

THIS PRINT COVERS CALENDAR ITEM NO. : 13

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to enter into an agreement with Serco, Inc. for Parking Meter Coin Collection, Counting and Support Services, for a term of five years, with an option to extend the term up to four additional years, for an amount not to exceed \$46,410,974.

SUMMARY:

- Services for parking meter collections and counting services have been performed by outside vendors since 1978. The current agreement with Serco Inc. will expire on June 30, 2012.
- Since its inception in 2002, the current agreement has provided collection services of approximately \$270 million in parking meter revenue.
- After receiving SFMTA Board approval, the SFMTA released a Request for Proposals (RFP) on December 7, 2011 for a new agreement for parking meter collection and counting services.
- The only proposal received in response to the RFP was from Serco.
- The SFMTA contacted the vendors that participated in the pre-proposal conference; some reasons given for not bidding included too many competing projects and their inability to form viable partnerships.
- SFMTA expects that the total parking meter collections will be at least \$202 million for the five-year base term of the agreement.
- Expenses for the new agreement are estimated at \$46.4 million, which includes approximately \$15 million in ongoing pass-through for wireless communication and credit card costs for meters and equipment transitioning from the *SFpark* pilot program into the general meter and associated parking monitoring equipment population.

ENCLOSURES:

1. SFMTAB Resolution
2. Master Agreement and Scope of Work

APPROVALS:

DATE

DIRECTOR _____ 5/7/12

SECRETARY _____ 5/7/12

ASSIGNED SFMTAB CALENDAR DATE: May 15, 2012

PURPOSE

The purpose of the proposed resolution is to authorize the Director of Transportation to enter into an agreement with Serco, Inc. for Parking Meter Coin Collection, Counting and Support Services, for a term of five years, with an option to extend the term up to four additional years, for an amount not to exceed \$46,410,974.

GOAL

Entering into this agreement will assist the SFMTA in meeting the following Strategic Goals:

- Goal 4: Financial Capacity: To ensure financial stability and effective resource utilization
- Goal 6: Information Technology – To improve service and efficiency, the SFMTA must leverage technology.

DESCRIPTION

Services for parking meter collections and counting services have been performed by outside vendors since 1978. The current agreement with Serco Inc. will expire on June 30, 2012. Since its inception in 2002, the current agreement has provided collection, counting and tracking services resulting in approximately \$270 million in parking meter revenue. Serco has met or exceeded the contract requirements and the following contract goals have been achieved:

- Removal of 23,000 broken-down mechanical meters throughout the City (excluding the Port of San Francisco), and installation of 23,000 single space and 250 multi-space electronic meters.
- Improved coin collection services that allow use of electro-mechanical meter vault locks that enhance security and auditability and the option to collect revenue through the use of smart card (pre-paid meter debit card) technology.
- Improved coin counting services, including regular interval weighing and counting of various coin denominations (dime, nickel and quarter).
- Development of an integrated software database system (San Francisco Parking Meter Management System or SFPMMS) that links various types of meter software tracking programs into one integrated system that allows tracking of parking meter revenue, maintenance and smart card usage.

After receiving SFMTA Board approval, the SFMTA released a Request for Proposals (RFP) on December 7, 2011 for a new agreement for parking meter collection and counting services. A pre-proposal conference and site visit were held on December 21, 2011. Eight potential vendors attended the pre-proposal conference, and five of the eight attended a site visit. Despite the attendance, however, only two vendors submitted follow-up questions or requests. Serco submitted follow-up questions, and another vendor requested an extension of the due date for proposals. The SFMTA granted a two-week extension (to February 7, 2012); however only Serco submitted a proposal in response to the RFP.

Page 3

The SFMTA contacted the vendors that participated in the pre-proposal conference. Some reasons given for not bidding included too many competing projects or the inability to form partnerships to meet specific contract service needs. No requests to modify the minimum requirements were submitted and no protests have been filed.

The proposed agreement provides the following services:

- Upgrades of the existing four coin sorters, purchase of a new jet sorter for coin counting, new handheld devices for Meter Shop staff, additional cameras for coin collection trucks, new collection vaults and carts, and modifications to the current parking meter management system.
- Continued single- and multi-space parking meter collections, counting, maintenance tracking and revenue reconciliation services.
- Product support services (warranties, vendor applications support, resolution of technical issues that do not require direct vendor involvement, liaison support between SFMTA and vendor technical personnel.)
- Oracle Database Administration support services for meter tracking software, including potential expansion of the system to accommodate additional meter manufacturers and new tracking elements (e.g. vehicle sensing equipment), as needed.
- IT support for single and multi-space meter management systems and infrastructure.
- Continued procurement of meter spare parts and related parking management services.
- Provides the SFMTA the ability to adjust services as need to reflect reductions in coin usage as other payment options are introduced and adopted.

ALTERNATIVES CONSIDERED

The options to extend the existing agreement have been exhausted and an RFP was advertised to solicit proposals that would potentially create savings to the SFMTA, incorporate current contracting needs and conduct a competitive solicitation process.

The current agreement has been approved annually as a Proposition J contract, which means that the City has determined that these services can be practically performed by a private contractor at a lesser cost than if performed by City employees. Since these services have been contracted out since 1978, no City jobs would be lost as a result of this contract award. For these reasons, the decision was made to continue contracting out for these services.

FUNDING IMPACT

Revenue:

Approximately \$40.4 million in parking meter revenue was collected in FY 2011. The SFMTA anticipates that this amount will be maintained or increased over the term of the agreement. Therefore, the total parking meter revenue expected is at least \$202 million for the five-year base term of the agreement.

Expenses:

The following shows a comparison of current service costs to the proposed service costs for the new agreement. The table also lists additional services that will be provided, equipment that will be purchased in the new contract and a contingency amount:

CATEGORY	FY 2012 Project Annual Amount	New Annual Amount	% diff
Coin Collection (Labor)	\$2,256,057	\$2,307,209	2.27%
Coin Counting (Labor)	\$213,894	\$156,125	-27.01%
Management Fees (includes collection vehicles, facility rentals, maintenance agreements, labor and contract management, armored car services and support staff)	\$1,632,418	\$1,545,635	-5.32%
Parking Meter Spare Parts	\$1,097,928	\$750,000	-31.69%
Equipment costs and upgrades	\$0	\$327,271	n/a
Port Meter Collections, Counting and warranties (reimbursed by the Port of San Francisco)	\$196,417	\$172,317	-12.27%
Credit Card Processing Fees*	\$0	\$1,280,668	n/a
Wireless Communications Fees*	\$0	\$1,892,970	n/a
10% Contingency: To allow for parking meter expansion	\$0	\$850,000	n/a
Total	\$5,396,714	\$9,282,195	n/a

Five-year Not to Exceed Amount: \$46,410,974

These expenses are included in the FY 2013 and FY 2014 operating budget. Costs with an asterisk (*) have been introduced with the installation of state-of-the-art parking meters that now accept additional forms of payment and vehicle detection technology through the *SFpark* Program to provide the SFMTA with critical data and on meter and parking space performance and occupancy. Costs were formerly paid through the *SFpark* contract, but are now being transferred to the Parking Meter Contract in order to add the *SFpark* meter to the general meter population.

Parking Meter Replacement Plan:

The SFMTA plans to issue an RFP for Parking Meter Procurement in 2013 to replace approximately 23,000 ten-year old meters with models that are capable of wireless communication and able to accept additional forms of payment further reducing collection and counting volumes and expense.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The Contract Compliance Office reviewed Serco's proposal and determined that they met the 10% 14B Administrative Code LBE goal set for this project, and recommends approval of the proposed agreement. This agreement, upon receiving SFMTA Board approval, will be forwarded to the Board of Supervisors, which is required for professional services contracts with expenses of more than \$10 million. The City Attorney's Office has also reviewed this item.

RECOMMENDATION

In order to effectively collect, count, process and receive parking meter revenue vital to SFMTA's operating budget, the SFMTA recommends that the Board authorize the Director of Transportation to enter into an agreement with Serco, Inc. for Parking Meter Coin Collection, Counting and Support Services, for a term of five years, with the option to extend the term up to four additional years, for an amount not to exceed \$46,410,974.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Services for parking meter collections and counting services have been performed by outside vendors since 1978; and,

WHEREAS, The current agreement, which will expire on June 30, 2012, has provided collection services of approximately \$270 million in parking meter revenue, modernized collection and counting methods and revenue and maintenance tracking; and,

WHEREAS, Parking meter revenue expected is at least \$202 million for the five-year base term of the agreement and expenses are estimated at \$46.4 million; and

WHEREAS, After receiving SFMTA Board approval, the SFMTA released a Request for Proposals (RFP) on December 7, 2011 for a new agreement for parking meter collection and counting services; and,

WHEREAS, In response to the RFP, the SFMTA received one proposal from Serco Inc. which proposal was determined to be responsive; and,

WHEREAS, The SFMTA has negotiated an agreement with Serco Inc. in the amount of \$43.5 million, with a term of five years, and an option to extend the term for up to four additional years; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to enter into an agreement with Serco, Inc. for Parking Meter Coin Collection, Counting and Support Services, for a term of five years, with an option to extend to up to four additional years, for an amount not to exceed \$46,410,974; and be it

FURTHER RESOLVED, That the SFMTA Board recommends this agreement to the Board of Supervisors for its review and approval.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 15, 2012.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**City and County of San Francisco Municipal Transportation Agency
One South Van Ness Ave., 7th Floor
San Francisco, California 94103**

**Agreement between the City and County of San Francisco and
Serco Inc.
for Parking Meter Coin Collection, Counting and Support
Services**

Contract No. SFMTA#2011/12-08

This Agreement is made this _____ day of _____, 2012 in the City and County of San Francisco, State of California, by and between: Serco Inc., 1818 Library Street, Suite 1000, Reston, Virginia 20190 (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Municipal Transportation Agency (“SFMTA”).

Recitals

- A. The SFMTA wishes to procure collection, counting and support services for its on-street parking meter systems.
- B. A Request for Proposals (“RFP”) was issued on December 7, 2011, and City selected Contractor as the highest-ranked proposer.
- C. Contractor represents and warrants that it is qualified to perform the services required by City as described in this contract.
- D. The positions required under this Agreement are subject to a determination by the Controller and Board of Supervisors of exemption from Civil Service appointment under Section 10.104(15) of the Charter.

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non- Appropriation. This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be five years from the Effective Date, with an option to extend the term for up to four years at the discretion of the SFMTA.

3. Effective Date of Agreement. This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform. The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation.

a. Amount. Compensation under this Agreement shall be based on a fixed amount for the Core Services not to exceed Forty-Six Million, Four Hundred Ten Thousand, Nine Hundred Seventy Four (\$46,410,974), and, for the Additional Requested Services,, a negotiated lump sum price per Service, in amounts to be determined under subsection c. below.. In no event shall the total amount of this Agreement exceed Forty-Six Million, Four Hundred Ten Thousand, Nine Hundred Seventy Four (\$46,410,974) without further amendment to this Agreement.

b. Payment. Compensation shall be made in monthly payments on or before the 30th day of each month for the percentage of work on each Service, as set forth in Section 4 of this Agreement, that the SFMTA Director of Transportation, or his or her designee, in his or her sole discretion, concludes has been performed as of the 30th day of the immediately preceding month. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by SFMTA as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

Payments for completed Services will be made on a "not-to-exceed" fixed price basis. "Not-to-exceed" means that Contractor shall perform its obligations under the Agreement for the amounts listed in Appendix B, regardless of the number of hours that Contractor has expended on the Service.

Contractor shall provide back-up documents with its invoices to SFMTA at the level of detail requested by the SFMTA Liaison identified in Appendix A of the Agreement to allow the SFMTA Liaison to effectively track the level of services provided by Contractor and Contractor's subcontractors.

In no event shall City be liable for interest or late charges for any late payments.

c. Additional Requested Services. The SFMTA will define the requirements for the Additional Requested Services. The cost and estimated time to perform each Service fully will be agreed upon in advance of the start of work on each Service in accordance with the terms and conditions of this Agreement, generally following the procedures outlined below.

