

**AGREEMENT FOR AIRPORT PARKING FACILITIES  
OPERATION AND MANAGEMENT AND INTRA-LOT PARKING SHUTTLE  
SERVICES AT NORMAN Y. MINETA SAN JOSE INTERNATIONAL  
AIRPORT  
BETWEEN THE CITY OF SAN JOSE  
AND  
AMPCO SYSTEM PARKING, INC, DBA AMPCO AIRPARK**

This Agreement for Airport Parking Facilities Operation and Management Services (“Agreement”), dated, for convenience, as of April 1, 2012, is entered into by and between the City of San José (“City”) and Ampco System Parking, Inc., a California Corporation, doing business as Ampco Airpark (“Contractor”).

***RECITALS***

WHEREAS, the City owns the Norman Y. Mineta San José International Airport (“Airport”), which is located in the County of Santa Clara, State of California; and

WHEREAS, the City wishes to secure airport parking facilities operation and management and intra-lot parking shuttle services at the Airport for the accommodation and convenience of the general public; and

WHEREAS, the City has solicited and received proposals (RFP 10-11-14) for such Airport parking facilities operation and management and intra-lot parking shuttle services; and

WHEREAS, Contractor is an operator of parking facilities and intra-lot parking shuttle services and renders such services to various entities; and

WHEREAS, Contractor has submitted the proposal deemed by the City to be the most advantageous proposal submitted

NOW, THEREFORE, in consideration of the covenants, terms and conditions of this Agreement, the parties agree:

**1. AGREEMENT DOCUMENTS**

The documents forming the entire Agreement between City and Contractor shall consist of this Agreement including:

Exhibit A - Diagram of Airport

Exhibit B - Diagram of Parking Lot Locations

Exhibit B - 1 - Diagram of Economy Lot 1 Parking

Exhibit B - 2 - Diagram of Terminal A, Garage Floor 0 (Lot 2)

Exhibit B - 3 - Diagram of Terminal A, Garage Floors 1 & 2 (Lot 2)

Exhibit B - 4 - Diagram of Terminal A, Garage Floors 3 & 4 (Lot 2)

Exhibit B - 5 - Diagram of Terminal A, Garage Floors 5 & 6 (Lot 2)

Exhibit B - 6 - Diagram of Hourly Lot 3

Exhibit B - 7 - Diagram of Hourly Lot 4

- Exhibit B - 8 - Diagram of Hourly Lot 5 & 6
- Exhibit B - 9 - Diagram of Long Term Parking
- Exhibit B - 10 - Eastside Employee Parking
- Exhibit B - 11 - Air Freight Parking
- Exhibit C - Description of Office and Storage Space
- Exhibit D - Scope of Services
  - Exhibit D - 1 - Operational Characteristics of Parking Facilities
  - Exhibit D - 2 - City Council Resolution No. 74875
  - Exhibit D - 3 - Minimum Preventative Maintenance Standards
  - Exhibit D - 4 - Management Plan
- Exhibit E - Compensation
- Exhibit F - Operating Procedures
- Exhibit G - Operating Budget
- Exhibit H - Insurance Requirements
- Exhibit I - ACDBE Program
- Exhibit J - Hazardous Materials
- Exhibit K - Classification and Wage Determination

In the event of any discrepancies or inconsistencies between the terms in the main body of this Agreement and the terms in any of the above-referenced documents, the provisions in the main body of the Agreement will prevail, except to the extent expressly provided to the contrary. This Agreement, including the Exhibits set forth above, contain all of the agreements, representations and understandings of the parties hereto, and supersede and replace any previous understandings, commitments, or agreements, whether oral or written.

## 2. **DEFINITIONS**

The following terms as used in this Agreement shall have the meanings set forth below, unless the context clearly indicates otherwise:

### 2.1 ***Agreement***

Means this Agreement for Airport Parking Facilities Management Services

### 2.2 ***Airport***

Means the Norman Y. Mineta San José International Airport, located in the City of San José, County of Santa Clara, State of California, as illustrated in **Exhibit A**, together with any appurtenant properties or facilities acquired for purposes associated herewith.

### 2.3 ***Anniversary Year***

Means a period of twelve (12) consecutive calendar months, whether or not all twelve (12) months fall within the same calendar year. The first day of the term of this Agreement shall mark the commencement of the first day of the first Anniversary Year.

### 2.4 ***Business Day***

Means any calendar day except a Saturday, Sunday, and any day observed as a legal holiday by the City of San José.

## **2.5 City**

Means the City of San José, a municipal corporation of the State of California

## **2.6 Contractor**

Means Ampco System Parking, a corporation authorized to do business in the State of California.

## **2.7 Day**

Means any calendar day, unless a Business Day is specified. The time in which an act is to be performed shall be computed by excluding the first day and including the last.

## **2.8 Director**

Means the person designated the Director of Aviation by City, or such other person, division, department, bureau, or agency as may exercise from time to time functions equivalent or similar to those now exercised by the Director. The term includes any person expressly designated by the Director to exercise functions with respect to rights and obligations of the Director under this Agreement.

## **2.9 Environmental Laws**

Means and includes all federal, state, and local laws, statutes, ordinances, regulations, resolutions, decrees, and/or rules now or hereinafter in effect, as may be amended from time to time, and all implementing regulations, directives, orders, guidelines, and federal or state court decisions, interpreting, relating to, regulating or imposing liability (including, but not limited to, response, removal, remediation and damage costs) or standards of conduct or performance relating to industrial hygiene, occupational, health, and/or safety conditions, environmental conditions, or exposure to, contamination by, or clean-up of, any and all Hazardous Materials, including without limitation, all federal or state superlien or environmental clean-up statutes.

## **2.10 Hazardous Materials**

Means any and all (a) substances, products, by-products, waste, or other materials of any nature or kind whatsoever which is or becomes listed, regulated or addressed under any Environmental Laws, and (b) any materials, substances, products, by-products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by-products, or waste may give rise to liability under any Environmental Law or any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, strict or absolute liability or under any reported decisions of any state or federal court; and (c) any substance, product, by-product, waste or any other material which may be hazardous or harmful to the air, water, soil, environment or affect industrial hygiene, occupational, health, safety and/or general welfare conditions, including without limitation, petroleum and/or asbestos materials, products, by-products, or waste.

## **2.11 Improvements**

Means any addition, alteration, betterment, construction, or improvement to any and all buildings, curbing, drainage, fencing, fixtures, landscaping, lighting, paving, piping, and walls now or hereafter located in, on, or about the Airport, or any part thereof.

## **2.12 Laws**

Means all present and future applicable judicial decisions, statutes, laws, ordinances, regulations, building codes, Airport rules and regulations adopted from time to time, regulations, orders and

requirements and policies of all governmental authorities including without limitation city, state, municipal, county, federal agencies or the federal government, and their departments, boards, bureaus, commissions and officials and such other authority as may have jurisdiction including, without limitation, any regulation or order of a quasi-official entity or body.

### **2.13 License**

Means the license between City and Contractor that is granted to Contractor pursuant to **Section 7** of this Agreement

### **2.14 Operating Budget**

Means the Operating Budget attached as **Exhibit G**, as amended from time to time as provided in **Section 15.3** of Exhibit D, Scope of Services within this Agreement.

### **2.15 Operating Procedures**

Means the Operating Procedures as developed by the Contractor during the RFP process, approved by the City and attached as **Exhibit F**, as amended from time to time as provided in Section 4.1 of Exhibit D, Scope of Services within this Agreement.

### **2.16 Parking Facilities**

Means the parking facilities located at the Airport, as such parking facilities are illustrated on Exhibit B, which may be amended, replaced, altered or reconfigured from time to time by City at its discretion, subject to the provisions of **Section 3.4** of Exhibit D, Scope of Services within this Agreement.

### **2.17 Parking Fees**

Means the sum total of all parking lot fees, rates, and charges which are due and payable to City by users, for the privilege of parking motor vehicles in the Parking Facilities, as established by the Parking Rates Resolution.

### **2.18 Parking Programs**

Means all programs pursuant to which entry to Parking Facilities is permitted by card or other electronic media (or by hang tag or similar form of permission) and Parking Fees are paid on a periodic basis rather than in connection with each individual entry, including without limitation parking for employees of City and of Airport tenants.

### **2.19 Parking Rates Resolution**

Means City Council Resolution No. 75809, as amended or superseded.

### **2.20 Person**

Means an individual, a corporation, a partnership, a joint venture, and any other form of business association.

### **2.21 Police**

Means the San José Police Department, Airport Division, or other police or security forces operating at the Airport.

### **2.22 Premises**

Means the office and storage space assigned to Contractor for its use as described as the Assigned Space in the License in **Section 7** of this Agreement and in **Exhibit C** attached hereto.

### ***2.23 Parking Access and Revenue Control System (PARCS)***

Means the City-owned parking access and revenue control equipment, including, without limitation, audio transmission equipment, automatic entrance and exit barriers, cashier terminals, closed circuit television cameras and monitors, lane control units, fee displays and interfaces, firmware, message-switching electronics, processors, ticket issuing machines, vehicle detection systems, portable data entry terminals, license plate inventory equipment (LPI), automated license plate recognition equipment and system (LPR), automated vehicle identification system (AVI), all enhancements, upgrades, and all modifications to such PARCS equipment, written and printed materials and documentation pertaining to the configuration, installation, maintenance, repair and operation of the PARCS equipment, and computer hardware and software which may be located or housed in any constituent part of the PARCS equipment. The PARCS functions on a twenty-four (24) hour operational day from 12:00 a.m. to 11:59 p.m.

### ***2.24 PARCS Provider***

Means the third party provider (currently ACS, a Xerox Company) of the maintenance and repair services for the Parking Access and Revenue Control System (PARCS).

## **3. TERM OF AGREEMENT**

### ***3.1 General***

The term of this Agreement is for three (3) years, commencing at 12:00 A.M. on April 1, 2012 (“Commencement Date”), subject to the earlier termination of this Agreement, unless the Agreement is extended in accordance with the provisions of Section 3.2.

### ***3.2 Option to Extend Term***

City has the right to extend the term for successive periods of one (1) year each for no more than five (5) one-year terms, subject to the earlier termination of this Agreement. City shall provide Contractor with no less than sixty (60) days’ prior written notice of its intention to exercise its option to secure the services under this Agreement from Contractor during any extension period.

## **4. SCOPE OF SERVICES**

Contractor shall provide Airport Parking Operations and Management and Intra-lot Shuttle Services to the Airport in accordance with the provisions set forth in the attached **D**, entitled “Scope of Services”, and **Exhibit F**, entitled “Operating Procedures”.

## **5. RESTRICTIONS ON OPERATOR AND LIMITATIONS ON USES**

### ***5.1 In general***

Contractor agrees to use the Premises, the Parking Facilities and the Airport only for the purposes of providing the Services under this Agreement.

#### ***5.1.1 Prohibited uses***

Contractor shall not do or permit anything to be done in, on, or about the Premises, the Parking Facilities or the Airport, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or will in any way conflict with any Laws now in force or which may hereafter be enacted or promulgated, or which is prohibited by a standard form of fire insurance policy or will in

any way increase or affect the then existing rate of any fire or other insurance required to be carried upon the Airport, the Premises or the Parking Facilities and any of their contents, or which will cause a cancellation of any insurance policy covering the Premises, the Airport or the Parking Facilities, and any part thereof or any of their contents.

**5.1.2 *Legal waste***

Contractor shall not commit, cause, maintain or permit, or allow to be committed, caused, maintained, or permitted, any legal waste upon the Premises, the Parking Facilities or the Airport, nor any public or private nuisance, nor any other act or thing which may disturb the quiet enjoyment of any tenant, licensee, invitee, or person using or occupying any portion of the Airport.

**5.1.3 *Unauthorized business***

Neither Contractor nor its agents, employees or officers shall engage in the business of selling any emergency supplies, products or services, such as jumper service or tire repair, of any kind, at retail or wholesale, in, on, or about the Parking Facilities, the Premises or the Airport.

**5.1.4 *No vending machines***

Neither Contractor nor its agents, employees, or officers shall install, maintain, operate, or permit the installation, maintenance, or operation in, on, or about the Parking Facilities of any vending machine or device designed to dispense or sell foods, beverages, tobacco products, or other merchandise of any kind to the general public. With Director's prior written consent, Contractor may install food and beverage vending machines for use by Contractor's employees.

**5.1.5 *No unauthorized signage***

Contractor shall not install, erect, affix, paint, or place or permit the installation, erection, affixation, painting, or placement of any sign or lettering in, on, or about the Airport, the Premises or the Parking Facilities or any portion thereof, except as otherwise provided herein.

**5.1.6 *No unauthorized installations***

Any installation authorized herein shall conform to the general arrangement, design, plans, or specifications approved in advance, in writing, by the Director.

**6. CONTINUOUS OPERATIONS**

As a material inducement to City to enter into this Agreement, Contractor covenants to continuously provide Services during the term of this Agreement, and the failure of Contractor to do so shall constitute a breach by Contractor.

**7. LICENSE TO USE OFFICE SPACE**

City hereby grants to Contractor a non-exclusive license to engage in the activities anticipated under this Agreement, subject to the following terms and conditions:

**7.1 *Term***

This License shall be effective concurrently with the effectiveness of the Agreement.

## **7.2 Authorized Activities**

Contractor may conduct the following authorized activities on the Airport, and no other activity, under the authority of this License:

### **7.2.1 Obligations under Agreement**

This License is granted only for the purpose of facilitating Contractor's performance of its obligations under the Agreement. Specifically, Contractor is granted the right to use the "Assigned Space", which is described in **Exhibit C** hereto, as Office and Storage Space in conjunction with its performance of its obligations under each Agreement.

### **7.2.2 Change in Location**

The Director may, at any time, change the location of the Assigned Space and request that Contractor relocate if the Director determines that relocation is necessary for reasons of public safety, to protect property or for the added convenience of the City. Contractor shall bear the cost of relocation unless otherwise determined by the Director.

## **7.3 Restrictions and Conditions on Activities**

The following conditions and restrictions shall apply to the activities authorized by this License:

### **7.3.1 No Deed or Easement granted**

This License shall not constitute a deed or lease or grant of an easement by City.

### **7.3.2 No Advertising**

Contractor shall not construct, erect or place any signs or other advertising display of any kind, except such as may be expressly permitted in advance in writing by the Director.

### **7.3.3 No interference with Airport Activities**

Contractor's activities in, on, or about the Airport shall not interfere with the administration of the Airport by City or activities thereon by others.

### **7.3.4 Improvements**

Contractor shall not make any Improvements to the Airport, the Premises or the Parking Facilities or any portion thereof without the prior written consent of the Director. Any such Improvements shall be performed to the satisfaction of the Director.

#### **7.3.4.1 Governmental Reviews, Approvals and Permits**

Prior to the commencement of any Improvement, Contractor at its sole cost and expense shall obtain all necessary governmental reviews and approvals (including approvals of the Director or any other City official), licenses and permits. The costs and expenses which are payable by Contractor to secure these reviews and approvals may include City engineering and inspections fees ("E&I Fees"). Contractor shall comply with all conditions, restrictions or contingencies imposed upon, or attached to, the governmental reviews, approvals, licenses and permits described herein.

#### **7.3.4.2 Approval of Plans and Specifications**

Contractor shall submit full and complete plans and specifications for all work, facilities and Improvements, and the time required to complete the same, and receive written approval from the Director before work or construction is commenced. First class standards of design and construction will be required in connection with all such work, facilities and Improvements. All construction must

conform to the plans and specifications as approved by the Director and the established architectural design scheme for the Airport, and is subject to City's Department of Public Works "Planning Guide". All Improvements shall conform in all respects to applicable statutes, ordinances, building codes and rules and regulations. The approval given by the Director shall not constitute a representation or warranty as to such conformity; responsibility therefore shall at all times remain with Contractor.

#### ***7.3.4.3 Title to Improvements, Alterations and Repairs***

All improvements, alterations or construction of Improvements made to the Premises by Contractor (other than furniture, trade fixtures and equipment which are and remain movable and unattached to the Premises) and additions and alterations thereto made upon the Premises shall remain the property of Contractor until the termination of this License, at which time the Improvements may, at the Director's option, become the property of City. Contractor shall execute any documents which the Director feels is necessary to further evidence the transfer of title to Improvements from Contractor to City. Any failure by Contractor to execute any such transfer documents, however, shall not limit or preclude the transfer of title from Contractor to City provided in this Section.

#### ***7.3.4.4 Payment Bond – Construction***

Prior to the commencement of any construction, alteration or repair hereunder which exceeds Five Thousand Dollars (\$5,000) in cost, Contractor shall furnish to City and file with the City Clerk, at no cost to City, a payment bond. In addition to the specific requirements set forth below, the bond shall be issued by a surety, be in the sum of not less than one hundred percent (100%) of the total cost of the contract or contracts for the construction, alteration, demolition or repair of the Premises and/or Improvements, be satisfactory to and approved by City's Risk Manager and the Director, and be approved as to form by the City Attorney. Immediately upon completion of any Improvement, Contractor shall record in the Official Records of the Santa Clara County Recorder a notice of completion complying with the requirement of California Civil Code Section 3093.

The payment bond shall guarantee the prompt payment to all persons named in California Civil Code Section 3181, and of amounts due under the Unemployment Insurance Code, amounts required to be deducted, withheld or paid over to the Employment Development Department from the wage of employees of the contractor and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, and reasonable attorneys' fees. The payment bond shall protect City from any liens, liability, losses or damages arising therefrom, and shall name Contractor's contractor or contractors as principals, and City as obligee.

#### ***7.3.4.5 Prevailing Wage – Construction***

For construction work in excess of One Thousand Dollars (\$1,000), Contractor shall require each contractor or subcontractor to pay prevailing wages as stipulated in City's Prevailing Wage Policy. Prior to contracting with a third party for the construction of such Improvements, Contractor shall notify City's Office of Equality Assurance ("OEA") and provide a detailed scope of work to be performed. OEA will issue a Classification Determination for the work to be performed.

#### ***7.3.5 Director's Authority***

The Director shall have the right to regulate and monitor the activities of Contractor.

### **7.3.6 Confinement of Activities**

Contractor shall not conduct its activities at any location on the Airport other than in the areas expressly designated or approved in writing by the Director.

### **7.4 Acceptance of Premises**

Contractor has carefully examined the Premises and is satisfied with the current condition, subject to any Improvements to be constructed by Contractor in accordance with Section 7.3.4 above. Contractor acknowledges that no representation or warranty has been made by City concerning the nature, quality or suitability of the Premises or the Airport for Contractor's business, or the existence of any Hazardous Materials in, on, upon, under or about the Premises or the Airport, and Contractor acknowledges that it shall have no rights against City by reason of such matters of any claimed deficiencies therein. Contractor accepts the Premises "as is" and as being in good, safe and sanitary condition satisfactory for Contractor's use.

### **7.5 Termination**

This License shall terminate upon termination of the Agreement.

## **8. LABOR PEACE**

As provided in the Request for Proposals, City has determined that the level of vulnerability of this Agreement to service or labor disputes is sufficient to warrant that labor peace is essential to the proprietary interest of the City. In order to assure labor peace during the term of this Agreement, Contractor hereby affirms all labor peace assurances in Contractor's Proposal, attached hereto and incorporated herein as **Exhibit K**, entitled "Employee Work Environment and Labor Peace Questionnaire".

## **9. RIGHTS AND OBLIGATIONS OF CITY**

### **9.1 Right of City**

At all times during the term of this Agreement and without notice to Contractor, City and its agents, contractors, employees and officers shall have the right to perform the following:

#### **9.1.1 Public Utilities**

Install, construct, maintain, repair, replace, and use any and all public utility lines and pipes, including, without limitation, all sewer, drainage, water, irrigation, electrical and fuel lines, and any appurtenances thereto, either on, above, or below the surface of any part of the Airport;

#### **9.1.2 Inspections**

Inspect, alter, or repair any part of the Airport that the Director may deem expedient or desirable for the proper enforcement of the terms and conditions of this Agreement or for the operation of the Airport; and

#### **9.1.3 Other necessary actions**

Engage in any other action which the Director deems reasonably necessary to administer the obligations of City under this Agreement or by law, including operating the Parking Facilities if Contractor fails to do so.

## **9.2 Alterations, Maintenance and Repairs**

City shall perform the following alterations, maintenance and repairs at the frequency and time determined by the Director:

### **9.2.1 Repair and maintenance**

Repair and maintain the Parking Facilities surfaces, elevators, stairs, lobbies, corridors, restrooms, fencing, landscaping, signs, plumbing, electrical wiring, lighting fixtures, fire alarm call boxes, fire extinguishers, hose boxes, air conditioning, gas and electricity conduits, security alarm systems, and Parking Access and Revenue Control System (PARCS), except as otherwise provided by Contractor under this Agreement or otherwise;

### **9.2.2 Lighting replacement**

Replace bulbs and ballasts in lamps and lighting fixtures in the Parking Facilities; and

### **9.2.3 Painting**

Paint the cashier booths and public areas, including the painting of stripes in the Parking Facilities.

## **9.3 Limitation on City's Liability**

CITY SHALL NOT BE LIABLE FOR, AND CONTRACTOR WAIVES ALL CLAIMS AND CAUSES OF ACTION FOR, ANY LIABILITY, LOSS, OR DAMAGE RESULTING, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, FROM THE INSTALLATION OF ANY CITY IMPROVEMENTS OR EQUIPMENT OR FROM THE INTERRUPTION OF USE OF CONTRACTOR'S PERSONAL PROPERTY IN CONNECTION WITH CITY'S PROVISION OF ANY SERVICES.

CITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DAMAGES RESULTING FROM CITY'S FAILURE TO FURNISH, OR CITY'S DELAY IN FURNISHING, ANY UTILITY SERVICE. A TEMPORARY DISRUPTION OF ANY UTILITY SERVICE SHALL NOT BE DEEMED OR CONSTRUED AS AN INTERFERENCE WITH THE PERFORMANCE OF CONTRACTOR'S SERVICES, AND SUCH FAILURE SHALL NOT RELIEVE CONTRACTOR OF ITS DUTY TO OBSERVE AND PERFORM ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT.

## **10. TAXES, CHARGES AND ASSESSMENTS**

### **10.1 Taxes, Fees and Other Charges**

Contractor shall pay before delinquency and without notice or demand any tax, fee, lien or charge which is levied, imposed or assessed against Contractor, Contractor's personal property, Contractor's interest in the Parking Facilities management operations, or for which Contractor may become liable under the provisions of this Agreement. Any such payment made under this Section shall not reduce the amount of any sum or sums collected that is required to be paid by Contractor to City under the provisions of this Agreement.

### **10.2 Contest of Tax**

In the event that Contractor desires in good faith to contest or review by appropriate legal or administrative proceedings any tax, fee, lien or other charge specified under the provisions of this Section 10, Contractor shall give City prompt written notice of its intention to do so prior to the delinquency of any City tax, fee, lien or charge, or within the applicable time period allowed by law as to any other tax, fee, lien or charge. Contractor may withhold payment of the tax being contested if, but only if, nonpayment is permitted during the pendency of such proceedings without the foreclosure of any lien or the imposition of any fine or penalty. The contest shall be prosecuted to completion, whether or not this Agreement has expired or terminated in the interim, without delay. Within ten

(10) days or the applicable time period allowed by law after the final determination of the amount due from Contractor with respect to any contested tax, fee, line or other charge, whichever is sooner, Contractor shall pay the amount so determined to be due, together with all costs, expenses and interest, whether or not this Agreement has then expired or terminated. The failure to pay any tax, fee, lien or charge under this Section 10 shall constitute a Default under this Agreement, and the obligation to pay the same shall survive the termination of this Agreement.

### **10.3 Tax Indemnification**

Contractor agrees to protect, defend, indemnify and hold harmless City from and against any expense or damage resulting in whole or in part, directly or indirectly, from any such contest or proceeding described in **Section 10**. Contractor further agrees to protect, defend, indemnify and hold harmless City and the Airport and any City Improvements thereon, from and against any liability, loss, or damage resulting in whole or in part, directly or indirectly, from any tax, fee, lien or charge required to be paid by Contractor, from any other sums imposed thereon, and from any proceedings to enforce the collection of any tax lien or charge for which Contractor may be liable.

### **10.4 Payment by City**

If Contractor fails to pay any tax, fee, lien or charge required by this Section to be paid by Contractor, City may, but is not obligated to, on five (5) days' prior written notice to Contractor, pay, discharge, or adjust such tax, fee, lien or charge for Contractor's benefit. In such event, Contractor, on receipt of written demand from City, shall reimburse City promptly for the full amount paid by City in paying, discharging, or adjusting such tax, fee, lien or charge, together with interest thereon from its due date at the maximum interest rate then allowed by law until paid. Any receipt showing payment by City shall be *prima facie* evidence that the amount of such payment was necessary and reasonable and made by City on Contractor's behalf.

### **10.5 Payment of Possessory Interest Tax**

Although this Agreement is for the provision of Parking Facilities management services, this Agreement may, but is not intended to, create a possessory interest at the Airport which may be subject to property taxation. In that event, Contractor agrees to pay such tax if and when it is due, and shall not be entitled to or claim any reimbursement or compensation therefore from City.

## **11. INSURANCE**

Contractor agrees to have and maintain the insurance coverages set forth in **Exhibit H**, entitled "Insurance Requirements" and attached hereto.

## **12. INDEMNIFICATION**

### **12.1 Contractor's Indemnification**

CONTRACTOR, FOR AND ON BEHALF OF ITS AGENTS, CONTRACTORS, DIRECTORS, EMPLOYEES, OFFICERS, AND REPRESENTATIVES, AGREES TO PROTECT, INDEMNIFY, DEFEND AND HOLD HARMLESS CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, AND OFFICERS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, COSTS, EXPENSES, PENALTIES, SUITS, JUDGMENTS, OR DAMAGES, WHICH ARISE IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, AT ANY TIME FROM ANY INJURY OR DEATH TO PERSON OR DAMAGE TO PROPERTY AS A RESULT OF THE WILLFUL OR NEGLIGENT ACT OR OMISSION OF CONTRACTOR, ITS AGENTS, CONTRACTORS, DIRECTORS, EMPLOYEES, OFFICERS, AND REPRESENTATIVES,

OR WHICH RESULTS FROM THEIR NONCOMPLIANCE WITH ANY LAWS RESPECTING THE CONDITION, USE, OCCUPATION OR SAFETY OF THE PREMISES, THE PARKING FACILITIES, OR ANY PART THEREOF, OR WHICH ARISES FROM CONTRACTOR'S FAILURE TO DO ANYTHING REQUIRED UNDER THE AGREEMENT OR FOR DOING ANYTHING WHICH CONTRACTOR IS REQUIRED NOT TO DO UNDER THE AGREEMENT, EXCEPT AS MAY ARISE FROM THE NEGLIGENCE OR THE WILLFUL MISCONDUCT OF CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, AND OFFICERS. THE INDEMNIFICATION SHALL EXTEND TO ALL CLAIMS, DEMANDS, OR LIENS MADE OR FILED BY REASON OF ANY CONSTRUCTION, RENOVATION, OR REMODELING BY CONTRACTOR AT ANY TIME DURING THE TERM OF THIS AGREEMENT, OR ARISING THEREAFTER.

### ***12.2 Contractor's Assumption of Risk***

CONTRACTOR AGREES TO VOLUNTARILY ASSUME ANY AND ALL RISK OF LOSS, DAMAGE, OR INJURY TO THE PERSON OR PROPERTY OF CONTRACTOR, ITS AGENTS, CONTRACTORS, DIRECTORS, EMPLOYEES, OFFICERS, AND REPRESENTATIVES, WHICH MAY OCCUR IN, ON, OR ABOUT THE PREMISES, THE PARKING FACILITIES OR THE AIRPORT AT ANY TIME AND IN ANY MANNER, EXCEPT SUCH LOSS, INJURY, OR DAMAGE AS MAY BE CAUSED BY THE NEGLIGENCE OR THE WILLFUL MISCONDUCT OF CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, AND OFFICERS.

### ***12.3 Damage by Contractor***

If Contractor's employees cause any injury, damage or loss at the Premises, the Parking Facilities or anywhere else at the Airport, Contractor shall repair, at its sole cost and expense, such injury, damage or loss at City's direction and upon City's prior approval. City reserves the right to perform such repairs, and bill Contractor for such reasonable costs and deduct such costs from any compensation then due and owing to Contractor. The rights of City as set forth in this **Section 12.3** are not derogation of any right of City to be indemnified by Contractor for any such injury, damage or loss.

## **13. WAIVER AND RELEASE**

### ***13.1 Personal Injury, Death and Property Damage***

AS A MATERIAL PART OF THE CONSIDERATION TO BE RENDERED BY CONTRACTOR TO CITY UNDER THIS AGREEMENT, CONTRACTOR WAIVES ANY AND ALL CLAIMS OR CAUSES OF ACTION AGAINST CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, AND OFFICERS WHICH CONTRACTOR MAY HEREAFTER HAVE AT ANY TIME FOR DAMAGE TO CONTRACTOR'S PERSONAL PROPERTY LOCATED IN, ON, OR ABOUT THE PREMISES, THE PARKING FACILITIES OR THE AIRPORT, AND FOR INJURY TO OR DEATH OF ANY PERSON OCCURRING IN, ON OR ABOUT THE PREMISES, THE PARKING FACILITIES OR AIRPORT FROM ANY CAUSE ARISING AT ANY TIME, EXCEPT AS MAY ARISE FROM THE ACTIVE NEGLIGENCE OR THE WILLFUL MISCONDUCT OF CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, AND OFFICERS.

### ***13.2 Other Injury or Damages***

IN ADDITION TO THE FOREGOING, SAVE AND EXCEPT AS ARISES OUT OF THE ACTIVE NEGLIGENCE OR THE WILLFUL MISCONDUCT OF CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, OR OFFICERS, CONTRACTOR SPECIFICALLY WAIVES ANY AND ALL CLAIMS OR CAUSES OF ACTION WHICH IT MAY HEREAFTER HAVE AGAINST CITY, ITS AGENTS, CONTRACTORS, EMPLOYEES AND OFFICERS:

### **13.2.1 Interruption of Utilities**

For loss, injury or damage sustained by reason of any deficiency, impairment, or interruption of any water, electrical, gas, plumbing, telephone, or drainage, sewer service or system serving any portion of the Premises, the Parking Facilities or the Airport, whether or not installed by City;

### **13.2.2 Other Airport tenants**

For any loss, injury or damage arising or resulting from any act or omission of any tenant, licensee, sublicensee, concessionaire, or other occupant of any portion of the Airport, or any person who uses any portion of the Airport with or without the authorization or permission of City; or

### **13.2.3 Contractor's use or occupancy**

For any loss or damage to the property of, or injury or damage to, Contractor, its agents, contractors, directors, employees, officers, or representative or any other person, from any cause or condition arising at any time on account of Contractor's use or occupancy of the Premises, the Airport or the Parking Facilities, or Contractor's operations on any part thereon.

## **14. SECURITY; BONDS**

### **14.1 *Faithful Performance Bond***

On or before the Commencement Date and upon the commencement of every Anniversary Year thereafter, Contractor shall procure and provide City with a fully prepaid surety bond for at least the duration of such Anniversary Year naming City as obligee in the amount of Five Hundred Thousand Dollars (\$500,000) to guarantee and assure the prompt and faithful performance of Contractor's obligations under this Agreement. The bond shall be furnished by a surety company admitted to transact insurance in the State of California, as evidenced by the surety's possession of a valid Certificate of Authority issued by the California Department of Insurance, as defined in the California Insurance Code. The bond shall provide at least thirty (30) days prior written notice to City of any cancellation, termination or expiration. Alternatively, at Contractor's option, Contractor may deposit with City a fully prepaid irrevocable letter of credit for at least the duration of such Anniversary Year and for the same amount as the faithful performance bond. The prepaid irrevocable letter of credit must be satisfactory to the Director and City's City Attorney. The legal form of any faithful performance bond or the form of any letter of credit shall be satisfactory to the City Attorney.

### **14.2 *Letters of Credit***

City shall have the right to draw against the letter of credit in the event of a breach or default hereunder by Contractor or failure of Contractor to fully perform any obligation hereunder, as determined by Director, or in order to cure any such breach, default or failure. Within five (5) days of receipt of notice from City and after drawdown by City, Contractor shall reinstitute the original amount of the letter of credit. Failure to do so shall constitute a default under this Agreement

## **15. NONDISCRIMINATION**

Contractor certifies that, in dealing with any subcontractors under this Agreement, it has not discriminated or given any preference to any firm based on race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity or national origin. Contractor shall fully comply with all Federal and State of California laws pertaining to nondiscrimination, and Chapter

4.08 of the San José Municipal Code, and shall not discriminate or grant preferential treatment on the basis of age, sex, race, religion, color, creed, disability, ethnicity, sexual orientation, actual or perceived gender identity or national origin in connection with or related to the performance of this Agreement. Contractor understands that any such discrimination or preference is in violation of Chapter 4.08 of the San José Municipal Code. Contractor shall make efforts to include participation from all segments of the community in connection with or related to the performance of this Agreement.

This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. Contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

Contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements

## **16. AIRPORT SECURITY**

### **16.1 *Security Plan***

The Airport has implemented an Airport Master Security Plan (“Security Plan”) in a form acceptable to the Federal Aviation Administration (“FAA”) pursuant to 14 CFR Part 107. The Airport reserves the right to modify the Security Plan from time to time, as it deems necessary to accomplish its purposes. Contractor agrees to abide by all provisions of the Security Plan and institute and carry out all security measures as provided in the Security Plan.

### **16.2 *Indemnification***

CONTRACTOR AGREES TO PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS CITY FROM AND AGAINST ANY FINE(S) LEVIED BY THE FAA AND/OR TRANSPORTATION SECURITY ADMINISTRATION (“TSA”) AGAINST CITY FOR ANY BREACH OF THE SECURITY PLAN OR FEDERAL AIRPORT SECURITY REGULATIONS CAUSED BY OR ATTRIBUTABLE TO CONTRACTOR, ITS AGENTS, CONTRACTORS, DIRECTORS, EMPLOYEES, OR OFFICERS. CONTRACTOR AGREES TO PAY OR REIMBURSE CITY FOR ANY SUCH FINE(S) ASSESSED TO CITY BY THE FAA AND/OR TSA, WHICH ARE CAUSED BY OR ARE ATTRIBUTABLE TO CONTRACTOR OR ITS AGENTS, CONTRACTORS, DIRECTORS, EMPLOYEES, OR OFFICERS. SUCH FINE(S) SHALL BE ASSESSABLE TO CONTRACTOR BY CITY AND SHALL BE PAYABLE TO CITY UPON RECEIPT OF INVOICE.

### **16.3 *Parties’ Responsibilities***

Contractor shall be solely responsible for instituting and carrying out specific security measures in the Parking Facilities and Premises where Contractor is authorized to operate to prevent vandalism or damage to persons or property. City shall be responsible only for general security throughout the Airport and shall not be liable for any vandalism or damage to persons or property that may occur in the areas of Contractor’s operation.

### **16.4 *Security Mandates***

Contractor recognizes that the Airport is required to comply with the security mandates of the Department of Transportation, the FAA, the TSA, the Department of Homeland Security, and with

other governmental and administrative rules and regulations relating to airports. Any procedures determined by City to be applicable to Contractor in order for City to comply with the foregoing will be furnished to Contractor in writing and delivered by email and/or facsimile, confirmed by mail, to Contractor at its notice address provided in this Agreement. Such procedures are subject to change without notice other than delivery thereof as provided herein.

### **16.5 *Employee Training, Badging and Security Clearance***

Contractor shall ensure that its employees participate in such safety, security and other training and instructional programs as City or appropriate federal agencies may from time to time require. To the extent any Contractor employees require identification badges or security clearance, Contractor is responsible, at its expense, for securing such badges or clearance.

## **17. RULES AND REGULATIONS**

### **17.1 *Airport Rules***

Contractor shall faithfully observe and comply with all Airport rules and regulations and all reasonable modifications of and additions thereto that may be promulgated from time to time by City or the Director on City's behalf.

### **17.2 *ACDBE Program***

The City has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. The requirements of the ACDBE Program are attached as **Exhibit I** to this Agreement.

### **17.3 *EPP Policy***

The City has adopted an Environmentally Preferable Procurement ("EPP") policy. In performance of this Agreement, Contractor shall apply the EPP policy where it is feasible to do so. The EPP policy can be found on the City's website at the following link: <http://www.sanjoseca.gov/esd/natural-energy-resources/epp.htm>

## **18. GRANT AGREEMENTS**

### **18.1 *Subordination***

This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States which relates to the use, development, operation, security or maintenance of the Airport, the execution of which is or may be required by the United States as a condition precedent to the grant or expenditure of federal funds for the Airport.

### **18.2 *Grant Agreement Covenants***

Contractor acknowledges that City is subject to Federal Grant Agreement obligations as a condition precedent to the granting of federal funds for improvements to the Airport, and, accordingly, Contractor agrees to, and agrees to be bound by, the following covenants provided by the Federal Aviation Administration as they may apply to Contractor.

**18.2.1** Contractor for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities

are constructed, maintained, or otherwise operated on any areas occupied by Contractor and described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Contractor shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

**18.2.2** Contractor for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the facilities; (2) that in the construction of any improvements on, over, or under any areas occupied by Contractor and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (3) that Contractor shall use any areas occupied by Contractor in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulations may be amended.

**18.2.3** That in the event of breach of any of the above nondiscrimination covenants, City (through Director) shall have the right to terminate this Agreement and to reenter and repossess the areas occupied by Contractor and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This provision does not become effective until the procedures of Title 49 Code of Federal Regulations (CFR) Part 21 are followed and completed including expiration of appeal rights.

**18.2.4** Contractor shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service. Contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

**18.2.5** Without limiting the generality of any other terms or provisions of this Agreement, non-compliance with Provision 18.2.4 above shall constitute a material breach thereof and in the event of such non-compliance the City (through Director) shall have the right to terminate this Agreement and the estate hereby created without liability therefore or, at the election of the City or the United States, either or both governments shall have the right to judicially enforce Provisions 18.2.1, 18.2.2, 18.2.3 and 18.2.4 of this Section.

**18.2.6** Contractor agrees that it shall insert the above five (5) Provisions in any agreement by which Contractor grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public in the Parking Facilities.

**18.2.7** Contractor assures that it will comply with pertinent statutes, executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or

benefiting from federal assistance. This Provision obligates Contractor or its transferee for the period during which federal assistance is extended to the Airport, except where federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, this Provision 18.2.7 obligates Contractor or any transferee for the longer of the following periods: (a) the period during which the property is used by City or any transferee for a purpose for which federal assistance is extended, or for any purpose involving the provision of similar services or benefits; or (b) the period during which City or any transferee retains ownership or possession of the property. In the case of contractors, this Provision 18.2.7 binds the contractors from the bid solicitation period through the completion of the contract.

