Current replacement cost			
Radio batteries	Current replacement cost			
Radio (repairable)	\$200.00 + cost of parts + labor			
Radio replacement	Current replacement cost			
Canisters (lost or stolen)	Current replacement cost + \$1,000.00 for lost revenue			
Canisters (irreparable)	Current replacement cost			
Canisters (repairable)	\$40.00 + cost of parts and labor			
Canister carts lost or stolen	Current replacement cost			
Canister carts (repairable)	\$40.00 + cost of parts and labor			
Lost key	\$500.00 per key+ for lost revenue	\$3,000.00	per	key
Lost Nexgen Key	\$350.00 per key+ for lost revenue	\$3,000.00	per	key
Nexgen Key (irreparable)	Current replacement cost			
Nexgen Lock (irreparable)	Current replacement cost + labor			
Handheld data computer	Current replacement/repair cost			
Pay station parking meter:	Current replacement / repair cost + labor			
bill acceptor (damaged)	Current replacement / repair cost + labor			
bill acceptor (lost/stolen)	Current replacement cost + \$500.00 for lost revenue			
cash bag (damaged)	Current replacement / repair cost + labor			
cash bag (lost/stolen)	Current replacement cost + for lost revenue	\$50.00	+	