- (i) Scope of Work.** SFMTA will prepare the scope of work and expected time of completion, using the Service Order form (Appendix C) and transmit the Service Order form to the Contractor with a request for a proposal for the performance of the Service.
- (ii) Information and Data.** The Contractor shall request in writing any information and data it will require to perform Service Orders. The Contractor shall identify the timing and priority for which this information and data will be required. The Contractor and SFMTA shall reach agreement as to the availability and delivery time for this data and information during initial Service negotiations.
- (iii) Contractor Proposal.** The Contractor shall prepare and submit a proposal for the Service to the Contracting Section showing:
 - (a) A detailed description of the work to be performed and the means and methods that will be used to perform it;
 - (b) Milestones for completion for each Service and deliverables at each milestone;
 - (c) Personnel and the subcontractors assigned to each part of the work along with a justification as to why such personnel are qualified to perform the work; and prior experience in performing work of this nature;
 - (d) A detailed cost estimate for each Service showing:
 - 1) Number of hours for each Service, along with the negotiated billing rates as set forth in Table 2 of Appendix B;
 - 2) Estimated reasonable out-of-pocket expenses;
- (iv) Negotiation.** The SFMTA will review the proposal and negotiate a lump sum price to perform the work of each Service.
- (v) Record of Negotiations.** If agreement is reached, the SFMTA will document the negotiations and agreement in a Record of Negotiations.
- (vi) Controller Certification.** The SFMTA will request certification from the Controller that adequate funds are available to proceed with the Service as agreed.
- (vii) Notice to Proceed (NTP).** After certification, the SFMTA Liaison will send to the Contractor a written NTP and Service Number. The Contractor is required to use the Service number when submitting invoices to the Contracting Section for payment. The Contractor shall not commence work on any Service until it receives a written NTP for the Service.

(viii) **Changes.** Agreed lump sum prices for Services above cannot be modified unless there is a material change in the scope of work of the Service. If there is a material change in the scope of work of a Service, then a proposal, negotiations, Record of Negotiations and approval of the Record of Negotiations shall be required before changes to agreed lump sum prices can be approved. Certification by the Controller is required for changes that result in an increase to the total cost of a Service.

(ix) **Failure to Agree on Terms of Service.** In the event that City and Contractor cannot reach agreement on the terms of the Service Order, City may either cancel the Service Order and have the work accomplished through other available sources, or City may direct the Contractor to proceed with the Service under such conditions as City may require to assure quality and timeliness of the Service performance. **Under no circumstances may the Contractor refuse to undertake a City-ordered Service.**

d. **Subcontractor Payments.** The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the SFMTA and Contractor of the omission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided.

Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

e. **Key Team Members.** The Contractor agrees that the following Key Team Members shall be committed and assigned to work on the Project to the level required by SFMTA for the term of the Agreement and shall also be staffed at the local Contractor offices within the San Francisco Bay Area if required by SFMTA:

- Julie Dixon, West Coast Operations Manager
- Fred Schouten, Program Manager
- Enes Ceric, Product Support Manager

Contractor shall advise SFMTA immediately any time one of the Key Team Members deviates from its committed role or time on the Project (e.g., is removed from this Project). SFMTA may in turn require Contractor to provide a remedy and/or corrective actions for such deviations.

f. **Current Workload and Available Resources.** The Contractor covenants that its current workload and the workload of its subcontractors will not affect the commencement and the progress of the work under this Agreement. The Contractor shall have all the necessary professional, technical and support personnel, including those of the subcontractors, available, ready and mobilized to perform actual work within a reasonable time, not to exceed three weeks

of the receipt of NTP on a particular Service.

6. Guaranteed Maximum Costs. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format. Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code, is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Performance Bond. Prior to commencement of work under this Agreement, Contractor shall file with the City a corporate surety bond, in the amount of one million dollars (\$1,000,000) to guarantee the faithful performance of the Agreement. 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.

Any corporate surety issuing these bonds shall be legally authorized to engage in the business of furnishing surety bonds in the State of California. All sureties shall have a current A.M. Best rating not less than "A-.VIII" and shall be satisfactory to the City.

10. Taxes. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor. Contractor recognizes and understands that this Agreement may create a “possessory interest” for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain.

If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a “change in ownership” for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel. Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City’s reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City’s request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment. City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by

Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor. Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance.

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$2,500,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non- Owned and Hired auto coverage, as applicable.

(4) Equipment Installation Floater: Contractor shall purchase and maintain in force, throughout the term of this Contract, an installation floater on an all-risk form, excluding earthquake and flood, for 100 percent of the replacement value of all City-furnished equipment as specified in the Appendix G. The value of City furnished equipment is \$750,000.

(5) Commercial Crime Insurance: Contractor shall maintain throughout the term of this contract, at no expense to City, a Commercial Crime Policy (Employee Dishonesty Coverage) covering all officers and employees in an amount of not less than \$500,000 with any deductible not to exceed \$5,000 and including City as additional obligee or loss payee as its interest may appear.”

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the “Notices to the Parties” section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration

of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

16. Indemnification. Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation

expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

18. Liability of City. CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages. See Attachment A (Scope of Work), Part XII.

20. Default; Remedies. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

- 8. Submitting false claims
- 10. Taxes
- 15. Insurance
- 24. Proprietary or Confidential Information of City
- 30. Assignment
- 37. Drug-Free Workplace Policy
- 53. Compliance with Laws
- 57. Protection of Private Information
- 58. Graffiti Removal

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct:

(1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately

preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

8. Submitting False Claims
9. Performance Bond
10. Taxes
11. Payment Does Not Imply Acceptance of Work
13. Responsibility for Equipment
14. Independent Contractor; Payment of Taxes and Other Expenses
15. Insurance
26. Ownership of Results
27. Works for Hire
28. Audit and Inspection of Records
48. Modification of Agreement
49. Administrative Remedy for Agreement Interpretation
50. Agreement Made in California; Venue
51. Construction

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

23. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all

information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties. Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, or by e-mail, and shall be addressed as follows:

To City: Lorraine R. Fuqua
SFMTA Finance
San Francisco Municipal Transportation Agency
One South Van Ness Ave. 8th floor
San Francisco, CA 94103
E-mail: lorraine.fuqua@sfmta.com

To Contractor: Jane Johansen
Contract Manager 1818
Library Street, Suite 1000
Reston, Virginia 20190
Fax: : 703-234-7524
E-mail: Jane.Johansen@Serco-na.com

Any notice of default must be sent by registered mail.

26. Ownership of Results. Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire. If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities. City and Contractor agree that all policies and procedures prepared under the terms of this Agreement will be subject to the provisions of this Section and Section 26.

28. Audit and Inspection of Records. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls,

records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

29. Subcontracting. Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment. The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Time. Time is of the essence in this Agreement

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance. Contractor, shall comply with all the requirements of the Local

Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “LBE Ordinance”), provided such amendments do not materially increase Contractor’s obligations or liabilities, or materially diminish Contractor’s rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor’s willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor’s obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

(1) Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or

the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(2) Subcontracting Goals. The LBE subcontracting participation goal for this contract is 10%. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information required in the HRC Progress Payment Form and the HRC Payment Affidavit. Failure to provide the HRC Progress Payment Form and the HRC Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the HRC Payment Form and the HRC Subcontractor Payment Affidavit are provided by Contractor. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

(3) Subcontract Language Requirements. Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors. Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of HRC and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination of this contract and to make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(4) Payment of Subcontractors. Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of HRC in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount. Contractor further agrees, within ten working days following receipt of payment from the City, to file the HRC Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference. The

provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§ 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy. Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation. Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act. Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the

disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records. If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

43. Requiring Minimum Compensation for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all

the provisions of the MCO, irrespective of the listing of obligations in this Section.

The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor.

Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

If Contractor is exempt from the MCO when this Agreement is executed because the

cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

- a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.
- b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.
- c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.
- d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an

opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. **Incorporation of Administrative Code Provisions by Reference.** The provisions

of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement. As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement (“agreement”) with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer’s participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer’s proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the

insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the

subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, “Political Activity”) in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City’s Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor’s use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic. Contractor may not purchase preservative- treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. **[If the contract amount is \$50,000 or more, then add the following sentence:]** Contractor shall cooperate with the SFMTA to submit to the SFMTA Contract Compliance Office any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction. All paragraph captions are for reference only and shall not be

considered in construing this Agreement.

52. Entire Agreement. This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. Compliance with Laws. Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys. Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the parties (Supervision of Minors).

56. Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Reserved.

59. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the

second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

60. Left blank by agreement of the parties (Slavery Era Disclosure)

61. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY	CONTRACTOR
San Francisco Municipal Transportation Agency	Serco Inc.
_____ Edward D. Reiskin Director of Transportation Approved as to Form: Dennis J. Herrera City Attorney	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
_____ By: Robin M. Reitzes Deputy City Attorney	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
AUTHORIZED BY: MUNICIPAL TRANSPORTATION AGENCY BOARD OF DIRECTORS	_____ David Cornell Director of Contracts 1818 Library Street Suite 1000 Reston, VA 20190
Resolution No: _____	City vendor number: 7390801
Adopted: _____	
Attest:	
_____ Roberta Boomer, Secretary to the SFMTA Board of Directors	
Board of Supervisors _____	
Resolution No: Adopted: _____	
Attest:	
_____ Clerk of the Board	

Appendices:

- A. Scope of Work
- B. Calculation of Charges
- C. Service Order Request Form
- D. Equipment Descriptions and Associated Warranties
- E. Sample Reports

Appendix A
Services to be provided by
Contractor

Contractor: **Serco Inc.**

1. Description of Services

Contractor agrees to perform the services attached hereto.:

Contractor's proposal, dated February 7, 2012[is incorporated by reference as though fully set forth. In the event of any conflict, the documents making up the Agreement between the parties shall govern in the following order of precedence: 1) this Agreement and its appendices, 2) the Request for Proposals dated December 7, 2011, 3) Contractor's Proposal, dated February 7, 2012[."

2. Reports

Contractor shall submit written reports as requested by the SFMTA. Format for the content of such reports shall be determined by the SFMTA. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

3. SFMTA Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the SFMTA will be Lorraine R. Fuqua.

SCOPE OF WORK

Contents

TABLE OF TERMS/ABBREVIATIONS	40
I. COIN AND DATA COLLECTION SERVICES	43
A. Collection Service Staffing Requirements	43
B. Routes and Schedule	44
C. Required Collection Services	45
D. Equipment Requirements	46
1) Revenue Collection Equipment	46
2) Equipment Inspection and Maintenance	47
3) Collection Keys Control	47
4) Electronic Locks	48
5) Vehicles	48
6) Telecommunications Equipment	50
E. Reporting Requirements	50
1) Daily Meter Condition Report	50
2) Missing or Damaged Equipment Report	51
3) Weekly Skipped Meters Report	51
4) Monthly Revenue Reports	52
II. COIN COUNTING SERVICES	52
A. Coin Counting Overview	52
B. Transportation and Cash Vault Services	53
C. Acceptance of Collection Vaults	53
D. Required Coin Counting Services	54
E. Coin Counting Equipment	55
1) Jet Sorter	55
2) Scales	55
3) Equipment Maintenance	56
F. Revenue Reconciliation and Method of Weight Controls	56
1) Single-Space Meters	56
2) Multi-Space Meters	57
G. Reporting Requirements	58
III. COIN COUNTING AND COLLECTIONS FACILITY	59
A. General Description	59
B. Handheld Room	59
C. Coin Counting Room	60
D. Server Room	60
IV. PERSONNEL	60
A. Qualified Personnel	60
B. Employment Requirements	61
V. UNIFORMS	62
A. Collections Staff	62
B. Counting Staff	62
VI. ONGOING TRAINING PLAN	63
VII. DATABASE ADMINISTRATOR (DBA) / IT SUPPORT SERVICES	63
A. Overview	63
B. Qualified IT Services	64