**18.2.8** City reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Contractor and without interference or hindrance.

**18.2.9** City reserves the right, but shall not be obligated to Contractor, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Contractor in this regard.

**18.2.10** This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States, relative to the development, operation or maintenance of the Airport.

**18.2.11** There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Parking Facilities herein authorized. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from or operation on the Norman Y. Mineta San José International Airport.

**18.2.12** Contractor agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations (FAR) in the event any future structure or building is planned for the location(s) of its activities, or in the event of any planned modification or alteration of any present or future building or structure situated at the Airport.

**18.2.13** Contractor by accepting this Agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Airport to a height above the mean sea level that would exceed Federal Aviation Regulations Part 77 standards or elevations affecting the Airport navigable airspace. In the event the aforesaid covenants are breached, City reserves the right to enter upon any area utilized by Contractor and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Contractor.

**18.2.14** Contractor by accepting this Agreement agrees for itself, its successors and assigns that it will not make use of the Parking Facilities in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, City reserves the right to enter upon the Parking Facilities and cause the abatement of such interference at the expense of Contractor.

**18.2.15** It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of any exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. Section 1349a).

**18.2.16** This Agreement and its provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

## **19. COMPLIANCE WITH LAWS**

Contractor shall comply with all Laws now in force or which may hereafter be in force pertaining to Contractor, the Parking Facilities, the Premises, the Airport and/or this Agreement, including, without limitation, Section 6300 *et seq.* of the California Labor Code. Contractor shall comply with the requirements and conditions of any bond or fire underwriters or other similar body now or hereafter constituted, and with the requirements and conditions of any discretionary or occupancy permit issued pursuant to any law of any public official. Contractor shall also comply with any and all provisions of all recorded documents affecting the Premises, the Airport or the Parking Facilities on the Commencement Date, insofar as any are required by reason of use of the Premises, the Airport or the Parking Facilities by Contractor.

## **20. REPRESENTATIONS AND WARRANTIES**

Contractor represents and warrants with respect to this Agreement, and any amendment hereto:

### ***20.1 Proposal representations***

That all information submitted by Contractor, its agents, contractors, directors, employees, officers, and representatives (“the aforementioned parties”) during City’s Airport Parking Facilities Management Services Request for Proposal process, or thereafter, upon request, whether or not submitted by any of the aforementioned parties under a continuing obligation by the terms of this Agreement to do so, was true and correct at the time such information was submitted or made available to City.

### ***20.2 No collusion***

That none of the aforementioned parties has colluded, conspired, or agreed, directly or indirectly, with any person in regard to the terms and conditions of Contractor’s response and City’s Airport Parking Facilities Management Services Request for Proposal.

### ***20.3 Authority to execute agreement***

That Contractor has the power and authority to enter into this Agreement with City, that the Board of Directors of Contractor has by corporate resolution approved Contractor’s power and authority to enter into this Agreement and bind Contractor, that this Agreement shall be executed, delivered and performed pursuant to the power and authority conferred by the Board of Directors of Contractor and be binding upon Contractor, and that the individual executing this Agreement on Contractor’s behalf is duly authorized to do so.

#### **20.4 *No undue influence***

That none of the aforementioned parties has made an attempt to exert undue influence with the City's Airport Parking Facilities Management Services evaluation committee to award the contract to Contractor.

#### **20.5 *No claims or disputes***

That there are no unresolved claims or disputes between Contractor and City.

#### **20.6 *Financial information***

That Contractor has furnished, and will furnish, true and accurate financial statements of gross receipts, records, reports resolutions, certifications, and other information as may be requested of Contractor by City from time to time during the term of this Agreement.

### **21. ASSIGNMENT AND/OR SUBCONTRACTING**

#### **21.1 *No Unauthorized Subcontracting***

Contractor shall not subcontract any of its rights or obligations under this Agreement without the prior written consent of the Director. In addition, Contractor shall not otherwise assign, transfer, lease, license, convey, sell, hypothecate, or encumber by deed of trust or mortgage or otherwise, or pledge to any person ("proposed transferee") this Agreement, the Premises or the Parking Facilities, or any part thereof, or any rights or obligations of Contractor hereunder, whether voluntary or by operation of law. Any assignment, transfer, lease, license, conveyance, sale, subcontract, hypothecation or encumbrance by deed of trust or mortgage or otherwise, or pledge in violation of the provisions of this Section shall be void and shall entitle City, at its option, to terminate this Agreement. The acceptance of management fees by Contractor or any other fee or charge by City or the continuation of the use of the Parking Facilities, the Airport or Premises by Contractor or the proposed transferee shall not be deemed a waiver of City's right to terminate this Agreement on account of Contractor's violation of this provision.

#### **21.2 *Change in Ownership***

If Contractor is a partnership, a withdrawal or change, whether voluntary or by operation of law, of the partner or partners owning fifty-one percent (51%) or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If Contractor is a corporation, any dissolution, merger, consolidation or other reorganization of Contractor, or the sale or transfer of a controlling percentage of the capital stock of Contractor, or the sale of at least fifty-one percent (51%) of the value of the assets of Contractor, shall be deemed a voluntary assignment. This Section shall not apply to corporations whose stocks are traded on national stock exchanges. "Controlling percentage" as used herein means the ownership of voting stock comprising at least fifty-one percent (51%) of the total combined voting power of all classes of Contractor's capital stock issued, outstanding and entitled to vote for the election of directors.

### **22. DESTRUCTION OF AIRPORT FACILITIES**

City shall determine in its sole discretion whether to repair any damage to the common areas and facilities of the Airport. If the Parking Facilities are totally or substantially damaged, or City cannot complete the repair or restoration of such areas within six (6) months after the commencement date of

repair or restoration, City may, at its option, give Contractor notice of its intention to terminate this Agreement on a specified date.

## **23. BREACH AND WAIVER**

### ***23.1 Breach***

City shall deliver to Contractor written notice of any breach of this Agreement by Contractor. If Contractor fails to cure said breach within ten (10) days after the City delivers such notice, City may, but shall have no obligation to, upon condition that City shall act for the account and at the expense of Contractor and without a waiver of such breach, perform any act which, if performed by Contractor, would otherwise cure the breach. If, in so doing, City is required or elects to pay any money or do any act which will require the payment of any money or the incurrence of any cost or expense, Contractor shall reimburse City the sum or sums of money so paid or incurred by City, together with interest at the maximum interest rate then allowed by law, plus costs and damages, within three (3) days after the first day of the calendar month following City's payment of same.

### ***23.2 No Waiver***

The waiver by Either Party of any breach of any provision of this Agreement shall not be deemed to be a waiver or continuing waiver of any subsequent breach of the same or any other provision. Nor shall any custom or practice which may arise between the parties in the administration of any part of the provisions of this Agreement be construed to waive or to lessen the right of City to insist upon the performance by Contractor in strict accordance with the provisions of this Agreement.

## **24. DEFAULT AND REMEDIES AND LIQUIDATED DAMAGES**

### ***24.1 Default***

The occurrence of any of the following shall constitute a "Default" under this Agreement:

#### ***24.1.1 Failure to commence services***

Contractor's failure to promptly commence Airport Parking Facilities Management Services at the Airport on the Commencement Date; or

#### ***24.1.2 Failure to deposit fees***

Contractor's failure to deposit the Parking Fees, when due, or failure to perform any obligation requiring the payment of money under the provisions of this agreement and such failure continues for a period of three (3) days or other period as expressly stated herein; or

#### ***24.1.3 Failure to cure breach***

Contractor's failure to perform any other provision of this Agreement required to be performed by Contractor and, except as otherwise provided in this Agreement, Contractor's failure to cure the same within ten (10) days after the City delivers written notice pursuant hereto where such failure could reasonably be cured within ten days of the written notice. Where such failure to perform cannot be reasonably cured within ten (10) days of the written notice, then Contractor shall not be in default, unless within the ten (10) days Contractor fails to commence and thereafter to continue making diligent and reasonable efforts to cure such failure to perform as soon as practicable. This Section shall not apply to any provision requiring the payment of money; or

#### **24.1.4 *Assignment of assets***

Contractor's general assignment of its assets for the benefit of Contractor's creditors; or

#### **24.1.5 *Assignment of Agreement***

Contractor's assignment hereunder in violation of the provisions of this Agreement, whether voluntary or by operation of law; or

#### **24.1.6 *Failure to provide services***

Contractor's failure to provide Services in a manner satisfactory to City for any period of time and, except as otherwise provided in this Agreement, Contractor's failure to cure the same within ten (10) days after the City delivers written notice pursuant hereto where such failure could reasonably be cured within ten days of the written notice; or

#### **24.1.7 *Insolvency***

A court's entry of any decree or order (I) adjudging Contractor to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Contractor or an arrangement under the bankruptcy laws or any other applicable debtor's relief law or statute of the United States or any State thereof, (iii) appointing a receiver, trustee or assignee of Contractor in bankruptcy or insolvency or for its property, or (iv) directing the winding up or liquidation of Contractor, and such decree or order shall continue for a period of sixty (60) days or Contractor shall voluntarily submit to or file a petition seeking any such decree or order; or

#### **24.1.8 *Attachment of interest in Agreement***

The sequestration or attachment of or execution or other levy on Contractor's interest in this Agreement or the Airport, the Premises, the Parking Facilities or on Contractor's Improvements, if any, located thereon occurs and Contractor fails to obtain a return or release of such interest or property within thirty (30) days thereafter, or prior to sale pursuant to such levy, whichever first occurs; or

#### **24.1.9 *Impairment of financial condition***

The Director's determination that there is a reasonable probability that Contractor's financial condition is impaired and Contractor cannot provide adequate assurances that any conditions giving rise to the impairment of financial condition can be removed within thirty (30) days of receipt of City's demand for same.

#### **24.1.10 *False or misleading representations***

Any representation or warranty made by Contractor hereunder or under any instrument delivered in connection herewith that was false or misleading in any material respect as of the date on which such representation or warranty was made.

#### **24.1.11 *Default under License***

The occurrence of a Default under the License granted pursuant to Section 7.

## **24.2 Remedies for Default**

### **24.2.1 Remedies Cumulative**

Upon the occurrence of a default under this Agreement, City shall have all the rights and remedies set forth in this **Section 24.2**. The City may resort to the rights and remedies set forth in this Section cumulatively or in the alternative. The rights and remedies set forth in this Section shall be in addition to all other rights and remedies provided by Law or equity.

### **24.2.2 Effectiveness of Agreement**

At City's election, City may keep this Agreement in effect and enforce all of its rights and remedies under this Agreement, including the right to withhold the management fee and other fees as they become due. At City's option, but without any obligation to do so and without waiving or relieving Contractor from any of its obligations under this Agreement, City may make any payment or perform any act to the extent City may deem appropriate as a result of the Contractor's default. Except where otherwise prescribed in this Agreement, all sums so paid by City and all penalties, interest and costs in connection therewith shall be due and payable by Contractor to City within ten (10) days of written demand from the Director for payment of same, together with interest thereon from date of advance by City at the maximum interest rate then allowed by law, plus costs as may be awarded by a court of competent jurisdiction.

### **24.2.3 Termination**

After written notice and reasonable opportunity of Contractor to cure and cure is either (i) not accomplished; or (ii) not feasible under the circumstances, City may terminate this Agreement by giving Contractor written notice of termination, in which event this Agreement shall terminate on the date set forth for termination in such notice. Any termination under this paragraph shall not relieve Contractor of the obligation to pay any Parking Fees then due to City or from any claim for damages previously accrued or then accruing against Contractor. The Director is empowered to terminate this Agreement on behalf of the City.

### **24.2.4 Non-funding**

Each payment obligation of City is condition upon the availability of state or local government funds which are apportioned or allocated for the payment of such an obligation. If the funds are not allocated and available for the continuance of the function performed by Contractor, the product or service directly or indirectly involved in the performance of that function may be terminated by City at the end of the period for which funds are available. City shall notify Contractor at the earliest possible time of any products or services which will or may be affected by a shortage of funds. No penalty shall accrue for City in the event this provision is exercised, and City shall not be liable for any future payments due or for any damages as a result of termination under this Section. This provision shall be construed so as to permit City to terminate this Agreement or any products or services in order to acquire similar equipment or service from another party. Contractor agrees to render any assistance which City may seek in affecting a transfer of any right of City in this Agreement, or any part hereof, that is required of City pursuant to the securing of financing hereunder.

### **24.2.5 City's Mitigation**

In the event Contractor ceases to provide Services to the Parking Facilities, this Agreement shall not terminate, unless City gives Contractor written notice of its election to terminate this Agreement. No act by or on behalf of City intended to mitigate the adverse effect of such breach shall constitute a

termination of Contractor’s right to render Services to the Parking Facilities, unless City gives Contractor written notice of termination.

**25. LIQUIDATED DAMAGES FOR PERFORMANCE STANDARD BREACHES**

***25.1 Liquidated Damages for Failure to Attain Performance Standards***

Contractor understands and agrees that one of the City’s primary goals in granting this Agreement is to ensure that the customer service provided is of the highest caliber and consistent with the image that the City and the Airport want to project to their users and visitors. Contractor further agrees that City will suffer damage if Contractor fails to meet these standards and that, due to the nature of certain breaches, the actual damage to the City would be impractical or very difficult to fix.

CONTRACTOR AND CITY AGREE THAT THE AMOUNTS SET FORTH IN **SECTION 25.2**, BELOW, SHALL BE PAID TO CITY AS LIQUIDATED DAMAGES ON A MONTHLY BASIS IF CONTRACTOR BREACHES THAT PERFORMANCE STANDARDS SPECIFIED IN SUCH **SECTION 25.2**. CONTRACTOR AND CITY ACKNOWLEDGE THAT CITY’S ACTUAL DAMAGES IN THE EVENT OF A BREACH OF SUCH PERFORMANCE STANDARDS WOULD BE IMPRACTICAL TO DETERMINE. THEREFORE, BY PLACING THEIR SIGNATURES BELOW, CITY AND CONTRACTOR ACKNOWLEDGE THAT THE AMOUNTS SET FORTH IN **SECTION 25.2** HAVE BEEN AGREED UPON AS THE PARTIES’ REASONABLE ESTIMATE OF CITY’S DAMAGES IN THE EVENT OF SUCH BREACH.

CITY: \_\_\_\_\_

CONTRACTOR: \_\_\_\_\_

***25.2 Performance Standard Breaches***

The following specified items shall be referred to as “Performance Standard Breaches”. Contractor agrees to pay to the City the amount specified below as liquidated damages for the applicable breach.

1. Failure to provide required staffing.	\$500 per hour or portion thereof for each staff member in variance
2. Delay in submitting reports or other documents required by the Agreement.	\$100 per occurrence and \$100 for each 24 hour period thereafter.
3. Number of customer complaints exceeds 3 in any one calendar month period.	Warning for first 3 complaints; \$100 for 4 <sup>th</sup> complaint in calendar month. \$25 for each additional complaint per calendar month.
4. Customer complaint response time exceeds 48 hours.	\$50 for each day exceeding 48 hours up to 3 days; \$100 per day for the 4 <sup>th</sup> day on.
5. Cashier failure to display nameplate at cashier booth.	\$50 per violation
6. Failure to make daily deposits of all receipts	\$100 per occurrence for each day beyond deposit deadline
7. Failure to comply with proper parking transaction processes	\$50 per incorrect transaction

8. Cashier not in compliance with dress code	\$50 per violation
9. Failure to maintain accurate parking permit and media access records or to deliver related documentation to Airport in timely manner. Failure to notify of delinquencies in payments to parking programs	\$25 per piece of unaccounted for media. \$100 per occurrence for non-timely documentation
10. Failure to perform custodial, maintenance or repair duties	\$50 per occurrence

**25.3 Procedure for Declaring Performance Standard Breaches**

The procedures for declaring performance standard breaches shall be as follows:

**25.3.1 Written Notice**

Upon determining the existence of a Performance Standard Breach, the Director shall issue a written notice to Contractor of the occurrence of such breach and the City’s claim for liquidated damages.

**25.3.2 Contest of Notice**

The notice of Performance Standard Breach shall become final unless the Director receives from Contractor no later than ten (10) calendar days after the date of the notice of Performance Standard Breach, a written statement from Contractor, accompanied by Contractor’s evidence that the breach did not occur. Director shall review such evidence and determine, in his reasonable discretion, whether Contractor has demonstrated that the breach did not occur.

**25.3.3 Director's review**

The Director shall review Contractor’s evidence as soon as reasonably possible after timely receipt of such evidence.

**25.3.4 Director's decision**

The Director shall render a decision sustaining or reversing the determination that a breach occurred and the claim for liquidated damages. A written notice of decision shall be delivered to the Contractor.

**25.3.5 Finality of Director's decision**

If such written evidence is not received by the Director within ten (10) calendar days of the date of the notice of Performance Standard Breach, the Director’s determination shall be final and the applicable liquidated damages shall be immediately due and payable.

**25.3.6 Assessment of liquidated damages**

Upon expiration of the period to deliver evidence or upon Director’s determination that a breach occurred after reviewing Contractor’s evidence as provided above, City will apply liquidated damages amounts as an adjustment to the monthly management fee calculation. Contractor further agrees that Director may, at his option, deduct the amount of such liquidated damages from any deposit or performance guarantee provided by Contractor, without further notice to Contractor.

**26. HAZARDOUS MATERIALS**

Disposal of Hazardous Materials on the Airport is strictly prohibited. Storage and use of Hazardous Materials on the Airport is prohibited, except: Contractor may store and use Hazardous Materials on

the Premises in a safe and prudent manner and in accordance with the requirements of all applicable Environmental Laws those kinds and quantities of Hazardous Materials that are normally used in conducting the activities permitted under this Agreement. Contractor shall provide Director with a copy of any application for a permit for use or storage of Hazardous Materials on the Premises from any regulatory agency responsible for enforcement of Environmental Laws, and shall also provide a copy of any permit received from such agency.

Contractor shall at all times comply with the provisions of this Agreement, including those provisions of **Exhibit J**, regarding Hazardous Materials.

## **27. BOOKS AND RECORDS**

### **27.1 *Maintenance of Records***

Contractor shall keep and maintain at its expense and at its office at the Airport, separate and independent records in a separate set of books devoted exclusively to its operations at the Airport. Said books (i.e., ledgers, journals, accounts, supporting documents and other records) shall be maintained in accordance with generally accepted accounting principles and shall contain all entries reflecting all of the business operations of Contractor's original transaction under this Agreement, including but not limited to transactions processed through the PARCS, and all other records required to be maintained under this Agreement. All of such books shall be open for examination and audit by the Director during ordinary business hours without prior notice. Contractor shall keep each year's books for four (4) years after the end of each such years.

### **27.2 *Inspection***

#### **27.2.1 Availability**

Upon Director's written request, Contractor shall make available within twenty-four (24) hours at the Airport for inspection any and all books records and accounts pertaining to its operations under this Agreement and shall fully cooperate with Airport in the conduct of such inspection. Contractor shall keep and maintain records which will enable Airport and City Auditor to ascertain, determine and audit, if so desired by City, clearly and accurately, the Parking Fees received by Contractor and that the form and method of Contractor's reporting of Parking Fees shall be adequate to provide a control and test check of all revenues derived by Contractor under this Agreement.

#### **27.2.2 Underpayment**

Should any examination, inspection, and audit of Contractor's books and records by City disclose an underpayment by Contractor in excess of one-half of one percent (0.5%) of the Parking Fees due for any particular test, audit or reporting period, Contractor shall promptly pay the City the amount of such underpayment and shall reimburse the City for all costs incurred in the conduct of such examination, inspection, and audit.

### **27.3 *Ownership of Materials***

Contractor shall agree that the City is the owner of all unused and used parking tickets and tapes and other records used in the operations of the PARCS devices. Such tickets, tapes, and records shall be stored by Contractor at the Airport and made available by Contractor for Director's examination. Contractor shall maintain a written account of all tickets, tapes and other records described herein taken into Contractor's possession and shall present said written account to Director on demand.

## **28. TRANSITION**

Upon the expiration of this Agreement or its earlier termination, the Contractor agrees to cooperate fully with the City in the smooth and businesslike transition of the management and operation of the Parking Facilities to a new operator. This obligation shall include, but not be limited to, providing the City and any new operator, as identified by the City, with the names of all employees who would qualify as Qualified Retention Employees under the Living Wage Policy.

## **29. NOTICES**

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder given by either party to the other, shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by United States certified mail, postage prepaid, (3) sent by express delivery service, or (4) sent by facsimile transmission to the telephone number(s) set forth below during normal business hours of the receiving party and followed within forty-eight (48) hours by delivery of hard copy of the material sent by facsimile, in accordance with (1), (2), or (3) above. Personal service shall include, without limitation, service by delivery service. Delivery of notices properly addressed shall be deemed complete when the notice is physically delivered to the Director or Contractor's manager.

If to City, the same shall be addressed to:

- (1) Director of Finance  
Purchasing Officer  
200 E. Santa Clara St., 13<sup>th</sup> Floor, tower  
San José, CA 95113  
FAX: (408) 292-6480

with a copy to:

- (2) Director of Aviation, San José International Airport  
Re: Parking Operations  
1701 Airport Boulevard, Suite B-1130  
San José, CA 95110-1206  
FAX: (408) 392-3597

And

- (3) City Attorney, City of San José  
200 East Santa Clara  
16<sup>th</sup> Floor Tower  
San José, Ca 95113  
FAX: (480) 998-3131

or to such other place as City may designate in writing.

If to Contractor, the same shall be addressed to:

Mark Muglich

President  
Ampco System Parking  
1459 Hamilton Ave  
Cleveland, OH 44114  
FAX: (866) 611-2215

### **30. APPROPRIATION OF CITY FUNDS; TERMINATION FOR CONVENIENCE**

City's funding of the Agreement shall be on a fiscal year basis (July 1 to June 30) and is subject to annual appropriations. Contractor acknowledges that City, a municipal corporation, is precluded by the California State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the initial term of this Agreement and the exercise of any option years thereto is contingent upon the appropriate of funds by the City. This Agreement will terminate immediately if the funds necessary to continue the Agreement are not appropriated.

Further, City shall have the right to terminate this Agreement, at anytime and without cause, by giving not less than thirty (30) days written notice of termination. The Director is empowered to terminate this Agreement on behalf of the City.

### **31. MISCELLANEOUS**

#### ***31.1 Authorization of Contractor***

Contemporaneous with the execution and delivery of this Agreement, Contractor shall submit to City a certificate of officer, good standing certificate(s) and such other documents as City may require, each in form and substance satisfactory to City, regarding the authorization of Contractor to enter into this Agreement.

#### ***31.2 Bailee Disclaimer***

The parties understand and agree that City does not purport to be Contractor's bailee, and is therefore not responsible in any way for any damage to Contractor's personal property or the property of Contractor's agents, contractors, employees, directors, officers, or representatives.

#### ***31.3 Consent***

Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.

#### ***31.4 Controlling Law***

Except as federal law may apply, the parties agree that this Agreement shall be governed and construed by and in accordance with the laws of the State of California.

### **31.5 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

### **31.6 Force Majeure**

Contractor shall not be deemed to be in breach of any obligation under this Agreement, other than any obligation requiring the payment of money, to the extent any reasonable delay or failure to perform such obligation is caused by an Act of God.

### **31.7 Gifts**

Contractor represents that its agents, directors, contractors, employees, officers, and representatives are familiar with City's prohibition against the acceptance by a City officer or designated employee of gifts prohibited by Chapter 10.36 of the San José Municipal Code, and agrees that they, and each of them, will not offer to any City officer or designated employee any gift so prohibited. The offer or giving of any gift prohibited by the Municipal Code shall constitute a Default under this Agreement.

### **31.8 Headings**

The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of the Agreement.

### **31.9 Incorporation of Exhibits**

All exhibits referred to in this Agreement and any addenda, appendices, attachments, exhibits, and schedules which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and shall be deemed to be part of this Agreement.

### **31.10 Integration**

This Agreement constitutes the entire agreement between the parties concerning its subject matter, and there are no other oral or written agreements between the parties not incorporated in this Agreement.

### **31.11 Modification of Agreement**

This Agreement shall not be modified, unless the parties first agree to and approve of such modification in writing.

### **31.12 Provision**

Any agreement, covenant, condition, clause, qualification, restriction, reservation, term, or other stipulation in the Agreement shall define or otherwise control, establish, or limit the performance required or permitted by either party to this Agreement. All provisions, whether covenants or conditions, which are applicable to Contractor, shall be deemed to be both covenants and conditions.

### **31.13 Responsibility of Contractor**

Except as otherwise provided in this Agreement, Contractor assumes the risk of and shall be responsible for any loss or damage to any materials, documents or other property delivered to it by City. Contractor shall return such property to City in the condition in which it was received, except for reasonable wear and tear, upon the expiration or earlier termination of this Agreement.

**31.14 Severability**

If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the remaining provisions of this Agreement shall remain in effect.

**31.15 Status of Contractor**

In exercising its rights and obligations under this Agreement, Contractor acts as an independent contractor and not as an agent or employee of City, except as otherwise provided in this Agreement. Neither Contractor nor its agents, contractors, employees, and representatives are entitled to any rights, and benefits accorded or accruing to employees of City, and Contractor on behalf of itself and its agents, contractors, directors, employees, and representatives expressly waive any and all claims to such rights and benefits.

**31.16 Successors and Assigns**

The provisions of this Agreement shall, subject to the Assignment provisions, apply to and bind the successors and assigns of the parties hereto.

**31.17 Time of Essence**

Time is of essence of this Agreement and each of its provisions.

**31.18 Venue**

In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the City of San José, County of Santa Clara or in the United States District Court in the Northern District of California in the City of San José.

**EXECUTED BY THE PARTIES** on the date first stated above.

APPROVED AS TO FORM:

City of San José  
a municipal corporation

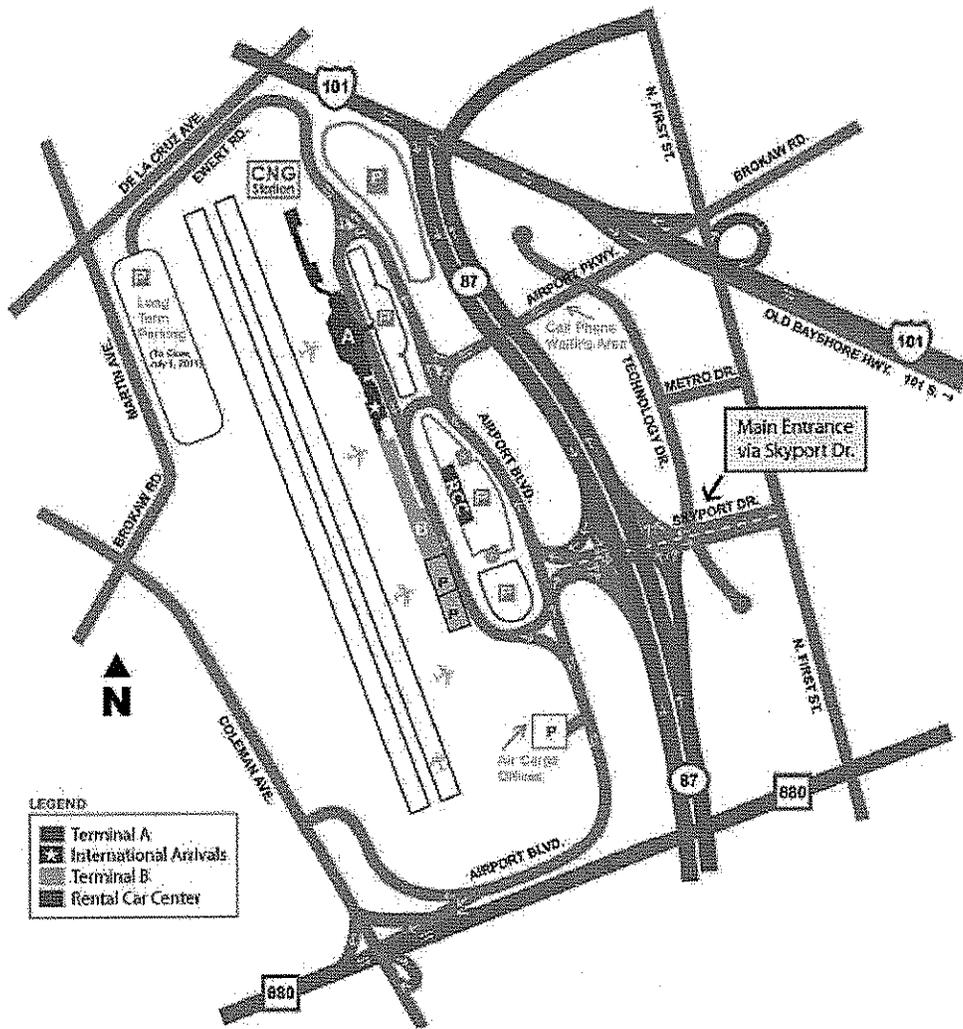
\_\_\_\_\_

Sr. Deputy City Attorney

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

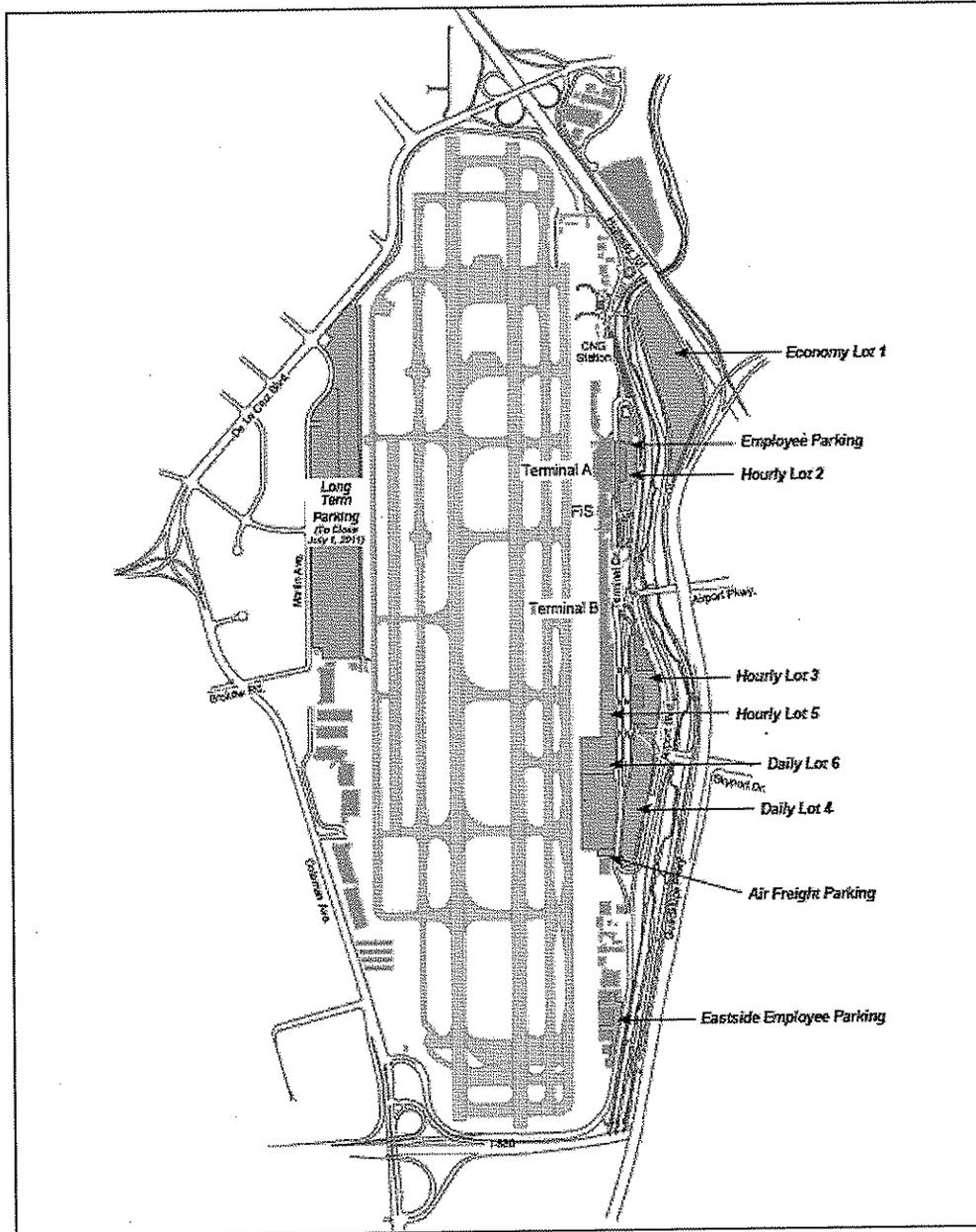
Contractor, Ampco System Parking, Inc.  
a California Corporation

By \_\_\_\_\_  
Name: Scott Hutchison  
Title: Vice President

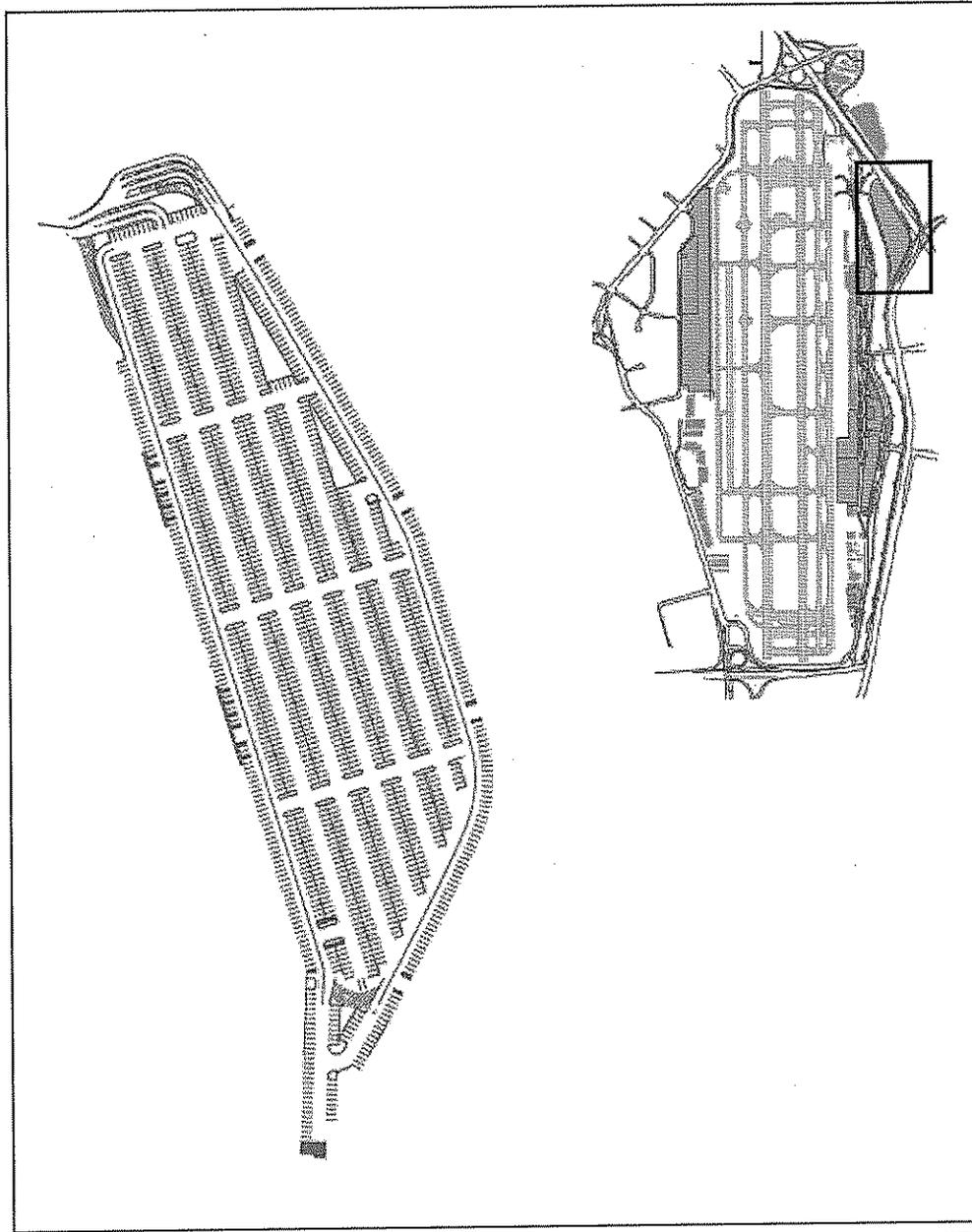


**LEGEND**

	Terminal A
	International Arrivals
	Terminal B
	Rental Car Center



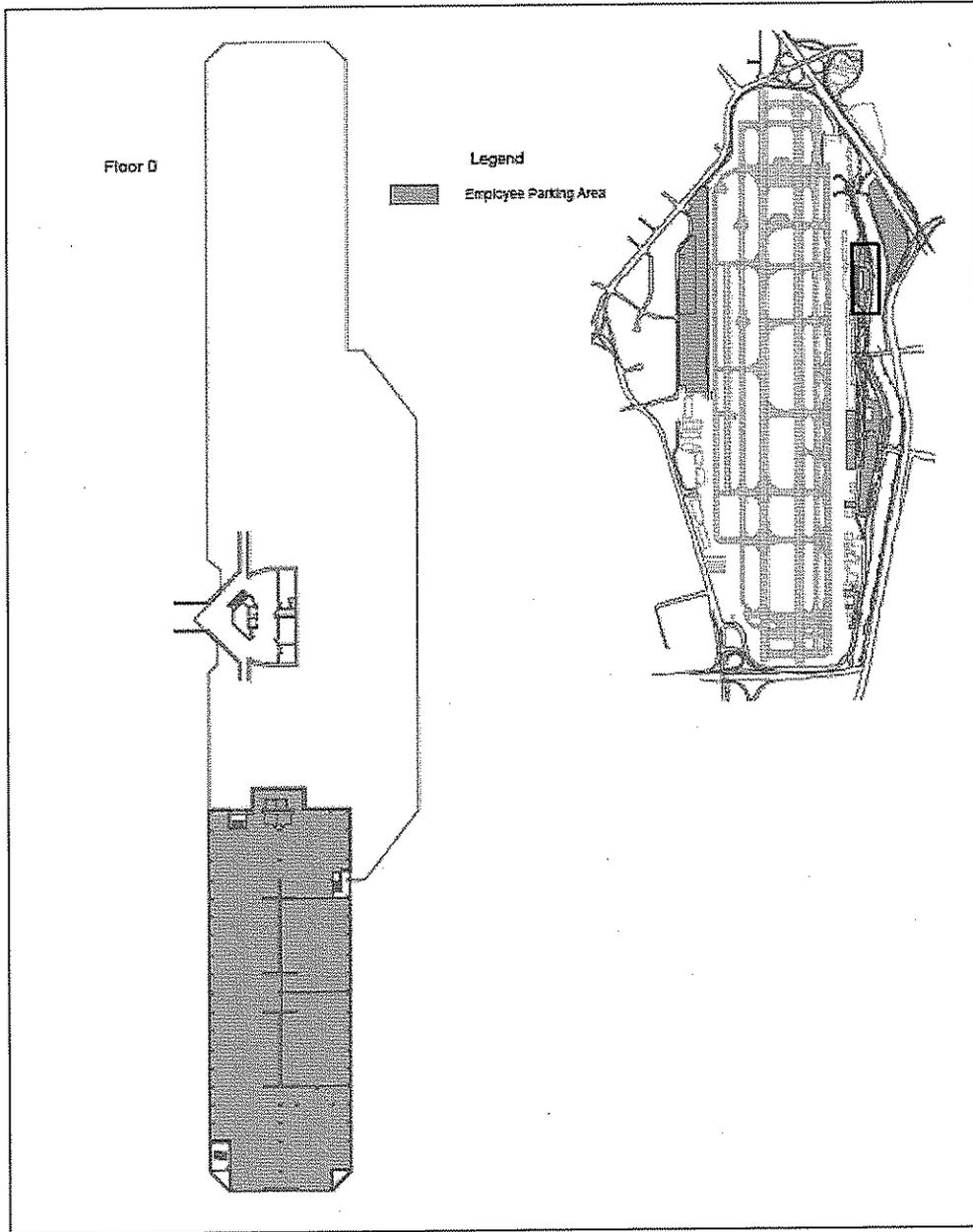
 Date: 3/10/2011	<b>Parking Lot Locations</b>	NORRIS V. SHRETA <b>SAN JOSE</b> INTERNATIONAL AIRPORT 
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 Date: 3/10/2011

Economy Lot 1 Parking

ROSEMARY G. GINETA  
**SAN JOSE**  
 INTERNATIONAL  
 AIRPORT
 

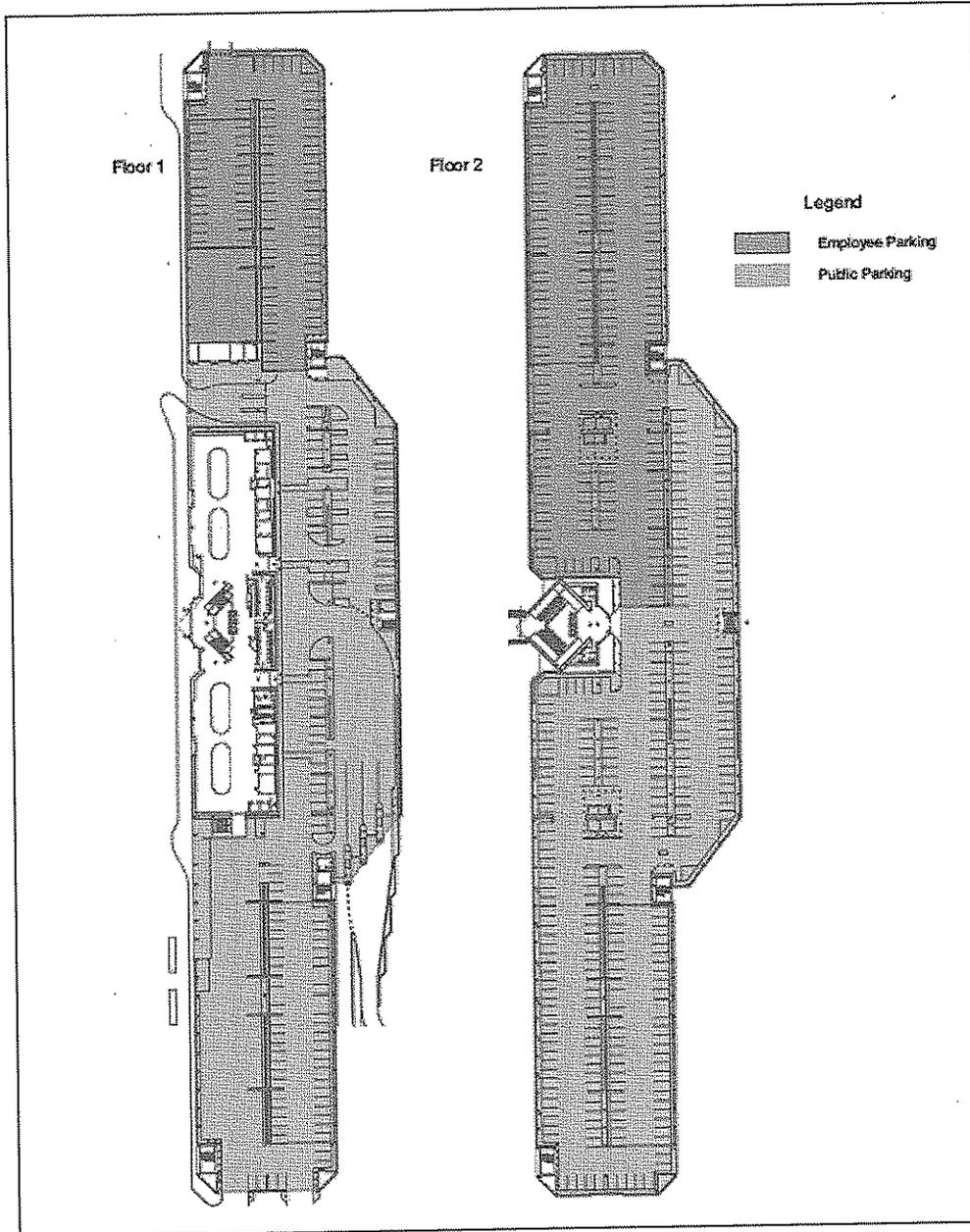


  
 Date: 3/18/2011

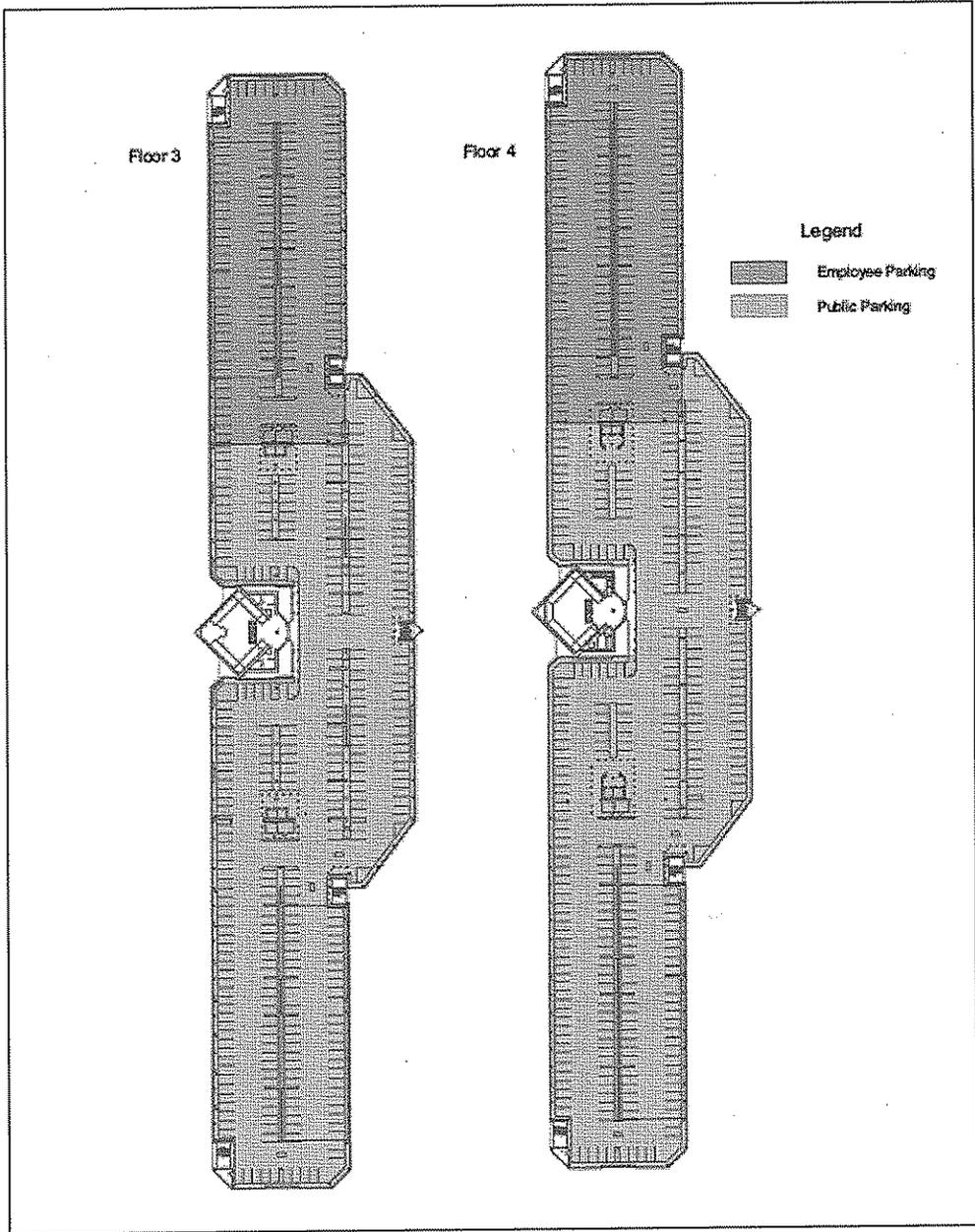
Terminal A Garage  
 Floor 0  
 (Employee & Hourly Lot 2)

NORMAN Y. MINETA  
**SAN JOSE**  
 INTERNATIONAL  
 AIRPORT

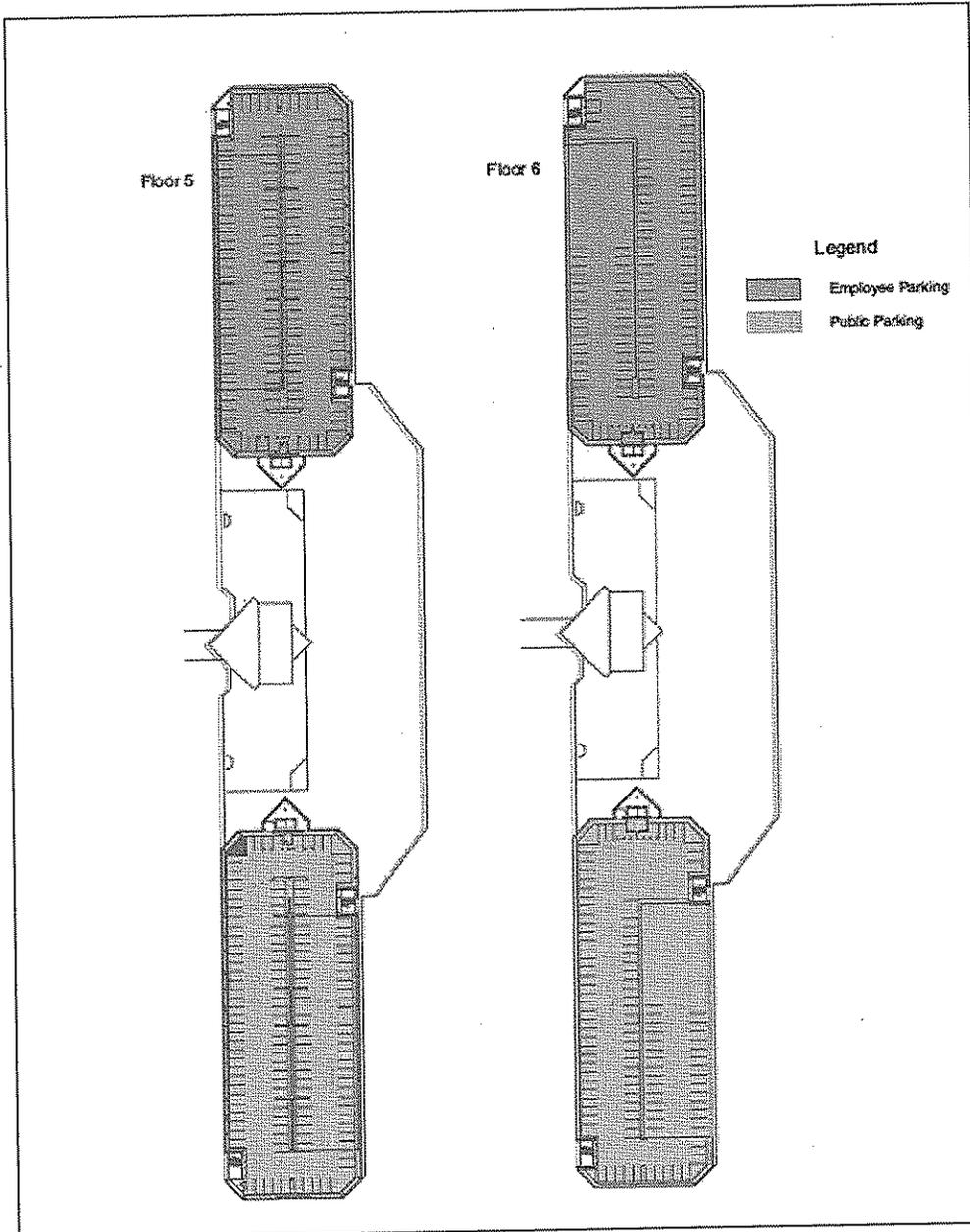


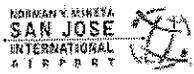


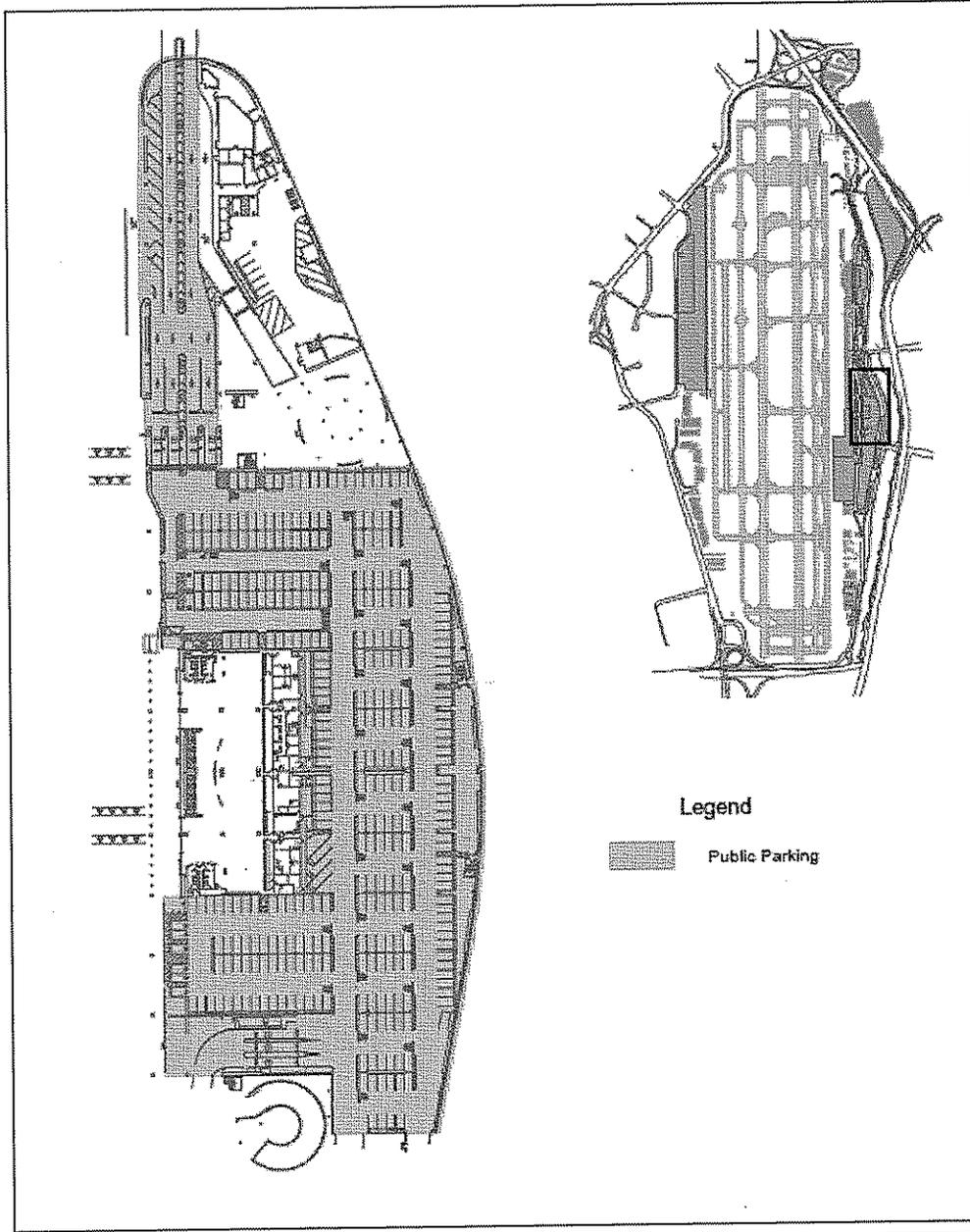
 Date: 2/10/2011	<b>Terminal A Garage</b> Floors 1 & 2 (Employee & Hourly Lot 2)	ROBERT K. NIKEA <b>SAN JOSE</b> INTERNATIONAL AIRPORT 
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 Date: 3/10/2011	<b>Terminal A Garage</b> Floors 3 & 4 (Employee & Hourly Lot 2)	NORMAN V. MINETA <b>SAN JOSE</b> INTERNATIONAL AIRPORT 
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 <p>DATE Date: 3/10/2011</p>	<p>Terminal A Garage Floors 5 &amp; 6 (Employee &amp; Hourly Lot 2)</p>	
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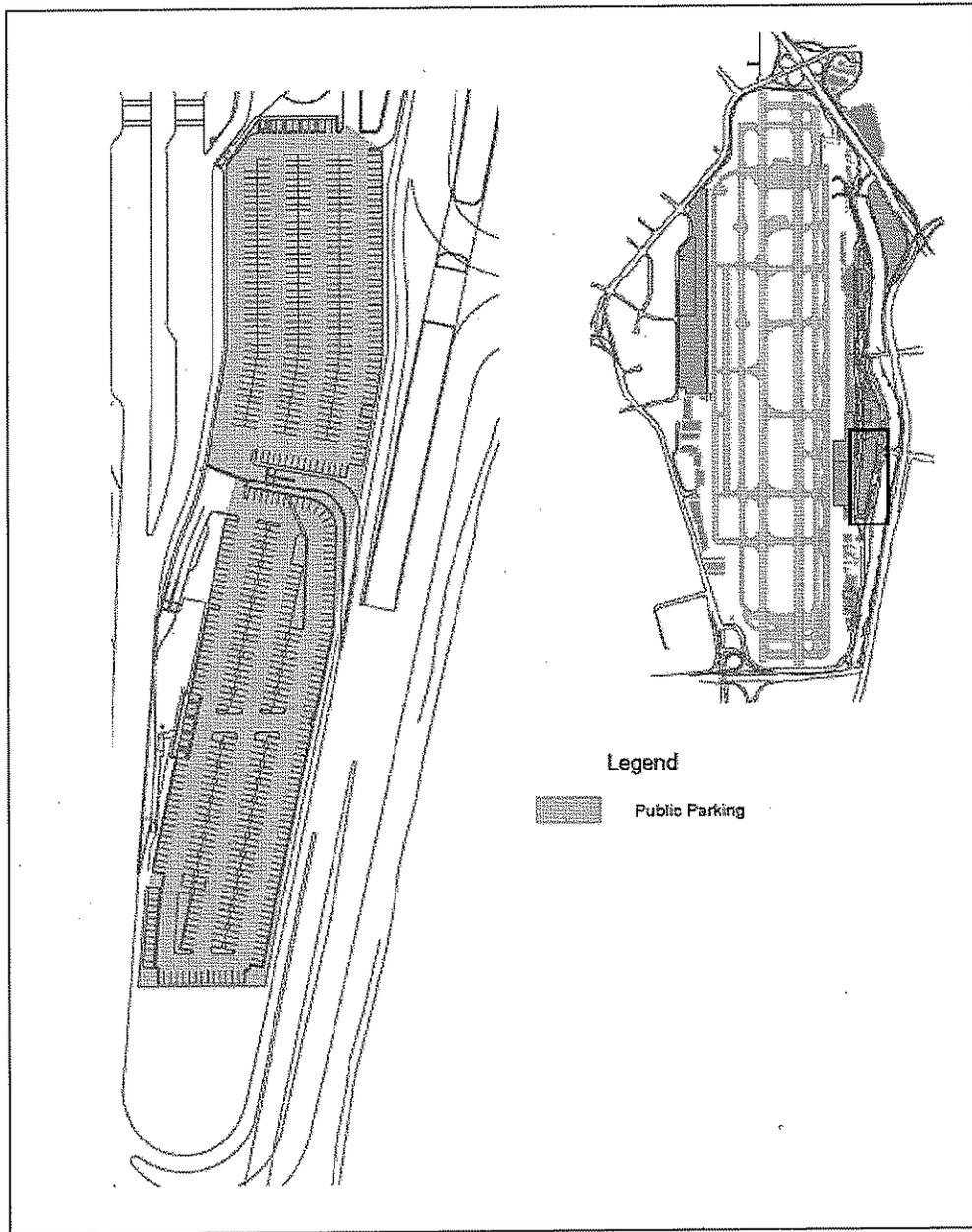


  
 Date: 3/10/2011

Hourly Lot 3

NORMAN V. MIKETA  
**SAN JOSE**  
 INTERNATIONAL  
 AIRPORT



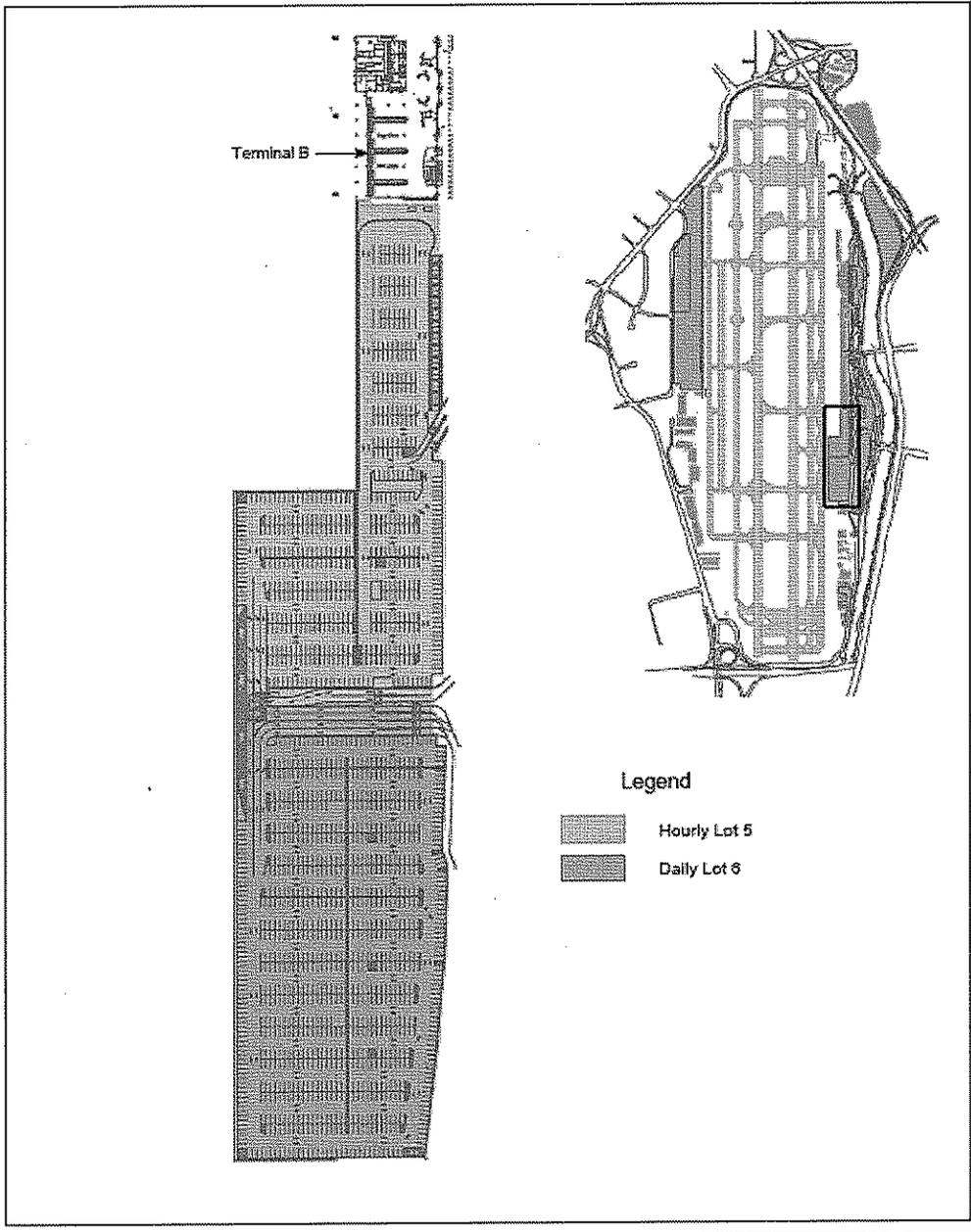


  
 Date: 3/15/2011

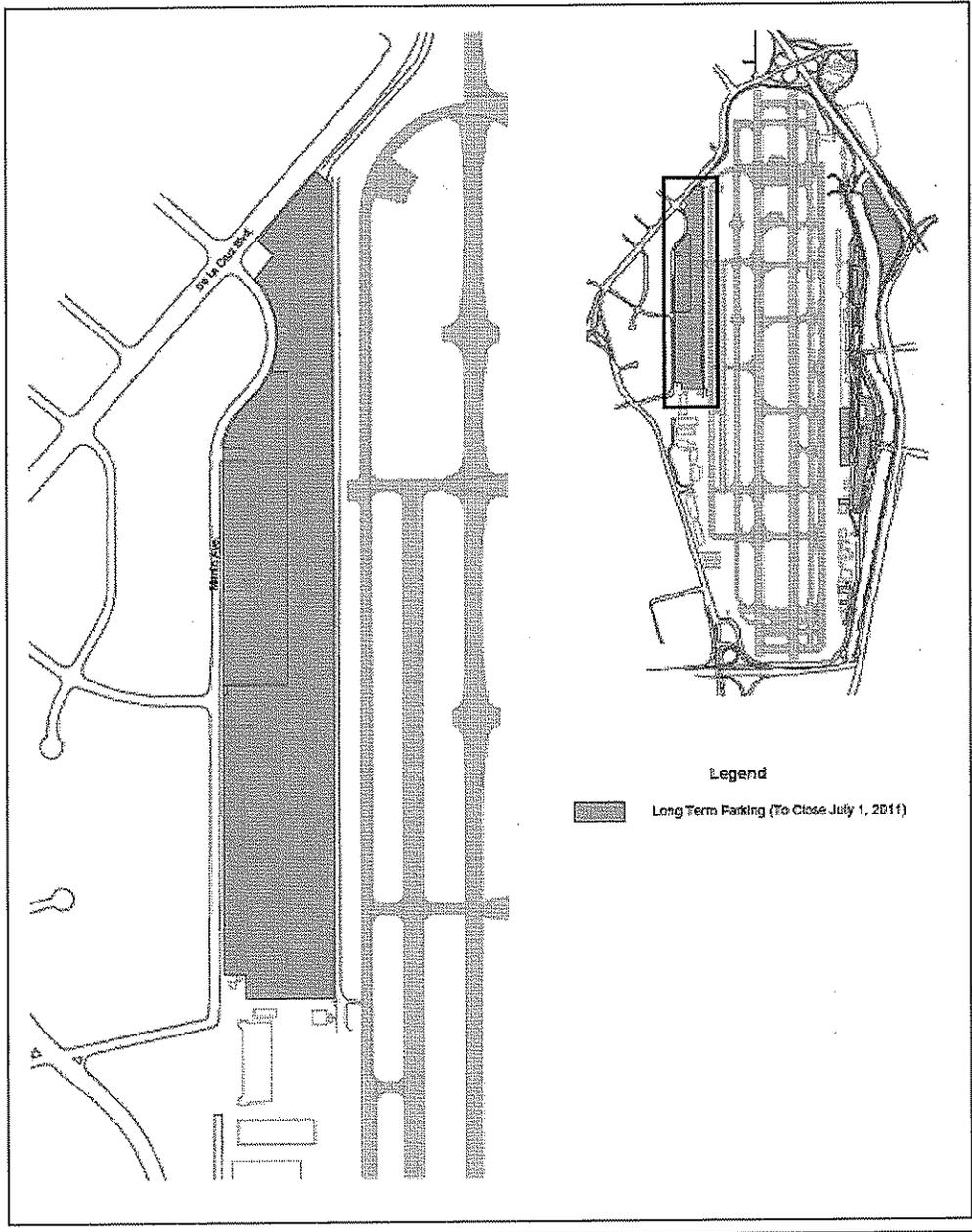
Daily Lot 4

NORMAN Y. MINETA  
**SAN JOSE**  
 INTERNATIONAL  
 AIRPORT



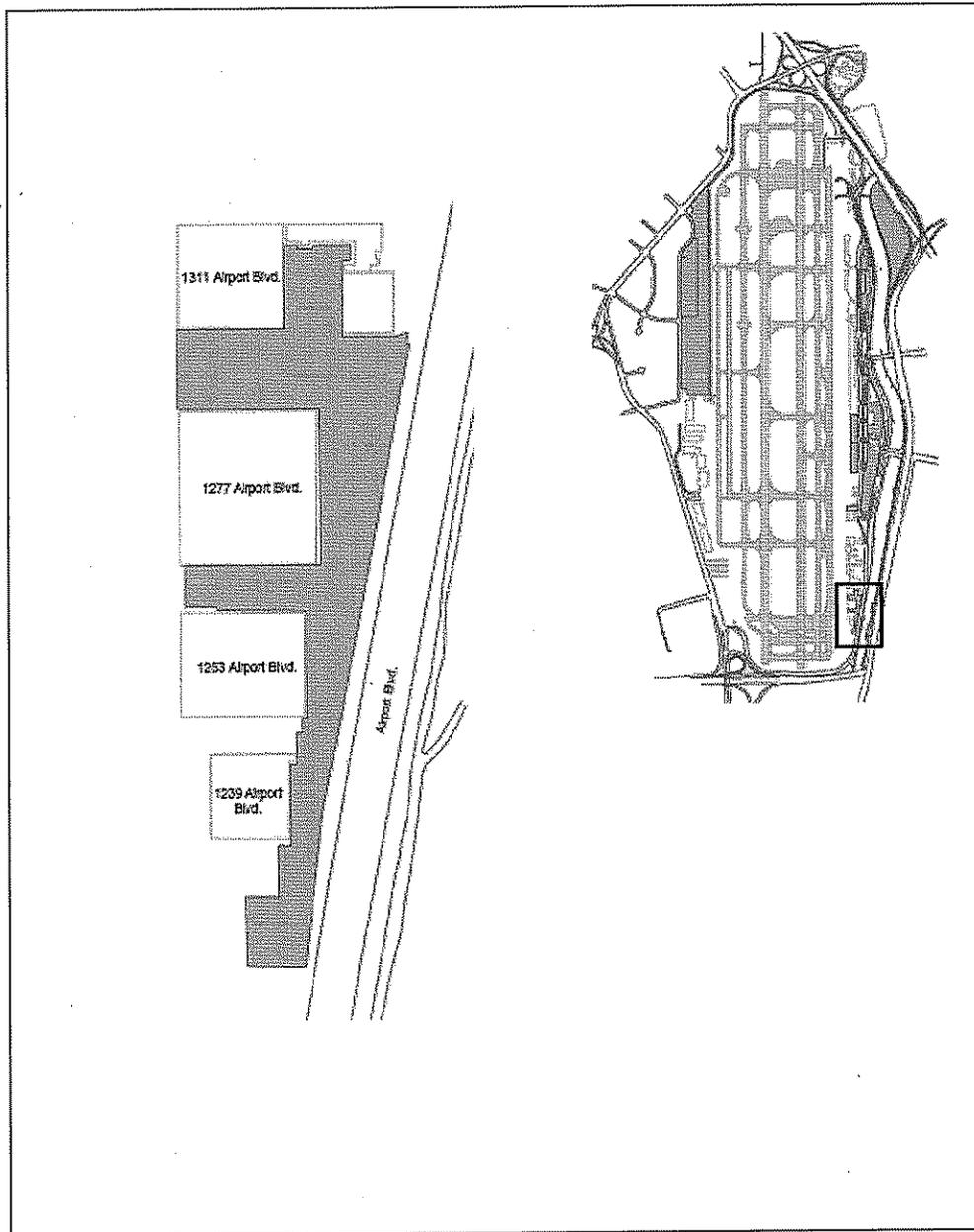


 <p>Date: 3/18/2011</p>	<p>Hourly Lot 5 &amp; Daily Lot 6 Parking</p>	<p>NORRIN Y. MIRETA  <b>SAN JOSE</b>      INTERNATIONAL      AIRPORT</p> 
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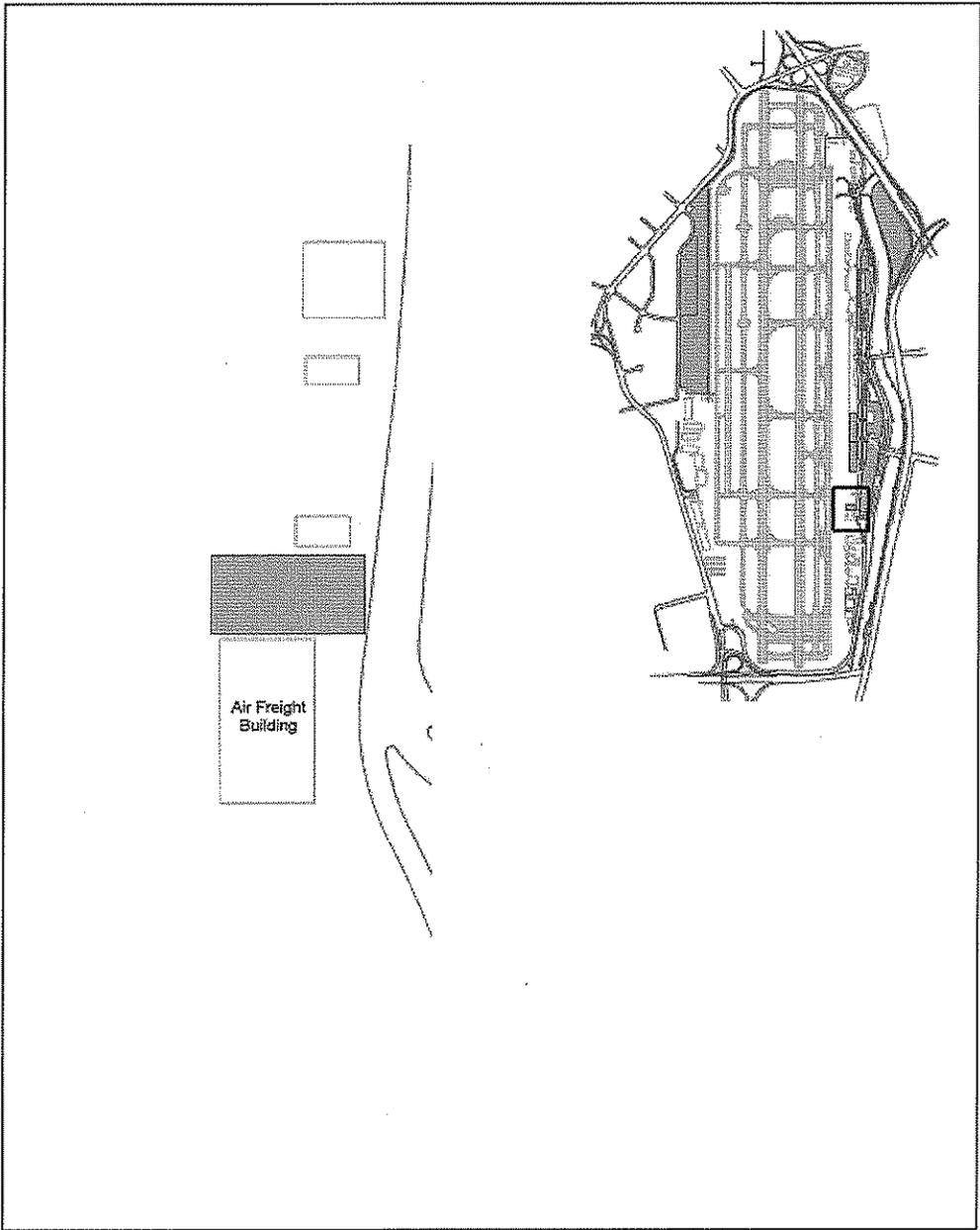
Long Term Parking





Eastside Employee Parking





Air Freight Building



Date: 3/10/2011

Air Freight Parking





**EXHIBIT D**  
**SCOPE OF SERVICES**

Contractor shall perform the following services:

**1 GENERAL INFORMATION**

- 1.1 Services shall consist of providing all management personnel, supervision, labor, material, vehicles and equipment required for the complete performance of Airport Parking Operations and Management Services and Airport Intra-lot Parking Shuttle Services.

**2 DEFINITIONS**

- 2.1 Unless otherwise expressly stated, the following terms shall have the meaning indicated for the purpose of this RFP.

AIRPORT	Norman Y. Mineta San Jose International Airport. Owned and operated by the City of San Jose.
AIRPORT OPERATIONS	A Division of the Airport, responsible for supervising and administering the Airport's parking program and this Agreement
BUSINESS DAY	Any day of business other than Federal and City holidays, Saturdays, and Sundays.
CHANGEABLE MESSAGE SIGNS (CMS)	City-owned equipment installed on and around the Airport to direct the traveling public to Parking Facilities as well as displaying capacity status and other information deemed necessary by the Airport.
CITY	City of San Jose, a municipal corporation in the County of Santa Clara, State of California, and any successor thereto. City shall also mean the person, division, department, bureau, or agency as may from time to time be expressly designated by the City Council to exercise functional authority and control over given areas of responsibility with respect to rights and obligations of City. .
CONTRACTOR	Ampco System Parking, the Successful Proposer selected from this RFP process to manage and operate the Airport's Parking Facilities.