VIII. SAN FRANCISCO PARKING METER MANAGEMENT SYSTEM	64
A. Contractor Responsibility for Resolution of Issues	66
B. System Maintenance and Operation	66
IX. PRODUCT SUPPORT SERVICES	67
Overview	67
A. Mackay’s M3/WinEMU Application	69
B. Medeco’s MeterSecure/ Nexgen Application	69
C. Duncan Parking Management System (ReinoNet)	69
D. DAP Technologies’ MICROFLEX® CE5320 handheld.....	69
E. The MacKay PDT-CE Handheld Application	70
F. The Medeco’s MS-CE Application	70
G. Add On Device (AOD)	70
I. Parkeon Applications	70
X. PROCUREMENT SERVICES	71
XI. OPTIONAL SERVICES.....	71
A. Field Support Services for Meter Operations	71
1) Special Revenue Collections:	71
2) Data Input Services:.....	71
3) Street Survey Crew	71
4) Installation Crew.....	72
5) Parking Meter Removal Crew	72
6) Activation Crew.....	72
7) Acceptance Testing and Exit Survey Crew	72
8) Meter Greeters	72
B. Meter Program Support Services.....	72
C. Credit Card and Communications Fees	72
D. SFMTA Maintenance Application	72
E. Key Performance Indicators Dashboard	72
F. Radio Frequency Indicator (RFID) Technology	73
XII. LIQUIDATED DAMAGES	73
A. . Collection and Counting Personnel Attire	73
B. Adhering to Collection Schedule	73
C. Reporting Requirements	74
D. Collection Services	74
E. Data Collection Services for MacKay Meters	74
F. Counting Services	74
G. Revenue Reconciliation Services.....	74
H. Product Support Services.....	75
I. Oracle DBA and IT Related Services	75
J. Support of the San Francisco Parking Meter Management System	75
K. Collection and Counting Equipment Maintenance	75
L. Radio Response.....	75
M. Program Manager Response	76
N. Securing SFMTA’s Monies at the Contractor’s Facility	76
O. Failure to Remove Meter Bag.....	76

TABLE OF TERMS/ABBREVIATIONS

TERM / ABBREVIATION	DEFINITION/FULL TEXT OF TERM / ABBREVIATION
ANSI	American National Standards Institute
AOD	Add On Device - Medeco's hardware attached to DAP Handheld. AOD is used to open locks, retrieve revenue and maintenance data from MacKay single-space parking meters
Business Day	Monday through Friday, excluding holidays.
Business Hours	Monday through Friday, 8 a.m. to 5 p.m.
CALS	Client Access Licenses
Cashbox	Coin depository within multi-space meter
CCS	Central Computer System
CLK	Abbreviation for clock
Coin Canister	The canister in the single-space meter vault to which coins are deposited by the meter user
Collection Crew Shift	A four (4) hour work shift for meter coin collectors
Collection Route	A series of parking meters that are generally grouped by geographic locations, hours of operation and meter rates
Collection Sub-route	Smaller portion of collection route
Collection Vault	Canister used by collection staff to deposit coins from the coin canister
Collection Vault Head	Upper part of the collection vault with coin canister receptacle.
Contractor	[The vendor who is awarded the contract]
CSV	Comma separated values file
Data Collection Crew	One driver and one or two parking meter collector
Day	A calendar day.
DBMS	A software package with computer programs that control the creation, maintenance, and the use of a database
DES	Data encryption standard
Device Application	MacKay's WinEMU, Medeco's MeterSecure and the Duncan Parking Management Software
Duncan	Meter Manufacturer
EEPROM	Electrically erasable programmable read-only memory located on the bottom of the Duncan/Reino intelligent cashbox

TERM / ABBREVIATION	DEFINITION/FULL TEXT OF TERM / ABBREVIATION
EPM	Electronic Parking Meter
Eprobe	Parkeon Electronic Collection Key
E-purse	MacKay Single-Space Meter Mechanism
Financial Audit Data	Itemized coin, credit card and smart card revenue total
Fiscal Year	July 1 – June 30
FTP	File transfer protocol
Incumbent	Serco Inc.
Intelligent Duncan/Reino Cashbox	Reino/Duncan multi-space cashbox with electronic memory chip on the bottom
IPS	Single-space meter manufacturer
IPS MMS	IPS Meter management system
ISO	International Standards Organization
J.J. MacKay	Meter Manufacturer
Jet Sorter	Coin sorter
LAN	A local area network (LAN) is a computer network that interconnects computers in a limited area
Level Two Support Technician	Technicians and support analysts certified by technology providers to be a liaison between vendor and SFMTA
LKI	Medeco VLS Meter Vault Lock Door Interface
Medeco	Manufacturer of electromechanical locks
MMS	Meter Management Software
MS SQL	Microsoft SQL Relational Database
MST	Money Systems Technology Inc., manufacturer of the coin sorter
MTC	Metropolitan Transportation Commission
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
Parkeon	Multi-space parking meter manufacturer
Parkeon MMS	Parkeon Meter Management System

TERM / ABBREVIATION	DEFINITION/FULL TEXT OF TERM / ABBREVIATION
Paystation	Multi-space parking meter
PDT	Personal Data Terminal
Primary Audit	Electronic Audit file from MacKay E-Purse mechanism that contains detailed revenue and maintenance data
Reino/Duncan	Multi-space parking meter manufacturer
Reino/Duncan MMS	Reino/Duncan Meter Management System
SCI	Smart Card Interface
SFMTA	San Francisco Municipal Transportation Agency
SFMTA Data warehouse	SFMTA data warehouse (DW) is a database used for reporting and analysis of parking related data. The data stored in the warehouse is uploaded from the various parking operational systems.
SFMTA Meter Repair Shop	SFMTA meter maintenance headquarters, located at 1508 Bancroft St, San Francisco
SFMTA Server Room	SFMTA's primary information systems site
SFPM Software	San Francisco Parking Management Application, a customized Oracle DBMS platform that includes database, user interface, and reporting applications
SFPMMS	The San Francisco Parking Meter Management System, which comprises the software systems that support all of San Francisco's parking meters, SFPM application, revenue collection and maintenance operations. These systems have individual databases and in some cases share data from one system to the next, as well as feed data to the main management and reporting platform, a custom-built Oracle DBMS (SFPM) with an interface built upon Oracle Forms. The core systems for the SFPMMS consist of four Dell servers and ten workstation computers
Single-Space Meters Collection Crew	One driver and two parking meter collectors
SIT (SCG)	Serco Integrated Transport/ Serco Civil Government Group. Incumbent's office in the United Kingdom that developed and currently supports the SFPM
Source Devices	Devices that generate or accept data used by the SFPMMS, including the single-space meters, multi-space meters, electromechanical locks and PDTs
SQL	Structured Query Language

TERM / ABBREVIATION	DEFINITION/FULL TEXT OF TERM / ABBREVIATION
Summary Audit Data	Audit data of revenue totals by coin denomination and electronic cash provided by the MacKay E-Purse
T1	A point-to-point telecommunication line
VLS Lock	Integrated with E-Purse MacKay Mechanism Medeco Electromechanical Lock
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

I. COIN AND DATA COLLECTION SERVICES

A. Collection Service Staffing Requirements

The Contractor shall ensure that all routes are collected according to the collection schedule provided by the SFMTA . Crew leaders shall transport their collection crew, collection equipment, collected coins and data safely to and from their designated routes and sub-routes each collection day. Crew leaders shall be responsible for securing all collections equipment and vehicles. Crew leaders shall also document the equipment used during the collection day.

Field supervisors shall ensure that all collection crews are aware and knowledgeable of the routes assigned for collection and that each collector collects the route in sequence and completely.

The Contractor shall provide mobile support to all of the collection crews in the field in case they encounter mechanical or technical problems. The On-Street Supervisor shall monitor all Crew Leaders and collectors to ensure that they are following approved policies and procedures.

The Collections and Counting Manager shall have general oversight of all of the Contractor's employees that work for the SFMTA on parking meter collections. The Collections and Counting Manager shall ensure that all crews complete their daily assignments following the Contractor's Standard Operating Procedure.

The Contractor shall monitor all the daily activities and track such problems as broken meters, faulty keys, locks, and/or any other equipment problems that might arise.

The Contractor at the minimum shall be able to provide three types of collection services:

- 1) Single-Space Collections
- 2) Multi-Space Collections
- 3) Data Collections

Single-Space Collections Crew shall consist of crew leader and two collectors. All crew members perform meter collections. The number of collections by each crew member should be based on collections frequencies, route and sub-route structure, and the geography of City streets.

Multi-Space Collections shall consist of a Crew Leader and one collector. Both crew members shall be present while performing multi-space meter collections. The number of collections by each crew member should be based on collections frequencies, route and sub-route structure, and the geography of City streets.

Data Collections Crew shall consist of 2-3 persons. All crew members perform data collections. The number of collections by each crew member should be sufficient to ensure that all the designated devices are visited at least once within a 30-Day day time period, Should time periods be adjusted, the SFMTA will provide written notice to the contractor of the modification.

B. Routes and Schedule

The SFMTA will provide the list of SFMTA's collection routes/sub-routes and the most current frequency of collections to the Contractor. The SFMTA reserves the right to change the routes, route schedule and collection frequency as required by normal meter installations and removals, rate changes, segregated revenue rate tests, meter pilots, security concerns, or when additional collections are required. The SFMTA will provide the Contractor with a 48-hour notice of changes in the collection schedule and confirm the scheduling change in writing.

The Contractor shall develop and submit a parking meter collection plan on behalf of the SFMTA for its review and approval that will ensure that every parking meter is collected on a consistent schedule. This schedule must prevent the meters from jamming because they are full of coins and should discourage theft. Once approved and implemented, the SFMTA requires that the collection plan be re-evaluated by the SFMTA and the Contractor on a monthly basis.

The Contractor shall be required to incorporate the following parameters into its proposed collection plan:

- 1) Collection work shall be set at a frequency such that the coin canister inside the meter will not be heavier than an average of 1.5 pounds (approximately \$20 in coin) unless modified by the SFMTA.
- 2) Collection work shall be designed so that the number of collection crew shifts required to collect the assigned meters is distributed as evenly as possible across all five working days of the week.
- 3) The collection plan shall address how the different parking meter rates and payment methods affect the frequency of collection.
- 4) The collection plan shall minimize the amount of Non-Productive Time.
- 5) SFMTA may elect to combine single- and multi-space collection routes for enhanced revenue tracking.
- 6) Contractor shall perform meter collections daily, Monday through Friday. The SFMTA currently observes three meter holidays: New Year's Day, Thanksgiving Day and Christmas Day.

The Contractor shall be responsible for checking SFMTA's website each calendar year to verify the dates of observed meter holidays. However, the SFMTA reserves the right to require the Contractor to collect from SFMTA parking meters on SFMTA-observed meter holidays and weekends, if necessary.

The Contractor shall develop and maintain a set of policies and procedures describing the methodology used to provide the meter collections services.

C. Required Collection Services

The Contractor shall issue at the beginning of each collection day, at a time specified in advance, all required equipment (e.g., electronic collection keys, keycards, handheld devices, daily assignments lists, and locked and sealed collection vaults and wheeled carts), each labeled with permanent identification numbers and appropriate security seals. These collection vaults shall be used to collect monies from coin canisters that are located in the parking meter housing coin compartment. A SFMTA representative or his/her designee will assign schedules and route/sub-route assignments before each collection day within the appropriate management systems. The Contractor shall collect the revenue from all parking meters in strict accordance with the appropriate schedule, showing the routes and the frequency of collection as approved by the SFMTA. Each collector shall collect from all meters on each daily assigned route.

Neither collectors, crew leaders nor supervisors shall carry tools of any kind when performing their collection duties.