CUSTOMER	Users of the Airport's Parking Facilities, including the traveling public, Monthly Parkers, and Airport and Tenant employees.
DIRECTOR	The Director of Aviation or such person as the Director may designate.
GROSS DAILY COLLECTIONS	All revenues collected daily by the Contractor for the payment of all parking fees and charges.
MONTHLY PARKING	Where a Customer's right to park in a Parking Facility is made on a monthly basis, including long-term parking and other contractual parking obligations.
OPERATING AGREEMENT	The Agreement between the City and Contractor to manage and operate the Airport's Parking Facilities.
OPERATING PROCEDURES	The written procedures developed by the Contractor relating to the overall operation and management of the Parking Facilities.
PARKING FACILITIES	Parking garages and surface parking lots on Airport property. Please refer to Exhibit D-1 for additional information.
PARKING RATE RESOLUTION	A Resolution adopted by the San Jose City Council to establish Airport's Parking Facility Rates and Programs.
PARKING ACCESS AND REVENUE CONTROL SYSTEM (PARCS)	All City-owned equipment used to monitor, restrict, track, document and otherwise control all vehicles' ingress and egress to all Parking Facilities and to accept, process, monitor, track and document Gross Daily Collections. The existing PARCS is provided by Affiliated Computer Services, Inc. (ACS).
RFP	The Request for Proposals issued by the City to solicit parking management services for the Airport's Parking Facilities.
SUBCONTRACTOR	Any person, entity, or organization with which the Contractor proposes to contract to fulfill any of Contractor's duties under this Agreement.

### **3 SCOPE OF SERVICES**

#### **3.1 SUMMARY OF SCOPE – PARKING OPERATIONS & MANAGEMENT**

**3.1.1** During the term of this Operating Agreement, Contractor shall provide the highest level of professional management services of all Parking Facilities/Lots at the Airport on a twenty four (24) hours a day, seven (7) days a week basis. The overall management services shall include, without limitation: (a) managing all revenue generating parking operations, including public parking, employee parking and potential new parking operations that may arise; (b) providing professional, courteous and attentive customer service in all phases of parking transactions; and (c) rendering other related services as may be requested by the Director, including items mentioned in Section 12.2 below. The scope of services is intended to describe the management services expected by the City that are generally applicable. However, the services required for particular Parking Facilities may vary due to the diversity of Parking Facilities, their locations, operating characteristics, and primary Customers.

#### **3.2 PARKING FACILITIES MANAGEMENT**

**3.2.1** Except as otherwise provided, Contractor shall follow its management plan set forth in Exhibit D – 4 and attached hereto.

**3.2.2** Contractor shall manage, operate, and maintain all Parking Facilities twenty-four (24) hours per day, seven (7) days per week, every day of the year, including all legal holidays, in compliance with all federal, state and local laws and regulations.

**3.2.3** Contractor shall use its best efforts to provide parking management services in a manner so as to maximize revenues and minimize costs, while providing the highest level of professional and courteous customer service.

**3.2.4** Contractor shall provide qualified staffing to: collect parking fees and charges; process and issue parking permits; provide customer service and direction; and prepare detailed financial transaction and operational reports as approved by the Airport. In addition Contractor shall provide intra-lot tram or shuttle service for public usage.

**3.2.5** Contractor shall hire, supervise, and train all parking operations personnel in accordance with applicable laws and regulations, as well as Contractor's own training curriculum related to parking operations and customer service.

**3.2.6** Contractor shall perform periodic facility inspections to ensure a clean, safe condition commensurate with the standards of maintenance, repair and operation to ensure adherence to established standards specified in Exhibit D-3 Deficiencies must be reported to Airport Operations as soon as applicable.

- 3.2.7** Contractor shall be responsible for all Parking Facility closures for routine maintenance, scheduled cleaning, and minor repairs, including the use of reflective cones, signs, barricades, and other supplies required to implement such closures. Contractor shall maintain complete control of Parking Facilities when full and/or closed for maintenance and shall be responsible for routing parking customers to other open and accessible Parking Facilities.
- 3.2.8** Contractor shall monitor all functions of the Parking Access and Revenue Control System (PARCS), including, but not limited to, entry and exit equipment, parking pay stations, audit and supervisor workstations, and all license plate recognition (LPR), license plate inventory (LPI) and automated vehicle identification (AVI) equipment to ensure any equipment observed out of service or requiring maintenance is reported immediately to both the Airport and the PARCS provider.
- 3.2.9** Director is authorized to establish reasonable rules, policies and regulations concerning the operation and use of the Parking Facilities at no additional cost to the City.

### **3.3 PARKING FACILITIES MONITORING**

- 3.3.1** Contractor shall regularly tour all Parking Facilities during all hours of operation to help prevent, deter or minimize vandalism, damage to, or loss or theft of, vehicles and the contents thereof parked in the Parking Facilities, and vandalism or damage to the Parking Facilities.
- 3.3.2** Contractor shall promptly report any suspicious or illegal activity or the presence of unauthorized persons to the San Jose Police Department by calling 9-1-1, and the Airport Operations Center (AOC) by calling 408-277-5100.
- 3.3.3** Contractor shall immediately notify the Airport Operations via telephone and by written report of every reported or known incident involving accidental injury or criminal activity, and shall keep a record of such incidents.
- 3.3.4** Contractor shall protect the Customers and employees from any observed hazardous conditions by placing sufficient number of orange cones and/or barriers to clearly mark the area and report such conditions immediately to Airport Operations for repairs. The items noted shall also be included in the Daily Operational Report for record keeping.
- 3.3.5** Contractor shall diligently monitor entry to and occupancy counts in all Parking Facilities and promptly notify Airport Operations when capacity reaches threshold specified by the Director.
- 3.3.6** Contractor shall monitor the intercom system that is integrated in PARCS located in the Parking Facilities and shall respond to the facilities for calls for assistance received from Customers in five (5) minutes or less. Any known malfunctions in the system shall be reported to Airport Operations as soon as practical.

### **3.4 ADDITION AND DELETION OF PARKING FACILITIES**

**3.4.1** City may, during the term of the this Agreement, request Contractor to add or delete Parking Facilities to those listed in Exhibit A, and any additional parking facility shall be managed in the same manner described herein. In the event that the City desires to add a new parking facility, it shall send a written notice of intent to the Contractor, and both parties shall immediately begin negotiating adjustments to the approved compensation based on the number of additional staff deemed necessary to manage the additional facility. Criteria for adjustment shall include, but not be limited to, the type and/or size of the parking facility, activity, required staffing and/or maintenance. In the event that the parties do not reach any agreement regarding the adjustments to the compensation or the Contractor elects not to manage the additional parking facility, City shall have the right to enter into a separate agreement with another Contractor to manage the added parking facility.

**3.4.2** City shall have the right, during the term of this Agreement to delete any Parking Facilities from the inventory. In the event that the City deletes a parking facility, a written notice of such deletion will be sent to Contractor and adjustments to the approved compensation will be calculated based on existing compensation rates and staff and service reductions.

### **3.5 ADDITION AND DELETION OF SERVICE LEVELS**

**3.5.1** City shall have the right during the term of this Agreement to increase or reduce services levels which may result in an increase or decrease of staffing levels. In the event that the City adds or deletes services, a written notice of such changes will be sent to the Contractor and adjustments to the approved compensation will be calculated based on existing compensation rates and service reduction or additions. Additions, deletions or changes to services will be documented in the form of a restatement of or revised Exhibit B and, if applicable, Exhibit E and Exhibit G, signed by the City and an authorized representative of Contractor.

### **3.6 AIRPORT ROADWAY CHANGEABLE MESSAGE SIGNS**

**3.6.1** Contractor shall manage specified City-owned Changeable Message Signs (CMS) installed around the Airport. The CMS is utilized to direct traveling public to Parking Facilities as well as displaying capacity status and other information deemed necessary by Airport Operations.

**3.6.2** Airport Operations shall approve on all CMS messages prior to message activation.

**3.6.3** Contractor shall monitor the status of all CMS and report outages and malfunctions to Airport Operations upon discovery of outages and malfunctions.

### **3.7 EQUIPMENT AND FURNISHINGS**

**3.7.1** Contractor shall, at its own cost, provide such furnishings and equipment as required for the performance of its management and administration services in the operation of the Parking Facilities, including but not limited to maintenance and cleaning equipment, cleaning supplies, tools, office and accounting equipment, closed circuit television system, office furnishings and all vehicles.

**3.7.2** City will provide all other equipment necessary to operate the Parking Facilities including but not limited to all PARCS equipment. The Airport has a maintenance contract for all PARCS equipment with Affiliated Computer Services, Inc. (ACS), which will perform all regular maintenance and major maintenance repairs upon proper reporting and notification of the issue to ACS. Minor maintenance, including ticket replacement, rebooting and un-jamming of PARCS equipment, as well as initial minor trouble shooting, will be required to be performed by Contractor.

## **4 OPERATING PROCEDURES**

### **4.1 GENERAL REQUIREMENT**

**4.1.1** Contractor shall be responsible for developing written procedures for the management, operation and maintenance of the Parking Operations and Facilities. All such guidelines, procedures and directions shall be consistent with the terms and conditions of this Agreement.

**4.1.2** Within thirty (30) days after award of this Agreement, a copy of the written procedures for management, operations and maintenance, cash handling and auditing procedures for each type of PARCS equipment and parking facility shall be submitted by Contractor to the Director for review and approval. The approved operating procedures shall become part of this Agreement. Thereafter, Contractor shall make revisions on an as needed basis, but at least on an annual basis, and submit such revisions in writing to the Director for approval. The approved revisions shall become part of this Agreement.

### **4.2 REMOVAL OF VEHICLES**

**4.2.1** Contractor shall not relocate or remove any vehicles in the Parking Facilities under any circumstances unless approved by the Director. All vehicle relocation and removal must be approved by the Director and coordinated with Airport Operations through its approved towing service Contractor.

### **4.3 VEHICLE LICENSE PLATE INVENTORY**

**4.3.1** Contractor shall conduct a precise physical count of vehicle license plate inventory in each of the public Parking Facilities a minimum of once per week using License Plate Recognition Technology. The inventory shall be done between 0001 – 0400 hrs when vehicular movement is at a minimum.

**4.3.2** Used as a back-up to License Plate Recognition Technology, Contractor will need to use License Plate Inventory (LPI) technology. The LPI data is to be collected manually and entered into hand-held data entry computer units and then downloaded into the PARCS database at minimum once per week.

## **5 CONTRACTOR STAFFING**

### **5.1 GENERAL REQUIREMENT**

**5.1.1** Contractor shall provide sufficient number of qualified staff to perform the parking management services set forth herein. The Contractor shall be solely responsible for selecting, hiring, employing, paying, supervising, training and discharging its personnel pursuant to the terms and conditions presented in this section of the Agreement.

**5.1.2** Contractor shall select and hire only persons who are well-qualified to perform the job duties for which they are being hired. The individuals shall be neat, well-groomed, and courteous, and act in the utmost professional manner when interacting with Airport customers, tenants, visitors and the general public. Contractor's employees who will or may interact with the aforementioned persons in the performance of their duties must be able to communicate fluently in the English language.

**5.1.3** Contractor shall ensure that at least one (1) employee having decision-making authority with regard to the operation, management and maintenance of the Parking Facilities be available onsite at all times.

### **5.2 PROPOSED STAFFING PLAN**

**5.2.1** Contractor shall develop and propose a written staffing plan outlining the base number of employees, including supervisors, which Contractor shall use to operate the Parking Facilities during various hours of the day. The proposed staffing plan shall be based upon generally anticipated normal operations at the Parking Facilities, as well as staffing needs for peak holiday travel seasons.

**5.2.2** Contractor shall provide the level of staffing at each of the Parking Facilities set forth in a written monthly and an annual staffing plan, which may be amended from time to time subject to approval by the Director. The monthly plan shall be reviewed with the Airport by the 15th of each month prior to the month it covers to ensure all peak or slow periods and holidays are properly accounted for.

**5.2.3** Contractor shall have the capacity of adding staff as needed within 24 hours of receiving written notification by the City to do so. Contractor shall also be capable of implementing a new schedule within 10 days of written notice from the City.

**5.2.4** The staffing plan shall include the classifications of employee positions and the duties of each position. Classifications may include, but are not limited to:

**5.2.4.1** GENERAL MANAGER: Responsible for the day-to-day management, supervision and operation of all Parking Facilities. During the hours that the General Manager is managing, supervising and operating the Parking Facilities of the Airport, he/she shall not simultaneously be responsible for managing, supervising or operating any other parking operations.

5.2.4.1.1 General Manager shall be a highly qualified and experienced manager of motor vehicle parking facilities, charged with the responsibility and authority by Contractor in respect to the method, manner, and conduct of the operation.

5.2.4.1.2 General Manager shall be knowledgeable with similar types of revenue control systems as used by the Airport, and shall have expertise in the operation, management and maintenance of parking facilities in a market similar to the market in which the Parking Facilities are located.

5.2.4.1.3 The General Manager proposed by the Contractor shall be subject to the approval of the Director.

**5.2.4.2** Supervisory Staff provided by Contractor shall assist the General Manager in all aspects of daily operational activities, and shall have the ability to resolve issues that may result in interruptions to parking services. A supervisor shall have the capability to make certain operational decisions in the absence of the General Manager.

**5.2.4.3** Contractor's administrative staff shall perform variety of administrative tasks in support of Airport parking operations, including staff scheduling, auditing of transactions and cash deposits, vehicle inventory accounting, and preparing financial reports.

**5.2.4.4** Contractor's customer service staff shall perform under this Agreement a variety of customer service tasks such as processing parking fees and charges, directing traffic during peak periods, operating intra-lot shuttle service in specified Parking Facilities, and providing customer assistance in the Parking Facilities.

**5.2.4.5** Contractor's maintenance/janitor/custodial staff shall perform duties of routine maintenance and minor repair of all Parking Facilities under this Agreement.

### **5.3 TRAINING**

**5.3.1** Contractor shall provide adequate personnel training in accordance with all applicable Federal, State and City Requirements and Specifications, as well as the Contractor's own curriculum and standards pertinent to parking operations.

**5.3.2** Contractor shall be solely responsible for all costs incurred as a result of the employees' initial and recurrent training.

**5.3.3** Contractor shall maintain records of training in its employees' files. The training records shall be available for review by Airport staff upon the request of the Director.

## **5.4 UNIFORMS**

**5.4.1** Contractor shall establish and enforce dress code policies as approved by the Director. Uniforms are required to be clean, pressed and professional in appearance.

**5.4.2** Contractor employees staffing the Parking Facilities shall wear a conspicuous I.D. badge and distinct uniform, pre-approved by the Director, identifying such persons as parking service employees of the Contractor. The Director shall not unreasonably withhold approval of any uniform and identification badge proposed by the Contractor.

**5.4.3** Contractor shall be solely responsible for all employee uniform costs as well as associated maintenance costs, notwithstanding any other provision set forth in this Agreement.

## **5.5 PROFESSIONAL BEHAVIOR**

**5.5.1** Contractor shall be responsible for the conduct, demeanor and appearance of its employees while on or about the Parking Facilities and while acting in the course and scope of employment.

**5.5.2** Contractor employees shall be neat and clean while on or about the Parking Facilities or while acting in the course and scope of employment.

**5.5.3** Contractor employees shall be properly trained in accordance to their job specifications and performance measures according to the Operating Procedures.

**5.5.4** Contractor employees shall act at all times in a courteous and professional manner when dealing with Customers, traveling public, and all other Airport employees.

**5.5.5** Contractor employees are to be attentive, alert and responsive to all Customer's issues, needs, comments or complaints. At no time, shall a Contractor employee make a Customer feel threatened, insecure, or ignored on and around the Parking Facilities. Issues should be escalated to a Supervisor whenever a cashier needs support and guidance.

**5.5.6** Contractor employees are prohibited from receiving and soliciting tips under any circumstances.

**5.5.7** City reserves the right to request the Contractor have an employee reassigned or removed at any time for improper activities including, but no limited to, embezzlement, poor customer service, or violating any of the Airport Rules and Regulations.

## **6 COLLECTION OF FEES AND CHARGES**

### **6.1 ESTABLISHMENT OF RATES AND CHARGES**

**6.1.1** The San Jose City Council is responsible for setting the parking rates and programs at the Airport. Contractor shall be responsible for charging and collecting from each Customer the appropriate parking fees based on the rates and programs established by City. The Director will notify the Contractor when new rates or programs have been established. It is the Contractor's responsibility to ensure that all rates and charges are correctly reflected in PARCS and updated signage is posted at all Parking Facilities. A current copy of the Rate resolution is included hereto in Exhibit A-2.

**6.1.2** Current parking rates provided are at time of the execution of this Agreement are as follows:

#### **6.1.2.1 ECONOMY LOT 1**

\$15 flat rate per 24 hour period or any portion thereof

#### **6.1.2.2 HOURLY LOT 2 (TERMINAL A PARKING GARAGE)**

\$2 per 30 minutes or any portion thereof up to \$30 max for the first 24 hours  
\$30 flat rate per 24 hour period thereafter or any portion thereof  
\$15 per 24 hour duration maximum for individuals displaying placards or license plates in accordance to the Americans with Disabilities Act (ADA)

#### **6.1.2.3 HOURLY LOT 3 (TERMINAL B PARKING LOT - RENTAL CAR CENTER)**

\$2 per 30 minutes or any portion thereof up to \$30 max for the first 24 hours  
\$30 flat rate per 24 hour period thereafter or any portion thereof  
\$15 per 24 hour duration maximum for individuals displaying placards or license plates in accordance to the Americans with Disabilities Act (ADA)

#### **6.1.2.4 DAILY LOT 4 (TERMINAL B PARKING SOUTH OF HOURLY LOT 3)**

\$22 flat rate per 24 hour period or any portion thereof

#### **6.1.2.5 HOURLY LOT 5 (TERMINAL B PARKING LOT SOUTH OF BAG CLAIM)**

\$2 per 30 minutes or any portion thereof up to \$30 max for the first 24 hours  
\$30 flat rate per 24 hour period thereafter or any portion thereof

\$15 per 24 hour duration maximum for individuals displaying placards or license plates in accordance to the Americans with Disabilities Act (ADA)

#### **6.1.2.6 DAILY LOT 6 (TERMINAL B PARKING LOT SOUTH OF HOURLY LOT 5)**

\$22 flat rate per 24 hour period or any portion thereof

#### **6.1.2.7 EMPLOYEE PARKING**

\$45 per month – Terminal A Garage Employee lot

\$75 per month – Airline Crew

\$100 per month – public terminal facilities

\$50 lost hang tag / proximity card set

\$20 initial hang tag and proximity card fee

### **6.2 CONTRACTOR RESPONSIBILITY**

**6.2.1** Contractor shall be solely responsible and liable for collections and management of all parking fees and charges. All fees and charges collected by the Contractor as part of any parking program become the sole property of the City when collected.

**6.2.2** Contractor shall assume all risks of loss of funds, including, but not limited to, loss by damage, destruction, disappearance, theft, fraud, counterfeit bills/coins, dishonesty, or loss of funds associated with use of any PARCS equipment including parking pay stations and automated exit equipment. Contractor's assumption of risk continues until all fees and charges collected by the Contractor on behalf of the City are deposited in the City's designated depository.

**6.2.3** Contractor shall be responsible for losses of revenue to the Airport in the event its employees charging Customers less than the amount due as determined by the difference between the amount of revenue recorded by PARCS and the actual amount collected and turned in by the employee at the end of each employee's shift. Contractor shall prepare and submit to the City on a monthly basis a listing of such undercharge transactions showing the date, time, exit booth and transaction involved.

**6.2.4** Contractor shall be responsible and liable to City for all losses resulting from Contractor's failure to collect the parking fees as a result of its employee undercharges, and/or errors in collection of funds, including, without limitation, all losses resulting from employee dishonesty, forgery, alteration, theft, disappearance, destruction, robbery and/or burglary. The entire amount of such uncollected parking fees shall be deducted from the compensation otherwise payable to Contractor. Any losses, undercharges and overcharges shall be reconciled and determined according to the difference between the amount of revenue recorded by PARCS and the amount of collections remitted by Contractor's employee at the end of each employee work shift. All overcharges accrue to the benefit of City and shall not be offset against any undercharges.

- 6.2.5** In the event that a Customer exits by unauthorized means without paying, Contractor shall make reasonable efforts to gather vehicle information and immediately notify San Jose Police Department and Airport Operations. Contractor shall also prepare a report of such incident and forward it to Airport Operations.
- 6.2.6** Contractor shall accept cash, credit cards, and personal or traveler checks as payment.
- 6.2.7** Contractor shall be fully and strictly liable to Airport for any loss(es) of revenue to Airport as a result of Contractor's acceptance of credit card(s) or check(s) in any manner which is inconsistent with any provision of applicable law or to the Operating Procedures approved by the Director. Airport may deduct the full amount of any such loss(es) of revenue upon notice to Contractor from Airport's monthly payment of compensation otherwise due to Contractor pursuant to this Agreement.
- 6.2.8** Contractor shall furnish an Aged Vehicles Report on a weekly basis of all vehicle parked in any Parking Facilities for longer than fifteen (15) days to Airport Operations.
- 6.2.9** Contractor shall maintain written procedures and internal controls, including user access controls, necessary to ensure proper management and control of all funds, reports and documentation required in the operation of the system and facilities.

### **6.3 PAYMENT BY CREDIT CARD**

- 6.3.1** Contractor is authorized to accept the use of MasterCard, American Express, Discover and Visa for the limited and sole purpose of payment of parking fees in lieu of cash. The City may, from time to time, add or delete credit cards acceptable for payment. Unless Contractor uses the City's Credit Card processing service provider, Contractor shall be reimbursed the usual, customary and reasonable standard rate service charge(s), if any, of the bank(s) processing such authorized credit card transactions from the parking fees received and reported by Contractor. Contractor shall provide written evidence acceptable to the Director, prior to the commencement date of the Agreement, which adequately verifies the amount of such charges.
- 6.3.2** Contractor shall only accept major credit cards for the amount which is due from the Customers for payment of parking fees at the Airport. Contractor shall ensure strict compliance with Payment Card Industry (PCI) Data Security Standards for each credit card transaction. Under no circumstances is Contractor permitted to return cash to any person in any transaction involving the tendering of a credit card.
- 6.3.3** City shall provide a centralized credit card system integrated with PARCS; however, the Contractor shall be required to supply, install, and maintain a

redundant credit card verification system for all staffed booths that provide authorization of charges within five (5) seconds.

- 6.3.4** Contractor shall obtain the most advantageous credit card transaction processing rates and bank charges based upon a comparison of competitive market rates and verifiable evidence of such rates, or through bid or other competitive process. Contractor's selection shall then be presented to the City for approval. Contractor shall perform this competitive process at least once per year to ensure the most advantageous rate for the City is maintained. All proposed clearinghouses must be certified to interface with the PARCS. The City also reserves the right to select its own credit card clearinghouse at any time following a 30-day notice to Contractor.
- 6.3.5** Contractor must maintain PCI compliance and Certification as the bankcard merchant for the Airport parking facilities. Contractor is responsible for all quarterly, annual or other required assessments, analysis or certification processes necessary to maintain PCI certification as the bankcard merchant. The City reserves the right to become the bankcard merchant for credit card transactions at the Airport parking facilities, following a 30-day notice to Contractor.
- 6.3.6** Contractor shall be responsible for the installation and subscription of firewall monitoring services of all data access points that are not on the Airport's Network Infrastructure.
- 6.3.7** In the event of Contractor's non-compliance with the PCI Data Security Standard's and/or in the event of a data breach Contractor must inform the City immediately and at Contractor's expense, take all curative measures necessary to remedy such noncompliance or data breach.

## **6.4 PAYMENT BY CHECK**

### **6.4.1 PERSONAL CHECKS**

- 6.4.1.1** Contractor shall accept personal checks in accordance with the provisions of California Government Code Section 6157, as amended, that is, the maker shall provide satisfactory proof of California residence and the drawer bank shall be located in California. No personal check issued by an out of state resident, or drawn on an out of state bank shall be accepted. A personal check shall be accepted only if the name and street address of the maker is imprinted on the personal check. The maker's telephone number must be written on the check if it is not imprinted thereon. A valid California driver's license or identification card shall constitute satisfactory proof of residence in California. Contractor shall secure the motor vehicle license plate number and state of issuance or the vehicle identification number of the motor vehicle being operated by the maker, and enter such information on the personal check, if the addresses of the maker printed on the personal check and the driver's license or identification card are not identical. Personal checks shall

be made payable to the "City of San Jose" only for the amount of the appropriate parking fee. Under no circumstances is Contractor permitted to return cash to any person in any transaction involving the tendering of a personal check.

#### **6.4.2 TRAVELER'S CHECKS**

**6.4.2.1** Contractor shall accept traveler's checks issued by a financial institution organized under the laws of any state or territory of the United States or a foreign financial institution which is authorized under federal law to maintain a federal agency or federal branch in the state of California or a licensee duly licensed by the Superintendent of Banks of the State of California. The term "traveler's check" shall bear the meaning set forth in California Finance Code Section 1852 (i) and (j). Contractor shall verify the similarity of the signature endorsements on the traveler's checks at all times. Traveler's checks shall be made payable to the "City of San Jose". The traveler's check shall be accepted in a manner similar to cash and shall provide change as appropriate.

**6.4.2.2** Contractor shall provide, at its own expense, a check verification service such as TeleCheck, WelcomeCheck, or Certegy. The service provider is subject to the City's approval.

#### **6.5 GROSS DAILY COLLECTIONS**

**6.5.1** Parking fees charged and collected by the Contractor shall be reported and deposited by the Contractor daily.

**6.5.2** Gross Daily Collections shall be transported by armored courier at its own expense to the City for deposit to the City's designated depository within 24 hours of receipt or no later than the end of the next Business Day.

**6.5.3** Contractor shall immediately document and report any malfunctioning of PARCS to the designated maintenance vendor and subsequently notify Airport Operations of the situation.

**6.5.3.1** In the event that PARCS fails to function properly, Contractor shall manually process the collection and accounting of all parking tickets in accordance with acceptable accounting procedures.

#### **6.6 INSUFFICIENT FUND TRANSACTIONS**

**6.6.1** In the event that a Customer is unable to pay the parking fees due, Contractor shall use every means available to collect all or portion of such fees before contacting Airport Operations for assistance.

**6.6.2** Contractor shall be responsible for collecting all relevant information of Customers with insufficient funds, including driver's license information, address, phone number, vehicle make and model, and license plate

information. Customer information collected shall be promptly forwarded to Airport Operations following each Insufficient Funds Transaction.

## **7 PARKING PERMITS AND BILLING DOCUMENTS**

### **7.1 GENERAL REQUIREMENT**

7.1.1 Contractor shall be responsible and liable for issuing parking permits, parking access media and preparing documentation for billing of all associated parking programs.

### **7.2 PUBLIC PARKING**

7.2.1 At the beginning of each month and prior to issuing a parking access card or granting the Customer access to the Parking Facilities, Contractor shall charge and collect the appropriate parking fees from Public Parking Customers using an auto-charging process for approved credit card related parking programs.

### **7.3 EMPLOYEE PARKING**

7.3.1 Contractor shall be responsible for processing all documents for employee parking permit issuance and cancellation requests and for entering parking permit data into the PARCS database. Airport Operations shall issue employee parking permit media to the Contractor for distribution. All employee permit documentation and returned employee parking permit media shall be turned in to Airport Operations on either a daily or weekly basis. Monthly employee parking permit activity, billing summary and detail reports in soft and hard copy in a format approved by the Airport are to be submitted to the City by the 5th day of each month.

## **8 FINANCIAL REQUIREMENTS**

### **8.1 Safekeeping of Records and Reports**

8.1.1 Contractor, at its own expense, shall keep and maintain at its office at the Airport, separate and independent records in a separate set of books devoted exclusively to its operations at the Airport. Said books (e.g., ledgers, journals, accounts, supporting documents and other records) shall be maintained in accordance with generally accepted accounting principles and shall contain all entries reflecting all of the business operations of Contractor's from the original transaction under this Agreement. All of such books shall be open for examination and audit by the City during ordinary business hours without prior notice. Contractor shall keep each year's books for four (4) years after the end of each such year.

8.1.2 Upon the Director's request, Contractor shall submit the format and methodology used to generate all reports described in this Agreement. Reports must be available in electronic and hard copy format on an as-needed basis.

## **8.2 AUDIT AND REPORT REQUIREMENTS**

**8.2.1** Upon Director's written request, Contractor shall within twenty-four (24) hours make available for inspection at the Airport any and all books, records and accounts pertaining to Contractor's operations under this Agreement and shall fully cooperate with Airport in the conduct of such inspection. Contractor shall keep and maintain records which will enable City to ascertain, determine and audit, clearly and accurately, the parking fees received by Contractor and that the form and method of Contractor's reporting of parking fees are adequate to provide a control and test check of all revenues derived by Contractor under this Agreement.

**8.2.2** Contractor shall provide City the following required reports, in a format approved by the Airport. The Airport reserves the right to request additional or replacement reports and to change the frequency of report submission.

**8.2.2.1** Daily Reports – due by 10:00 AM the following business day:

8.2.2.1.1 Daily PARCS reports with deposit slips

8.2.2.1.2 Daily Shift Reports and tickets

8.2.2.1.3 Fee Adjustment Logs

**8.2.2.2** Weekly Reports – due by noon, the first business day of the week

8.2.2.2.1 Weekly Maintenance and Repair Log – showing repairs made, repairs needed and repairs requested and request resolutions for all PARCS equipment and facilities. The report shall show the date and time of repair requests and the time elapsed until repaired. In the event all repairs are not completed within approved time periods or over 48 hours, should be highlighted.

**8.2.2.3** Monthly Reports – due by noon on the 10th day of the month or by noon on the first business day following the 10th day of the month if the 10th day falls on a Saturday, Sunday or City holiday.

8.2.2.3.1 Monthly Invoice - including a summary of all reimbursable expenses, with supporting receipts and documentation.

8.2.2.3.2 Monthly Budget Report - showing actual expenditures compared to budget on a monthly and year-to-date basis and percentage of annual budget expended and remaining. Explanations should be provided for any variances above or below 10% of the approved budget.

8.2.2.3.3 Monthly Complaints Log - showing all complaints, dates of receipt and resolution and method of resolution. The report should show the total number of complaints per transactions for the month, year-to-date complaints and number of complaints compared to the number of complaints received in the previous year for the same time periods.

- 8.2.2.3.4 Monthly Refunds / Credit Card Credits Report – showing monthly numbers and dollar amounts of all refunds and credit card credits with a comparison to the previous year.
  - 8.2.2.3.5 Monthly Comparisons Report - showing by facility and total Airport, the revenues, exits, cash and credit transactions and over and short amounts with weekly, monthly and year-to-date figures and comparisons to the previous year's activity.
  - 8.2.2.3.6 Utilization Report – showing by facility and total Airport, the amount and percentage of transactions by type of exit (manned, unmanned, validated, parking program, etc.), Pay Station usage by cash and credit, lane and entry/exit plaza usage.
  - 8.2.2.3.7 Employee Parking Report – showing number of active permits and proximity cards, the number issued, lost and returned by tenant and billing group.
  - 8.2.2.3.8 Accident and Insurance Report – showing all accidents and insurance issues for the month, including employee and worker's compensation issues.
  - 8.2.2.3.9 Contested Credit Card Report – showing the number and dollar amount of any claims with an annual running total.
  - 8.2.2.3.10 Benchmarking Report – by facility and by type of product (hourly, daily, economy, employee, etc.) showing occupancy number and percentage, revenue per space, exits/transactions per space, revenue per enplaned passenger, exits/transactions per enplaned passenger, length of stay, average revenue per transaction. The report shall show monthly data and comparisons to the previous year, by number and by percentages.
- 8.2.2.4** Quarterly Reports – due by noon on the 10th day of the month of the first month of the quarter, or by noon on the first business day following the 10<sup>th</sup> day of the first month of the quarter.
- 8.2.2.4.1 PCI Compliance Report – providing data to ensure quarterly PCI compliance per the PCI standards in place at the time that the credit card transactions were completed.

### **8.3 UNDERPAYMENT**

- 8.3.1** Should any examination, inspection, and audit of Contractor's books and records by City disclose an underpayment by Contractor in excess of one-half of one percent (0.5%) of the parking fees due for any particular test, audit or reporting period, Contractor shall promptly pay the City the amount of such underpayment and shall reimburse City for all costs incurred in the conduct of such examination, inspection, and audit.

## **8.4 OWNERSHIP OF MATERIAL**

- 8.4.1** Contractor agrees that City is the owner of all unused and used parking tickets and tapes and other records used in the operations of the parking and revenue-control devices. Such tickets, tapes, and records shall be stored by Contractor at the Airport and made available by Contractor for Director's examination. Contractor shall maintain a written account of all tickets, tapes and other records described herein collected by Contractor, and shall present said written account to the Director upon request.

## **9 PARKING AND REVENUE CONTROL SYSTEM (PARCS)**

- 9.1** The term PARCS shall include, but not be limited to, audio transmission equipment, automatic entrance and exit barriers, exit terminals, lane control units, fee displays and interfaces, message-switching electronics, ticket issuing machines, self-payment machines, vehicle detection systems, portable data entry terminals, and all enhancements, upgrades and all modifications to PARCS. It shall also include written and printed materials and documentation pertaining to the configuration, installation, maintenance, repair and operation of the PARCS, and computer hardware and software that may be located or housed in, and used in conjunction with, any part of the PARCS.
- 9.2** Airport has recently installed an Affiliated Computer Services, Inc. (ACS) Parking Access and Revenue Control System (PARCS) Version 7.1 to control entry and exit to all Public Parking Facilities. The system is equipped with an advanced License Plate Recognition (LPR) system to minimize revenue loss due to fraud. Exits from the public parking lots are through staffed booths and automated exit equipment.
- 9.3** Contractor shall become familiar with all components of the PARCS utilized by the Airport; City staff will assist Contractor in the training and familiarization of system with Contractor's management, and demonstrate operational knowledge prior to the start of management services.
- 9.4** Contractor employees shall be properly trained by Contractor prior to using any component of PARCS and the management staff shall have the ability to troubleshoot system errors before initiating a service request to the system maintenance provider.

## **10 ROUTINE MAINTENANCE AND MINOR REPAIRS**

- 10.1** Contractor shall be responsible for all janitorial services, routine preventative maintenance and minor repairs that are not categorized as capital improvements or structural modifications in all Parking Facilities and the offices and storage space assigned to Contractor.
- 10.2** Contractor shall maintain all of the Parking Facilities in a clean, safe condition commensurate with the standards of maintenance, repair and operation specified in

this Agreement and with industry standards. A Minimum Preventative Maintenance Standard is described in Exhibit A-3.

**10.3** Contractor shall perform routine maintenance and minor repairs of the Parking Facilities and equipment, and shall replace supplies, at Contractor's expense, that are used for parking services on a daily or routine basis in order to keep the Parking Facilities operating in the optimal condition.

**10.4** Contractor shall perform periodic inspections of each Parking Facility throughout the day, and shall collect and remove all garbage, offensive odors, debris and litter from all Parking Facilities identified during the inspections or that the Contractor otherwise becomes aware of or observes during the course of the day. Contractor shall arrange for the sanitary and safe handling and disposal of all these materials into appropriate disposal containers.

## **11 ENVIRONMENTAL REQUIREMENTS**

### **11.1 GENERAL REQUIREMENT**

**11.1.1** It is the City's goal to manage its municipal operations in ways that minimize impacts to the environment to support achievement of its Green Vision goals and the Urban Environmental Accords. City is creating Environmental Management Systems and applying International Organization for Standardization (ISO) 14000 series requirements for its various departments and operations. Contractor shall be aware of the environmental impacts of its operation and reduce them wherever possible.

**11.1.2** Contractor or its subcontractor performing surface cleaning shall be trained and certified by Bay Area Stormwater Management Agencies Association (BASMAA). Additional information regarding BASMAA may be found at <http://basmaa.org>.

### **11.2 Environmentally Preferable Procurement POLICES (EP3)**

**11.2.1** The City has adopted the EP3 to encourage the procurement of products and services that minimize the environmental impact resulting from their use and disposal. These products include, but are not limited to, products that contain recycled content, conserve energy, water or other resources, minimize waste through reuse, composting or recycling, and reduce the amount of toxic material used and disposed. This applies to janitorial products and chemicals. Contractor shall be required to procure environmentally preferable products and services where criteria have been established by governmental or other widely recognized authorities (e.g. Energy Star, EPA Eco Purchasing Guidelines, Green Seal Certified). The following websites (list is not exhaustive or complete) contain information on environmentally preferable products:

**11.2.1.1** Computers  
<http://www.epeat.net>

- 11.2.1.2 Janitorial products  
<http://www.greenseal.org/findaproduct> and  
<http://www.ecologo.org/en/certifiedgreenproducts>
- 11.2.1.3 Energy Star for energy efficient appliances  
<http://www.energystar.gov/>
- 11.2.1.4 Environmentally Preferable Procurement  
<http://www.epa.gov/epp/pubs/about/about.htm>
- 11.2.1.5 Contractor shall work with the City to apply EP3 whenever feasible, and utilize energy efficient equipments to focus on cost saving efforts and practices. These may include but not be limited to the following:
- 11.2.1.6 Purchase ENERGY STAR® products.
- 11.2.1.7 Use laptop computers whenever possible as they use approximately 10% less energy than desktop computers.
- 11.2.1.8 Use LCD rather than CRT monitors.
- 11.2.1.9 Encourage employees to turn off equipment and office lighting when not in use.
- 11.2.1.10 Use inkjet rather than laser printers as they use less energy.
- 11.2.1.11 Encourage the use of low-impact transportation methods for employees and suppliers (e.g., walking, biking, and mass transit), which reduce energy consumption and emissions.
- 11.2.1.12 Consider switching from written communications to emails.
- 11.2.1.13 Consider equipment that can print on both sides of paper, and print double-sided copies using paper containing a minimum of 30% post-consumer recycled contents.
- 11.2.1.14 Consider multi-purpose office equipment, e.g., all-in-one fax, printer, scanner, and copier. These generally require less energy and space than their stand-alone counterparts.
- 11.2.1.15 Use of Operation vehicles using alternative or hybrid fuel source.

### **11.3 WASTE MANAGEMENT AND RECYCLING PROGRAMS**

- 11.3.1 Contractor shall utilize waste, recycling and composting receptacles supplied by City, and shall comply with all current and future City recycling programs and standards. The current recycling program entails the following:

**11.3.1.1** Paper - Recycling bins for paper, including mixed or white paper.

**11.3.1.2** Beverage Containers - Recycling bins for all beverage containers, such as glass, plastic, and aluminum cans.

**11.3.2** Recycling bins will be provided by the City if not already supplied by the Contractor. Contractor shall agree to let City place containers and related signage in, on, and/or around the containers and shall instruct Contractor staff to use appropriate recycling containers.

## **12 CUSTOMER SERVICE**

### **12.1 CUSTOMER SERVICE OBJECTIVES**

**12.1.1** Contractor shall strive to provide exceptional customer service at all times and shall collaborate closely with the Director to find ways to improve customer service. Contractor staff shall be fully trained in customer service skills to achieve the levels of service required in this Agreement.

**12.1.2** Contractor shall offer the following basic roadside assistance as needed to Customers in all Parking Facilities free of charge:

**12.1.2.1** Jump start dead batteries

**12.1.2.2** Transportation to and from distressed vehicles if requested

**12.1.2.3** Vehicle location assistance

**12.1.3** Contractor shall provide customer service staffing in all Parking Facilities to meet the requirements of this RFP. Duties may include, processing parking fees and charges, directing traffic during peak periods, operating Courtesy Carts in specified Parking Facilities, and providing customer assistance in the Parking Facilities.

**12.1.4** Contractor shall thoroughly investigate, process, and respond to all verbal and written customer complaints in a timely manner, but in no more than two (2) business days of receipt. A copy of responses shall be provided to the City as requested.

**12.1.5** Contractor shall thoroughly investigate, process, and submit all parking fee refund requests to the Director for approval in a timely manner, but in no more than two (2) business days of receipt.

### **12.2 ADDITIONAL CUSTOMER SERVICE ITEMS OR PROGRAMS**

**12.2.1** City may, during the term of this Agreement, request Contractor to perform additional customer service items to enhance the overall customer experience at

the Airport, e.g., provide and operate Courtesy carts or shuttles, or provide hands-on assistance with Parking Pay Stations or other PARCS equipment.

**12.2.2** City may, during the term of this Agreement, institute additional customer service programs and request the Contractor to manage, administer and/or operate these programs. Programs may include additional in-lot shuttle services, frequent parker, VIP programs or other customer service related programs.

**12.2.3** In the event City desires to provide additional customer service items or services, it shall send a written notice of intent to Contractor, and both parties shall immediately negotiate adjustments to the approved Operating Budget as necessary, for the proposed service items or programs to be implemented and provided.

### **12.3 CUSTOMER CLAIMS AND DISPUTES**

**12.3.1** Unless otherwise specified by City, Contractor shall handle customer claims and disputes as follows:

**12.3.1.1** All claims against Contractor for personal injury or property damage shall be submitted to its insurance carrier within twenty-four (24) hours of the incident. All claims made by Contractor for damages caused by a Customer's vehicle shall follow the same procedure. Contractor shall report all claims made against Contractor by customer to the City.

**12.3.1.2** San Jose Police Department and Airport Operations shall be notified immediately of any personal injury or property damage in any of the Parking Facilities.

**12.3.1.3** Disputes relating to parking fees shall be promptly referred to Airport Operations for resolution.

## **13 AIRPORT PARKING INTRA-LOT SHUTTLE SERVICES**

### **13.1 GENERAL**

**13.1.1** Contractor shall provide Airport Parking Intra-lot Shuttle Services that include Contractor operating and managing Shuttle Service within the Parking Facilities designated by the Airport providing the highest level of professional, courteous, safe, and efficient service in a quiet and orderly manner, so as not to annoy, disturb, injure, harm or offend the general public, the tenants of the Airport, City and City personnel. The Shuttle Service shall include, without limitation: (a) operating Shuttles in accordance with the Shuttle Service Schedule as described below in Section 13.4; (b) providing licensed, well-trained, qualified, insured, professional and courteous Shuttle drivers to operate the Shuttles and assist the public; and (c) rendering such other related services as may be requested by City and are more fully set forth in this Agreement. The Parking Facilities in which Shuttle Services are to be provided are those directly to the south of Terminal B

and to the west of Terminal Drive (“Daily Lot 6”) and to the east of Terminal Drive (“Daily Lot 4”); however, the Airport may, in its discretion, determine that Shuttle Services be provided in only one of these Parking Facilities or otherwise amend the location of Shuttle Services. Compensation will be adjusted accordingly.

**13.1.2** City shall provide Contractor written notice of the specific start date of the Shuttle Service or increase in service levels for each parking facility no later than 30 days in advance of the start date. The City will provide a minimum of 90 days notice of a reduction or elimination of any or all Intra-Lot Parking Shuttle services

**13.1.3** Contractor shall provide all labor, equipment and supplies as are necessary to perform the Shuttle Services, including without limitation, the Shuttle vehicles, related maintenance and equipment, drivers and management of Shuttle Services, employee uniforms, radio communication equipment, and reasonable and necessary office equipment. Contractor shall obtain any and all required permits and licenses to operate such radios.

## **13.2 SHUTTLES**

13.2.1 From April 1, 2012 to May 31, 2012, Contractor shall provide two (2) shuttle vehicles with ADA lifts for the performance of Airport shuttle services; the vehicles must have customer access, ample luggage storage areas and apt for maneuverability in adverse weather conditions.

13.2.2 By June 1, 2012, Contractor shall provide two (2) full size, cut-away shuttle vehicles with ADA lifts for the performance of Airport shuttle services; the vehicles must have customer access, ample luggage storage areas and apt for maneuverability in adverse weather conditions.

13.2.3 Vehicles and signage on and within the vehicle(s) must be provided by the Contractor and approved for use by the Airport prior to implementation.

13.2.4 Contractor shall maintain the Airport Shuttles in a clean, neat, and orderly manner at all times and provide for the timely disposal of trash and debris.

13.2.5 Any changes to the shuttle fleet must be approved by Airport staff.

## **13.3 SHUTTLE MAINTENANCE**

**13.3.1** Contractor shall provide all maintenance for the Shuttles. Contractor shall schedule the operation of the Shuttles to ensure that maintenance is performed on each Shuttle as scheduled. Notwithstanding the maintenance schedule, Contractor shall withdraw any Shuttle from service as soon as possible upon request of the Director of Aviation (“Director”) at any time during the term of the Agreement.

**13.3.2** Contractor shall ensure that its employees monitor the condition of the Shuttles during the course of operation of the Shuttles.

**13.3.3** Contractor shall notify the Director if Contractor determines that any Shuttle requires maintenance in advance of its scheduled maintenance.

## **13.4 SHUTTLE SCHEDULE**

**13.4.1** Contractor shall operate the Shuttles seven (7) days per week, every day of the year, legal holidays included, in accordance with the City-approved written Airport Shuttle schedule (“Hours of Operation”), unless otherwise approved by the Director. Contractor shall submit the Airport Shuttle schedule to the Director no later than ten (10) days prior to commencement of Shuttle Services.

**13.4.2** Contractor shall provide separate shuttle service routes within the designated Parking Facilities as follows:

**13.4.2.1** Daily Lot 6 shall have one Shuttle vehicle running continuously during the Hours of Operation and a second Shuttle vehicle during peak periods, as necessary. The peak periods will be identified in the Airport Shuttle schedule.

**13.4.2.2** Any proposed changes to the schedule shall set forth the arrival/departure times for each Shuttle stop on the Airport during the Hours of Operation per twenty-four (24) hour period per day, and shall be submitted to the Director for approval at least ten (10) Business Days before the proposed date of implementation of the change.

**13.4.2.3** Contractor acknowledges and understands that the Contractor is responsible for coordinating the Airport Shuttle schedule with the airlines’ flight schedules.

**13.4.2.4** The Director reserves the right to modify Contractor’s Airport Shuttle schedule arrival/departure times or the locations of each shuttle stop, or both, at any time. The Director shall give Contractor no less than ten (10) days’ prior written notice of any such modification, and Contractor shall comply with any such revised schedule. Such revised schedule shall become effective on the date specified in the Director’s notice.

## **13.5 CUSTOMER CORRESPONDENCE, CLAIMS AND DISPUTES**

**13.5.1 Customer Comments.** All responses to correspondence, inquiries, and complaints, where there is an express or implied request for a response, shall be handled in writing by Contractor in an expeditious manner and shall in no event occur later than two (2) calendar days after receipt of the particular correspondence, inquiry or complaint.

**13.5.2** Contractor shall forward all correspondence, inquiries, and complaints concerning Shuttle operations to the Director within two (2) calendar days of Contractor’s receipt. Contractor shall forward to the Director copies of Contractor’s responses to such correspondence, inquiries, and complaints within two (2) calendar days of date of the response.

**13.5.3** In order to assist customers in corresponding with Contractor's management, Contractor shall post a sign bearing Contractor's business name, business telephone number, and business address on each Shuttle, and such sign shall be approved by the Director prior to posting.

## **13.6 SIGNAGE**

**13.6.1** Each Shuttle shall contain only such route/destination signs and messages that are approved by the Director and posted in such locations as are approved by the Director.

**13.6.2** Contractor shall not install, erect, affix, paint or place or permit the installation, erection, affixation, painting or placement of any advertising, sign or lettering in or on the Shuttles, except as otherwise provided herein.

## **13.7 RADIOS**

**13.7.1** Contractor shall provide radios to its employees and be able to communicate with each Shuttle and supervisor via radio (frequencies to be determined by Airport upon execution of this Agreement). Contractor shall provide, as requested, one radio to Airport Operations for monitoring purposes.

## **13.8 EMERGENCY RESPONSE**

**13.8.1** In the event of an emergency and/or special need on the Airport, as determined by the Director, Contractor, promptly upon notification by the Director, shall make available all Shuttles and drivers requested by the Director for the transportation of any individuals as deemed necessary by the Director.

**13.8.1.1** City shall compensate Contractor for such use of the Shuttles and drivers at the Rates set forth in Exhibit E, Table 3.

**13.8.1.2** Contractor shall not be required to perform any act that is prohibited by law or is beyond the scope of the licenses and permits required of Contractor to carry out its obligations under this Agreement.

## **13.9 DAILY SHUTTLE MONITORING**

**13.9.1** Contractor shall perform daily monitoring to ensure the Shuttle drivers' compliance with on-time performance, dress, appearance and customer service requirements, Shuttle physical and operational condition, and such other areas as designated by the Director. Contractor shall document its monitoring activities and passenger volume counts on forms approved by City and shall submit the form daily to the Director.

## **13.10 ENFORCEMENT OF NO SMOKING REQUIREMENTS**

**13.10.1** City shall post “NO SMOKING” signs on all Shuttles. Contractor shall ensure that the shuttle drivers inform passengers, as necessary, that smoking is prohibited on all Shuttles at all times.

## **13.11 FUELING/PARKING OF SHUTTLES**

**13.11.1** City shall be responsible for the cost of motor vehicle fuel for Shuttles used in performance of this Agreement. Contractor shall fuel the Shuttles at designated Airport/City locations. Contractor shall fuel Shuttles as necessary and at least once a day at times prescribed by, and under controls and procedures established by, the Director before they are placed in service. The fueling shall be performed by Contractor’s employees who are designated as Shuttle fuelers, and Contractor shall provide the Director with the number and names of these employees.

**13.11.2** If Contractor’s employees will be entering into secure areas to perform Shuttle fueling, those employees will be required to undergo a background check and obtain security clearance provided by the Airport.

**13.11.3** Contractor and its agents, contractors, employees and representatives are expressly prohibited from fueling their personal motor vehicles or Contractor’s service vehicles with the motor vehicle fuel supplied by City or paid for by City, and any violation of this provision shall constitute a default under the Agreement.

**13.11.4** All Shuttles which are out of service and are not in need of maintenance, repair or other servicing shall be parked within the Parking Facility in which it was operating or any other Airport area made available by City for such purpose. This area shall not be used by Contractor’s employees for the parking of personal vehicles; employees’ personal vehicles are required to be parked in the employee parking lot.

## **13.12 RESTRICTIONS ON ACTIVITIES**

The Services to be provided by Contractor, as described in this Section, shall be subject to the following conditions and restrictions:

### **13.12.1 SHUTTLE DRIVERS**

**13.12.1.1** Contractor shall ensure and continuously verify that all of Contractor’s Shuttle drivers and shift supervisors possess and maintain at all times the appropriate licenses, permits and medical clearances, and possess satisfactory work qualifications and experience with respect to their areas of responsibility. Contractor shall not assign as a Shuttle driver at the Airport any person who has a poor driving record for operating any motor vehicle, including a Shuttle Bus. For purposes of this section, a “poor driving record” means three (3) or more points as shown on the driver’s record as compiled by the Department of Motor Vehicles of the State of California. A driver must also qualify for a commercial driving license under the rules and regulations promulgated by the

United States Department of Transportation. Contractor represents and warrants that all Shuttle drivers are duly qualified to operate the Shuttle.

**13.12.1.2** Contractor shall verify the employment history of any employee who will be assigned to duty in a restricted area of the Airport and ensure that all employees meet all related security requirements. This verification shall cover the ten-year period preceding the employee's assignment to duty in a restricted area, and shall otherwise comply with all laws. Contractor shall maintain at all times a personnel file for each employee, which shall include the verifications of employment referred to above and the employee's driver's license number and expiration date in accordance with the California Department of Motor Vehicles "Pull Notice Program".

**13.12.1.3** In addition, Contractor shall maintain, at all times, a current employment roster of all employees of Contractor and shall provide the Director with a current copy of such employment roster and copies of all such verifications at all times. Contractor shall provide the Director with driver names and driver's license numbers at least five (5) days prior to Contractor's commencement of Shuttle Services.

#### **13.12.2 EMPLOYEE USE OF CELL PHONES**

**13.12.2.1** No operator of any Shuttle shall drive while using a wireless telephone or cell phone unless that telephone or cell phone is specifically designed and configured to allow hands-free listening and talking capabilities, and is used in that manner while driving.

#### **13.12.3 EMPLOYEE APPEARANCE AND CONDUCT**

**13.12.3.1** Contractor shall control the conduct, demeanor, and appearance of its officers, agents, and employees. Such officers, agents and employees shall be trained by Contractor to render a high degree of courteous and efficient service to the public and parking patrons, and it shall be the responsibility of Contractor to maintain close supervision over such person to ensure the continuation of the highest standard of service. If, in the opinion of the Director, any such officer, agent or employee of Contractor fails to conform to such standard of service, Contractor shall remove such officer, agent of employee from the provisions of service.

**13.12.3.2** Contractor's company name patch or badge shall be attached to all uniforms, and the Director shall approve the uniforms and any subsequent modifications to such uniforms before Contractor may permit its employees to use them. Contractor's employees shall wear in plain view an employee identification number and name tag and a Contractor photo identification badge, each issued by Contractor, City or as may be otherwise required by law. Each Shuttle driver shall wear as part of the uniform a reliable watch on his or her person during work shifts.

#### **13.12.4 EMPLOYEE TRAINING**

**13.12.4.1** Contractor shall provide semi-annual, on-going training to its employees with respect to customer service, Shuttle operating procedures, Airport routes, driver safety, and other operations, maintenance and safety procedures. Contractor shall provide written reports and other written proof that such training was provided at the times and in the manner approved by the Director. Contractor shall provide, at its own cost, driver training on all new shuttles added to the Shuttle fleet.

#### **13.12.5 CUSTOMER SERVICE**

**13.12.5.1** All Shuttle drivers shall provide customer service to passengers including, but not limited to, assistance on/off buses with baggage and providing information and directions.

#### **13.12.6 QUALITY OF SERVICES**

**13.12.6.1** If the Director determines that the quality of Services rendered by Contractor, including, without limitation, a determination by the Director that the standard of service provided by any employee of Contractor is unsatisfactory under the provisions of the Agreement, Contractor shall act immediately to remedy any and all such deficient service after receipt of notice from the Director. If the Director determines that a Contractor employee fails to conform to the standard of service described in the Agreement, Contractor shall remove such employee from the provision of service.

### **14 LIQUIDATED DAMAGES**

**14.1** Contractor shall be required by this Agreement to meet certain performance standards; furthermore, Contractor may propose other performance standards that are above and beyond the minimum standards described in this Agreement. Failure by the Contractor to perform its obligations as described in this Agreement, and in particular to meet certain performance standards may cause damage to the Airport and City in the form of negative public perception of the Airport generally and the Airport's parking program and possible loss of revenue. To ensure that performance standards are met, Contractor shall be responsible to pay the City liquidated damages if the performance standards described in Section 25 of the Agreement are not met. The determination as to whether performance has been met adequately is at the reasonable discretion of the Director.

### **15 OPERATING BUDGET**

**15.1** Contractor shall provide City a proposed Operating Budget for the first, second and third years of the Agreement. Contractor's proposed Operating Budgets shall include and state by month and by year all expenses, including management fees, reimbursable and non-reimbursable expenses necessary to meet the requirements of

this Agreement. Contractor shall break down all payroll expenses by level and type of position that will separately define wages, salaries and detail fringe benefits.

**15.2** Contractor shall provide schedules to support wages and salaries provided in the proposed Operating Budget.

**15.3** Operating Budgets must be approved by the Airport at least 30 days prior to the start of each agreement year and may be adjusted over the term of the Agreement at the request and direction of the Airport and/or upon institution of additional services required of the Contractor.

**15.4** Monthly and Quarterly written reviews of the Operating Budget will be prepared by the Contractor with detailed descriptions provided for any variance of actual expenses from the Operating Budget of 5% or more. These reviews will be provided by the 10th day of the month following the end of the review period.

## **16 MARKETING**

**16.1** Contractor shall apply its parking management experience and industry expertise to provide marketing strategy recommendations to the Director for evaluation and implementation.

## **Operational Characteristics of Parking Facilities**

All proposers are advised to survey and familiarize themselves with the operational characteristics and requirements of each parking facility listed in this exhibit and the RFP. The Parking Facilities shall be operated twenty-four (24) hours per day, seven (7) days per week, including holidays. The Director reserves the right to approve and change the hours of operation. The 24-hour operational day runs from 12:00 a.m. to 11:59 p.m. The parking fees collected and transactions details shall be recorded and balanced daily. For detailed schematic of each parking facility, please refer to Attachment A-2 of this RFP.

### **PUBLIC PARKING FACILITIES**

- **Terminal A Garage (Hourly Lot 2 as of June 2011):**

The parking garage is located across from Terminal A, and it consists of approximately 1,285 public parking spaces and 34 ADA spaces. The parking garage has two entry lanes on the west side of the facility and six exits, three in the lower plaza of the garage and three is the south plaza. All the exits are located on the first level. Three exit lanes have cashier booths which may be staffed however minimal staffing is planned. There are four parking pay stations adjacent to the parking facilities within baggage claim and the parking access lobbies.

- **Economy Lot 1 (opening June 2011):**

This lot is located north of Terminal A and consists of approximately 1670 parking spaces. It opens in June 2011 with two public entry lanes and three exit lanes, one of which has a cashier booth.

- **Terminal B Short Term Parking (Rental Car Center) (Hourly Lot 3 as of June 2011)**

The Terminal B short term lot is located across the street from Terminal B that consists of approximately 272 public spaces and 36 ADA spaces on the first floor of the rental car center garage and 350 surface spaces to the south of the garage. The public parking lot has one entry plaza with four entry lanes and one plaza with three exit lanes, one with a cashier booth. There are five pay stations adjacent to the lot. It is expected that prior to the end of 2011 the 350 spaces in the surface lot will become part of Daily Lot 4, leaving 272 public spaces and 36 ADA spaces in Hourly Lot 3.

- **Daily Lot 4 (opening June 2011)**

This lot is located south of Hourly Lot 3 and consists of approximately 400 surface spaces. It has two entry and two automated exit lanes. It is expected that prior to the end of 2011 350 spaces will be moved from Hourly Lot 3 into Daily Lot 4.

- **Hourly lot 5 (opening June 2011)**

This lot is a surface parking lot south of Terminal B on the west side of Terminal Drive. It consists of approximately 555 spaces and has two entry lanes and shares an exit plaza with Daily Lot 6 which consists of four exit lanes, one with a cashier booth. Two parking pay stations are located adjacent to this lot.

- **Daily Lot 6 (opening June 2011)**

This lot is a surface parking lot south of Hourly Lot 5 on the west side of Terminal Drive. This lot consists of approximately 960 spaces and has two entry lanes and the exit plaza shared with Hourly Lot 5. A parking lot tram or shuttle may be used for transportation of daily passengers to the Terminal.

### **EMPLOYEE PARKING FACILITIES**

- **Terminal A Employee Parking:**  
 The Employee Lot is the main employee lot for all Airport employees. It is located in the north tower of the Terminal A parking garage and consists of 784 parking spaces. There is one entrance lane and three automated exit lanes to the facility, controlled by proximity cards.
- **North Ramp Employee Parking (opening Summer 2011):**  
 This lot is north of the CNG station adjacent to Vehicle Gate 252 (FedEX airfield access gate) and consists of approximately 100 spaces. It has one uncontrolled entry and exit gate.
- **Air Freight Parking:**  
 The Air Freight facility is located South of Terminal B on Airport Blvd, and It has a small parking lot associated with the building the includes 32 spaces. There are no access controls in place for the area and parking is restricted by displaying of parking media.
- **Eastside Employee Parking:**  
 The Eastside Parking lot is located in the area of the hangars at the south end of the Airport near 1311 and 1277 Airport Boulevard. The area consists of 146 parking spaces. There are no access controls in place for the area and parking is restricted by displaying of parking media.
- **Terminal A Basement Employee Parking**  
 This lot is located in the basement area of the Terminal A garage accessed from the south end of the garage. It contains 110 spaces for employee parking. The one non-public, uncontrolled entry and exit is through the south end of the garage into the Ground Transportation Center.
- **Concourse Employee Parking**  
 This lot is located across from the Airport Administrative Offices in the Terminal B Concourse and contains 70 spaces. It has one uncontrolled entry and two uncontrolled exits.

**City Council Resolution NO. 74875**

**\*\*Only an excerpt of the Resolution no. 74875 related directly to Parking Rate and Charges at the Airport is attached here. The complete version of the Resolution is available upon request.\*\***

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ ESTABLISHING FEES, RATES AND CHARGES AT THE NORMAN Y. MINETA SAN JOSÉ INTERNATIONAL AIRPORT, AND REPEALING RESOLUTION NO. 74655.**

The following fees, rates and charges are established for use of land, paved areas and structures at the Norman Y. Mineta San José International Airport (Airport), Airport parking rates, permit fees and charges for ground transportation providers, permit fees and charges for off-Airport rental car companies, fees and charges for technology services provided by the City of San José (City) to tenants at the Airport, and rates and fares for the operation of taxicabs at the Airport.

**SCHEDULE OF FEES AND CHARGES**

**B. LANDSIDE OPERATIONS.**

**e. Fees, Rates and Charges for Airport Parking Rates.**

- (i) Hourly Parking Lot and Parking Garage:** In the Hourly Parking Lot and Parking Garage, as designated by Director, the rate charged for each vehicle parking space, except a parking space designated for use by disabled persons and disabled veterans, shall be:

The first twenty minutes or fraction thereof	\$1.00
Each additional successive twenty minutes or any fraction thereof	\$1.00

Subject to the following adjustments: (a) a maximum charge of \$10.00 to \$40.00 for parking for a period not exceeding 24 consecutive hours, as such maximum charge may be established by the Director in accordance with the provisions of Section (xv), and (b) a charge of \$0 to an amount not exceeding \$3.00 for parking for each fifteen, twenty or thirty minute period, or any portion thereof, as such charge may be established by the Director in accordance with the provisions of Section (xv).

Except as otherwise provided in Section (xv), additional time parked in excess of any 24 consecutive-hour period shall be charged for by applying the same rates and charges to all time parked after the respective 24-hour period.

- (ii) Long Term Parking Lots:** In the Long Term Parking Lot, as designated by Director, for each vehicle parking space, the rate charged for parking shall be:

The first twenty minutes or fraction thereof	\$1.00
Each additional successive twenty minutes or any fraction thereof	\$1.00

Subject to the following adjustments: (a) a maximum charge of \$5.00 to an amount not exceeding \$20.00 for parking for a period not exceeding 24 consecutive hours and (b) a charge

of \$0 to an amount not exceeding \$3.00 for parking for each fifteen, twenty or thirty minute period, or any portion thereof, as such charge may be established by the Director in accordance with the provisions of Section (xv).

Except as otherwise provided in Section (xv), additional time parked in excess of any 24 consecutive-hour period shall be charged for by applying the same rates and charges to all time parked after that 24-hour period.

- (iii) **Employee Parking:** In the portion of the Airport Parking Facilities designated by the Director for use by employees of Airport tenants, contractors, permittees, or licensees, the following rates, fees and charges shall apply:

Initial distribution of card/permit	\$10.00 - \$20.00 (non-refundable)
Failure to return card/permit at cancellation/card replacement	\$25.00 - \$75.00 (non-refundable)
Monthly Employee Parking Usage Charge All Employee Parking Facilities	\$10.00 - \$120.00

- (iv) **Intermediate Rate Parking:** The Director may designate a portion of the Airport Parking Facilities as an "Intermediate Rate Parking Lot". The rate charged for each vehicle parking space in an Intermediate Rate Parking Lot, except a parking space designated for use by disabled persons and disabled veterans, shall be:

The first twenty minutes or fraction thereof	\$1.00
Each additional successive twenty minutes or any fraction thereof	\$1.00

Subject to the following adjustments: (a) a maximum charge of \$6.00 to an amount not exceeding \$20.00 for parking for a period not exceeding 24 consecutive hours and (b) a charge of \$0 to an amount not exceeding \$3.00 for parking for each fifteen, twenty or thirty minute period, or any portion thereof, as such charge may be established by the Director in accordance with the provisions of Section (xiii).

Except as otherwise provided in Section (xiii), additional time parked in excess of any 24 consecutive-hour period shall be charged for by applying the same rates and charges to all time parked after the respective 24-hour period.

- (v) **Disabled Parking:** The rate charged for parking in a parking space for a disabled person or a disabled veteran displaying a distinguishing placard or license plate shall be the daily rate charged for the Long Term Parking Lot.
- (vi) **Oversized Vehicle:** All oversized vehicles occupying more than one space in the various parking facilities will be assessed a fee equivalent to the number of spaces occupied by that vehicle.
- (vii) **Urgency Long – Term Rate:** The Director is hereby authorized to approve the use of the Hourly Parking Lot and Parking Garage for Long-Term Parking patrons on an urgency basis when Long-Term lots are filled to capacity, and to charge Long-Term parking rates in connection with such use. The Director shall approve such use through issuance of a parking ticket and shall take adequate steps to insure appropriate use of such tickets.

- (viii) **Lost Ticket:** If the time of parking cannot be ascertained by reason solely of the patron's loss of or inability to produce a parking ticket to determine when parking commenced, the parking charge shall be computed by multiplying the applicable maximum rate times the number of days the vehicle license number or other vehicle identification number has been recorded as being within the lot. If the vehicle license number or other vehicle identification number has not been recorded, the maximum per-day rate charge shall be the maximum 24-hour rate for the facility in which the vehicle was parked.
- (ix) **Suspension of Charges:** Notwithstanding the foregoing provisions, the Director or his or her designated representative may permit vehicles to exit Airport Parking Facilities without charge as follows:
- If the Director or his or her designated representative determines that the normal waiting time under acceptable levels of service has been exceeded.
  - If the Director or his or her designated representative determines that Airport traffic congestion will be relieved by the diversion of traffic to any of the parking lots; any vehicle which is diverted to any such parking lot may be permitted to exit without charge as to the first twenty minutes of parking.
  - If the Director or his or her designated representative determines and substantiates that a hardship involving an Airport patron's person or damage to property while on the Airport has occurred, or emergency circumstances exist.
- (x) **Adjustment of Charges:** Notwithstanding the foregoing provisions, the Director or his or her designated representative may evaluate the circumstances surrounding a dispute over the calculation of a parking charge and adjust such fee if he or she believes that the circumstances warrant the adjustment.
- (xi) **Fee Adjustment:** The Director may grant authorization to the parking contractor for processing parking fee adjustments of \$3.00 or less without the prior approval of Director, only if the parking contractor determines that the normal waiting time under acceptable levels of service has been exceeded. The parking contractor must submit documentation in form and substance satisfactory to Director, within the time period determined by Director, substantiating each authorized adjustment. Prior to implementing any fee adjustment pursuant to this Section, the parking contractor must obtain the Director's approval of a procedure to be followed for each adjustment, which must include adequate security precautions.
- (xii) **Computation of Parking Time:** The Director may authorize a designated period ranging from 0 to 30 minutes from any Airport Parking Facility which shall not be included in the computation of parking time for the purposes of fixing the fees, rates and charges under this Resolution to accommodate customer delays in exiting the specific parking facility due to traffic congestion, equipment malfunction, or other operational issues as approved by Director.
- (xiii) **Validation of Parking Tickets Pursuant to Validation Agreement:**
- a. Validated Parking Tickets. Parking tickets issued for the Hourly or Long Term Parking Lots or Parking Garage may be validated as provided in this Section (xiii). A validated parking ticket shall entitle the holder to the amount of time validated without charge, and the rates, charges and fees stated in subsections (i), (ii), and (iv), shall apply to parking for any time exceeding the amount of time validated.

- b. Validation Agreement. The Director may permit any of the City's tenants, licensees, concessionaires or permittees at the Airport to validate parking tickets issued to the patrons of such tenants, licensees, concessionaires or permittees at their premises at the Airport for use of parking spaces in the Airport Parking Facilities. Permission may be granted pursuant to a written validation agreement substantially in the same form as Exhibit A, attached hereto and entered into between the Director or his or her designated representative, on behalf of the City, and such tenant, licensee, concessionaire or permittee. The validation agreement shall be approved as to form by the City Attorney and filed with the City Clerk.
- c. Obligation of Validator. Any tenant, licensee, concessionaire or permittee who has entered into a validation agreement with the City shall be referred to as a "validator." A validator is permitted to issue a ticket validation for a specific period of time as set forth in the form of validation agreement in Exhibit A, which period of time shall not exceed twenty-four (24) hours. A parking ticket may be validated only once. The maximum amount of time for which a parking ticket may be validated shall be twenty-four (24) hours. Unless exempted by City, a validator shall be required to pay the City for each validated ticket and the amount of payment shall be as stated in the validation agreement. Validators shall validate parking tickets only for their customers at their place of business at the Airport.

(xiv) **Validation of Parking Tickets by the Director of Aviation:** Upon request of any person designated in this Section (xiii), the Director or his or her designated representative is authorized to validate a ticket issued to such person for parking in the Airport Parking Facilities at the Airport, provided that such validation is subject to and in accordance with the following conditions, restrictions and limitations:

- a. Parking tickets shall be issued and validated only for the following designated persons:
  - Any person who, with the permission of the Director or his or her designated representative, attends any regular or special meeting of a governmental or quasigovernmental body, association, agency, board, bureau, commission, committee, or subcommittee at the Airport;  Any person who attends a meeting or function at the Airport called by the Director or his or her designated representative to conduct or discuss official City business;
  - Contractors, while working at the Airport on behalf of the City, on Airport construction projects;
  - Volunteer staff or non-profit organizations which provide information and assistance at the Airport to members of the traveling public pursuant to agreements with the City, while on the Airport in order to provide such assistance.
- b. The Director or his or her designated representative shall, whenever validation is otherwise provided for in this Section:
  - Validate each parking ticket which is issued for parking in any Airport Parking Facility at the Airport.
  - Validate each parking ticket only once, and each validation shall be for a time no longer than is reasonably necessary to allow a designated person to be in attendance at the meetings or projects described in (xiv) (a).

- c. A parking ticket which is validated by the Director or his or her designated representative shall entitle the ticket holder to park without charge for the time for which the Director or his or her designated representative has validated such ticket.

**(xv) Adjustment of Parking Rates and Computation of Parking Time by Director:**

- a. The Director is authorized to increase or decrease the parking fees, rates and charges from time to time in accordance with the amounts specified in this Resolution if the Director determines that such an adjustment in the parking fees, rates and charges will facilitate the optimum use of spaces in the Airport Parking Facilities in a cost and revenue efficient manner considering both volume of traffic and convenience to the general public. The Director shall only increase or decrease the parking fees, rates and charges upon providing reasonable notice to the public by posting of appropriate signs at the entrance to the various public lots, or by notifying tenants and employees for employee lots.
- b. The increases or decreases in parking fees, rates and charges which the Director is hereby authorized to make are as follows:
- Increase or decrease the time periods of assessing charges in the Airport Parking Facilities within a range of fifteen to thirty minutes.
  - Increase or decrease the maximum daily charge for parking in the Hourly Parking Lots and Parking Garage as set forth in Section e (i) within a range of ten dollars (\$10.00) to an amount not exceeding forty dollars (\$40.00).
  - Increase or decrease the maximum daily charge for parking in the Long Term Parking Lots as set forth in Section e. (ii) within a range of five dollars (\$5.00) to an amount not exceeding twenty dollars (\$20.00) for any period not exceeding twenty-four (24) consecutive hours.
  - Increase or decrease the charge for each fifteen, twenty or thirty minute period or any fraction thereof of parking in the Hourly Parking Lots, the Long-Term Parking Lots, and the Parking Garage within a range of \$0.00 to an amount not exceeding \$3.00.
  - Adjust the parking charge for the Valet Parking Rate up to seventy percent (70%) above the posted Short Term or Long Term Rate as set forth in Section e.(xix) of this Resolution.
  - Adjust the parking charge for Parking Promotions up to seventy percent (70%) below the non-discounted rate as set forth in Section e. (xviii) of this Resolution.
  - Increase or decrease the complimentary time for each lot from 0 to 30 minutes.
  - Adjust the parking charge for Reserved Parking Rates up to seventy percent (70%) above the posted Short Term or Long Term Parking Rate as set forth in Section e. (xx) of this Resolution.
  - Increase or decrease the amount issued for Customer Service Parking Rate Vouchers as set forth in Section e (xxi) by up to seventy percent (70%) of the posted Short Term or Long Term parking rate.

- Increase or decrease the charge for monthly employee parking as set forth in Section e. iii (Employee Lot) within a range of \$10.00 to an amount not exceeding \$120.00 per employee per month.
- Increase or decrease the parking charge for the Frequent Parker Program within the range described in Section e. (xxi) of this Resolution.
- Increase or decrease the charge for failure to return a permit as set forth in Section e. iii (Employee Lot) within a range of \$25.00 to an amount not exceeding \$75.00 per employee per month.
- Increase or decrease the initial distribution charge for a permit as set forth in Section e. iii (Employee Lot) within a range of \$10.00 to an amount not exceeding \$20.00 per employee per month.

- (xvi) **Decreases – Airport Parking Facilities:** In increasing or decreasing the maximum daily rates for the Airport Parking Facilities pursuant to this Resolution, the Director may authorize the collection of parking charges for vehicles which entered the Airport Parking Facilities prior to the effective date of this Resolution, but exit after the effective date of this Resolution, at the lower maximum daily rate.
- (xvii) **Frequent Parker Program:** “Frequent Parker Program” refers to a program which would allow the Director to establish a parking program available to the public, whereby the customer prepays for parking services over a specified period of time. The Director may establish a discounted parking rate for the Frequent Parker Program which shall not be less than seventy percent (70%) of the prevailing daily parking rate for the facility. The Director shall provide notice of the Frequent Parker Program and applicable rate in conformance with Section xv above.
- (xviii) **Parking Promotions:** The Director is authorized to establish promotional parking programs that would allow a maximum discount of up to seventy percent (70%) of the revenue that would have been generated from the posted rate structure. These programs shall occur in accordance with Section xv of this Resolution and only if the Director determines that such programs will enhance customer service and increase revenue generation. These promotions may be based on coupon, advertised promotions, and dollars off promotions, specific promotional time periods, or other means.
- (xix) **Valet Parking:** The Director is authorized to approve valet parking rates up to seventy percent (70%) above the posted Short-Term or Long-Term daily rate. This rate may be structured upon full analysis of the expenses, revenues and potential activity of the proposed service, as determined by the Director.
- (xx) **Reserved Parking:** The Director is authorized to approve reserved parking rates up to seventy percent (70%) above the posted Short-Term or Long-Term daily rate. This rate may be structured upon full analysis of the expenses, revenues and potential activity of the proposed service, as determined by the Director.
- (xxi) **Customer Service:** The Director is authorized to increase or decrease the amount of time not included in the computation of parking time as set forth in Section e (xii) of this Resolution. This adjustment shall occur only if the Director determines that such adjustment will facilitate customer service and is necessary or prudent to enable the Airport to maintain its competitiveness with other Bay Area Airports. The Director or his or her designated representative is also authorized to issue reduced parking rate vouchers of up to seventy

percent (70%) of the posted Short-Term or Long – Term parking rate. These vouchers would be issued for qualifying customers filing valid written complaints of poor customer service and would be used on a future visit. The Director or his or her designated representative would investigate each complaint and determine if it qualifies for a voucher.

## **Minimum Preventative Maintenance Standards**

### **General Maintenance Cleaning – Quality Standards**

The goal of these Maintenance Standards is to Maintain Quality Cleaning Standards throughout the term of the Agreement

Achieving a clean facility and keeping it clean requires cooperation and supervision. Because the work is spread out over several surface and garage facilities, communication between Supervisors and staff is essential to know that cleanliness of the facility 24 hours a day, 365 days a year.

Quality inspection standards must be applied and maintained and Reliable, timely information about the cleanliness and condition of the facility must flow throughout the entire organizational structure.

The Facility Inspection Checklists should be completed by the Parking Operator at least once per day. On a monthly basis, the General Manager should accompany staff during the performance of an inspection. All Supervisors should review a copy of all completed inspection checklists.

#### **Definitions:**

1. **Cleaning:** Cleaning is defined as the complete, detailed housekeeping of an area, including but not limited to sweeping, scrubbing, washing, dust-mopping, and damp and wet mopping or vacuuming entire areas.
2. **Policing:** Policing is defined as the minimum type of housekeeping necessary to help maintain a uniformly acceptable level of cleanliness and appearance between cleanings. Policing includes, spot sweeping, spot scrubbing, dust-mopping, spot vacuuming, pick-up litter, spot mopping to remove spills and spoilage, emptying filled waste receptacles, re-supplying and disinfecting washrooms, spot wiping fixtures and gum removal. The materials, tools and equipment used policing are generally the same as are used in cleaning.

### **PARKING LOT AREAS – ENTRANCE AND EXIT LANES**

**General:** Surface lot area cleaning and maintenance should be accomplished by completing such tasks as policing; spot cleaning, wet mopping, machine sweeping, hand sweeping corners and inlets, between, beneath, in front of and behind parked cars; and vacuuming. The goal of the cleaning program should be to clean the entire facility at least once every week.

Safety warning signs, "wet floor" signs, etc. , should be set up in areas were cleaning and/or wet floors conditions may be a hazard. No dirt or debris should be left in corners, behind curbs beneath parked vehicles or inlets. Gum and other foreign matter should be removed during the policing and cleaning process. Observable dirt and debris beneath, in front of or behind parked vehicles, or other hard to reach areas should be picked up, swept by hand or vacuumed.