The Contractor shall supply the collections and counting facility with an approved transmittal form identifying each collection vault by number, route, sub-route street side (odd/even, north/south, or east/west), collector's name and Crew Leader's name. The Contractor shall 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 coinage collected shall be transported in fully enclosed and secured vehicles.

The Contractor currently processes collections and counting for the SFMTA and the Port of San Francisco. The SFMTA may request that additional City agencies be added in the future. Within 120 days of the notice to proceed, the Contractor shall incorporate additional agency or other collections and counting services. Costs for these services will be negotiated and resolved prior to implementation.

In no instance shall any City agency's collections be consolidated with any other agency's collections in the same vehicle without prior authorization from SFMTA.

- 1) **Single-Space Meters:** The Contractor shall open only one (1) single-space parking meter vault at a time, remove the coin canister, insert the coin canister in the head of the collection vault and turn the coin canister sufficiently to empty the canister. Once empty, the collector shall remove the coin canister from the head of the collection vault, reinsert the empty canister 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 canisters are reinstalled correctly in the meter vault and 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 required, the Contractor shall ensure that each meter is reset by properly inserting the collection card into the meter's card slot. If a meter fails to reset, it shall be reported in the daily meter condition report.

- 2) **Multi-Space Meters (paystations):** The Contractor shall open only one (1) paystation at a time according to manufacturer's instructions based on the type of paystation. In the future, other manufactured paystations may be used. The security protocol shall be followed explicitly by removing filled cash boxes and placing empty cash boxes into the paystation vault, and securely locking the unit after the vault is closed. The cash boxes shall be stored in vehicles where access is controlled. The Contractor shall use barcoding to ensure that each Crew Leader maintains logs of what cashboxes were inserted and collected from which paystations. The control log shall at a minimum contain the following information:
 - a) Collection Date
 - b) Collection Time
 - c) Paystations Location ID
 - d) Collected Cashbox ID
 - e) Empty Cashbox ID
 - f) Collection Route/Sub-route
 - g) Collector's identification
 - h) Crew Leader's signature

- 3) **Data Collections:** The Contractor shall be required to collect Primary Audit data from all meters at least once a month. Should a collection requirement be modified, the SFMTA will provide written notice to the Contractor.

D. Equipment Requirements

If SFMTA-owned equipment is damaged or stolen while the Contractor is performing collection services, the Contractor shall replace the equipment within ten (10) Days of the incident. If the Contractor fails to replace the items within the specified time, the SFMTA shall have the option of replacing the equipment and crediting the expense from monies owed to the Contractor's for monthly services.

1) Revenue Collection Equipment

The SFMTA will provide the Contractor with electronic collection keys collection vaults and collection vault heads, canisters security locks, collection carts and meter “out of service” bags. NOTE: the Contractor is responsible for removing out of service meter bags upon completion of collection route *before* the collection vehicle leaves the parking space used.

Within 120 days after the Effective Date of the Agreement, the Contractor shall replace SFMTA’s existing collection vaults (without heads) and provide six new collection carts. Collection vault and cart designs shall be approved by SFMTA prior to any purchase. Costs for this equipment shall not exceed price quotations submitted in the Contractor’s proposal. Proposers shall amortize the costs of the collection vaults and carts over the base term of the contract.

The Contractor shall supply key chains, belt loops and other collection-related equipment as necessary and approved by the SFMTA. The Contractor shall provide proper security seals at its own expense. Security seals need to be barcoded and logged. The Contractor shall bear responsibility for the maintenance and care of equipment issued to it by the SFMTA that it will use in the performance of its duties.

The Contractor shall maintain a complete and orderly inventory list of all the equipment provided by the SFMTA, using an inventory asset management system approved by the SFMTA. All the equipment issued by SFMTA is subject to inspection at any time without notice.

2) Equipment Inspection and Maintenance

The Contractor shall 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 vault head, and collection cart. The coin canister receptacle (receiver) on the lid of the collection canister is to be inspected for broken or missing key or any other type of damage. In addition, the Contractor shall 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 shall inspect the collection canisters to ensure that the canister vault doors are sealed after collections are completed. At the end of every Business Day, the Contractor shall record the number of the seals used on every collection vault and input the seal numbers to the asset management system.

If the Contractor discovers that a seal is missing, the Contractor shall notify the SFMTA’s representative immediately and conduct a proper investigation of the incident. the Contractor’s program manager shall submit the report to SFMTA within five Business Days of the incident.

3) Collection Keys Control

The Contractor shall bear responsibility for all the key cords and related collection 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 coin vault is open, the Contractor shall immediately report the failure to the SFMTA and bag the meter with the bag supplied by SFMTA. After meters have been collected each day, the keys shall be stored in a secured locked room as directed by SFMTA. In case of missing collection key equipment, the Contractor's security staff shall conduct a full investigation and provide the SFMTA with a written report that describes the Contractor's corrective actions taken within five Business Days of the incident.

The Contractor shall report lost or broken collection equipment to the SFMTA on the same day of the incident, using the Missing or Damaged Equipment Report referenced in Section I.E below. The Contractor shall retrieve all pieces of a broken key if they are not stuck in the meter and deliver them to the SFMTA. In addition, the Contractor shall cover and lock any meters with irretrievable broken keys or key pieces with a bag furnished by the SFMTA.

4) Electronic Locks

SFMTA's current parking meter technology utilizes electronic locks. SFMTA will provide the Contractor with the appropriate system accesses and equipment to conduct meter collections. At the beginning of every collection day collectors will be issued a handheld device that is programmed by an SFMTA representative to only open the meters along their designated routes. The Contractor's collection employees shall sign for the handheld devices before each day's collection and return them after completing their regular collection activities. Once the handheld devices are issued, the Contractor shall store them in a secure lockbox fastened to the inside of the collection's vehicle. The Contractor shall be responsible for the security of the handheld devices while the collectors are performing their duties. When not in use, the handheld devices shall be stored in an SFMTA approved locked storage area in the Contractor's offices. The Contractor shall provide 24-hour video surveillance of the handheld storage unit.

5) Vehicles

The Contractor shall provide a sufficient number of regular vehicles and backup vehicles to perform required collection services. The 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. All collection vehicles shall have standard safety equipment, including but not limited to spare tires, flares and cones. SFMTA reserves the right to inspect a collection vehicle with or without prior notice during normal operations hours. Vehicles used in the performance of the Agreement must be approved by the SFMTA prior to use.

The Contractor shall include, at a minimum, the following features for both single-space and multi-space collection vehicles:

- 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 vault storage area.

- c) Identification on the exterior of the vehicle, with message content and dimensions approved by the SFMTA.
- d) All doors shall lock automatically when closed and are to be equipped with an alarm system; e.g. an anti-theft device that disengages the ignition system.
- e) The rear and side doors shall be equipped with secure locks other than the manufacturers' regularly installed locks. The locks currently approved by the SFMTA are Medeco Padlock 54-7100 series and the MasterLock 15KA. Any other locks proposed by the Contractor must be approved by the SFMTA prior to use.
- f) Only equipment issued by the SFMTA 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.
- g) The vehicle(s) used to transport the Collectors shall contain no tools, except for a jack and wrench to change the vehicles' tires.
- h) All items and materials issued to the Contractor by the SFMTA 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.
- i) Vehicles shall be outfitted with a GPS tracking system. Both the Contractor and SFMTA should have an ability to monitor vehicle movements, route history, current and average speeds.
- j) The anti-theft alarm shall be activated any time the vehicle is unoccupied.
- k) Within 60 days after the Effective Date of the Agreement, the Contractor shall outfit the vehicles with motion-activated wireless surveillance cameras in the collection vehicle boxes inside the rear of the vehicle. A description of the camera chosen will be included in Appendix XX of the Agreement.
- l) Within 60 days after the Effective Date of the Agreement, the Contractor shall equip the vehicles with a digital video recorder and GPS logger device that operates on a continuous loop for at least seven days, and that can be used for audit, training or review of a specific incident that requires further study by the Contractor or the SFMTA. A description of these devices are included in Appendix XX of the Agreement.

The Contractor shall include the following features specific to single-space collection vehicles:

- a) A lift gate to load and off load collection canisters.
- b) Single-Space Collection Vehicle shall be able to transfer at least 20 collection vaults, 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 vaults, carts and filled canisters, the portion of the vehicle used to hold equipment and filled collection vaults shall be accessible only through the rear door.

The Contractor shall include the following features specific to multi-space collection vehicles:

- a) Vehicles used to collect multi-space paystations shall be designed to facilitate this collection activity and shall have a secured storage area for paystation vaults.
- b) Vehicle storage capacity shall accommodate at least 50 paystation vaults.
- c) Vehicles shall have the ability to store paystation vaults in compartments accessible through both the rear and sides of the vehicle.

The Contractor shall ensure that Primary Audit collection vehicles have a secured box attached to the vehicle for transporting handhelds and other related data collection equipment.

6) Telecommunications Equipment

The Contractor shall provide two-way communication devices for each collection employee while on duty. The employee must be able to securely attach the communication device to his or her work belt. All communication devices shall be equipped with a GPS tracking system and be accessible from the Contractor's offices and SFMTA offices. The Contractor and designated SFMTA personnel must be able to track all the collection employees in real time. The Contractor shall maintain reports for a minimum of six months and shall provide them to the SFMTA on request. All collection crews shall be equipped and accessible at all times by direct two-way communication. The Contractor's collection and counting employees are strictly prohibited from using any personal communication devices (e.g., cell phones) while performing collection and counting duties unless prior authorization has been given by the Contractor and SFMTA.

Within 60 days of the Effective Date of the Agreement, the Contractor shall supply SFMTA Meter Shop employees (managers, supervisors, parking meter repairers etc.) with 35 web-enabled smart phones/PDAs technology as designated by the SFMTA. Each PDA shall be equipped with a hands free device, NFC sensor, durable holster, and have data and text messaging plans as well as a shared minutes' pool. The size of the pool will be mutually agreed upon between the Contractor and SFMTA. The SFMTA may opt to purchase additional devices or support equipment through the Contractor.

E. Reporting Requirements

The Contractor shall submit all reports in Excel format unless SFMTA approves a request from the Contractor to submit an alternate format.

1) Daily Meter Condition Report

Within 60 days after the Effective Date of the Agreement, the Contractor shall provide real-time tracking via a web-based application that is securely accessible and includes the ability to send data for the Meter Condition Report. The tracking history shall be available for SFMTA review within three Business days of a request.

All disabled, broken or missing meters or paystations encountered while performing collection duties are to be reported daily to the SFMTA Meter Maintenance Shop. Meter Condition Reports shall, at a minimum, contain the following common meter faults:

- a) Out of order
- b) Key slot jammed
- c) Low battery
- d) Vandalized meter
- e) Broken coin canister
- f) Loose pole
- g) Bent pole
- h) Pole / No meter
- i) No pole / No meter
- j) Null IDN Error Message
- k) Vault 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) No reset
- r) Blank Screen
- s) Bad Collection Card
- t) Collection Lock Won't Open – Red Light
- u) Unable to Download Primary Audit

2) Missing or Damaged Equipment Report

The Contractor shall report to SFMTA all missing or damaged equipment before 5 PM on the day of the incident. Each report shall include the date and time of the incident, a description of the damaged or lost equipment, and a short description of the events.

3) Weekly Skipped Meters Report

The Contractor shall 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 SFMTA along with appropriate explanations and a plan of corrective actions on Monday of every work week.

Within 120 days after the Effective Date of the Agreement, the Contractor shall develop a system to collect data from the daily and skipped meter reports from all available electronic data reporting sources and deposit the information gathered into the SFPM.