#### **Specific Instructions**

1. The entire parking facility should be policed and free of all litter and debris.
2. All parking areas should be swept and cleared of all remaining dirt, sand and debris with an automotive machine sweeper.
3. Degreasing and/or cleaning fluids may be dispensed on built-up grease and oil stains located in parking stalls and on entrance and exit lanes.
4. After facility cleaning activities, the parking areas should be sufficiently clean that they, at a minimum, are free of standing water, dirt, debris, and other foreign materials, and present an appearance of overall cleanliness.

5. Standing water should not be left on any floor. It should be removed with a Wet-Vac.
6. Signs, columns, railings, overhead pipes, curbs and fire hose containers should be checked for dirt or dust and need for paint touch-up.
7. The surface of the fire hose containers and other wall mounted boxes should be clean and free of stains, spots, streaks, fingerprints and other foreign matter. Dust, dirt and other foreign matter should be cleaned from all ledges and horizontal surfaces.
8. Signage should be inspected for integrity and operation. Any sign found missing or damaged should be reported to the General Manager who should notify the Airport, as necessary.
9. The surface of all signs should be clean and free of stains, streaks and other foreign substances. Surfaces should be wiped with a rag and cleaner to remove dirt, dust, etc.
10. Light fixtures and illuminated signs throughout the entire facility should be checked for operation. Any lamps or signs that are not lit or illuminated should be reported to the Supervisor.
11. Telephone surfaces should be cleaned until they are free of stains, spots, streaks, smudges, fingerprints and other foreign matter, and mouth and ear pieces should be sanitized.

#### Minimum Frequency

1. Policing of the parking areas, exit and entrance lanes should be accomplished at least three (3) times daily.
2. Each driving aisle in each lot, entrance and exit lanes, should be swept by machine and by hand daily.
3. Each lot, entrance and exit lanes should be cleaned daily.
4. Signs should be cleaned at least once each month on Saturday or Sunday Monday, or as time permits or other days, or as conditions requires.
5. Cleaning of columns, islands, platforms, etc. should be performed once each month on Saturday or Sunday or as time permits on other days or as condition require.

#### CASHIER BOOTHS

General: Cleaning and maintenance of cashier booths should be accomplished by completing such task as policing, spot cleaning, emptying and cleaning trash receptacles. Wet mopping, sweeping and scrubbing, and/or vacuuming the goal of the cleaning program should be to clean each cashier booth once each day.

1. Extreme caution should be used when washing surface around or in the vicinity of electrical equipment. Water and other liquid solution will cause shocks, and could short circuit the parking/revenue control system.
2. It is the cashier's responsibility to secure all tickets, data records, equipment and cash.

#### Specific Instructions:

1. Floors should be damp mopped with detergent solution and rinsed with a clear solution. Floor surfaces should be free of all dirt, stains, soil and debris.
2. All ashtrays and trash receptacles should be emptied and cleaned with a detergent solution to remove dirt and soil. Trash can liners should be replaced with a fresh liner.
3. Telephone surfaces should be cleaned until they are free of stains, spots, streaks, fingerprints and other foreign matter. Mouth and ear pieces should be sanitized.
4. Glass and other surfaces should be cleaned with a spray cleaner and wiped dry with a clean cloth. Glass surfaces should be free of tape, papers, smudges, fingerprints and dirt spots.
5. Dust, dirt and other foreign matter should be cleared from the fee computer, all edges and horizontal surfaces.
6. Inside and outside walls should be clean and free of watermarks, scratches, dirt, spots, streaks, smudges and other foreign matter.
7. All painted surfaces should be checked for paint touch-up needs.

8. All lights should be checked. Any lamps that are burned out or broken should be repaired / replaced immediately.

#### Minimum Frequency

1. The interior of the cashier booth should be policed at least twice each day.
2. The interior of the cashier booths should be cleaned at least once daily.
3. The exterior of the cashier booths should be cleaned at least once each week on Saturday or Sunday or as time permits on other days, or as conditions require.
4. Paint touch-up should be accomplished each month (as required) on Saturday or Sunday, or as time permits on other days or as conditions require.

### OFFICES

#### General

1. Cleaning of the office should be accomplished by completing such task as policing, spot cleaning, emptying and cleaning trash receptacle, wet mopping, sweeping and vacuuming.
2. The goal of the cleaning program should be to clean the office each week.

#### Specific Instructions:

1. Safety warning signs should be set up in areas where cleaning and/or wet floor conditions may be a hazard.
2. Carpets should be swept or vacuumed to be free of dust, dirt and debris.
3. Carpets should be thoroughly cleaned to be free of dust, dirt stains and spots using spot remover or spot shampooing. Remove all residues from shampooing.
4. Uncarpeted floor surfaces should be dusted with a treated dust mop, or wet mopped or spray buffed to be free of all dirt, stains, soil and debris.
5. Dust and dirt should be removed from all horizontal and vertical surfaces using a lightly treated dust cloth.
6. Upholstered furniture should be washed or vacuumed. Spots or stains should be removed with spot remover.
7. All equipment and furniture moved during the cleaning process should be returned to its proper position after cleaning.
8. Dust, dirt and other foreign matter should be cleaned with office equipment, CRT and computer equipment cleaner.

**NOTE:** Extreme caution should be used when washing surfaces around or in the vicinity of electrical equipment. Water and other liquid solutions will cause shocks, and could short circuit the parking/revenue control system and computer equipment.

9. All painted surfaces should be checked for paint touch-up.
10. All ashtrays and trash receptacles should be emptied and cleaned with a detergent solution to remove dirt and soil. Trash can liners should be replaced with a fresh liner.
11. Telephone surfaces should be cleaned until they are free of stains, spots, streaks, smudges, fingerprints and other foreign matter. Mouth and earpieces should be sanitized.
12. Glass and other surfaces should be cleaned with a spray cleaner and wiped dry with a clean cloth. Glass surfaces should be free of tape, papers, smudges, fingerprints and dirt spots.

#### Minimum Frequency:

1. The office should be cleaned at least once daily.
2. Uncarpeted floors should be cleaned and waxed once each week on a Saturday or Sunday or as time permits on others days, or as conditions require.
3. Carpets should be shampooed once monthly
4. The office should be policed daily.

5. Paint touch-up should be accomplished each month (as required) on Saturday or Sunday or as time permits on other days, or as conditions require.

**PARKING EQUIPMENT**

General:

1. Extreme Caution must be taken to avoid getting dirt, dust, water, cleaning fluids, or any other foreign matter inside any ticket spitters, gate housings, cashier terminals, entry or exit equipment, parking pay stations, etc.
2. Surfaces: Issuing Machines and barrier gates housings and gate arm surfaces should be cleaned until they are free of stains, spots, streaks, smudges, fingerprints, dirt, dust, and other foreign matter.

Specific Instructions:

1. Dust and dirt and other foreign matter should be cleaned from all ledges and horizontal surfaces with a cloth and detergent solution.
2. Islands and adjacent entrance/exit lanes should be free of dirt, stains gum and other foreign matter and present an appearance of overall cleanliness.
3. Island should be washed and scrubbed by hand with a wet mop or utility brush and a detergent solution. Lanes adjacent to the island should be degreased, scrubbed and washed thoroughly by machine or by hand.
3. All painted surfaces should be checked for paint touch-up.

Minimum Frequency:

1. Parking equipment should be cleaned each day.
2. Island should be cleaned and painted (touch-up) at least once monthly on a Saturday or Sunday or as time permits on other days or as conditions require.
3. Parking Equipment and islands should receive touch-up painting at least once monthly on Saturday or Sunday or as time permits on other days, or as conditions require.

**SAMPLE MINIMUM MAINTENANCE SCHEDULE**

Area	Task	Daily	Weekly	Monthly	Semi-Annual
Offices	Dust Surface Areas	X			
	Police Office Areas	3X			
	Empty Trash Cans	X			
	Vacuum / Mop floors	X			
	Wipe Counters	X			
	Wax Floors / Clean Carpet		X		
	Clean Signs/ walls			X	
Lots	Police Entrances/Exits	3X			
	Sweep entry/exit lanes, stairwells, walkways, elevators	X			
	Clean and empty garbage and recycling	2X			

	receptacles				
	Clean Lot and entry/exit lanes	X			
	Clean fire boxes/ wall mounted boxes	X			
	Dust all handrails		X		
	Remove Gum		X		
	Clean Signs			X	
	Clean columns, islands, platforms, etc.			X	
	Pressure wash stairwells and pedestrian entryways			X	
	Clean overhead pipes				X
	Detail Clean of Facility				Annual
Cashier Booths	Police Interior of Booth	3X			
	Clean Interior of Booth	X			
	Clean Exterior of Booth		X		
Parking Equipment	Clean Parking Equipment	X			
	Police Equipment area	3X			
	Clean equipment area, islands, shelters		X		

## **Exhibit D-4 Management Plan**

### **SCOPE OF SERVICES**

Ampco AirPark meets the qualifications to operate the parking facilities at the Norman Y. Mineta San Jose International Airport. Our parking management philosophy ensures that during this Operating Agreement, we will provide the highest caliber of professional management services of all the Airport Parking Facilities at the Airport on a twenty four (24) hours a day, seven (7) days a week basis. Our Scope of Services also will include the managing of all revenue generating parking operations, including public parking, employee parking and any potential new parking operations. We will also ensure that we are providing professional, courteous and attentive customer service in all phases of our parking and shuttle operations. We will provide revenue control and exceptional service to our clients, customers, and employees. Our management and organizational approach is driven by results. We empower our local management team to execute the necessary steps to accomplish site-specific goals, while maintaining revenue control and company guidelines. We incorporate our core values — respect, fairness, and dignity — into every business dealing to guarantee desired results.

Our Ampco AirPark team understands the dynamics involved in managing the parking and shuttle operations at a major airport. These dynamics can change without notice making it essential to have a team on the ground that can make decisions, rapidly adjust and implement changes relative to our business, while limiting operational impacts. Our parking management team has been created to ensure the Norman Y. Mineta San Jose International Airport's needs, service standards, and expectations are continually exceeded.

We have developed site specific operations plans and procedures to meet the demands of the Norman Y. Mineta San Jose International Airport and our parking guests.

### **Parking Facilities Management**

Ampco AirPark will maintain the management of the parking facilities by ensuring that we are operating and maintaining all facilities twenty-four (24) hours a day seven (7) days a week, every day of the year including all holidays. We will provide our best efforts in the management of the Parking Facilities and maintain that the maximum level of revenue is being collected while minimizing the operational costs while providing the highest level of customer service. All of our shifts will be filled with qualified staffing; to collect parking fees and charges, process and issue parking permits, provide customer service and will prepare all detailed financial transaction and operational reports. Our employees will be hired trained and supervised in the accordance with all laws and following company approved training guides and manuals. We will perform facility inspections to insure that a clean and safe environment for our customers. As part of our responsibilities we will make sure that all cleaning and repairs are done on a scheduled basis and that all findings and repairs are recorded and reported to the Airport. Ampco will monitor all functions of the Parking Access Revenue Control System (PARCS), including but not limited to the entry and exit equipment, parking pay on foot stations, auditing and supervisor workstations, and all license plate recognition (LPR) and license plate inventory (LPI) and automated vehicle identification (AVI) to ensure when an item is out of service or requiring maintenance it is reported to the Airport and ACS the PARCS provider. We will follow all rules and regulations set forth by the Airport Director.

### **Parking Facilities Monitoring**

The parking facilities at the Norman Y. Mineta San Jose International Airport requires direct monitoring and oversight to prevent, deter vandalism, damage loss or theft of vehicles. All incidents will be phoned and reported to the San Jose Police and a notification will be sent to the Airport Operations. Any areas of safety concern will be marked off using safety cones and reported to repairs. We will monitor the space availability, peak entry and exit times, and the necessary staffing levels to ensure world class customer service and the optimal ingress and egress of the parking facilities. The facility monitoring, lot opening and closures, directional signage, and communication with our parking guests via the intercom system will help to ensure exceptional facility operations.

### **Airport Roadway Changeable Message Signs**

We will meet with the Airport Operations and set pre-programmed messages that will be displayed and controlled only by the manager or shift supervisor for the roadway message boards. The occupancy counts that are displayed will be counted verified and adjusted each day, a log will be maintained and provided to the Airport and PARCS contractor showing any discrepancy in the counts and the signs and any outages or malfunctions of the signs.

### **Operating Procedures**

We have included with this proposal a sample copy of a Standard Operations Procedures manual (SOP), as part of the transition of this contract we will supply the Airport Operations with a San Jose Airport specific SOP for your comments and review. In some of the sections to follow we have addressed brief descriptions of our procedures for management, operations, maintenance, cash handling, auditing and other areas.

### **Removal of Vehicles**

As part of our daily, weekly and monthly procedures we will provide the Airport Operations with a list of vehicles that are in violation and need to be relocated by the Airport's approved vendor, or who have been documented as being abandoned in the parking facilities by the policy set by the Airport Operations. Ampco will not move or tow any vehicle with Airport authorization.

### **Vehicle License Plate Inventory**

Our vehicle license plate inventory procedures are put in place to work with the integrated PARCS License Plate Recognition (LPR) system. Once a week we will perform a physical vehicle car count for each parking facility along with a hand held license plate inventory of all vehicles. The car counts and vehicle inventory will then be uploaded to the PARCS and comparison made so that any adjustment can be made.

### **Contractor Staffing**

Ampco AirPark is committed to hire and provide only the best qualified employees to perform the parking management services for Norman Y. Mineta San Jose International Airport. All of staff will be neat in appearance and courteous to the customers and will act in the most professional manner at all times and will be able to communicate fluently in the English language. We will have a member of management either a manager or shift Supervisor on duty twenty four (24) hours a day 365 days a year to ensure all proper policies and

procedures are followed and decisions can be made at all times. Please see additional hiring information in our training section below.

## **Training**

### **Personnel Policies and Practices**

Ampco AirPark takes extraordinary care with respect to the hiring and training of new personnel. To ensure that our hiring and training goals are met, we have assembled one of the finest Human Resources Departments in the industry; one which is designed to serve as an extension of the local operating team. The Human Resources Department plays an instrumental role in the hiring process, as well as providing needed advice on all employee-related issues and expertise in the intricacies of labor law and regulations, which leaves our Operations Department free to focus on the ongoing smooth and successful operation of the Norman Y. Mineta San Jose International Airport Parking Facilities.

### **The Hiring Process**

The hiring process begins with the Human Resources Department, which is involved daily in the screening of applicants, with a view toward finding the most qualified, customer service-oriented employees in our industry. Job candidates must successfully complete a multi-step rigorous hiring process before they are allowed to represent Ampco AirPark.

### **Job Order Form**

When a position becomes available, the Operations Manager will complete a Job Order Form and place it on file with the Human Resources Department. The Job Order Form requires the Operations Manager to provide the details of the position such as required experience, job description and shift hours.

### **Applications**

All interested persons are invited to complete an application and submit it to the Human Resources Department. Applicants are gathered from many sources including newspapers, trade journals, local labor commissions and job boards at local colleges and universities.

### **Interview**

Applicants are interviewed by a Human Resources representative to determine the prospective employee's specific job interests, scheduling issues and work location preferences. Human Resources then matches the best candidates to the position(s) available and may make a tentative offer of employment, pending the outcome of a prescreening process, which includes testing for substance abuse, a criminal background investigation, reference check and, in the case of driving positions, a Department of Motor Vehicles Report.

### **Substance Abuse Screening**

If the Human Resources Representative and the applicant mutually agree to a tentative job offer, the applicant is sent to a Quest Diagnostics Inc. laboratory for substance abuse testing. The results of this test are forwarded to Ampco AirPark within 24 hours. Failure to pass the

required screening will result in an immediate termination of the pre-employment process and the applicant will be notified by mail.

Failure to report for drug abuse screening places the application on hold in an open file status for 90 days; thereafter, the applicant has 90 days to reconsider testing. After 90 days, the applicant must reapply and reinitiate the entire screening process.

### **Criminal Background Investigation**

While awaiting the results of substance abuse screening, Human Resources initiates a criminal background investigation. The department's investigative bureau notifies Ampco AirPark of any prior criminal convictions suffered by a job applicant.

### **Reference Check**

References provided by job applicants are verified by the Human Resources Department. This includes verification of prior employment and performance. At this point, candidates who have successfully completed their substance abuse screening, criminal background investigation and reference check are eligible to be hired by Ampco AirPark.

### **Department of Motor Vehicles Report**

For positions that require driving, a Department of Motor Vehicles Report is obtained to ensure the applicant has an acceptable driving record based on the ABM Industries point system. A Motor Vehicle Report (MVR) takes approximately 24 hours to process. Applicants who do not meet the ABM standards but pass the prescreening process may be offered non-driving positions. An employee who holds a driving position but does not maintain an acceptable driving record will lose their driving privileges with Ampco AirPark.

Upon successful completion of the prescreening process, the job offer is confirmed, and all new hire paperwork is completed. The Human Resources Department then authorizes the uniform company to provide uniforms and schedules the new hire to attend orientation training.

## **EMPLOYEE DEVELOPMENT PROGRAMS**

### **The New Employee**

At this point we can be confident we have selected the best possible candidates for the Ampco AirPark team. However, even these highly qualified candidates are likely to need more specific job knowledge and / or customer service skills to perform their job successfully. For this reason we send these candidates for further orientation and training to ensure that each new hire receives the skills they will need to provide our customers with the highest level of service possible.

### **Comprehensive Orientation**

As stated previously, Ampco AirPark believes the hiring process is one of the most critical aspects of any successful operation. In turn, we have established an employee orientation

program that is unsurpassed in the parking industry. Throughout the orientation, the opportunities to advance in the company and in the industry are emphasized. Further, we stress that Ampco AirPark considers itself to be an actively employee-oriented company. Dedicated workers will not go unnoticed, and those showing superior work habits will be rewarded.

By simply expressing our commitment to each of our employees, we can ensure that the staff of the Norman Y. Mineta San Jose International Airport Parking Facilities remains enthusiastic, and most important, anxious to serve the particular needs of the patrons.

At the end of the orientation process, which includes the training modules discussed in the pages that follow, both Ampco AirPark and the Airport can be confident that a qualified and energetic individual, prepared to serve the public, will be placed at the project.

### **All About Ampco AirPark**

Employees are provided with the basic background knowledge of who ABM and Ampco AirPark are and what our philosophy is. Additionally, all new hires are issued an Employee Handbook. The Employee Handbook contains detailed information on all of the issues discussed during orientation, however, we realize employees need to refresh their memories and answer questions at a later date; the Employee Handbook will serve just that purpose.

### **Benefits**

New employees obviously have questions about the benefits they can expect from their new company. We begin by outlining their health and welfare benefits, if applicable. Then employees are advised of the holiday schedule, vacation policies, stock purchase options, 401K plan, available scholarship programs, and the Ampco's Roadmap to the Future

### **Safety in the Workplace**

Ampco AirPark takes a critical view of workplace safety, as there is nothing more basic than the safe completion of all job tasks. This is especially true in a typical parking facility, where activity is continuous and occasionally hectic. All new employees are familiarized with the Ampco AirPark Safety Program, through which they learn to recognize potential hazards, correct existing problems and conduct safety maintenance inspections to reduce risk or eliminate it altogether.

Safety awareness training includes parking-related issues like vehicle damage, personal liability, workers' compensation and theft. Special attention is given to the specific hazards that come with certain job functions, such as maintenance, parking attendants, valets and cashiers. Also, employees must be knowledgeable about proper reporting procedures if an incident occurs.

### **Job Specific Training**

All new employees are given hands-on training with respect to the equipment they will use. Generally this training will take place before the employee begins his field service. New hires

also are given the opportunity to complete, review and correct the forms they will use as part of their daily activities, which promotes accuracy and familiarity with appropriate parking terminology.

A Training Manual is issued to each employee to provide general guidelines and procedures for performing specific job tasks. The manual is intended to serve as a ready reference guide in the field.

### **Customer Service**

To ensure that our employees demonstrate a proper customer service attitude, we end the orientation class with a powerful emphasis on customer service. The philosophy of Ampco AirPark is shared with the entire class, and our ever important “What is A Customer?” plaque is prominently displayed in the classroom setting.

All of the components of the Customer Courtesy Program, as discussed in the Customer Service section of the proposal, are reviewed in detail and the group practices using the components during the job-specific training portion of the program. Particular attention will be paid to those items most likely to be implemented at the Norman Y. Mineta San Jose International Airport Parking Facilities. For example, one component of the program is called a Trouble Identification Walk. The Trouble Identification Walk requires the employee to walk the facility and inspect vehicles for leaks, broken lights, low tires and potential problems. The employee completes the “trouble card” and places it on the vehicle in question. Customers find this service an added amenity, while the presence of the attendants in the garage creates a necessary visibility for the parking staff.

Not to be forgotten during customer service training is such items as uniform requirements, as well as grooming and customer greetings, all of which are discussed in great detail during the initial orientation. Please see our Customer Service section for more detailed information.

### **Conflict Avoidance**

Role-playing is an important part in preparing the employee for what he or she may encounter in the field. We create situations and role-play with the employees, then as a group we discuss the positive and negative behaviors used by the employee in handling the situation. The scene is acted out again, and the suggestions from the first role-playing situation are used to avoid conflict in the subsequent scene. This practice encourages employee involvement and requires them to draw on the valuable resources provided during training.

### **Attendance**

Excellence in attendance is expected of all employees. Absences and tardiness disrupt the normal conduct of our business and are an imposition on other employees. Accurate records of absences and tardiness will be maintained. Employees are responsible for their attendance and punctuality. It is the responsibility of the H/R Manager to maintain accurate attendance records, payroll records and vacation status.

### **On-Site Field Training**

Each facility is unique in its layout, tenant base, customer needs and even employee functions. Therefore, classroom training must be followed up with on-site field training. An employee's first day of work at the Airport Parking Facilities will serve as a necessary supplement to the typical orientation.

This segment of the orientation will consist of a variety of information such as the mission and goal of the Airport, a tour of the parking facilities, as well as specific knowledge of the facility layout, size, staffing and schedules. Employees are taught information that will be helpful when answering customer inquiries about airlines, location of the nearest ATM machine, baggage claim, restrooms, usage of automated equipment, etc.

### **Post Offer Pre-Employment Driver Training**

Following extensive criminal background checks and motor vehicle record reviews, driver candidates are invited to join Ampco AirPark with the stipulation that they successfully complete our web based program in Decision Driving®. This ensures that our driver candidates are prepared to understand the concepts presented through the remaining phases of training once they are formally employed by the Company.

### **Driver Classroom Training**

Ampco AirPark has always remained innovative and proactive with its approach to employee training. In that regard, Ampco AirPark was among the first companies in the country to adopt and certify company instructors in the Federal Transit Administration, Office of Safety and Security, Transportation Safety Institute, Driver Training and Certification Program.

All elements of our driver-training program conform to industry best practices and applicable Federal requirements. In this regard, Ampco AirPark has partnered with its auto liability insurance carriers to ensure that our drivers receive the latest and most innovative training available. This three-phase classroom program is designed to provide an inter-active experience for attendees built on known learning principals and proven methods of education. Ampco AirPark will provide a Certified Decision Driving Instructor. Drivers are certified to proficiency in a three phase program.

The first phase of this training is comprised of a comprehensive study of Vehicle Operations. During this phase of training the potential driver candidate is instructed in and must demonstrate competency in the following modules:

- Introduction to the Bus
- Bus Inspections
- Bus Maneuvers
- Intermediate Maneuvers
- Service Stops

- Special Conditions
- Special Driving Problems
- Defensive Driving

Phase II of this training is comprised of Emergency Management. The skills learned in this phase are extremely important for maintaining emergency protocol in the transit system and consist of:

- Basic Emergency Procedures
- Fires and Hazardous Materials
- Intermediate Emergency Procedures
- Equipment
- Environmental
- Collisions
- Driver Actions and Responsibilities

The last phase of the classroom training pertains to customer relations. In this phase of the training, operators learn to understand the benefits of providing good customer service. In addition, driver candidates are taught to deal with the myriad of passengers that will pass through the doors of their shuttle buses. Specifically Phase III addresses:

- An Introduction to Customer Service
- Attitude and Habits
- Boarding Customers
- Luggage Handling
- Difficult Customers
- Providing Service to Young Customers
- Elderly and Disabled Customers

### **Practical Training**

Upon successful completion of this final classroom phase of the Certification Program, the driver is now ready for the “practical” phase of their training.

Several days are spent in the vehicle learning vehicle dynamics in a series of skills tests. These tests are performed under controlled circumstances in our training lots under the guidance of our Motor Vehicle Instructors. During these sessions driver trainees become familiar with DOT required inspections, vehicle control techniques, ADA passenger assistance, and passenger comfort methodology.

The final phase of instruction consists of "behind the wheel" training. During this working phase of preparation, driver coaches are assigned for "in route familiarization". This gives the trainee the opportunity to become accustomed to traffic hazards, passenger demands, emergency preparedness and customer service techniques.

During behind the wheel training, the proficiency of each potential driver will be graded on a "Driver Evaluation Record." This is a detailed checklist that the instructor uses to keep track of the trainees' driving performance, safety awareness and customer attentiveness. Any performance errors are noted on the form and points are deducted for each driving mistake. Trainees must have a rating of "Acceptable Performance" or better to complete the behind the wheel training portion of the class.

Driver trainees receive hands-on training on the proper use of the radio equipment and communication. They practice and are critiqued on their customer service and passenger skills. They receive supplementary classroom instruction on "back safety" and additional practice on loading and unloading passengers and luggage.

All drivers are then given detailed instruction on how to prepare trip sheets and other related reports. Upon graduation from the approximate 80-hour training program Ampco AirPark Drivers are certified competent to report for their shift.

Ampco AirPark recognizes the importance of having fully trained employees representing our company and our clients in the performance of their assigned duties. The evolution of transit requires that all support staff, road supervisors, and facility managers be familiar with all phases of their specific job function and practical transit operations. Each individual receives numerous hours of training in developing interpersonal skills, transit scheduling, gathering statistical data and public relations. Management candidates receive training on operational and management strategies and information systems that are critical to our operations success. All managerial and support staff serve a 90-day internship before being elevated within our organization.

### **Enviro-Driver Training**

Part of our driver training program includes instruction on how to be an environmentally responsible driver. We teach our drivers techniques on how to conserve fuel, reduce idle time, and how to drive, fuel and maintain alternative fuel vehicles.

### **Ongoing Development for Existing Employees**

In addition to the comprehensive array of topics presented to new employees, Ampco AirPark prides itself on the ongoing training programs it offers to our current team members. We understand that to succeed in today's business environment, it is imperative that we provide continuous training to all of our employees, enhancing their skills and knowledge of the parking industry. By investing in their potential, we develop top-notch, quality employees that we can stand behind. Several of our ongoing, industry-leading training programs are discussed in detail in the pages that follow.

### **Continuing Driver Training and Education**

Ampco AirPark has invested in the technology necessary to sustain the impetus of our driver training programs through the duration of driver employment.

We were the first parking and transportation company in the country to pilot the Drivecam behavior modification program. Today Ampco Airpark is utilizing web based programs with Smartdrive to ensure Corporate oversight of each of our locations around the country. Drivers must maintain a satisfactory driving record according to our Smartdrive Program Point Policy or they must take remedial training and are placed on probation. Those drivers that demonstrate unsafe driving or a violation of a Company Policy are removed from their position. Re-occurring training every two years is also required.

### **Cross-Training**

Within the parking industry, it is critical that on-site employees be cross-trained to perform the other functions and tasks required at their individual facility. In an effort to ensure capable and well-trained employees are always readily available, each Branch and Operations Manager maintains an on-call list of employees. These lists are compiled of employees cross-trained in equipment types and job functions, such as valet, cashier or shuttle driver, and located within a reasonable distance from their original job site. Generally, employees in cross-trained positions or in the "float pool" have many of the skills necessary to manage and therefore, often are selected as Facility Managers when opportunities become available. Ampco is the largest parking operator in the Bay Area and has airport operations at all three airports. This practically ensures we will not have an issue filling an open shift.

### **Safety Training Seminar**

One of the most significant concerns of any large company attempting to compete in today's marketplace is insurance, and more specifically, claims management. It is no secret that insurance costs have been escalating far more rapidly than other typical costs.

As one of the most prominent service providers in the country, ABM Industries, Incorporated, Ampco AirPark's parent company, has taken a firm position with respect to this unfavorable phenomenon. ABM has been quick to recognize that it is truly in the best interest of the corporation to reduce its claim exposure in an effort to offer competitive rates to both existing and prospective clients. As part of this process, ABM mandates that each of its subsidiaries, including Ampco AirPark, develop and maintain an aggressive yet viable Safety Program.

In response to ABM's instruction, Ampco AirPark made a conscious decision to employ a full time Director of Loss Control to ensure that all objectives were met. One of the first tasks assigned to the Director of Loss Control was to document a thorough Accident Prevention Plan. Thereafter, his primary responsibility was to articulate the contents of the plan to all members of the company as well as ensure that the information included in the plan was and is provided to all employees.

To ensure that the Accident Prevention Plan was put into action in a timely manner, a forum was established with assistance from ABM Industries. It is commonly referred to as the

Safety Training Seminar. On an annual basis, all of our employees are invited to this session hosted by the Ampco AirPark Director of Loss Control as well as several individuals in similar capacities within the ABM corporate structure. The seminar includes detailed discussions on a variety of safety-related topics specific to the parking industry. A sampling of the topics has been outlined below.

### **Workers' Compensation Claims**

Certainly one of the greatest challenges facing any firm conducting business in a service-related capacity is the reduction of workers' compensation claims. All aspects of this subject including reporting requirements for the company and the state, trend identification, accident prevention, and suggested solutions for the most common types of claims are discussed in detail.

### **Public Liability / Property Damage**

Both accident prevention via the Safety Maintenance Schedule and appropriate documentation designed to reduce the overall cost per claim are discussed in this portion of the seminar.

### **Safety Contest**

As is true with most company wide programs, the support of the employees is a necessary ingredient for the success of the same. As such, it is essential the employees have sufficient input with respect to the development of the incentive programs associated with safety. The annual seminar is used as a brainstorming session for the establishment of the annual Safety Contest, which incidentally has proven to be quite successful in the last few years.

In addition to the annual seminar, the Safety Committee comprised of the local Branch Manager and Operations Manager as well as a select number of major facility managers meet on a monthly basis to discuss the progress of the Safety Program. As part of this meeting, every claim, whether it be related to workers' compensation, public liability or vehicular damage occurring during the previous month will be reviewed. Unfavorable trends associated with the claims are identified and suggested remedial actions are developed. As a last note, monthly "5-Minute Safety Talks" distributed by ABM are reviewed to ensure that every employee has acknowledged their understanding of the same.

### **Standard Operating Procedures Training Seminar**

On an annual basis, the General Manager will attend a Standard Operating Procedures training session which is conducted by our in-house auditing staff. The seminar includes a structured discussion outlining any new company policies and procedures. There is also an open forum in which we encourage the General Manager to convey any concerns that he or she may have encountered at the location. Shortly thereafter, the auditing staff checks and rechecks the facility to ensure that all of the new or revised procedures have been fully implemented. In those instances where deficiencies are detected, the General Manager will be required to attend a supplemental training session.

### **Technology Training**

The parking industry has turned the corner with respect to technology and automation. Computers and the associated technologies are evident in most every revenue control system found in the market today. Additionally, the reporting and analytical requirements have increased dramatically.

On an "as needed" basis, Ampco AirPark offers its employees extensive training on several of the most common programs utilized today. Whether we are training the novice who virtually possesses no knowledge of computers or the experienced user desiring only to brush-up on his / her skills, Ampco AirPark's training department is quite capable. We encourage the General Manager of the Norman Y. Mineta San Jose International Airport Parking Facilities to take advantage of this opportunity; the initial training will consist of the SCORE4 System, Microsoft Excel and Microsoft Word, and all will be provided at no cost to the project.

### **Certified Parking Professional (CPP)**

Educational programs and designations are commonplace in the asset and property management arenas. On the contrary, programs which stimulate specific parking knowledge have not been available to our industry until just recently. In 1995 and 1996, Ampco AirPark committed to the placement of 50 qualified individuals into the National Parking Association's Certified Parking Professional (formerly Certified Parking Facility Manager CPFM) program. We now have hundreds of certified managers nationwide.

The program is offered as a correspondence class for those desiring to expand their knowledge of the industry. Contemporary issues such as computerization, parking control and specifications, the American Disabilities Act (ADA), maximizing profits and controlling expenses, as well as rideshare development and planning are all examples of the contents of the certification program.

### **Ampco's Roadmap to the Future**

We have clearly seen the need to enrich our employees by offering the most comprehensive training systems available. Ampco AirPark has an online training program wherein management staff is taught on a variety of subjects. The curriculum of Ampco's *Roadmap to the Future* will be used as a means of educating our employees. The classes are offered online for convenience and they are available 24 / 7, day or night. Managers in positions reporting to Branch Managers such as Facility Managers and Assistant Facility Managers will have access to 10 business-based online educational training courses specifically selected to support their ongoing professional development here at Ampco AirPark. Classes include:

- The Principles of Financial Management
- The Fundamentals of Exceptional Customer Service
- Overcoming Difficult Customer Service Situations

- Identifying Your Customer's Expectations
- Problem Performance Prevention
- Leadership Essentials: Leading Change
- Sustaining Competitive Advantage
- Personal Accountability

With a stable workforce in place, we provide continuous training to all of our employees, enhancing their skills and knowledge of the parking industry. By investing in their potential, we develop top-notch, quality employees that we can stand behind. The combination of prescreening, ongoing training, and an excellent benefits package produces the workforce that you see today at an Ampco AirPark managed facility.

### **Evaluation of Employees Frequency**

All new employees, upon graduating from the training program, can expect a performance review after 90 days on the job. This signals the end of their probationary period, evaluates their progress, while pointing out their strengths and weaknesses. All performance criteria are evaluated and a decision made as to what, if any, remedial training is warranted. Subsequent performance reviews are conducted on the anniversary date, memorialized in writing, and made a part of their personnel file.

The evaluation review covers all areas of the employee's responsibility. Technical, behavioral and customer relations skills are considered in the overall performance evaluation. For instance, in the case of a cashier, data compiled from cash audits and quality control inspections are considered important to the review. Complaints or compliments from the traveling public would also play a major role in the process. The performance of supervisors or managers would be weighted towards policy compliance, timely reporting and financial performance of the operation.

### **Promotion**

Ampco AirPark believes it has an obligation to promote from within the company. Employees are made aware of this policy early on and encouraged to strive for advancement. Promotion, pay raises and continued employment are all tied to performance. In short, the employee who demonstrates superior job skills and knowledge and a desire to do something extra will be rewarded with additional responsibilities and promotion. Most of our present management started at the lowest levels of responsibility and have worked their way through the ranks. This is common knowledge at Ampco and provides the impetus for employees to do the very best job possible.

### **Progressive Discipline**

Ampco adheres to a strict set of policies concerning discipline that may lead to a demotion or involuntary termination. For the protection of the employee, it is important that when a rule violation occurs, the employee is notified verbally with a written notice to their personnel file to memorialize the conversation. This follows a systematic course that progresses with additional warnings if the rule violations continue, eventually leading to termination. It is

important that all discipline be leveled uniformly and that all employees are expected to adhere to the same rules and regulations.

### **Demotions**

Demotions will be given when an employee is failing to meet the standard because a certain skill level cannot be achieved but is otherwise following all rules and regulations. Ampco understands that this sometimes happens, and try as he or she might, the employee may not be able to reach a skill level to do the assigned job. In these instances it is our objective to retain the employee whenever possible and place the person in a less skilled position where they are able to succeed.

### **Terminations**

It is important that all terminations, voluntary or not, be handled in a professional manner consistent with all state and federal laws. To this end, Ampco has a fully staffed Human Resources Department to monitor and assist all field personnel in the sometimes delicate procedure of a dismissal. In the case of a firing, it is our practice to initially suspend the individual pending a brief investigation. This allows us to make sure the termination is warranted and allows the field manager to receive proper direction before making the termination final. In every case, all departing employees receive an in depth exit interview where all questions are answered including an explanation of available continuing benefits.

### **Guidance of Supervisory Personnel**

Supervisory personnel and training will be the direct responsibility of our on-site General Manager. As a senior staff member, she will be charged with the responsibility of organizing and directing subordinate personnel in all aspects of required procedures and standards necessary to maintain a professional first class operation. To assist management we have a Human Resources Manual which is available on line through our parent company ABM Industries, Inc. Our Employee Handbook further details our policies and procedures.

### **Employee Incentive Program**

"Why should I do these things?" One of the dilemmas facing any organization attempting to integrate customer service techniques and philosophies into its operations is employee participation. To ensure that employee involvement is achieved universally, it is essential that 100% of the employees "buy in" to customer service. Ampco AirPark is cognizant of the fact that it can develop the most comprehensive customer service program available in the industry, but if the employees are not willing to embrace the program, it will certainly not best serve the customers, the project, nor the company.

We have found through our experience at other locations that employees do a better job when they know their work will be appreciated. That is why we will provide incentives for perfect attendance, positive customer comments and secret shops, as well as commendations by Airport staff for exceptional service. Employee incentives will consist of small cash prizes, movie tickets or gift cards to stores or restaurants.

### **Uniforms and Professional Behavior**

"Image is everything." Regardless of our success in the execution of our prescribed tasks, it is imperative that our employees look professional doing it. The fact that our employees not only represent Ampco AirPark, but also the Norman Y. Mineta San Jose International Airport as well is constantly reiterated. Grooming, uniforms, and overall appearance of the facility are

important to us. The Airport can choose from a number of available uniform styles from the embroidered polo, embroidered oxfords (shown), to vests and bow ties.

If embroidered polos are selected, employee uniforms can be color keyed to their job responsibility as follows:

- Cashiers – White
- Shuttle Drivers – Yellow
- LPI – “High Visibility” Orange
- Maintenance – Gray
- Supervisors – Blue

All employees will be issued a name tag or Airport issued photo ID to wear as part of their uniform. Shuttle drivers and cashiers will have name plates displayed on their booth or in the shuttle.

### **Collection of Fees and Charges / Financial Controls**

Our parking management philosophy ensures we provide the highest caliber of revenue control and exceptional service to our clients, customers and employees. Our management and organizational approach is driven by results. We empower our local management team to execute the necessary steps to accomplish site-specific goals, while maintaining revenue control and company guidelines. We incorporate our core values — respect, fairness and dignity — into every business dealing to guarantee desired results. Our Ampco AirPark team understands the dynamics involved in managing the parking operations at a major airport. These dynamics can change without notice, thus making it essential to have a team on the ground that can make decisions, rapidly adjust and implement changes relative to our business while limiting operational impacts.