4) Monthly Revenue Reports

The Contractor shall submit the following monthly revenue reports in both hard copy and electronic formats:

- a) Coin Revenue By Meter Analysis – this report lists average meter coin revenue based on collection route. The report also should contain the collection route inventory number, collection days, collection frequency and route geographical location.
- b) Average Coin Daily Revenue
- c) Fiscal Year Smart Card Revenue by Month
- d) Average Smart Card Revenue per Operating Day
- e) Average Credit Card Revenues per Operating Day (all meter vendors)
- f) Multi-Space Credit Card Revenues (all multi-space meter vendors)
- g) Single-Space Credit Card Revenues (all multi-space meter vendors)
- h) Fiscal Year Revenue by Month (with percentages for each payment type)
- i) Meter Inventory (electronic lock system)

The SFMTA reserves the right to ask Contractor to generate additional revenue reports. The content and format of new reports shall be developed by the Contractor, with approval by the SFMTA. SFMTA also reserves the right to schedule regular meetings to evaluate contract deliverables. The Contract Manager and the Counting and Collections Manager will be required to attend these meetings.

II. COIN COUNTING SERVICES

The Contractor shall provide armored car transport, counting verification and deposit services. The Contractor shall perform the duties described below on a same-day basis every Business Day. Duties include, at a minimum: cash vault services, coin processing, storage of the SFMTA’s coin canisters, and bank deposits. The SFMTA reserves the right to require the Contractor to count parking meter revenues on SFMTA-observed meter holidays and Saturdays, if necessary.

A. Coin Counting Overview

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

In the event that the Contractor fails to ship parking meter coin revenues with the armored vehicle service during the same collection day, the Contractor shall reimburse the SFMTA for the loss of interest for every Day that the shipment is delayed.

The Contractor may be excused from this provision in case where delay occurred outside of the Contractor's control (e.g. natural disaster, power loss, armored service pick up failure etc.). The Contractor shall notify the SFMTA in writing when this occurs, describing any conditions that it alleges will excuse its performance.

In the event that the Contractor fails to deposit parking meter coin revenues within 24 hours of receipt, the Contractor shall reimburse the SFMTA for the loss of interest for every Day that the deposit is delayed.

All counting operations shall be performed under camera surveillance. SFMTA shall have access to a "live" view of such surveillance. The Contractor shall keep an electronic copy of all procedures recorded for a minimum of 90 days. These recordings shall be made available to the SFMTA within one Business Day of the SFMTA's request.

The Contractor shall negotiate weight tolerances with armored car service carriers. The Contractor's agreed-upon tolerances shall be approved in writing by the SFMTA. Proposed modifications to tolerances submitted by the Contractor must be approved in writing by the SFMTA.

B. Transportation and Cash Vault Services

The Contractor shall provide or contract out for armored transportation and cash vault services that meet the requirements of the SFMTA's financial institution. This armored transportation carrier shall deliver the sorted coins to the coin center and deposit funds after appropriate verification. The Contractor shall provide a transmittal report to its cash vault contractor of the value of the coins given to it for deposit. This coin total shall be compared to the cash vault total once the coins are received and accepted by the cash vault. The Contractor shall be responsible for resolving any discrepancies that may arise between its recorded coin totals and the cash vault totals.

The Contractor shall have a contract in place to secure its coin counting facility using armed security guards in the event that its chosen transportation contractor cannot pick up the coin bins as scheduled.

C. Acceptance of Collection Vaults

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 vault are intact, and sign a form verifying that the collection crew placed a security seal on each collection vault.

D. Required Coin Counting Services

The Contractor's coin counting staff shall verify that the collection vault 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 vault and empty the contents of the collection vault into coin sorter chute for processing. Coin counters shall only open one collection vault 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. Where applicable, once the cash box is empty, the counter shall place the cash box in its cradle to download the audit information. The Contractor shall 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/bags (each denomination is deposited into a separate bin/bag). 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 Contractor shall create an electronic (pdf) version of the paper backup and store in date order for the duration of the Agreement and keep the previous six month of data in paper form.

The following parameters shall be recorded during the coin-sorting process begins:

- 1) Collection Crew Number
- 2) Collection Vault Number
- 3) Collection Sub-route
- 4) Seal Number
- 5) Gross Weight
- 6) Empty Weight
- 7) Transaction Number
- 8) Sorter Number
- 9) Net Weight
- 10) Time of Transaction
- 11) Coin Type
- 12) Quantity of Coins

- 13) Cash Value
- 14) Coin Weight (lbs.)
- 15) Coin weight Value

At the end of the day, each coin-counting sorter shall produce a CSV file that contains all of the parameters listed above for every collection vault transaction. The CSV file is then stored in the designated folder accessible by the Contractor and the SFMTA via regular LAN protocols. CSV files are processed by SFPMMMS the evening of each day coins are counted.

By using “quantity of coins” and “net weight” parameters, coin counting software automatically identifies the accuracy of the coin-counting machine during every collection vault transaction. If the difference is more than 0.25 lbs., the coin sorter software program displays a red flag and error message: VAULT IS OUT OF TOLERANCE.

The Contractor shall retain electronic copies of coin sorting data reports for the term of the Agreement, and keep the previous six months of data in paper form.

In no instance shall the SFMTA’s meter revenue be consolidated with any other revenues (e.g. employee parking, Port of San Francisco or other City agency revenue) in the same deposit without prior written authorization from the SFMTA.

E. Coin Counting Equipment

The Contractor shall upgrade the current coin counting equipment and provide associated warranty and maintenance requirements for the base-term of the contract. Detailed specifications of the equipment are included in Appendix D.

Within 90 days after the Effective Date of the Agreement, the Contractor shall enhance the existing asset management software. Upgraded inventory controls shall include all collection-related equipment and Contractor-supplied security seals.

If SFMTA-owned equipment is damaged or stolen while the Contractor is performing counting services, the Contractor shall replace the equipment within 10 Days of the incident. If the Contractor fails to replace the items within the specified time, the SFMTA shall have the option of replacing the equipment and crediting the costs of such replacement from monies owed to the Contractor for monthly services.

1) Jet Sorter

The Contractor shall provide a new jet sorter and provide associated warranty and maintenance requirements for the base term of the contract. Detailed specifications of the equipment and warranty information are included in Appendix D.

2) Scales

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

3) Equipment Maintenance

The Contractor shall be required as part of the Agreement, to properly maintain the SFMTA's coin counting equipment in good operational condition. The Contractor shall be required to enter into a maintenance agreement with the provider of the coin sorting equipment to keep the coin sorters in operational condition. The Contractor shall be responsible for providing proper maintenance and repairs of the coin and jet sorters.

The SFMTA shall reimburse the Contractor up to \$5,000 annually for spare parts purchases related to coin counting equipment repairs and maintenance at cost. No procurement burden will be applicable for such reimbursements. The Contractor shall include receipts for reimbursement with the month's invoice. Parts purchased over the \$5,000 maximum are the financial responsibility of the Contractor.

F. Revenue Reconciliation and Method of Weight Controls

The Contractor shall perform coin reconciliation services described in this section on a daily basis. If any variances greater than those established between SFMTA and the Contractor should occur, these variances shall be investigated, documented and submitted to SFMTA within 72 hours after actual collection has occurred.

The Contractor shall retrieve both the vault and sub-route number electronic lock management system for insertion into the SFPMMS database on a daily basis. Electronic lock management software shall provide accurate tracking not only of the locks that are opened, but also of the coin collection vaults used on any collection route, and shall not allow a coin collector to open meter coin vaults from routes outside the assigned collection sequence.

Reconciliation between electronic records (for single-space and multi-space meters) and coin sorter machine counts should be no less than 99% accurate.

The Contractor shall provide additional software that shall accurately track not only the vault locks that are opened, but the coin collection vaults used on any collection route/sub-route. Tracking information shall be processed in the Medeco software and available for SFPM.

Within 120 days after the Effective Date of the Agreement, the Contractor shall modify existing SFPM software to automatically match coin room records and smart meter records on collection route/sub-route level.

The SFMTA reserves the right to enhance/modify the current reconciliation processes and methods depending on changes in meter technology and/or coin sorting technology, the addition of other types of parking meters, or other modifications to the current inventory.

1) Single-Space Meters

For single-space parking meters, SFMTA coin counting operations use three main reconciliation methods: collection vault reconciliation by weight; electronic reconciliation by collection vault and collection sub-route; and armored carrier vault reconciliation by coin denomination

a) Collection Vault Reconciliation by Weight

By using “quantity of coins” and “net weight” parameters, coin counting software automatically identifies the accuracy of the coin counting machine during every collection vault transaction. If the variance exceeds the threshold parameters, counting should cease until the cause of the variance is identified and fixed.

b) Electronic Reconciliation by Collection Vault and Collection Sub-route

The SFMTA currently receives electronic meter coin audits from its single-space parking meters using two primary methods: (1) Medeco VLS lock during regular coin collection and (2) daily CSV audit files automatically deposited onto SFMTA network folder. Both of these audit records are paired with coin room process data by SFPM’s nightly batch process. The pairing is done either on collection vault level or on collection Sub-route level.

c) Armored Carrier / Coin Vault Reconciliation by Coin Denomination Bin

At the end of the every collection day, the Contractor shall deliver and deposit (via armored service) counted and separated into bins and coin bags, coin revenues to the bank. Before depositing the coins, the Contractor and coin vault subcontractor shall separately weigh the bins and compare the Contractor’s declared value with the “dollars a pound ratio” multiplied by “net weight” figures for every bin, i.e. quarters, dimes and nickels. If the Contractor’s declared value is different from “dollars a pound ratio” multiplied by “net weight” by more than the agreed amount, the coin vault subcontractor shall recount the bin and declare the correct bin value.

2) Multi-Space Meters

a) Duncan ReinoNet MMS Reconciliation

This reconciliation occurs after cashbox reading stations upload the data from the Intelligent Duncan/Reino Cashbox. After a cashbox data upload is completed, a dedicated coin room employee will enter an actual amount of coins processed by the coin sorter machines. After that, the ReinoNet MMS will automatically pair two sets of records (electronic audit from the Intelligent Cashbox and actual coin counts) together and produce a variance reconciliation report.

b) Parkeon MMS, Coin Room and Receipt Reconciliation

This reconciliation is a manual process by which three sets of data are compared to each other every time the Contractor collects from the Parkeon multi-space meters.

After the Parkeon paystation is collected, it produces a collection receipt that contains coin audit data since the last collection occurred. This receipt is collected by the collector/Crew Leader, attached to the cashbox and submitted to the counting facility at the end of the shift. Since paystations wirelessly communicate with the backend management system, the Parkeon MMS will have an audit record matching collection receipts. Finally, every cashbox processed by the coin room will have the transaction printout with coin totals that were processed by the coin sorters. The Contractor shall compare these records to ensure that the system works as expected.

3) Credit Card and Smart Card Reconciliation

Contractor shall reconcile credit and smart card revenues between SFPM and all applicable vendor applications on a monthly basis. The Contractor shall submit the results of the reconciliation to the SFMTA by the 15th of the month following the reconciliation period.

G. Reporting Requirements

The following reports shall be issued by the Contractor to SFMTA each Business Day by a single email. The Report shall be issued no later than two Business Days after actual collection and counting have occurred. Samples of the reports used are included in Appendix XX of the Agreement.

1) Daily Revenue Collection Report

This report is generated to show daily revenue amounts once foreign coins and junk are separated out.

2) Daily Reconciliation Report (Final)

The report is submitted from the armored vehicle/counting vendor and is used to document the final deposit amount. It should be in Excel format.

3) Daily Reconciliation Report (DDR)

The final version of the Daily Reconciliation Report between the Contractor and the coin vault subcontractor in PDF format with processed (skid) sheets from the coin vault subcontractor.

4) Consolidated Transaction Report (CTR)

Final Consolidated Transaction Report in PDF format. The first part of this report is automatically generated by coin sorting software; the second part is a scanned copy of the transfer delivery sheet used to record contents of the daily coin shipment to the coin vault subcontractor.

5) Daily Variance Report

This report is generated by the SFPM. It shall be exported and saved in PDF format.

6) Daily Process Report

This report is generated by the SFPM. It shall be exported and saved in CSV and PDF formats.

7) Daily Revenue Activity Sorted by Collection Vault Report

This report is generated by the SFPM. It shall be exported and saved in PDF format.

8) Daily Collection Assignments Completed by Crew Leaders

All the Crew Leaders' daily assignments shall be combined together and scanned as one document. This document shall be saved in PDF format

SFMTA reserves the right to request additional tools and recourses and additional daily revenue reports to be provided by Contractor. Format and delivery timeframes of such reports should be mutually agreed by SFMTA and the Contractor.

III. COIN COUNTING AND COLLECTIONS FACILITY

The Contractor shall provide a coin collections and counting facility that has 24-hour security and is available to accept and process collection vaults during any scheduled collection day. Security should at a minimum include the following: video surveillance (inside and outside of the facility), burglary alarm, and secure programmable building access. All persons entering the facility, with the exception of Contractor or SFMTA personnel, shall sign in. Lists of visitors should be kept and stored in an electronic format for the term of the Agreement.

The Coin Collections and Counting facility shall comply with all applicable OSHA rules/standards and have locker rooms and a designated break area that is segregated from secured areas of the facility.

The SFMTA reserves the right to inspect all the Contractor's facilities used in the performance of contract services, in order to satisfy itself that such facilities are sufficient for the purposes described within the Agreement.

The SFMTA reserves the right to transfer Contractor facilities to SFMTA-owned or leased property and facilities at any time during the Agreement. Should this occur, SFMTA and the Contractor will negotiate a schedule and costs for the move.

A. General Description

The Contractor's facility shall be located within San Francisco City limits and within five miles of SFMTA's Meter Shop located at 1508 Bancroft St, San Francisco, CA 94124. The Contractor shall provide and maintain its own operating offices of sufficient size and capacity to provide coin collections, counting and support services. These offices shall be staffed between the hours of 7:30 AM and 5:00 PM and shall have, at a minimum, a telephone, document scanner, fax machine, computer network with high-speed internet, and two dedicated high speed connections with SFMTA, one at One South Van Ness, San Francisco, and one at the SFMTA Meter Repair Shop.

B. Handheld Room

The Contractor's facility shall also have secured storage sufficient to hold at least 30 handheld devices, at least 30 electronic keys, keycards and other necessary collection equipment, (e.g., radios/phone or equivalent communication devices). Handheld units are mounted on self-contained boards which are then connected to the network via standard switches.

C. Coin Counting Room

The Contractor's coin counting room shall be accessible through electronic or personnel operated security controlled entryways. For personnel, an interim room between the general facility and the coin counting room shall be available in order for authorized personnel to leave items deemed unacceptable for use in the coin room (e.g. jackets and other clothing with pockets). All visitors to the coin room must wear a shop coat without pockets. The door for the interim room shall be coordinated in such a way that both doors cannot be open at the same time.

The Contractor shall provide an interim space for vehicles between the outside of the facility and the counting room shall be available and coordinated in such a way that both doors cannot be open at the same time, leaving the coin room accessible from outside of the facility.

D. Server Room

The Contractor shall setup a proper server room within its collection and counting facility to maintain hardware and software for SFMTA legacy meter applications (MacKay Single-Space Meters, Medeco Electromechanical Locks, Nexgen MMS, and ReinoNET MMS).

The following three Dell servers shall be maintained:

- 1) ReinoNET- Runs the ReinoNET software which is a SQL Server based financial and maintenance data tracking system.
- 2) MetercommServer – Runs the MeterSecure Medeco software which is a SQL Server based application to manage communication and security to the handheld units.
- 3) SA Server - Runs the Mackay M3 software which allows for detailed reporting. This machine also hosts the SQL Server database for the NEXGEN Security management software.

The Contractor shall maintain the server room and its equipment in good operational order for the duration of the Agreement. Any Contractor-generated additions, modifications or software or hardware upgrades of the system must be approved by SFMTA in writing. The SFMTA also reserves the right to add additional servers if needed, subject to space and rack availability at the Contractor's facility.

IV. PERSONNEL

A. Qualified Personnel

The Contractor shall provide the following positions in performance of the Agreement:

- 1) Regional Manager – Contractor's Executive Representation – for major issues impacting the Agreement (position can be part-time)

- 2) Contract Manager – Day-to-Day Operational and Contract Oversight
- 3) Collections and Counting Manager – Operational support for these services
- 4) Product Support Manager – Technical and Maintenance Support
- 5) Three Supervisors – Field and Coin Counting Facility Support

Persons in the positions described above shall possess good oral and written communications skills sufficient to submit reports and communicate with City staff as needed. At least one Senior Contractor personnel (Regional Manager, Contract Manager and Collections or Counting Manager) shall respond to communication requests from SFMTA personnel (the Meter Shop Superintendent, the Contract Administrator, or the Contract Analyst assigned to the Agreement) within 90 minutes after receiving the request through phone call or e-mail.

Communications between collection crew supervisors and the Meter Shop occur primarily through wireless communication devices provided by the Contractor (See Section I.D.5). Oral communications pertaining to meter or coin vault security should be followed up with e-mail for documentation (e.g. broken collection key, unsecured collection vault door, vandalized meter housing) Collection supervisors shall respond to SFMTA communications requests from Meter Shop personnel within 15 minutes during regular collection hours.

All the work shall be performed only by competent personnel under the supervision of, or in the employment of, the Contractor. The Contractor shall comply with SFMTA's reasonable requests regarding assignment of personnel (e.g., to cover gaps in service), but all personnel, including those assigned at the SFMTA'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 slippage occurs, it will assign additional qualified personnel to meet service requirements.

B. Employment Requirements

The SFMTA reserves the right to preclude or request replacement of any person or organization from working on the Agreement for any lawful reason. Should the SFMTA request the removal of a person employed by the Contractor, the Contractor shall comply while adhering to its standard employment practices and applicable employment regulations.

The Contractor shall perform, at its expense, a criminal and DMV records check on personnel performing services for the SFMTA, and retain all documentation of these checks for the duration of the Contract.

Upon request at any time after the contract award, upon the contract anniversary date, and after any change in supervision staff, the Contractor shall furnish the SFMTA with an organization chart and a complete list of all personnel and their assignments.

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

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

- A. Persons whose records show convictions for offenses involving dishonesty or deceit, including, without limitation, theft, embezzlement and forgery, provided the conviction(s) occurred within five years of the record check.
- B. Persons who at the time of the record check are on parole or probation for any felony or misdemeanor.

The Contractor's employees shall 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. The SFMTA reserves the right to review the job screening records of all persons proposed for employment by the Contractor. All personnel shall pass the security screening process before starting work.

The Contractor's supervisory personnel shall instruct employees as to their daily duties.

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

V. UNIFORMS

Uniforms and equipment provided by the Contractor are subject to approval by the SFMTA. the Contractor shall provide uniforms at its expense. SFMTA shall make random unannounced inspections of uniforms worn by collections personnel.

A. Collections Staff

All collections personnel are to be provided with complete safety equipment and uniforms (pants, shirts, jackets, hats, black boots and rain gear) and sufficient changes for each employee to maintain a professional clean and neat appearance. Uniforms shall be of a standard guard style. All collections personnel shall wear their uniforms at all times while on duty. Uniforms are to have the Contractor identification on the front of the shirts, on hats and on the back of safety vests provided. Safety vests must be worn by collections staff at all times.

The Contractor shall 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.

The Contractor shall provide all collectors with equipment necessary to physically secure collection keys, collection cards and other relevant equipment to their person

B. Counting Staff

All counting personnel are to be provided with complete safety equipment as recommended by OSHA and uniforms (pants, shirts, coveralls, jackets, hats and black boots), with sufficient changes for each employee to maintain a professional, clean and neat appearance. Uniforms, overalls, 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 shall also provide OSHA certifications/recommendations in regards to coin room working conditions (sound and dust levels) to SFMTA within 60 days of the contract award.

VI. ONGOING TRAINING PLAN

The Contractor shall provide training specific to each function area for both line staff and supervisors during the term of the contract. This training shall include those pertinent procedures described in this Scope of Work as well as the Contractor's own 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 SFMTA. The Contractor shall provide all safety training required under federal, state and local law, which shall be conducted, as required, at its own expense.

VII. DATABASE ADMINISTRATOR (DBA) / IT SUPPORT SERVICES

A. Overview

The Contractor shall provide up to 840 hours a year of DBA programming and IT related support: 240 hours are to be provided at the beginning of each Fiscal Year and 50 hours every month thereafter. The SFMTA may transfer up to 210 unused hours from a previous contract year to the subsequent contract year. However, all hours shall expire at the end of the base term of the Agreement.

Support of the Oracle-Based Parking Meter Management System shall be provided by an Oracle-Certified Firm.

Qualified DBA Services

Oracle DBA services shall include, but not be limited to, the following:

- 1) Performing ongoing tuning of the database instances.
- 2) Installing new versions of the Oracle Relational Database Management System (RDBMS) and its tools and any other tools that access the Oracle database.
- 3) Planning and implementing backup and recovery of the Oracle database.
- 4) Implementing and enforcing security for the entire Oracle Database.
- 5) Performing database re-organizations, as required, assisting performance, and ensuring maximum uptime of the database.
- 6) Providing technical support to the application development team in UK.
- 7) Serving as the point of contact for Oracle Corporation.
- 8) Enforcing and maintaining database constraints to ensure the integrity of the database.
- 9) Administering all database objects, including tables, clusters, indexes, views, sequences, packages and procedures.
- 10) Assisting with impact analysis of all changes made to the database objects.

11) Managing sharing of resources amongst applications.

The Contractor's DBA shall work closely with SFMTA IT system administration staff.

B. Qualified IT Services

Contractor shall support and manage SFPMMMS, the parking meter revenue collection and counting facility and all related supporting IT infrastructure. The duties include, but are not limited to, the following:

- 1) 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
- 2) Create and be prepared to implement both backup recovery and disaster recovery plans when/if necessary.
- 3) Maintain the system, at a minimum, of 97% uptime with the exception of scheduled downtime during routine maintenance.
- 4) 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 SFMTA.
- 5) System upgrades. This includes replacing items which are failing as well as performing standard maintenance on both the hardware and software.
- 6) Full maintenance of all the servers and network devices.
- 7) Closely monitor performance of the existing hardware and software.
- 8) Manage size and indexes of databases at the Contractor's facility .
- 9) Recommend and implement improvements to existing systems and technologies as appropriate.
- 10) Support installation, maintenance and management of all the SFPMMMS software and IT hardware components. This includes vendor-specific parking meter management software's, user terminals, servers, etc.
- 11) Program and support Handhelds, keycards, electronic collection keys and other related equipment.
- 12) Assist SFMTA with the integration of any new systems and technologies

VIII. SAN FRANCISCO PARKING METER MANAGEMENT SYSTEM

The SFPMMMS is comprised of the software systems that support all of San Francisco's parking meter operations, SFPM application, revenue collection and maintenance operations. These systems have individual databases and, in some cases, share data from one system to the next, as well as feed data to the main management and reporting platform, a custom-built Oracle DBMS with an interface built upon Oracle Forms. The core systems for the SFPMMMS consist of four Dell servers and 10 workstation computers. Three of these servers will be located at the Contractor's primary location (Appendix A), and one of the servers is located at the SFMTA One South Van Ness location. The hardware is located at three sites. Any computer at any of the locations can be reached from any other location. Most machines provide either Remote Desktop Protocol (RDP) or Virtual Network Computing (VNC) types of connections. However, none are directly available from the public Internet, except on a software switch, basis.

The San Francisco Parking Management System ("SFPM" or "System") is an Oracle-based custom software application that allows the SFMTA to track its inventory of meters, repair information, and revenue collected. The System is installed on the SFMTA network and is accessible to a minimum of 20 departmental users located at four distinct physical locations.