Our parking management team has been created to ensure that the Norman Y. Mineta San Jose International Airport’s needs, service standards and expectations are continually exceeded.

We have developed site specific cash control procedures to meet the demands of the Airport. These procedures, which include Ampco’s proprietary accounting system, reporting structure, cashiering operations and revenue collection, are in place to address all aspects of parking revenue control.

### **SCORE<sup>4</sup> ACCOUNTING SYSTEM**

SCORE<sup>4</sup> is Ampco AirPark’s proprietary software program designed to control all parking revenue related activity at the facility level. Using the JDEdwards One World platform, it is perhaps the most advanced software program available in the parking industry.

The SCORE<sup>4</sup> program is based on the premise that the parking operation can and should be managed as a stand-alone business in the sense that it has potential for generating

significant profits. In fact, often times the parking facilities are the most profitable component of the projects with which we are associated. Add the considerable cash component to this already complicated business, and it is clear to see why a software program capable of effectively capturing revenue activity and trends is essential.

The primary objective of SCORE4 is to provide our senior, mid-level, and on-site managers as well as the many property management firms and owners with whom we interface with valuable information rather than static data. To do so, it was necessary to create an entirely integrated financial management system specific to the parking facilities for which we are responsible. By doing so, we are able to generate up-to-the minute reports detailing critical statistical information so as to provide our managers and clients with an accurate snapshot of the facility's revenues. Additionally, because these processes and reports are completely automated, we are able to eliminate the necessity for both on-site and off-site operations personnel to re-key data. In short, the implementation of the SCORE4 program at our facilities allows our operations personnel to visit their respective facilities more frequently due to the fact that they are not spending the majority of their working day creating and modifying non-automated reports.

Further, SCORE4 creates a much-needed link between our remote parking facilities and our corporate and regional offices. The architecture of the SCORE4 database is state of the art in that it utilizes client-server technology to manage the parking operation. As such, the SCORE4 user cannot easily manipulate the facility data, which is always a concern in a PC environment.

The server in which the program resides is in a dedicated data center that is managed by our parent company, ABM Industries Incorporated. Secure access to the program can be achieved via a Wide Area Connection (WAN), a dial-up connection into one of the Ampco AirPark regional or branch offices, or via the internet coupled with ABM's virtual private networking (VPN) technology.

The latter is the most common solution for the remote users at our parking facilities. On the immediate horizon will be the migration to thin client technology at our remote facilities. By thin client we are suggesting that a Windows Terminal (WinTerm) with no local hard drive and consequently no potential for viruses or connectivity issues will replace the personal computer that is now required to access the server at ABM's data center.

Although access control equipment is not required to institute the SCORE4 system, the SCORE4 environment can be integrated with your access control system with the cooperation of your access equipment provider. The parking industry is literally in its infancy stage with respect to its ability to provide integration (either real time or otherwise) between the billing / receivable component and the access control component.

Unfortunately, this leaves the operator with a significant potential for error, which may result in a loss of revenue at the facility. In fact, without an integration of the two sides of the system even the most well-managed operation may have a low possibility for shrinkage. Although several of the major revenue control equipment manufacturers have recently developed proprietary single database systems to control both the invoicing and access control aspects of the business, the billing component is often quite deficient in its ability to adjust for non-standard, non-market rate scenarios, lease expiration information and finally, one of the most difficult to tack, lease must-takes that are often associated with many of the parking specific tenant leases. Several of these non-standard scenarios are discussed later in this section.

With this in mind, Ampco AirPark has made a conscious effort to integrate its SCORE4 invoicing module with many of the more sophisticated access control systems in the marketplace. In most instances, the parker data is first entered into Ampco's SCORE4 database to ensure the integrity of the revenue stream is maintained. Thereafter, various data fields from the cardholder data screens as well as access level and area group information within SCORE4 are entered into the access control database. Ultimately, the keycard will be activated in the access control system. Thereafter, on a monthly basis, the SCORE4 billing database is compared with the access control database to ensure that no discrepancies exist, which further eliminates the possibility of activating the card in the access database without ever accounting for the card from a billing perspective. Any exceptions between the two databases are then reported to the appropriate management parties at the location, branch, and / or regional level.

#### Contract (Monthly) Parker Module

Although SCORE4 was designed to accommodate the simplest surface parking lot to the most complex mixed-use facility, either with or without revenue control equipment, its boldest features are found in its contract (monthly) parker component. In fact, it is the first and only revenue control software program designed exclusively for the parking industry that applies advanced logic to control its contract parkers.

Where most, if not all, parking-related software programs use additional rate codes to accommodate lease or contract concessions (such as parker discounts), SCORE4 uses pre-programmed formulas to derive the concessions using the published rate for the facility as its foundation. Additionally, the SCORE4 program automates other contract / lease driven tasks such as automatic rate change dates which are tied directly to the lease document specific to each tenant. Other examples include an ability to restrict parkers or accounts from utilizing stalls above and beyond their predetermined lease allocation in addition to the ability to "upgrade" parkers to a higher rate classification without compromising the tenant's lease allocation. The lease must-takes feature will continue to bill tenants for a specified number of parkers, even if their actual usage falls below the lease required minimum.

#### Deposit Reconciliations

Simply stated, the cash intensive nature of the parking business creates numerous opportunities for manipulation. As such, the necessary controls must be put in place wherever and whenever possible to ensure the revenues are maximized and shrinkage is minimized. One of the key and most beneficial features of SCORE4 is its ability to automate deposit reconciliations for all of Ampco AirPark's locations (Note: This feature can only be used for facilities in which the revenues are deposited into an Ampco AirPark established account or when a suitable downloaded data stream can be obtained from the landowner). This automated reconciliation is performed daily in our regional accounting offices where no cash handling responsibilities exist, effectively providing a key segregation of duties control. Reconciliations are performed for both bank deposits and credit card receipts.

To perform this simple yet tremendously effective test manually is both labor intensive and cumbersome, and unfortunately is oftentimes left out of the auditing process. Additionally, the nature of bank data makes it difficult to obtain on a daily basis when the process is not automated. However, when automated, as it is in SCORE4, the deposit reconciliation is always performed, and as such, can drastically reduce the possibility of one of the most primitive, yet frequent attempts to manipulate revenues.

### **Integrated Manual Invoice Processing**

One of the often overlooked aspects of the parking business is the tracking of accounts receivable related to the purchase of validations, either prepaid or charged, and the charges associated with the mid-month establishment of new monthly parking accounts or the addition of new parkers within a previously established account. Generally speaking, the process has been to either type, handwrite, or complete a charge form to be processed at a later time by either the regional or corporate office to account for these charges. In these instances, it is unlikely that the charges related to the invoice will ever be entered into the accounts receivable system, and even when the charges are entered into the A/R system, they will not be posted on a real-time basis, which may ultimately compromise the reporting process.

To ensure that all charges related to the parking facility are posted in the A/R system and to ensure that the customers within the facility are responded to in a timely fashion, Ampco AirPark has developed a manual invoicing module within the SCORE4 environment. Therefore, any product or service that is sold at a parking facility will be accounted for on a real time basis via the manual invoicing system including the recording and collection of accounts receivable.

With respect to stamp validations, the books can be sold directly out of a predefined inventory. Thereafter, the receipt and / or invoice (depending on the payment policy at the facility) will be generated and presented to the customer, with 100% of the entry recorded on-line and real time. In the case of monthly parkers, the parker data can be entered into the SCORE4 system, the keycards activated (if applicable), and the rates can be prorated (with all adjustments reported on line) simultaneously.

All invoices generated by SCORE4 are mailed out by an independent fulfillment house to eliminate any possibilities of manipulation and ensure the proper segregation of duties are maintained.

### **Additional Reporting Capabilities**

SCORE4 offers a vast array of reports for both monthly (contract) and transient parkers including receivable agings, contract detail reports, anticipated invoicing reports and revenue reports. Every manager has access to contract review reports that indicate when contracts are up for renewal or for terms changes. Additionally, every aspect of the database can be queried from the unique SCORE4 screens that include an integrated query tool. These queries are real-time and can be exported to Excel as needed.

### **CASHIERING OPERATIONS**

Ampco AirPark understands the intricacies involved with the Parking Revenue Control System in place at the Airport. This understanding enables us to employ processes and procedures that allow for optimal handling time, unparalleled revenue control, accurate reporting and transaction accountability.

Having the necessary controls and processes in place to ensure all exception transactions can be verified and properly accounted for is essential. Ampco AirPark understands this importance and has specific procedures for the different exception transactions that occur. It is inevitable that parkers will have lost tickets and that some people will attempt to take advantage of the system in their efforts to escape without having to pay their accrued parking fees. The revenue control system currently in place employs a ticket to vehicle check and balance system that helps prevent system manipulation.

All exception transactions will be audited the following day to ensure accurate processing and verify the validity of the transaction. Additionally, all exception transactions will be trended to the cashier processing the transaction to ensure our internal controls are in place and any suspect trends can be properly investigated and responded to if needed.

The following cashier closeout procedures are from Ampco AirPark's Standard Operating Procedures manual:

#### *End of Shift Procedures*

- When you have completed your daily assignment, the supervisor will come to your booth to perform an end of shift.
- Remove all funds that you have collected from your cash drawer and put it in your money bag.
- Separate your tickets according to charge, exceptions, no charge, and rubber band together accordingly.
  - Place the tickets in your plastic bag that you obtained from the vault room at the beginning of your shift.

- After you have collected all your items from your booth, proceed to the vault room.
  - Turn everything into the vault room.
    - Funds collected
    - Plastic bag with tickets and journal tape inside
    - Daily lane cashier sheet with drop slips and partial end of shift receipt attached
- Should a vault clerk determine a piece of information is missing, they will:
  - Stop the check out process
  - Return all paperwork and money to the cashier
  - Send the cashier to go find the missing items
  - If the cashier is unable to find the missing items the clerk will proceed with the ring off
  - The clerk will note the missing items on the daily lane cashier sheet
  - The cashier will be held responsible until the items are found and turned into the finance manager by the next day
- The vault clerk will run a report showing the total amount of funds you collected.
  - The vault clerk will count all your funds that you collected
  - The total amount of funds that you collected needs to match the report total amount
  - The vault clerk will instruct the cashier to sign the daily lane cashier report once the ring off is completed
  - If your deposit does not balance, all tickets, journal receipts, drop slips, and reports will be turned over to the auditors to investigate, do not pay the short until an investigation has been completed.

## **REVENUE COLLECTION**

As a professional parking service management company, Ampco AirPark has developed collection procedures to meet the requirements of the Norman Y. Mineta San Jose International Airport. In principle, each procedure must provide an accurate method of fee calculation and include proper documentation. It must also provide a safe and accountable method of transferring collected revenues in preparation for deposit.

Within the airport parking industry, approximately 75 percent of all parking revenues are collected in non-cash mediums including credit cards, personal checks and pre-paid debit cards. At SJC, the credit card usage is as high as 85%. The remaining 15 percent of revenue is collected in cash. Cash transactions do not have an inherent trail. We rely on the strength of our cash handling procedures, the revenue control system transaction data and our in-house audit processes to ensure proper collection and handling. Our procedures are developed to protect our client's revenue, the company's reputation and our employee's

safety. Each employee is thoroughly trained in revenue collection and cash accountability before being allowed to act as a cashier. Our employees are trained to be proficient in the use of cashier terminals, which teach the benefit of keeping all currency neatly stored in closed cash drawers and require frequent drops to the safe.

Similar practices and procedures were developed for the proper acceptance and reconciliation of credit cards and checks. Our employees understand the importance of proper reporting and reconciliation of all parking revenue.

### **Forms Of Payment**

There are many ways Ampco AirPark collects revenue. The following details acceptable and unacceptable forms of payment as well as correct cash handling procedures.

#### Acceptable Forms of Payment

- Cash (US Currency only)
- Check (US Bank only)
- Visa and Master Card
- Traveler's check (US only)

#### Unacceptable Forms of Payment

- Non-US currency
- Counterfeit currency
- Checks with addresses out of the country
- Checks drawn on banks out of the US
- Two-party checks

### **Cash Transactions**

If a customer is paying cash, the cashier must state the amount of cash paid. All bills larger than a \$20 must be checked with a counterfeit pen. After executing the transaction, the cashier will count the change back to the customer. On transactions of \$15 or more, a receipt must be printed. If the amount is less than \$15, the cashier must ask the customer if they would like a receipt. Of course, the cashier will always thank the customer.

### **Cash Handling Basics**

The cashier must secure the money at all times, and the money must be in the cash drawer at all times. The cashier will call the supervisor for change before they need it and will check every bill of \$20 or larger with a counterfeit pen when the change comes. The cashier will keep their cash neat and orderly by arranging all bills in the same direction. This reduces the

possibility of making mistakes. The cashier will make a cash drop anytime they accumulate \$400 in the drawer.

### **Travelers Checks – U.S. Only**

Traveler's checks are considered a form of cash; however, there are some differences in the procedure for acceptance of traveler's checks. The customer must sign the signature line in the cashier's presence. A pre-signed traveler's check is never accepted. If the check is pre-signed, the cashier needs to ask for another form of payment or contact their supervisor for assistance. The cashier needs to ask the customer for their driver's license and verify that the name on the license matches the name on the travelers check. Once the cashier determines that, everything matches up, it is handled like a cash transaction and the sequence number of the transaction is written in the upper right corner of the travelers check.

### **Personal and Company Checks**

Checks may only be accepted for the exact amount due that shows on the payment screen. It is never acceptable to give cash back on a check. When the customer presents the bank check to pay for the transaction, the following information must be printed on the check:

Maker's name – this is the full name of the person writing the check. A company name is not sufficient. If the check only has the company name, the cashier must obtain the physical address, two telephone numbers and the check writer's name printed above the signature.

Maker's complete street address (a Post Office Box is not acceptable without a street address).

Maker's complete telephone numbers, including area code. The cashier will have to check the maker's driver's license for verification of identity.

### **Credit Card Transactions**

In recent years, the parking industry has seen a tremendous growth in the number of credit card transactions related to parking payments for transactions fewer than twenty dollars. We anticipate its continued growth as this continues to prove an effective and secure form of payment. Accordingly, our staff members are trained in the following procedures for handling credit cards transactions.

### **Cash Back**

Like checks all credit card transactions are processed in the amount of the transaction only. Cash is never given back from a credit card transaction.

### **Customer Paying for Two Transactions**

Occasionally, a customer will use a credit card to pay for themselves and another vehicle exiting in the same lane. To avoid confusion, these types of transactions are processed in the following manner:

The first customer will pull up past the gate and allow the second customer to pull up to the cashier booth to be processed.

Write the reason on the credit card slip and have the “owner” of the C/C sign both slips regardless of fee.

### **Credit Card Exceptions**

A small number of attempted credit card transactions cannot be completed. There are many reasons for this, including problems with the equipment. It is imperative that the cashier make every effort to assist the customer without assuming the problem is with the customer’s card.

### **Denied or Declined Transaction**

Declined is different than denied. A denied transaction occurs when the credit card processing company is unable to approve the transaction. In this case, the customer may be given the option of using another credit card or paying cash. Declined is when the PARCS does not process the transaction.

### **Invalid Entry Required**

“Invalid Transaction-Manual Entry Required” generally means that the reader could not identify the information on the card’s magnetic strip. All manual credit card transactions must have an imprint of the card made to provide verification that the customer actually used the card. It is important that all information is recorded on the manual receipt: Customer’s name, account number, card’s expiration date, amount, date of transaction, lane, cashier number and customer’s signature.

### **Exception Transactions**

There are two types of exception transactions. One example is when one of the pieces needed for a normal transaction (ticket or payment) is missing. Another example is where the customer’s actual payment varies from the fees calculated by the system. All exceptions must be recorded on the Cashier Report. Most exception transactions will be handled with the supervisor’s approval. There are some exception transactions that may be handled by the cashier, and they are as follows:

- Mutilated, blank or unreadable tickets: A mutilated ticket transaction is done when a customer presents the cashier with a ticket that is wet, torn, worn, badly wrinkled or folded so that it can’t be inserted into the machine.
- Validations: Occasionally, a patron may present an entry ticket with validation stamps on them. It is the cashier’s responsibility to ensure that the validation may be used. If they are not sure, they must contact their supervisor. All validation transactions must include the validation media.

### **Internal Reporting and Controls**

Over the years, Ampco AirPark has developed standard procedures for cash and inventory control. Procedures have been implemented for shift changes and the transfer of equipment and vehicles from one employee to another to ensure that Authority and Ampco property is

secure at all times. We also have in place standard procedures in regard to petty cash requests and expense reports.

Ampco utilizes a petty cash request form to replenish petty cash; we reimburse travel and business expenses with an Expense Report form. To have expenses reimbursed, a request must have direct supervisor and branch manager approvals. The San Jose International Airport parking facilities will have a petty cash fund for minor incidental operating needs. All managers will control and reconcile their own petty cash funds, which include cashier starter banks.

### **PCI Compliance**

In today's parking environment, the acceptance of credit cards is required, but improper credit card procedures can be a tremendous liability. Ampco AirPark understands the need for proper credit card procedures and is a PCI Compliant Level 2 merchant. After achieving our initial PCI compliance validation, Ampco realized that we would need to implement additional security technology to fulfill all of the PCI requirements. In order to maintain our compliance and ensure the security of cardholder data, we have entered into an agreement with Trustwave to provide a web based secure portal through which we manage our PCI-DSS mandated vulnerability scans, network penetration tests and questionnaires. In addition to these compliance services, Ampco AirPark has worked with Trustwave to provide a Unified Threat Management Solution which provides multiple security functions such as a firewall, intrusion detection and prevention, virtual private network and anti-virus services in a single appliance which is monitored 24 X 7 by Trustwave's security experts. Trustwave advises Ampco on all aspects of PCI compliance including procedures, security policies, training, validated payment applications and real time updates for the latest on-line hazards. We understand that the protection of our customers' credit card data is a critical component to the success of our business.

Please see our Section 6 PCI Compliance for more information.

### **Sarbanes Oxley Compliance**

We are proud to announce that ABM Industries Inc., Ampco AirPark's parent company, is Sarbanes Oxley Certification (SOX). This certification is a direct result of all the ABM subsidiary companies working tirelessly to comply and document their strict accounting practices and procedures as they relate to the SOX 2002 Legislation, also known as the Public Company Accounting Reform and Investor Protection Act of 2002.

The SOX Legislation is a United States federal law passed in response to a number of major corporate and accounting scandals including those affecting Enron, Tyco International, Peregrine Systems and WorldCom. These scandals resulted in a decline of public trust in accounting and reporting practices. The legislation is wide ranging and establishes new or enhanced standards for all U.S. public company boards, management and public accounting

firms. The certification process is very extensive and comprehensive and has resulted in the tightest revenue and accounting controls found anywhere in the industry.

The scope of the legislation is exhaustive, however, a sample of The Sarbanes-Oxley Act's major provisions include the following:

- Creation of the Public Company Accounting Oversight Board (PCAOB)
- A requirement that public companies establish more restrictive procedures for internal controls as they relate to financial reporting and that independent auditors for such companies “attest” (i.e., agree, or qualify) to such disclosure
- Certification of financial reports by chief executive officers and chief financial officers
- Auditor independence, including outright bans on certain types of work for audit clients and pre-certification by the company’s Audit Committee of all other non-audit work
- A requirement that companies listed on stock exchanges have fully independent audit committees that oversee the relationship between the company and its auditor

### **Record Retention**

Ampco AirPark utilizes exceptional reporting and auditing procedures. In keeping with that practice, the retention and safekeeping of records and source documents for the parking management and transportation operations is a top priority. Our entire Managerial and Accounting Staff will follow our well established guidelines regarding the storage of files, records and tickets. All important documents will be secured in locked environments and will be retained for periods required by the Norman Y. Mineta San Jose International Airport.

### **AUDITING PROCEDURES**

Ampco AirPark understands that the Norman Y. Mineta San Jose International Airport is intensely interested in how we manage the day-to-day operation of its business. To this end we provide all our clients with a comprehensive economic performance profile that takes into account all of the unique specifications of each facility we operate.

Our performance is scrutinized by our local and national senior operations and accounting staffs, augmented by ABM’s Corporate Auditing Department, which focuses on items such as ticket control, daily and cashier shift reports, monthly parking reconciliation, deposit control, safety compliance and numerous other categories — everything that bears upon the fiscal health of the Airport Parking Facilities.

Once each audit has been completed, the results are forwarded to our on-site management team for a performance analysis. Then our General Manager will discuss the results with the Airport, complete with suggestions to remedy any deficiencies specified in the audit.

The Airport Parking Facilities also will benefit from the input of our independent third-party auditor, Walker Parking Consultants, which specializes in the auditing of parking operations and is recognized as one of the top firms in the business. Walker Parking Consultants has designed a program exclusively for Ampco’s facilities, and the consultant’s review combined with our Field Audit Department program, will provide both operational and financial coverage and support for the parking facilities.

We routinely perform multiple audits, and subject to Airport Authority approval, we will provide you with an audit schedule to ensure that the facilities receive comprehensive and timely reviews so that the level of revenues collected and reported from the site are accurately measured. Be assured that no audit will be performed entirely from our corporate offices. Ampco's field audit staff will make several visits to the facilities.

Several types of supplemental audits are performed by the Ampco Auditing Department. These audits verify the accurate completion of the daily reports and associated inventory controls, compliance with our Standard Operating Procedures, ticket handling guidelines, deposit monitoring techniques, quality control at the facility level and revenue comparisons, etc. The following outline briefly describes the various types of audits our Field Audit Department will perform at the Norman Y. Mineta San Jose International Airport Parking Facilities pursuant to your scheduling directive.

Finally, our on-site staff will have an audit team that will handle daily audits. The on-site audit staff will report directly to our Airports Vice President, Scott Hutchinson, and our AVP of Audits, Margaret Kann. In addition to our standard auditing protocol, further audits will be accommodated when requested by the Airport.

### **Standard Operating Procedures Audit**

Ampco AirPark has developed and implemented throughout the company, a series of record keeping and reporting procedures which are compiled into a manual of Standard Operating Procedures. These form the core of our accounting requirements and incorporate all essential considerations of internal controls, segregation of duties, and revenue control. These procedures, in general, establish the first line of defense against all opportunities for fraud either by the employees or the customers.

Where needed, these procedures will be modified to the specific characteristics of the revenue control equipment. The location may possess unique revenue control weak points due to the physical layout of the parking facility, operating hours or traffic flow logistics, all of which impact the various revenue control systems.

With this in mind, the staff from the Auditing Department is required to visit the operation during the course of the year to perform the Standard Operating Procedures Audit. In actuality, this audit represents an accumulation of numerous mini-audits combined to comprise one thorough operational and financial analysis. This audit reviews each segment of the Standard Operating Procedures to ensure compliance of all company procedures. All reports created and maintained by the facility management are reviewed at this time. During the visit, the audit staff will correct and instruct the General Manager on any procedural deficiencies. A follow-up visit is made approximately one month later. Failure to comply with company or approved location policies may result in mandated attendance at a supplemental training session. Each component of the Standard Operating Procedures Audit is enumerated below:

#### *Ticket Shopping*

Ticket shopping is one of the most effective as well as most simple methods of auditing. An auditor visits the facility under the guise of a regular parker. The ticket is photocopied to document the transaction. The auditor pays the fee and exits the facility. The next day, the

audit staff reviews the tickets, cashier / shift report and DCR to verify that the control ticket was processed according to procedure. This is the initial step of the SOP Audit.

#### Booth / Cashier Audits

A booth / cashier audit dictates that a member of the audit staff work side-by-side with various cashiers at the facilities. The revenue for the shift is then compared to previous shifts, days, months, etc., in an effort to verify consistencies and trends.

#### Comprehensive Ticket Audits

Ticket audits are performed as part of the SOP Audit and upon request. While the majority of the tickets are audited on a daily basis by the local audit staff, spot checks are performed on a regular basis. The purpose of the ticket audit is to ensure tickets are processed correctly and accurately represent the level of revenue disclosed on the daily cash reports.

#### General Audit Survey

The General Audit Survey (GAS) involves an evaluation of the Daily Cash Reports and corresponding documentation. Specifically, the GAS audit evaluates the completion of the daily cash reports and corresponding documentation. Many areas are reviewed while performing the GAS audit. Auditors are particularly concerned with the timeliness of deposits, presence and composition of deposit slips, validation sales, monthly sales, ticket sequences, availability of reports, cashier / shift reports, the Safety Maintenance Schedule, deposit monitoring system and the Standard Operating Procedure Training Class.

#### Review of Monthly / Employee Parking Records / Billings

The monthly records at the facilities are inspected to ensure all accounts are complete and current. These monthly records include the invoices, keycard / AVI index and the active key card printouts, when available for the employees as well as any monthly contract parkers. Generally, if maintained properly, all records and appropriate ledgers are audited to ensure they reconcile to one another and reflect the current trends in the facilities. Included on the ledger records must be the name of the parker, amount paid each month, balances due, tax exemptions, and keycard numbers, if applicable.

Thereafter, active keycards / AVI's / hangtags are compared to the reported monthly sales as disclosed on the invoices, monthly records, DCRs, etc. To determine the status of each card, an active keycard printout is requested from the facilities. The auditor is present at the facility to inspect the printout as it is created. All active key cards are compared to the previous monthly reports and current trends. This reconciliation also includes an identification of all keycard holders for each account. Historical sales journals are also reviewed to cite monthly parking trends as necessary.

#### Payroll Audit

Payroll audits are performed on a random basis and involve an auditor who receives and distributes payroll checks by location. Schedules and time cards are inspected, and proper identification is required of each employee. This is to be sure that checks are issued only to current employees.

#### Quality Control Inspections

A quality control inspector visits and inspects each facility, carefully taking note of safety practices, the personnel / courtesy program, the offices and cashier books, structure and lot

surface, equipment, shuttles, signage, graphics and general bookkeeping. A report is sent to the Airport management team, and a follow-up visit is made to ensure that deficiencies are rectified.

#### Comment Card Audit

Visitors and airport employee parkers are invited to complete comment cards, including any suggestions they may have. These are then forwarded to our corporate office, where they are audited. The Director of Customer Service often personally participates in this audit and may spend time with employees for supplemental training. After the comment cards have been thoroughly reviewed, a comprehensive report is created. After six months, the location may distribute comment cards again to see if progress has been made in the area of customer satisfaction.

#### Employee Training

The onsite General Manager and staff will attend extensive training sessions at given intervals. These sessions will feature all operations procedures and reporting requirements. Additionally all employees will be instructed in completion of daily cash reports (DCRs), cashier / shift reports (SRs), daily depositing policies, monthly parking reports, the SCORE<sup>4</sup> accounting and invoicing system, and, if applicable, customer service components, quality assurance specifications, safety / preventative measures, accident claim instructions and employee incentive programs. An informative customer service and quality assurance program video also will be viewed by employees.

The General Manager and staff will be monitored to see that all current procedures are followed and stringent controls are present, as part of the regular audit process. Also, the Standard Operating Procedures Training Course review session will be attended annually, and all staff members involved in any accounting-related activities must pass the SOP examination, which is issued at the close of an audit or after a training class.

### **REPORTING**

Our philosophy is simply that the General Manager is the individual that possesses the most thorough knowledge of the facility for which he or she is responsible. To be successful, the General Manager must be given the proper tools to operate the location. One of the most useful tools that we created was Ampco AirPark's proprietary software package: The SCORE4 System. This system, which is unquestionably the most comprehensive accounting program established for the parking industry, was developed by our parent company, ABM Industries as an upgrade of our previous proprietary software, the SCORE3 System.

ABM's Management Information Systems Department is capable of providing Ampco AirPark with all of the resources it requires to modify or customize the various modules of the SCORE4 System to meet the needs of the Norman Y. Mineta San Jose International Airport. In short, its features are virtually limitless and its scope infinite. Most significant of all, its continual evolution is in direct response to our clients desire for improved accountability and retrieval of information. The various elements of the program have been enumerated in detail in the pages that follow. While each Airport is uniquely different so is their need for different

daily, weekly, monthly, quarterly and annual reports. As part of our start up of this contract we will meet with the Airport Operations staff to design and produce the reports that are most useful to that Airports needs.

## **Types of Financial Reporting**

- **Monthly Invoice Register**    • **Expense Detail**
- **A/R Trial Balance**            • **Variance Report**
- **Monthly Statement**        • **13 Month Trend**
- **Cover Summary Sheet**      • **Budget Module**
- **Revenue Detail**              • **Supplemental Reporting**
- **Labor Detail**                 • **Comparison Graphs**
- **Aged Vehicle Report**        • **Complaints Log**
- **Refund/Credit Card Report** • **Utilization Report**
- **Employee Parking Report** • **Accident Report**
- **Contested Credit Card Report**• **Benchmark Report**

### **• Monthly Invoice Register**

This report details the invoices for a particular month. In addition to the current month, the system has the ability to produce this report for prior months.

### **• A/R Trial Balance**

This report provides a detailed recap of all current and outstanding invoices by company.

### **• Monthly Statement**

As a full disclosure company, Ampco AirPark provides a comprehensive monthly statement package. Brief descriptions of several components of the monthly statement have been outlined below.

### **• Summary Cover Sheet**

The cover sheet identifies the location and the month to which the statement pertains. Net revenues are summarized, followed by expenses. The detailed expense information is categorized and ultimately subtotaled into major general ledger accounts, each of which is supported by a supplemental schedule per account and then again on a per invoice basis. The final settlement for the particular month is included at the bottom of the cover sheet. If a settlement is due to the landowner, a check will accompany the statement. Conversely, if a settlement is due to Ampco AirPark, an invoice will accompany the statement.

### **• Revenue Detail**

The detailed revenue schedule itemizes the revenue by category and by day. It also clearly distinguishes Net Receipts from Gross Receipts and summarizes Tax Liability and Tax Exempt sales where applicable.

- **Labor Detail**

The labor detail schedule includes a comprehensive breakdown of gross payroll on a per pay period, per location basis. The information is summarized by employee and includes the employee identification, type of pay (i.e. regular or overtime), rate of pay, the number of hours worked, and the gross pay per employee.

- **Aged Vehicle Report**

The aged vehicle report lists all vehicles parked longer than fifteen (15) days.

- **Refund / Credit Card Report**

The refund / credit card report itemizes all refunds and credit card credits with a comparison to the previous year.

- **Employee Parking Report**

The employee parking report itemizes all active permits and proximity cards, the number issued, lost and returned by tenant and billing group.

- **Contested Credit Card Report**

The contested credit card report shows the number and dollar amount of any claims with an annual running total.

- **Expense Detail**

The expense detail report itemizes every invoice on a per ledger account basis.

- **Variance Report**

One of the most valuable tools available to any property management team is a monthly variance analysis. The variance report is truly a barometer of performance and can be used to identify trends in both the revenue and expense categories. The budget numbers included in each of the variance reports will be derived directly from the approved budget prepared by Ampco AirPark and accepted by the Airport. The actual figures, as you would imagine, are derived directly from the monthly operating statement. When we created the budget and variance programs, we acknowledged each management company and / or partnership could potentially have a different fiscal year.

The result is a report that includes accurate year-to-date figures based on the fiscal year requirements of the client. We also recognized that it was critical to be able to directly interface the budget data for the year with the data generated from our monthly operating statements.

This was necessary to ensure that the variance reporting was entirely accurate and not subject to the typical errors seen when transferring information from one stand-alone program to another. As important as the numbers themselves are, the variance explanations are essential in determining trends in the marketplace. Additionally, any necessity to expend funds other than those included in the budget can be both explained and documented so as to provide the on-site managers with all relevant information. These explanations will also be included along with the variance report.

- **13-Month Trend Report**

Certainly, one of the key elements of our system is the 13-month trend report. The report, which is available on demand, is utilized to identify and if necessary act upon significant fluctuations in either income or expense categories. The report is formatted on a "rolling" basis. We are using the term rolling to suggest that 13 month data is available regardless of fiscal year considerations. In other words, any start date can be entered into the system, and it will retrieve 13 prior months of information. Also, by having 13 month data as opposed to 12, comparisons of the current month versus the same month last year will be at the fingertips of the Facility Manager. The report also shows the 13-month average for each line item.

- **Budget Module**

Another new and impressive element of our accounting system is the budget module. No longer are Lotus and Excel work sheets used to create limited, simple budgets. Our budget program allows us to detail line-by-line revenue and expense items. The monthly parking component allows us to budget monthly parking on a tenant-by-tenant, month-by-month basis with the ability to create detailed notes on each item. Percentage items are easily calculated and updated with one keystroke.

- **Supplemental Reporting**

In addition to the extensive array of reports generated by the SCORE4 System, we have developed several supplemental standardized reports to assist us in painting an accurate picture of the facility operations. These additional reports not only include supplemental statistical data, but they also outline information specific to the facility that is not necessarily numbers-oriented. We are able to provide comprehensive snapshot of the facilities in a presentation format that can be submitted directly to ownership. If necessary, however, it is certainly possible to further modify this package to meet your needs.

- **Comparison Graphs**

Comparison graphs show revenue by month comparing this year to last year for monthly revenue, daily revenue, validation sales and total revenue, as well as ticket totals by month comparing this year to last year.

- **Complaint Logs**

The complaint log itemizes all complaints, dates of receipt and resolution and method of resolution.

• **Utilization Report**

The utilization report itemizes all transactions by facility, type of exit, pay station usage, credit / cash usage, etc.

• **Accident and Insurance Report**

The accident and insurance report shows all accidents, claims and worker's comp issues for the month.

• **Benchmark Report**

The benchmark report itemizes by facility and product, showing occupancy number and percentage, revenue per space, exits / transactions per space, revenue per enplaned passenger, length of stay, average revenue per transaction, etc.

Please see our sample reports at the end of this section.

**PARKING AND REVENUE CONTROL SYSTEM (PARCS)**

**PARCS EQUIPMENT EXPERIENCE**

Ampco has pioneered and operated numerous brands of computerized revenue control systems. Some of the more prominent brands of revenue control equipment with which we have extensive operating knowledge of are:

<b><u>Brand</u></b>	<b><u>Experience</u></b>
Federal APD	24 years
Cincinnati/Amano - McGann	24 years
Secom	21 years
Ascom / ACS / Xerox	20 years
Westinghouse-Schlage	19 years
Stanley	19 years
APE	14 years
Honeywell	16 years
Secure-Key	14 years
PES/Zeag	14 years
Identocard	14 years
SkiData	14 years
Extor VME	14 years
PTC Industries	14 years
Scheidt & Bachmann	9 years

In addition to operating these advanced systems in airport environments, our experience with revenue control systems extends to the drafting of specifications, review and installation of newer, updated systems. One recent example we cite is the re-equipping and re-configuration of the Austin Bergstrom International Airport. Ampco helped the airport with the selection process, as well as provided the financing to purchase the new system. In addition,

Ampco helped to introduce the new Frequent Parker Program software for airports by Amano McGann in Austin, as well. This new system has allowed us to offer bonus and award programs that have been previously only available to off airport operators, on a large scale to on airport parkers. The system utilizes cashierless exit lanes and is internet based, allowing members to view how many points they have at any time on line. The system also allows members to link their credit card to their Frequent Parker Card for the convenience of needing only one card to accumulate points and pay for parking. Along with superior cash control and auditing techniques, the type of revenue control equipment is critical to the success of any parking operation.

Ampco AirPark operates several Airport locations with the ACS system such as Orlando and Sacramento, and we have a great working relationship with the local Bay Area technicians.

### **Performing routine maintenance of the Parking Lot Revenue control equipment**

The performance of regular preventative revenue control maintenance is a key to ensuring that the Airport gets the full life out of the current equipment. With regular maintenance we can ensure that the down time of equipment will not impact the service provided to the customers.

We will make sure that all supervisory staff members are trained on the functions and preventative measures needed for the ACS System. We will also have at least one member of our maintenance staff factory trained on how to do daily, weekly and monthly preventative maintenance on the equipment. This maintenance will include at a minimum the following:

- Replacement of broken gate arms
- Loading of tickets
- Replacing ink ribbons
- Installation of spare print heads
- Weekly cleaning of paper dust
- Cleaning of reading sections
- Magnetic swipe cleaning

We will be in daily communications with the ACS Technical Representatives notify Airport staff of any items in need of service or repair with all components of the revenue control system.

### **ROUTINE MAINTENANCE AND MINOR REPAIRS**

The maintenance of the surface lots and structural facilities is a very important portion of the parking operation. Ampco AirPark maintenance employees will perform the general maintenance functions of emptying the waste receptacles, cleaning the entrance and exits, painting the islands and curbs, touch-up striping of the parking facility and any other general maintenance functions.

Ampco AirPark will police the parking facilities for cleanliness standards on a constant basis. The resulting refuse will be collected and deposited into on-site receptacles, which will be removed on a scheduled basis. If necessary we will contract out major work on a yearly basis such as restiping and powerwashing. We will set up benchmarks for all of our staff, and review these benchmarks monthly to ensure the quality of service they are providing exceeds the Airport's expectations. We will coordinate our efforts with the Airport and submit all necessary reports including:

- A monthly punch list that covers all major projects that need to be addressed in the parking facilities.
- A yearly schedule of painting will be submitted, which will be completed by Ampco AirPark.
- Preventative maintenance programs for the entire structure, including repair of spalding concrete, expansion joint problems, asphalt repairs, fencing and landscaping issues.
- Safety maintenance programs will be adopted, where the Airport will be notified weekly as to potential maintenance issues that need to be addressed.
- Ampco AirPark will coordinate our efforts with the Airport to resolve any potential liability hazards.

The Ampco AirPark General Manager will provide a weekly report on the entire facility outlining any problem areas regarding maintenance. It is our intent that we will notify the Airport of our findings, and submit the necessary information to fix the problems.

As required by contract, we will coordinate with the necessary equipment vendors to provide the maintenance to the equipment on a daily basis, if in the event the issue cannot be resolved by our team. We will coordinate with the technicians to resolve equipment malfunctions, and provide the necessary documentation for the resolution. Because we realize that the equipment representative will be able to address our problems in much more efficient manner, all issues relating to the repairs of equipment will be documented with the equipment vendor.

### **Janitorial Maintenance Plan**

Ampco AirPark will maintain the facilities under our managerial control based on the standards outlined in the "Parking Facility Maintenance Manual" published by the Parking Consultants Council of the National Parking Association. All items in the specified maintenance item list are covered, reported, and supervised by the use of various logs/reports.

### **Maintenance Duties/Log**

The maintenance duties/log is a daily list of janitorial/maintenance tasks to be performed, outlined and reported by shift. This log is reviewed by management on a daily basis for completeness, accuracy and quality.

### **Safety / Inspection Log**

The safety maintenance schedule form is completed by the Manager or Supervisor on a weekly basis. Regular compliance with the items covered on the schedule ensures janitorial

and housekeeping efficiency and provides us with a forecast of potential maintenance problems with equipment and fixtures.