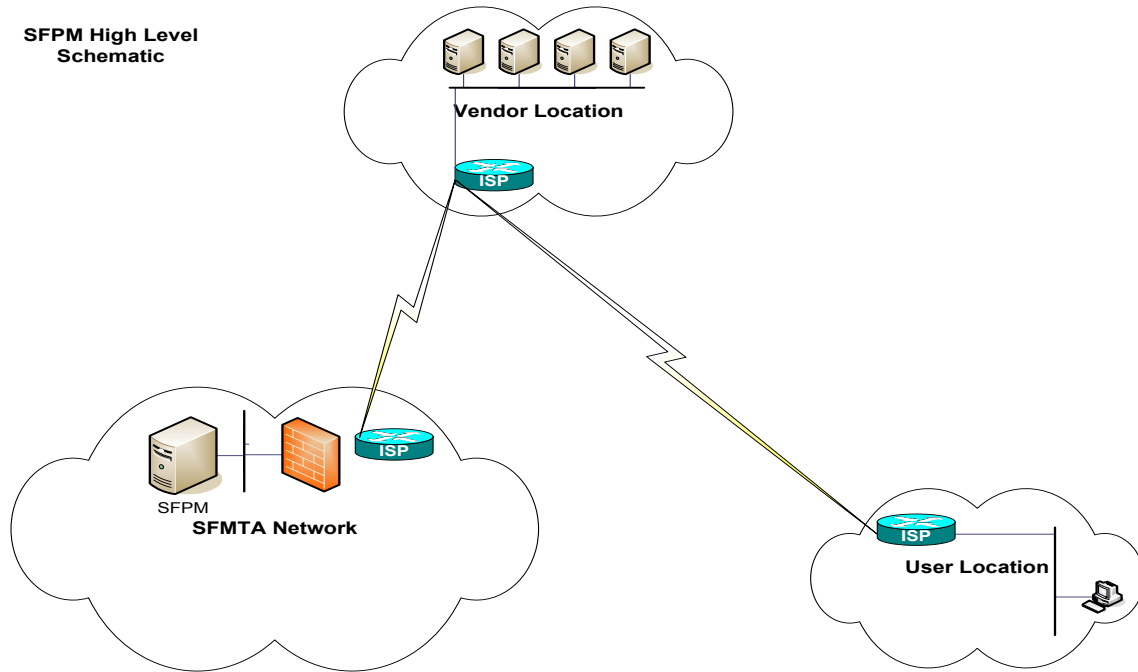
The SFPMMMS is considered a highly-valuable, highly-secure system and as such, the Contractor will be expected to be fully familiar with the key components of the SFPMMMS and the SFPM infrastructure and have plans in place to resolve issues and provide all the necessary maintenance within 60 Days from the contract award.

There are three main sites involved in the current systems arrangement: the vendor site, the SFMTA location of the SFPM server, and the primary client or user's location. The vendor site contains meter and operation specific client-server applications and has a firewalled point-to-point (T1) connection to the SFMTA network for interaction with the SFPM server. It also has private T1 connection to the primary user site that is a logical extension of its network.

The SFMTA data center located on the 6th floor of 1 South Van Ness houses the SFPM server and application. This location maintains the firewall and is responsible for the T1 connection to the vendor site.

The user location connects to the vendor location for access to the meter/operations applications and uses a T1 connection. The user site also has a typical WAN connection to the SFMTA network that it uses for access to the SFPM application.

SFPM High Level Schematic



A. Contractor Responsibility for Resolution of Issues

The Contractor shall have sufficient knowledge to identify the root cause of any issues related to the entire SFPMMMS system. These issues that may arise include routing and connectivity problems, firewall and security problems, and performance bottleneck or communication gaps between two parties. The Contractor shall be responsible for providing the recommendation or solution to SFMTA, and for testing and resolving issues with the cooperation of SFMTA IT staff, as needed.

B. System Maintenance and Operation

The Contractor shall administer the SFMTA's current meter management system. The Contractor shall oversee all upgrades to the system as required by the SFMTA and provide certified Oracle data base administration services. The Contractor shall support day-to-day operations of the SFPMMMS. Upon request of the SFMTA, the Contractor shall support the implementation of possible migration and integration of the SFPM software and database to the SFMTA data warehouse. Should the SFMTA choose to exercise this option, the Contractor shall submit a quotation for rendering these services, based on specified hourly DBA and IT rates, for acceptance and approval of the SFMTA.

It will be necessary to closely monitor performance of the existing hardware and software and be highly responsive to support needs. Data volume from the SFPMMMS will increase as a result of additional data gathering capabilities of new technologies being implemented, combined with an overall increase in the number of meters system wide. Therefore, it is critical for the Contractor to monitor the normal aging of hardware and data volume, and manage them accordingly. And as capabilities evolve, the Contractor shall be capable of recommending and implementing new systems and technologies as part of a major, SFMTA-wide overhaul of the system.

IX. PRODUCT SUPPORT SERVICES

Overview

The Contractor shall be required to provide qualified product support services for existing and future IT systems utilized by SFMTA to support its parking meter operations. Contractor shall be certified, at a minimum, as Level Two Support by all the current meter technology providers within 60 days of contract award.

The SFMTA may elect to purchase meter and meter support equipment from additional vendors. Procurement of additional equipment will follow procedures outlined in Section X of this Appendix. Equipment specifications will be attached to the Agreement in separate appendices as needed. The Contractor will need to be certified at a minimum of Level Two support within 60 days of acceptance of new equipment. The Contractor should submit expenses for this training to the SFMTA for reimbursement.

Current SFMTA meter technology providers are:

- 1) MacKay
- 2) Medeco
- 3) IPS
- 4) Duncan
- 5) Parkeon

The Contractor's Product Support Manager shall provide regular hardware maintenance for all the servers, workstations, printers and other network equipment provided as part of the SFPMMMS.

The Contractor shall provide 4-hour response time for on-site maintenance support each Business Day during the hours of 8 a.m. to 6 p.m. for the SFPM database server for the term of the Agreement.

The Contractor shall provide next Business Day on-site maintenance support for all the SFPMMMS workstations and servers for the term of the contract.

There are currently 75 hand-held Windows CE based handheld devices that support Mackay parking meters and Medeco locking mechanisms. There are up to 60 collection electronic key units that require Contractor support. The handheld units and the electronic key units operate as locks and data collection devices, with data being exchanged by field technicians while performing revenue collection and/or maintenance.

Although the central SFPM server is built on Oracle Forms, the remaining three servers use vertical market software designed for the parking industry (ReinoNET, MetercommServer, and M3/WinEMU). In order to maintain this software, the Contractor shall work with the original software vendors.

The handheld and electronic collection units are combination keys and data collection units used on meters, vault locks, and MacKay mechanisms. The units are explicitly authorized to access meters in the field via parking meter management software located at Jerrold and Bancroft offices. The units gather data from the meters and upload the data to the system when rejoined to the network. All coin drops and meter events such as errors, door openings, and maintenance data are captured by the units.

The Contractor shall become familiar with all the existing hardware, systems architecture, software applications, and vendors and be prepared to support the system in place within 60 Days after contract award.

Contact information for current technology vendors is provided below:

J.J. MacKay Canada Limited
1342 Abercrombie Rd.
P.O. Box 338
New Glasgow, NS
Canada, B2H 5C6
902-752-5124

Medeco® High Security Locks
P.O. Box 3075
3625 Alleghany Drive
Salem, Virginia 24153-0330
Phone: 800-839-3157

DAP Technologies
7450 South Priest Drive
Tempe, Arizona 85283
Phone: 1-855-327-8324

Money Systems Technology Inc.
3522 Dividend Dr.
Garland, TX 75042
972-272-3262

IPS GROUP, INC
6195 Cornerstone Ct. East
Suite 114
San Diego, CA 92121
858-404-0607

Duncan Solutions, Inc.
633 W. Wisconsin Avenue, Suite 1600
Milwaukee, Wisconsin 53203
888-553-8622

Parkeon
40 Twosome Drive, Suite #7
Moorestown, NJ 08057
856-234-8000

A. Mackay's M3/WinEMU Application

M3/WinEMU is a PC-based application supplied by J.J. MacKay to manage the electronic parking meter mechanisms. It records inventory information relating to the meters and their profiles, and exchanges files with the MacKay PDT software when the handheld running that software is placed in a cradle connected to the PC on which WinEMU is installed. M3/WinEMU runs on the Microsoft Windows platform. The version of WinEMU uses a Firebird database. Firebird is an open source relational database derived from Borland's InterBase product.

B. Medeco's MeterSecure/ Nexgen Application

MeterSecure is a PC application supplied by Medeco which is designed to enable Medeco's customers to manage the parking locks they have purchased. MeterSecure exchanges files with the Medeco PDT software when the PDT running that software is placed in a cradle connected to the PC which is running the MeterSecure application. MeterSecure is capable of receiving and recording in its database all of the data recovered from the Medeco electromechanical lock, including the coin counts and maintenance data received by the lock from the MacKay mechanism.

MeterSecure database stores information about all the electromechanical locks managed by SFMTA. It allows an authorized human operator to specify which locks can be opened on which dates, at which times, and by which PDTs. This information is stored in the MeterSecure database and will be downloaded to the Medeco PDT software. The Medeco PDT software will only allow the AOD and key device to open locks for which such authorizations have been received from MeterSecure. MeterSecure runs on the Microsoft Windows platform. The MeterSecure database is a MS SQL Database.

C. Duncan Parking Management System (ReinoNet)

ReinoNet is a PC application supplied by Duncan (also called ReinoNet) which is designed to manage the audit data recovered from Duncan/Reino multi-space meters. ReinoNet interfaces with the Reino Cashbox Reader Software and receives and stores all of the data recovered from the cashbox EEPROM memory chip, including coin counts, card payment records and detailed maintenance data. Intelligent cashbox not only physically stores the coins deposited into the meter but also has internal memory (EEPROM) which records the audit data generated by the paystation motherboard. At the time of coin collection, the cashbox is physically removed and replaced with a new, empty, cashbox. The removed cashbox is transported to a coin counting facility where the audit data can be recovered using a Cashbox Reader device supplied by Duncan.

ReinoNet runs on the Microsoft Windows platform. The ReinoNet database is a MS SQL Database.

D. DAP Technologies' MICROFLEX® CE5320 handheld

DAP Handheld is the primary interface device used on-street for activating the Medeco electromechanical lock during coin collections and carrying out maintenance activities associated with the MacKay Guardian™ E-Purse meter. The interface to the electromechanical lock is via the Lock Interface (LKI), while the interface to the meter is via either the Smart Card Interface (SCI) or the LKI, as long as all related equipment is properly configured and functional. During the collection process, the handheld stores the coin counts and maintenance data from the parking meters situated in the field. After the completion of the collection process and/or maintenance process, collectors and/or parking meter repairers shall bring these handhelds to their respective offices. When the handheld is connected to the network, collection audit and maintenance data uploads to MeterSecure and M3/WinEMU systems.

E. The MacKay PDT-CE Handheld Application

DPT-CE Application allows the meter maintenance staff to perform the following activities with the MacKay Guardian E-Purse meter:

- 1) Retrieval of financial (coin / card usage) and other itemized transaction data
- 2) Re-programming time and rate structures
- 3) An on-street review and retrieval of maintenance information
- 4) Removing and installing meters to/from posts on the street
- 5) Logging maintenance and repair activities
- 6) Open vault locks as needed to carry out necessary maintenance

F. The Medeco's MS-CE Application

MS – CE Application allows the meter collections staff to retrieve summary audit (financial) data (coin / card usage) and other data. It will also authorize, manage and log all vault door openings to allow coin collections to be carried out at regular authorized and scheduled intervals.

G. Add On Device (AOD)

To open the electromechanical lock, the MICROFLEX® CE5320 handheld uses an attached Add On Device (AOD), which is manufactured by Medeco, and comprises an enclosed electronics block and battery pack designed to provide power and a modulated signal via the single data contact on the key to the Medeco electromechanical lock.

I. Parkeon Applications

“Parkfolio Neo” is a PC-based Parkeon MMS that is used for the following:

- 1) Tracking of the Meter Status – current and historical maintenance data (faults, alarms, etc.)
- 2) Tracking of the Financial Data (collection and individual transactions data for Credit Cards and Coins)
- 3) Programming and Downloading meter configurations

Parkfolio “PayBySpace Supervisor” is a Parkeon web application that is used for:

- 1) Occupancy data analysis
- 2) Historical verification of payment for individual spaces
- 3) Enforcement user activity analysis

“Parkeon Handheld Application” is Parkeon's handheld device application that is used by PCOs to perform enforcement on Parkeon multi-space meters (e.g., to verify if a particular parking space is paid or expired)

X. PROCUREMENT SERVICES

Product Support and Handling Fee

Upon request of the SFMTA, the Contractor shall purchase or otherwise provide additional meter technology equipment, meter spare parts and related products, meter technology related software, and warranty or maintenance service contracts. The SFMTA will reimburse the Contractor for the direct costs of the equipment and any related software or warranty service contracts. The SFMTA will pay the Contractor an administrative fee of 4.99%, calculated as a percentage of the cost of the equipment. Sales tax shall applied where applicable.

Procurement services would be defined and mutually agreed upon by Serco and SFMTA in advance of any work being completed. Should the SFMTA exercise this option, the SFMTA and Contractor shall negotiate a project scope, schedule and related costs for the services.

XI. ADDITIONAL REQUESTED SERVICES

In addition to the services listed above, the SFMTA may choose to add the following additional service enhancements. These services will be negotiated according to the rates provided below and the procedures set forth in Section 5.c (Additional Requested Services) of the Agreement.

A. Field Support Services for Meter Operations

1) Special Revenue Collections:

The weekly crew rate includes sufficient number of personnel, transportation and communication equipment to perform special collections and/or counting services beyond the required services under the contract. Collections may take place in any facility managed by the City.

\$346.96/crew shift

2) Data Input Services:

Rate for a part-time Data Input Clerk to support the services under the Contract.

\$27.13/hour

3) Street Survey Crew

The street survey crew will investigate and document the pre-existing conditions in the installation, testing, and/or pilot area, including data collection (e.g. parking utilization, compliance, occupancy etc.), site conditions, construction planning, public and retail notifications of upcoming projects or changes in parking policy. Crews should consist of at least two field technicians and one vehicle.

\$3,792.44/week

4) Installation Crew

The installation crew will perform installations of pilot parking technology, upgrades and software/hardware modifications. The installation crew should consist of at least one field supervisor, two technicians and one vehicle. **\$6,594.62/week**

5) Parking Meter Removal Crew

The removal crew will remove the designated parking technology and restore the location to SFMTA standards. The removal crew should consist of at least one field supervisor, two technicians and one vehicle. **\$6,594.62/week**

6) Activation Crew

The activation crew will coordinate with the parking technology vendor(s) to program and activate the installed parking technology. The activation crew will support the SFMTA Meter Repair Shop in the preparations and implementation of the parking technologies. This service shall be provided with at least one field supervisor and one vehicle with the remote support of the Product Support Manager. **\$2,195.72/week**

7) Acceptance Testing and Exit Survey Crew

The acceptance testing crew will be responsible for testing, data collection for further analysis of newly installed parking technology and documentation of the installed parking technology's compliance with the functions required in the procurement Terms and Conditions. Work in this category shall be conducted in conjunction with SFMTA Meter Repair Shop. All discrepancies shall be reported to SFMTA. The crew shall consist of at least two field technicians and one vehicle. **\$3,776.79/week**

8) Meter Greeters

This function assists the general public and parking patrons with various payment methods and answer parking regulation related issues, such as instructional and directional signs, tow away hours and general meter operations instructions. The crew shall consist of at least two field technicians with communication skills sufficient to instruct the public on use of new technology only (i.e., no vehicle charges are included) **\$2,808.42/week**

B. Meter Program Support Services

The Contractor shall provide support personnel for special projects relating to meter expansion in the areas of data analysis, database administration or research upon request from the SFMTA.

C. Credit Card and Communications Fees

The Contractor shall pay credit card, communications and other fees necessary to enable functioning of parking meter, sensor and other parking devices. The SFMTA reserves the right to designate the institution(s) used to process these fees.

D. SFMTA Maintenance Application

The Contractor shall develop an application that will allow SFMTA maintenance personnel to perform their daily maintenance procedures using a wireless communication device. The data collected will be formatted in such way that it can be imported into the SFPM.

E. Key Performance Indicators Dashboard

Within 120 days of SFMTA's issuance of a task order, the Contractor shall develop key performance indicators (KPIs) that capture the state of the Parking System. These KPIs will be the basis for web-based Dashboards (Graphic Visualizations) of performance. Utilizing appropriate software, Contractor shall develop dashboards that can be configured based upon the SFMTA roles & needs, which can include views of SFPM & other inventory asset software (includes 100 DBA programming hours, 3 administrative users, and 10 regular user licenses for the base term of the Agreement).

The SFMTA may elect to purchase additional user licenses during the base term of the Agreement. Rates for this purchase shall not exceed \$1,000 per administrative user license and \$546 per regular user license.

F. Radio Frequency Indicator (RFID) Technology

The Contractor shall provide an RFID solution that will relieve the requirement for counting personnel to scan barcodes at the coin counting machines. Unique RFID tags will be affixed to each vault and, upon initiation of the coin emptying process, a button will be activated that reads the RFID tag into the coin counting software. The vault ID will be correlated at the end of each day via the inventory asset software in preparation of loading into the SFPM.

XII. LIQUIDATED DAMAGES

The 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 the 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

The City may deduct a sum representing any liquidated damages assessed from any money due to the Contractor under this Agreement. Assessments within a given calendar month shall not exceed 20% of the billings for the same month. Assessments must be made within 45 days of the original infraction.

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 Section V, the SFMTA 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 Contract 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 referenced in Section I.B, the SFMTA 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 warning in the amount of \$550 per incident.

C. Reporting Requirements

If the Contractor fails to submit any report required under Section I.E or Section II.G, the SFMTA 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 Section I.C (with the exception of Item 3) the SFMTA will issue a written warning. If such an incident occurs again, the Contractor will be assessed liquidated damages of \$500.

Should a violation of the 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.

E. Data Collection Services for MacKay Meters

If the Contractor fails to collect primary audit data from all SFMTA MacKay meters within 30 calendar days as required Section I.C.3, the SFMTA will issue a written warning. If such an incident occurs again, the Contractor will be assessed liquidated damages of \$50.

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

F. Counting Services

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

Should a violation of the 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..

G. Revenue Reconciliation Services

If the Contractor fails to provide revenue reconciliation, as required under Section II.F, the SFMTA will issue a written warning. If the Contractor fails to remedy the issue within seven Days from receiving the written warning, the Contractor will be assessed liquidated damages of \$150.

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 \$175 per incident.

H. Product Support Services

If the Contractor fails to provide the product support services, as required under Section IX, the SFMTA 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 \$150.

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

I. Oracle DBA and IT Related Services

If the Contractor fails to provide Oracle DBA and IT related services, as required under Section VII, the SFMTA will issue a written warning. If the Contractor fails to remedy the issue within seven Days from receiving the written warning, the Contractor will be assessed liquidated damages of \$150.

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

J. Support of the San Francisco Parking Meter Management System

If the Contractor fails to provide SFPMMS support services, as required under Section VIII, the SFMTA will issue a written warning. If the Contractor fails to remedy the issue within seven Days from receiving the written warning, the Contractor will be assessed liquidated damages of \$150.

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

K. Collection and Counting Equipment Maintenance

If the Contractor fails to maintain collection and counting equipment in good operational order, as required by Section I.D and Section II.E, the SFMTA 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 either Section occur again during the contract term, the Contractor will be assessed liquidated damages without benefit of warning in the amount of \$175 per incident.

L. Response to Communications

If at least one senior contractor personnel (Regional Manager, Contract Manager or Collections and Counting Manager) fail to respond to communication requests from SFMTA personnel (the Meter Shop Superintendent, the Contract Administrator, or the Contract Analyst assigned to the Agreement) within 90 minutes after receiving the request through phone call or e-mail as referenced in Section IV.A, the SFMTA 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.

M. Program Manager Response

If Collection supervisors fail to respond to SFMTA communications requests from the Meter Shop as referenced in Section IV.A. within one half hour, the SFMTA 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.

N. Securing SFMTA's Monies at the Contractor's Facility

Should the Contractor be forced to store SFMTA's coin revenue at its facility overnight, it is the Contractor's responsibility to hire an armed guard(s) to secure SFMTA's monies overnight, as required under Section II.B. If the Contractor fails to provide armed security as required, the Contractor will be assessed liquidated damages of \$10,000 per incident without benefit of warning.

O. Failure to Remove Meter Bag

If the Contractor fails to remove the meter bag provided for collection vehicle parking as referenced in Section I.D.1, the SFMTA shall issue a written warning. If the incident occurs again, the Contractor will be assessed liquidated damages of \$25.

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 \$50 per incident.

APPENDIX B: CALCULATION OF CHARGES

Services Breakdown

Contract Management Fees	Monthly Cost	Contract Months	Projected Yearly Cost	Projected Contract Cost
Collections Management Fee	\$ 75,096.45	60	\$ 901,157.40	\$ 4,505,787.00
Counting Management Fee	\$ 27,492.12	60	\$ 329,905.44	\$ 1,649,527.20
Product Support Management Fee	\$ 26,214.34	60	\$ 314,572.08	\$ 1,572,860.40
Total			\$ 1,545,634.92	\$ 7,728,174.60

Collection Services	Crew Shift Cost	Projected Number of Crew Shifts Per Week	Projected Yearly Cost	Projected Contract Cost
Single Space Crew Rate	\$ 406.85	88	\$ 1,861,737.02	\$ 9,308,685.11
Multi Space Crew Rate	\$ 346.96	20	\$ 360,838.50	\$ 1,804,192.50
Data Collection	\$ 406.85	10	\$ 211,561.03	\$ 1,057,805.13
Total			\$ 2,434,136.55	\$ 12,170,682.74

Counting Services	Hourly Rate	Projected Number of Operators	Projected Yearly Cost	Projected Contract Cost
Coin Room Hourly Rate (per operator)	\$ 25.02	3	\$ 156,154.11	\$ 780,770.54

Equipment	Unit Cost	Qty	Projected Yearly Cost	Projected Contract Cost
Collection Vaults	\$ 311.00	300	\$ 18,660.30	\$ 93,301.49
Collection Carts	\$ 1,036.33	6	\$ 1,243.59	\$ 6,217.97
Coin Room Jet Sorter	\$ 27,651.00	1	\$ 5,530.20	\$ 27,651.00
Coin Sorters Upgrade	\$ 136,357.00	1	\$ 27,271.40	\$ 136,357.00
Total			\$ 52,705.49	\$ 263,527.47

DBA/IT Services	Hourly Rates
Oracle DBA Support	\$ 157.25
IT Support	\$ 139.00

Optional Services	Weekly Rates
Special Revenue Collections	\$ 346.96
Data Input Services	\$ 27.13
Street Survey Crew	\$ 3,792.44
Installation Crew	\$ 6,408.74
Removal Crew	\$ 6,594.62
Activation Crew	\$ 2,195.72
Acceptance Testing Crew	\$ 3,776.79
Meter Greeter	\$ 2,808.42
Procurement Burden Rate (%):	4.99%

Appendix C

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

SERVICE ORDER FORM

Contract Title: _____ **Contract No.:** _____

Project Title: _____ **Project No.:** _____

SERVICE ORDER DESCRIPTION

Task Title <input type="checkbox"/> New Service Order <input type="checkbox"/> Revised Service Order		
Work to be Performed		
Schedule Start Date: _____ Estimated Completion Date: _____		
Budget Amount: \$ _____		Index Code: _____
Deliverables		
Descriptions	Date Requested	Quantity
APPROVALS		
Approved _____ Program Manager	Date: _____	
Approved _____	Date: _____	