### **Spills and Hazardous Waste Disposal**

Ampco AirPark will clean up all spills and hazardous materials in accordance to EPA and Airport approved procedures. A Spill Notification Checklist will be filled out and submitted to the Airport within 24 hours. Bloodborne pathogens clean up kits will be used for biohazard waste.

## **Ampco AirPark Daily Cleaning Procedures**

### **Trash Collection**

- Required equipment: waste collection cart, wiping cloth that is damp on one end/dry on the other, supply of liners.
- Empty all wastebaskets and trash cans. Pick-up litter and loose debris. Clean throughout the facilities (offices, booths, stairwells, elevators, walkways, garage floors, etc.) and replace garbage liners as required. Wipe down trashcans.
- Tie all bags at top and place in dumpster. All trash must be collected and put in dumpster by 7:00 a.m.

### **Gate Equipment, Signs**

- Required equipment: wiping cloth, and bucket of water.
- Wipe off and dust gate equipment (ticket dispensers, gate boxes, gate arms, key card equipment, etc.).
- Wipe off and dust all signs. If necessary use a ladder to reach high signs. Rinse off the cloth in the bucket and change the water frequently.

### **Booths, Offices, Walkways, and Restrooms**

- Required equipment: glass cleaner, wiping cloth, mop, mop bucket, floor cleaner, floor stripper, and wax.
- Use the glass cleaner and wiping cloth to clean all windows inside and out. Wipe off shelves, all equipment and phones using glass cleaner and cloth. Be gentle while cleaning computers, registers, or any fragile equipment. Lift objects under them. Do not lift computers, etc.
- Mop all floors. Use mixture of floor cleaner and water in the mop bucket.
- Once a week, use wax stripper to strip and clean the ground-in dirt. Then wax floor.

### **Garage Floor, Stairwells, and Guardrails**

- Required equipment: broom, dustpan, hose, rags, and oil absorbent.

- Use the broom and dustpan to clear these areas of any trash or debris.
- Spread oil absorbent on any oil stains on the garage floors. Wait a few hours for it to absorb the oil then sweep up the oil absorbent.
- Monthly, hose down all garage floors, stairwells, and guardrails. Use rags to wipe off guardrails and handrails while hosing.

## **Lights**

- Required equipment: light bulbs and wiping cloth.
- Do a daily visual inspection of all the lights in the garage and surface lots. If any are out, replace them (if possible) or notify Airport Maintenance. Wipe off all dust and debris from lights.

## **Customer Claims and Disputes**

All personal injury or property claims will be immediately investigated and documented and sent to our Insurance office for resolution and a report of the claim will be sent to the Airport within twenty four hours.

There are three important steps in handling and resolving customer complaints: Document, investigate, and corrective action.

In cases where immediate action is required, Ampco employees are trained to be responsive and find an immediate solution. In the event of a situation, Cashiers will contact a supervisor immediately to provide support in resolving the issue. The Supervisor will have the authority necessary to deal with any cashier related issues. Upon completion, the Supervisor will document the incident in the daily incident log which will be maintained by the office clerk. The incident log will be maintained for all facility issues and become part of the regular monthly reporting package.

When a complaint is received either by mail, telephone or email, our team will document the issue in the facility complaint database and immediately begin investigating the situation. The employee involved will be interviewed with the intent to find some corrective action that satisfies the customer, educates or enlightens our staff, and maintains the integrity of the revenue control system and company policy and procedures. Upon resolution, the customer is contacted via mail, email or telephone with our corrective action and/or an apology for their inconvenience.

Our experience has shown that often customers simply desire the opportunity to vent and “be heard”. They do not always require resolution but perhaps may be satisfied understanding the procedures we are required to follow and why they exist. Some empathy and additional information is sometimes all that is required to diffuse a situation. Either way, all pertinent information, corrective action and customer follow-up is logged into the complaint database and available for review by the Airport Authority. The extent of the reports available to the Airport Authority is flexible and will be determined prior to commencement, if awarded the contract. At a minimum a monthly report will be generated that recaps all of the complaints received, nature of the issue, and the corrective action taken along with dates and times of communication with the customers. A review of a report will keep the Authority informed of all complaints or incidents received, action taken and responsiveness of our staff.

If desired, Ampco can include the complaint log and incident report as part of the monthly reporting made available via the client website [www.abm4wd.com](http://www.abm4wd.com).

We are so confident in our ability to provide exceptional customer service that we encourage our self-park locations to proudly post our service guarantee on the parking booths.

### **Guarantee of Service**

Ampco AirPark is the only company in our industry that is willing to stand behind its commitment to customer service with our “Service Guarantee” program, which is just that, an unconditional guarantee of service. Although this was certainly an aggressive move for our company, we believe that each and every one of the patrons utilizing any of our locations across the country deserves to be made aware of our commitment to providing them with a superior level of service.

We guarantee our customers will have a pleasant experience or their next visit is on us! If we receive a complaint we will handle the complaint according to the established procedures of documentation, investigation and corrective action. Thereafter, we will send the customer a letter inviting them back and asking them to “give us another chance” to provide you with exceptional service.

### **Customer Service**

Ampco AirPark’s philosophy and “corporate culture” have generated over time a customer service program that has set the standard for the parking industry. Our program is predicated on the understanding that the parking personnel will always create both the first and last impression for the customers of the Norman Y. Mineta San Jose International Airport.

Rather than simply taking a passive position by assuming that our responsibilities end with satisfying our client, we believe that the more important task is to exceed the expectations of the parkers utilizing the facility.

To arrive at this objective, Ampco AirPark offers its employees the most extensive service related training opportunities available in the industry. From the attendants to the General Manager, we ensure that our employees are willing and capable of providing a superior level of service.

### *Customer Courtesy Training*

Over the last several years, Ampco has been instrumental in molding a positive image of the parking industry as a whole. When the decision to spearhead this effort was undertaken, our primary objective was to change the perception of each and every patron visiting an Ampco facility.

The first step to achieving this objective was to establish a mission statement that would clearly delineate the company philosophy, which as you might imagine, was specifically focused on improved customer service. We created a document entitled "What Is A Customer?" which places the Ampco philosophy in writing. In fact, we are so committed to ensuring this attitude be conveyed to our customers, we request that the "What Is A Customer" plaque be prominently displayed in the parking office.

The next step in the process was to establish a comprehensive agenda in an effort to portray a more positive image to the patrons of our facilities. With this in mind, Ampco has developed its own Customer Courtesy Program. Initially, the program consisted of only a few concepts and components, however, most recently it has evolved into an extensive array of services.

### *Customer Seminar*

It is one thing to develop a Customer Courtesy Program and yet entirely another to effectively implement the same. It is imperative that the philosophies that form the foundation of innovative solutions such as our unique programs be reiterated on an ongoing basis. With this in mind, all of Ampco AirPark's field and management employees affiliated with the Bob Hope Airport will be required to attend a Customer Service Seminar on a semi-annual basis.

Although a predetermined and aggressive agenda is established, most segments of the seminar dictate a format other than a typical "student-teacher" approach. As such, the setting for our Customer Service Seminar is quite informal and for good reason. As part of this seminar, employee participation on all levels is encouraged. We recognize the importance of this approach as many of the ideas and components associated with the program as it stands today were initiated at similar sessions. Additionally, to achieve the maximum value from our efforts, it is imperative that employee feedback be obtained. After all, who is more qualified to answer the "what is and what is not working" questions than the field employees themselves.

### *Objective*

The underlying philosophy of the Customer Courtesy Program "What is a Customer?" is reiterated. Customer service is the mainstay of our business and the most important element that sets us apart from our competition.

DVD's are introduced in this session, which exemplify superior customer service. The DVD's include our training guide and a discussion from an expert in the customer service field, which have included Tom Peters, author of *In Search of Excellence*, and Roger Dowd of the Marriott Corporation. These DVD's demonstrate excellent examples of unequalled customer service on the front line, emphasizing our most effective service-related ideas are generated from the line employees rather than management.

### *Role-Playing*

One of the most productive segments of the seminar introduces role-playing. As we developed our extensive Customer Courtesy Program, one of the greatest complaints from our front-line employees was that they did not know how to promote a positive customer service approach to the patrons. We realized that we could not achieve superior customer service simply by telling our employees what to do, so we took the program one step further by demonstrating how to do it.

The role-playing segment provides us with that forum by allowing our line employees to physically interact with the customer in a variety of situations. The various situations involve everything from simply acknowledging the customer with a cheerful "Good Morning", "Have a Nice Flight" or "Good Bye" to satisfactorily dealing with the irate customer who refuses to pay the appropriate parking charges. We record these sessions so as to allow the employees to critique their own responses. This segment has proven to be the most useful portion of our Customer Service Seminar as it allows us the ability to show and subsequently improve by example.

### *Customer Service Representatives*

Another critical portion of the Customer Service Seminar is the segment outlining the job descriptions of all personnel employed at the Bob Hope Airport. The primary emphasis of this portion of the program is the fact that each and every employee is not merely a cashier, valet or shuttle driver whose sole responsibility is collecting cash or driving a vehicle, rather the employees must also serve as ambassadors of service excellence.

In this light, it is made clear that it is not acceptable to be proficient only in the execution of the task, but our employees must also be skilled in demonstrating a positive customer service attitude. It is not simply a fact of whether or not the job was completed; it is how it was completed that is important.

### *Component Review*

As is true with most programs, the specific objectives must always be reviewed, and if necessary, reworked. Due to the fact that the Customer Courtesy Program is so comprehensive and unique to our industry, it is likely that some of the components or concepts are neglected from time to time. In turn, all aspects of the program are reviewed with all of the employees to ensure that all that can be implemented has been.

For your convenience, several components of our program have been outlined. Some of these items involve no cost to you, while others, such as candy distribution, do have a charge associated with them. We will consult with the Airport staff to determine which of the following items you would like to initiate at the facility. These items can be customized to incorporate the Airport logo rather than the Ampco AirPark logo. Please note that the following list is only

a sampling of the components offered as the Ampco program continues to evolve to ensure that the highest level of service is maintained.

- **Candies in Booth.** All customers should be offered candies at the booth upon exiting.
- **Window Washing.** Time and staff permitting, a certain quantity of windshields will be cleaned each day, with an Ampco AirPark Courtesy Card demonstrating our commitment to the customer.
- **Lucite Signs.** At each entrance, we will place a clear Lucite sign holder which can display notable quotes, safety tips, holiday greetings, security level status and any additional information you may want to relay to your customers.
- **Assisting Customers at Entrances / Exits.** Employees assist customers at the entrance and exit lanes, including answering questions or dispensing a ticket for the customer.
- **Location Maps.** The cashier booths will have location maps for customers seeking directions and will assist customers and encourage them to keep the map for future reference.
- **Customer Service Directory.** The cashier booth will have a directory outlining the services available in the Airport terminal.
- **Comment Cards.** These cards are typically handed out to visitors as they exit the facility.

#### *Customer Assistance*

Ampco AirPark will provide several vehicle assistance services to the parkers at the Airport. These services must be performed efficiently and effectively to avoid any injuries and / or dissatisfied customers. Being visible, aware and observant demonstrates our readiness to assist customers. Finding and serving patrons who appear to need assistance will decrease stress and improve the traveling experience. Some of the services we provide are:

- Jump Starts
- Tire Inflation
- Lock Out Assistance
- Helping to Locate a Lost Vehicle
- Assist Customers Who Run out of Gas
- Arrange a Vehicle Tow if the Customer's Car Cannot be Started (tow at customer's expense)

Ampco AirPark maintenance personnel will be trained how to properly perform these services and all customers who accept service will be required to sign a release acknowledging the authorization of the service before any work is performed.

## **Operating, Maintaining and Managing Shuttle Bus Systems**

Ampco AirPark has operated airport shuttle fleets for over thirty years. We will utilize all of our experience gained across the country in our operation of the Norman Y. Mineta San Jose International Airport parking shuttle operation.

Ampco currently operates numerous airport and non-airport locations with shuttle bus service. Ampco not only has experience in operating the shuttles, we have experience in shuttle Repair and Maintenance (for gas and diesel, as well as alternate fuels such as propane and CNG), daily cleaning and upkeep, procurement and dispatching services. Our experience includes passenger shuttles (parking to terminal), employee shuttles, rental car shuttles (terminal to rental facility) airside shuttle routes (airplane to terminal) and emergency airside evacuations through the use of shuttle busses. Ampco has experience in operating locations with as few as one shuttle bus to locations with fleet sizes over 70 vans and busses. As a matter of fact, our Airport Transportation operation at the Denver International Airport is the second largest transportation system in the state of Colorado.

### **Shuttle Procurement**

Per Addendum 2, Ampco AirPark has included the purchase of a 16 passenger CNG Powered cut-a-way shuttle as a primary vehicle and 10 passenger CNG Powered van as a secondary vehicle in our Supplemental Services Cost Proposal. The shuttle will be a Ford – based vehicle with an ADA lift and perimeter seating with a luggage rack, similar to the vehicle pictured below. The shuttle can be wrapped with SJC graphics similar to the large busses in use today.

The secondary van will also be a Ford vehicle with a luggage rack, similar to the van pictured below. Like the shuttle, the van can be wrapped with SJC graphics similar to the large busses in use today.

We are currently renting similar vehicles for our temporary shuttle services that will be in place through 10/31/2011.

### **Shuttle Recommendations**

Ampco understands the shuttle requirements in Attachment 2 are in place for an apples to apples comparison. However, Ampco recommends that a minimum of two full size shuttles with ADA lifts are purchased for the shuttle service. Having two (or more) full size cut-away shuttles will enable the operator to have identical units in service with maximum capacity during peak periods. It will also enable the contractor to distribute operating hours evenly throughout the fleet so the vehicles will accumulate miles at roughly the same rate instead of the primary vehicle having many more miles than the secondary vehicle. We have also found through years of airport transportation management experience that the cut-away shuttle is much more suited to customer comfort, luggage space and overall practicality than the ten-passenger van.

### **Shuttle Maintenance**

As an operator of airport parking facilities around the country, Ampco AirPark has established numerous vehicle and facility maintenance procedures that will be tailored specifically for SJC Shuttle Service.

Ampco AirPark will utilize a qualified repair and maintenance facility to maintain the shuttles and service vehicles. Our R&M Service Provider will focus on high customer satisfaction, consistent and improved performance of repairs, and better utilization of fleet assets. Ampco AirPark is committed to achieving and exceeding the Airport's fleet maintenance goals. Our philosophy will focus on superior quality and a true partnership in an effort to reduce overall transportation costs to their lowest possible level while at the same time providing maximum fleet availability to serve the airport patrons at SJC.

- SERVICE: Ampco AirPark is committed to the 100% satisfaction of our customers.
- COST: Our company constantly strives to reduce the total cost of doing business. Our proactive and innovative approach to fleet management ensures that our customers stay ahead of competition.
- EXPERIENCE: Ampco AirPark has a proven track record servicing our own shuttle fleets around the country.
- SCOPE OF SERVICES: Ampco AirPark vehicle repair and maintenance scope of service covers much more than the repair and preventive maintenance functions of fleet management. Our skills cross over into all levels of the fleet life cycle including vehicle specification, vehicle washing and cleanliness, acquisition, information systems, vehicle disposal, governmental and environmental compliance, fuel, fleet legalization and fleet safety.

Our qualified service facility will have the flexibility and forecasting experience to provide 30 days' advance notice to Ampco managers and supervisors for PM's that will be coming due and will be operating side by side with Ampco's General Manager. This helps to avoid any conflicts with the vehicle operating schedules.

Our ability to analytically track PM performance will allow for maximum bus availability as the bulk of the repair and PM work is done off peak operating hours. Ampco's focus in effective PM management is to target elimination of downtime by anticipating problems and repairing components and systems prior to failure. In essence, we follow a proven practice of predictive maintenance that will reduce downtime for the SJC fleet.

Below is a list of the services Ampco will include as part of our Fleet Management program for the SJC parking operations fleet:

- Maintain cleanliness / wash all vehicles on twice weekly schedule
- Comprehensive Bus Preventive Maintenance Program
- Comprehensive Service Vehicle Preventive Maintenance Program
- Change engine oil and filter
- Check all fluid levels, top off
- Check air cleaner element and replace if needed
- Grease all fittings

- Check and maintain tire pressure
- Check lights, starting, air conditioner and operation
- Remove tires, inspect brakes, rotate tires as needed
- Inspect drive belts
- Inspect exhaust system
- Inspect suspension system
- Check vehicle damage
- Test drive vehicle
- Drain transmission fluid
- Replace filter
- Drain and replace antifreeze every 50,000 miles
- Change fuel filter every 30,000 miles or as required

#### Vehicle Safety And Emissions Inspections

Ampco's Service Provider will conduct full safety and regulatory inspections as required for the Norman Y. Mineta San Jose International Airport fleet operations at their nearby maintenance facility. All federal, state, local and jointly agreed criteria will continue to be met or exceeded on the fleet. Minimal downtime and disruption will be caused by effectively scheduling inspections during off peak hours.

#### Repairs

In case of accident damage, Ampco will schedule quality local repairs, and quickly returning viable vehicles back to service. Ampco will routinely inspect these repairs for quality and workmanship as well as ensure that they meet the high standards required by SJC.

#### Road Calls And Towing

Ampco AirPark is experienced in handling the road calls and towing needs associated with airport bus operations. We have long-term relationships with vendors who will be used to perform these critical services. Ampco's goal is to have a road call contractor be on site at a downed bus or service vehicle within the shortest time possible, but in every case within the first 30 minutes that they are notified of a breakdown by Ampco AirPark or the Airport. All road calls are logged and followed up upon by our mechanic until the affected vehicle is returned to service.

#### Minor Repairs And Fluid Service

Quick fix repairs and fluid service on the SJC fleet equipment are made a priority. Ampco AirPark is aware of the importance of returning a viable vehicle back to service, especially during peak use times, as to minimize any disruption of service to airport patrons. Ampco AirPark will provide all needed fluids for the Airport fleet and will ensure that all vital fluids are kept at the appropriate levels. Our service provider will also assist in training new drivers to properly check these fluid levels before each shift.

### Road Testing

Ampco will perform road testing for the buses as part of our bus maintenance services.

### Procuring, Stocking and Issuing Parts

Ampco's service provider will maintain all necessary parts, materials, and supplies for the SJC parking operations fleet. Only OEM or equivalent parts shall be used for the fleet and will not cannibalize parts from other units in the fleet to make repairs without prior approval from the Airport.

As the transportation operator at some of the largest airports in America such as Dallas-Ft. Worth and Denver, as well as neighboring airports in Sacramento and Long Beach, Ampco AirPark has the knowledge, experience and procedures in place to effectively operate and maintain the shuttle system in a courteous, efficient and safe manner.

**EXHIBIT E  
COMPENSATION**

**1. COMPENSATION TO CONTRACTOR**

1.1. City shall compensate Contractor for Airport Parking Operations and Management Services and Intra-lot Parking Shuttle Services in according to the following Schedule:

**Table 1: Airport Parking Operations and Management and Intra-lot Parking Shuttle Services Total Maximum Compensation:**

<b>Description</b>	<b>Annual Rate (Year 1)</b>	<b>Annual Rate (Year 2)</b>	<b>Annual Rate ( Year 3)</b>	<b>3 year Total</b>
Management Fee	\$1,468,538	\$1,517,476	\$1,569,143	\$4,555,157
Authorized Reimbursable Expenses	\$2,356,871	\$2,446,814	\$2,540,992	\$7,344,677
<i>Mgmt. Fee &amp; Reimbursement Expenses Subtotal</i>	<i>\$3,825,409</i>	<i>\$3,964,290</i>	<i>\$4,110,135</i>	<i>\$11,899,834</i>
Intra-Lot Parking Shuttle Services:				
Fixed Management Fee (2 vehicles)	\$57,180	\$57,180	\$57,180	\$1,71,540
Variable Cost (hourly)	\$576,682	\$576,682	\$576,682	\$1,730,046
<i>Total Estimated Intra-Lot Parking Shuttle Services Subtotal</i>	<i>\$633,862</i>	<i>\$633,862</i>	<i>\$633,862</i>	<i>\$1,901,586</i>
<b>Total Maximum Compensation</b>	<b>\$4,459,271</b>	<b>\$4,598,152</b>	<b>\$4,743,997</b>	<b>\$13,801,420</b>

1.2. In Consideration of the Services rendered, and other obligations performed by Contractor under this Agreement, City agrees to a pay Contractor a management fee, and to reimburse to Contractor expenses incurred for both Airport Parking Operations and Management Services and Airport Intra-lot Parking Shuttle Services, all as is more particularly described in the Operating Budget attached hereto and incorporated herein as Exhibit G. City is not obligated to pay Contractor for non-reimbursable expenses that are to be included in Contractor’s management fee. The maximum amount of compensation to be paid to Contractor shall not exceed Thirteen Million Eight Hundred and One Thousand Four Hundred Twenty Dollars and no cents (\$13,801,420) as set forth above in Table 1. This amount is inclusive of all fees and expenses incurred in performance of the services provided under this Agreement.

**1.2.1. Operating Budget**

The Operating Budget sets forth the operating budget pursuant to which Contractor shall provide services under this Agreement, including without limitation a description of management fees and reimbursable expenses to which Contractor shall be entitled, and a delineation of expenses to be considered as non-reimbursable. The Operating Budget attached

as Exhibit G to this Agreement shall apply to and be fixed for the initial three-year term of the Agreement, absent addition or deletion of services, facilities or reimbursable expenses as provided under the Agreement or as otherwise required in connection with any restatement of the Operating Procedures. Any revisions to the Operating Budget shall be documented in the form of a restatement of or revised Exhibit G signed by an authorized City representative and an authorized representative of Contractor. In the event any discrepancies or inconsistencies between Exhibit G (as it may be restated or revised) and other provisions of this Agreement arise, Exhibit G shall prevail.

### **1.2.2. Option Years**

For any option terms, Contractor shall submit the Operating Budget for each term no later than 60 days prior to commencement of the term. Operating Budgets must be approved by City at least 30 days prior to commencement of the applicable term. Any increases in compensation rates shall be based only on the CPI adjustment as described in Section 1.2.5 below.

### **1.2.3. Documentation of Reimbursable Expenses; No Unauthorized Reimbursements**

Expenses shall only be reimbursable to the extent that Contractor submits documentation satisfactory to the Airport that the expenses were actually incurred by Contractor in directly providing the required services under this Agreement. Such documentation shall include, but not be limited to, copies of vendor invoices paid by Contractor, other receipts for reimbursable expenses and payroll sheets, including reconciliations of actual time worked versus scheduled hours. Contractor shall not be reimbursed for any otherwise reimbursable operating expense incurred during a particular month to the extent the amount exceeds the Operating Budget for the applicable expense unless the Director pre-approved, in writing, such expenditure and accumulative expenditures do not exceed maximum compensation of this Agreement.

Contractor shall not be reimbursed for any costs or expenses incurred by Contractor in the performance of this Agreement, except as expressly provided herein.

### **1.2.4. Timing of Payment**

The management fee and reimbursable expenses shall be due and payable monthly in arrears following receipt by City of a detailed verifiable invoice, in duplicate, and associated documentation reflecting the management fee and reimbursable expenses due Contractor for such month in accordance with this Agreement, said amounts to be paid within thirty (30) days of City's approval of said invoice and required attachments. Each payment shall be made in lawful money of the United States to Contractor or to such person or at such place as Contractor may designate from time to time in writing.

### **1.2.5. Consumer Price Index (CPI) Adjustment**

For any option terms only, Contractor's compensation rates shall be subject to adjustment on the first day of each option term. The adjustment shall be calculated as follows:

**1.2.5.1.** The base for computing the adjustment shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers (with a base year of 1982-1984=100) for the San Francisco-Oakland-San José area, published by the United States Department of Labor Statistics ("Index"), which is published most immediately preceding the commencement of the applicable extension term ("Extension Index"), shall be compared with the Index published most immediately preceding the commencement date of the then expiring term ("Beginning Index"). If the Extension Index published

has increased over or decreased under the Beginning Index, the monthly compensation rates for the extension term shall be set by multiplying the then expiring term's monthly compensation rate by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. Upon adjustment of the monthly compensation rates, the parties shall immediately execute a written amendment to the Agreement setting forth the new monthly compensation rates, and attach the same as a revised exhibit to the Agreement. For any option years, the adjusted rates shall be set forth in the City's notice of exercise of option.

**1.2.5.2.** If the Index is changed so that the base year differs from that used as of the month immediately preceding the Agreement's commencement date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of the Agreement such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

**1.2.5.3.** The preceding provision of this Section notwithstanding, the adjustment of any monthly compensation rate for any extension term shall not exceed five percent (5%) of the previous term's monthly compensation rate.

**1.2.5.4.** For the purpose of illustration only, if a Beginning Index is 115 and the Extension Index is 124, the monthly compensation rate to be paid during the extension term shall be \$ X (the then expiring term's monthly compensation rate) multiplied by 124/115.

#### **1.2.6. MANAGEMENT FEE**

Contractor's management fee shall include all costs to operate Airport parking garages and lots covered under this Agreement. These costs include all staffing expenses, overhead, vehicles, equipment and non-reimbursable expenses. The Management Fee shall not include items identified below as reimbursable expenses.

#### **1.2.7. REIMBURSABLE EXPENSES**

Each month the Airport shall reimburse Contractor for expenses set forth below. These expenses shall only be reimbursable to the extent that the Contractor submits sufficient and accurate documentation, to the Airport's satisfaction and approval, that the expenses were directly incurred in providing the required Airport parking operations and management services under this Agreement. Moreover, Contractor shall not be reimbursed for any otherwise reimbursable operating expense incurred during a particular month to the extent the amount exceeds the Operating Budget (as provided in exhibit G) for the expense unless the Airport preapproved, in writing, such expenditure. All expenses incurred by Contractor in providing the required parking services not identified in this sub-section as being reimbursable are not reimbursable.

##### **1.2.7.1. Reimbursable expenses are limited to the following:**

Wages and Salaries: City shall reimburse the Contractor for the actual salary and hourly wage costs paid as compensation by Contractor to the cashiers, customer service

representatives, traffic controllers, customer service lead personnel and supervisors for performing the duties set forth in this Agreement. City shall not reimburse Contractor for overtime wage costs, unless: (a) such costs were incurred in emergency actions, or (b) the Director provided advance approval in writing of such costs. All properly incurred wage costs shall be billed to the Airport based on actual hourly costs. The Airport shall only reimburse for salary and hourly wage costs incurred by employees for the time they are directly engaged in providing parking operation services to the Airport under this Agreement. Reimbursements of employee compensation shall only be at the rates set forth in the approved Operating Budget in Exhibit G and stated below in Table 2 and shall not include those employees specified in the Non-Reimbursable Operating Expenses or Management Fee sections. Approved timesheets showing reconciliation and variance explanations for actual worked hours vs. scheduled and/or budgeted hours shall be provided by Contractor prior to approval of reimbursement.

**1.2.7.2.Fringe Benefits:** Subject to the limits specified, City shall reimburse Contractor for the actual cost of Fringe Benefits provided to the employees described in this Section as such: health benefits, sick leave, holiday pay vacation and payroll taxes; and does not include any pension, welfare, annuity or other benefit. The City shall reimburse only for that portion of Fringe Benefits resulting from the salaries and wages earned by employees in the performance of services under this Agreement. The Airport shall reimburse employee Fringe Benefits only at the rates set forth in the approved Operating Budget. City reserves the right to cap the maximum amount of expenses reimbursable under this Fringe Benefits section.

**1.2.7.3.Credit card transaction fees:** at the rate as set forth in the approved Operating Budget in Exhibit G and stated below in Table 2.

**1.2.7.4.Minor repair expenses** as approved by the Airport.

**1.2.7.5.Armored transport services** at rates submitted to and approved by the Airport in the approved Operating Budget in Exhibit G and stated below in Table 2

**1.2.7.6.Operating supplies and materials** such as cones, mops, cleaning supplies, paint, etc. as approved by the Airport and included in the approved Operating Budget in Exhibit G and stated below in Table 2.

**Table 2: Reimbursable Expenses Compensation**

Row	Reimbursable Expense	Year 1 Expenses	Year 2 Expenses	Year 3 Expenses	Total Expenses.
1	Wages and Salaries	\$1,030,050	\$1,060,952	\$1,092,781	\$3,183,783
2	Fringe Benefits	\$672,149	\$711,549	\$753,669	\$2,137,367
3	Credit card Trans. Fees	\$558,352	\$575,103	\$592,356	\$1,725,811
4	Armored Transport Services	\$45,600	\$46,968	\$48,377	\$140,945
5	Operating Supplies and Materials	\$47,320	\$48,740	\$50,202	\$146,262
6	Miscellaneous (includes minor repair expense)	\$3,400	\$3,502	\$3,607	\$10,509
7	Start-up Expenses	\$0	N/A	N/A	\$0

Row	Reimbursable Expense	Year 1 Expenses	Year 2 Expenses	Year 3 Expenses	Total Expenses.
8	Total	\$2,356,871	\$2,446,814	\$2,540,992	\$7,344,677

**1.2.7.7.**Emergency Action expenses: City shall reimburse the Contractor for reasonable costs incurred by the Contractor in the implementation of Emergency Actions to the extent such actions are reasonably implemented to protect people and property. Notwithstanding the foregoing, there shall be no reimbursement for costs incurred as a result of the Emergency Actions caused by the negligence or willful misconduct of the Contractor.

**1.2.8. NON-REIMBURSABLE EXPENSES**

All expenses other than those specified as Reimbursable Expenses in the above section are Non-reimbursable Expenses and the City has no obligation to reimburse Contractor. Non-reimbursable Expenses include, but are not limited to the following:

- 1.2.8.1.**Wages and fringe benefits for all employees not specified in Section 1.2.7.1 above.
- 1.2.8.2.**Employee training or industry standard management certification.
- 1.2.8.3.**The cost of revenue control or Airport equipment maintenance or repairs caused by the negligence or willful misconduct of the Contractor.
- 1.2.8.4.**Bank charges related to declined credit card transactions/authorizations or returned personal checks.
- 1.2.8.5.**Undercharges or shortages.
- 1.2.8.6.**Purchase, maintenance and fueling of vehicles required for the management and operations of the parking facilities.
- 1.2.8.7.**Employees not identified in the Approved Staffing Plan.
- 1.2.8.8.**Cost of additional telephone, radios, cell phones, Internet or communications lines, devices or services not identified as supplied by the Airport. Long distance or chargeable call expenses.
- 1.2.8.9.**Meals, travel costs, gratuities or gifts. This includes food, water and break room supplies.
- 1.2.8.10.** Home, corporate office or off-site expenses.
- 1.2.8.11.** Procedural auditing by non-Airport assigned staff.
- 1.2.8.12.** Legal or union representation expenses.
- 1.2.8.13.** Late fees, interest, penalties, fines or finance costs.

- 1.2.8.14. Promissory notes.
- 1.2.8.15. Computers and office equipment, except for PARCS equipment supplied by the Airport.
- 1.2.8.16. Uniforms and uniform cleaning expenses.
- 1.2.8.17. Replacement badge or permit fees.
- 1.2.8.18. Insurance, including all requirements in Exhibit H of this Agreement:
- 1.2.8.19. Retirement or Pension Plan Expenses.
- 1.2.8.20. Power washing and sweeping activities (including sub-contractors, vendors and/or additional staff) per schedules, as approved by the Airport.

**1.2.9. INTRA-LOT PARKING SHUTTLE SERVICES IN DAILY LOTS 4 AND 6**

Intra-lot parking shuttle services shall be an all-inclusive, turnkey intra-lot shuttle service servicing passengers with one route running through Daily Lots 4 and 6 Parking Lots. Contractor shall charge City the rates listed below in Table 3. The management fees and non-reimbursable expenses are all-inclusive rates to operate the shuttles services (including vehicle acquisition, maintenance, insurance costs and any other related expenses). City will only reimburse Contractor for driver hourly rates and hourly fringe benefits used in the performance of such services. City shall provide Contractor, at City’s expense, electricity, CNG, diesel and/or unleaded fuel(s) for Contractors intra-lot shuttle services vehicles providing parking shuttle services under this Agreement. The Management fees/non-reimbursable expenses provided below shall be solely for the intra-lot shuttle services and will be separate from Management fees/non-reimbursable expenses provided under this Agreement for Airport Parking Operation and Management Services. City will provide a minimum of 30 days notice to increase service levels and a minimum of 90 days notice to decrease service levels or elimination of intra-lot parking shuttle services.

**Table 3: Intra-lot Parking Shuttle Services Costs**

<b>Row</b>	<b>Description</b>	<b>Monthly Expenses</b>
1	Management Fee/Non-reimbursable Expenses – 1 Vehicle	\$3,222
2	<b>Management Fee/Non-reimbursable Expenses – 2 Vehicles</b>	<b>\$4,675</b>
3	<b>Management Fee/Non-reimbursable Expenses – Each Additional Vehicle</b>	<b>\$2,372</b>
		<b>Hourly Rates</b>
4	Driver Hourly Rate	\$19.86
5	Driver Hourly Fringe Benefits	<u>\$15.25</u>
6	<b>Total hourly driver rate</b>	<b>\$35.11</b>

**EXHIBIT F**  
**OPERATING PROCEDURES**

Contractor shall provide Operating Procedures by May 1, 2012, and it will be incorporated herein and form part of this Agreement upon final approval by City.

## EXHIBIT G OPERATING BUDGET

Ampco AirPark City of San Jose Norman Y. Mineta San Jose International Airport Airport Parking Operations & Management Year-One Operating Budget													
Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Total	
<b>Reimbursable</b>													
<b>Wages</b>													
Supervisors	35,720	36,911	35,720	36,911	36,911	35,720	36,911	35,720	36,911	36,911	33,339	36,911	434,594
Customer	5,573	5,759	5,573	5,759	5,759	5,573	5,759	5,573	5,759	5,759	5,201	5,759	67,802
Service Rep.													
Cashiers	43,369	44,814	43,369	44,814	44,814	43,369	44,814	43,369	44,814	44,814	40,478	44,814	527,654
<b>Total Wages</b>	<b>84,662</b>	<b>87,484</b>	<b>84,662</b>	<b>87,484</b>	<b>87,484</b>	<b>84,662</b>	<b>87,484</b>	<b>84,662</b>	<b>87,484</b>	<b>87,484</b>	<b>79,018</b>	<b>87,484</b>	<b>1,030,050</b>
<b>Fringe Benefits</b>													
<b>Vacation/Sick/Holiday</b>													
Vacation	6,512	6,730	6,512	6,730	6,730	6,512	6,730	6,512	6,730	6,730	6,078	6,730	79,235
Sick	2,279	2,355	2,279	2,355	2,355	2,279	2,355	2,279	2,355	2,355	2,127	2,355	27,732
Holiday	792	3,962	792	3,962	792	3,962	792	3,962	3,962	3,962	7,923	792	35,656
<b>Payroll Taxes</b>	<b>11,639</b>	<b>12,415</b>	<b>11,639</b>	<b>12,415</b>	<b>12,024</b>	<b>12,031</b>	<b>12,024</b>	<b>12,031</b>	<b>12,415</b>	<b>12,415</b>	<b>11,751</b>	<b>12,024</b>	<b>144,825</b>
<b>Health and Welfare</b>	<b>30,291</b>	<b>30,291</b>	<b>30,291</b>	<b>30,291</b>	<b>30,291</b>	<b>33,321</b>	<b>384,702</b>						
<b>Total Fringe Benefits</b>	<b>51,515</b>	<b>55,754</b>	<b>51,515</b>	<b>55,754</b>	<b>52,193</b>	<b>58,105</b>	<b>55,222</b>	<b>58,105</b>	<b>58,783</b>	<b>58,783</b>	<b>61,200</b>	<b>55,222</b>	<b>672,149</b>
<b>Reimbursable Expenses</b>													
<b>Credit card</b>	<b>45,892</b>	<b>47,422</b>	<b>45,892</b>	<b>47,422</b>	<b>47,422</b>	<b>45,892</b>	<b>47,422</b>	<b>45,892</b>	<b>47,422</b>	<b>47,422</b>	<b>42,832</b>	<b>47,422</b>	<b>558,352</b>
<b>Fees</b>													
<b>Armored</b>	<b>3,800</b>	<b>45,600</b>											
<b>Transport</b>													
<b>Operating Supplies &amp; Materials</b>													
Supplies and materials	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	33,600
Repairs & Maintenance	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Signs	50	50	50	50	50	50	50	50	50	50	50	50	600
Office Supplies	705	705	705	705	705	705	705	705	705	745	705	705	8,500
Forms and Printing	35	35	35	35	35	35	35	35	35	35	35	35	420
<b>Miscellaneous</b>	<b>283</b>	<b>3,400</b>											
<b>Total Operating Expenses</b>	<b>53,915</b>	<b>55,445</b>	<b>53,915</b>	<b>55,445</b>	<b>55,445</b>	<b>53,915</b>	<b>55,445</b>	<b>53,915</b>	<b>55,445</b>	<b>55,485</b>	<b>50,856</b>	<b>55,445</b>	<b>654,672</b>
<b>Total Reimbursable Expenses</b>	<b>190,092</b>	<b>198,682</b>	<b>190,092</b>	<b>198,682</b>	<b>195,121</b>	<b>196,682</b>	<b>198,151</b>	<b>196,682</b>	<b>201,711</b>	<b>201,751</b>	<b>191,074</b>	<b>198,151</b>	<b>2,356,872</b>
<b>Management Fee</b>	<b>122,378</b>	<b>1,468,538</b>											
<b>Total Parking Operations</b>	<b>312,470</b>	<b>321,060</b>	<b>312,470</b>	<b>321,060</b>	<b>317,500</b>	<b>319,060</b>	<b>320,529</b>	<b>319,060</b>	<b>324,090</b>	<b>324,130</b>	<b>313,452</b>	<b>320,529</b>	<b>3,825,410</b>

**EXHIBIT H**  
**INSURANCE REQUIREMENTS**

Contractor, at Contractor's sole cost and expense, shall procure and maintain for the duration of this Agreement (or for such longer periods as are specified) insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the services hereunder by Contractor, its agents, representatives, employees or subcontractors.

**A. Policies to be Maintained**

1. Commercial General Liability policy with a minimum limit of not less than \$5,000,000 combined single limit for bodily injury and property damage, providing at least all of the following minimum coverages, with any self-insured retention not exceeding \$100,000 per occurrence:
  - a. Premises Operations
  - b. Owners' and Contractor's Protective
  - c. Blanket Contractual
  - d. Broad Form Property Damage
  - e. Completed Operations
  - f. Products (on an "if any" basis)
  - g. Personal Injury (Coverage for A, B and C)
  - h. Fire Legal Liability (with a minimum limit of \$100,000 per structure).
2. Business Auto Liability policy with a minimum limit of not less than \$1,000,000 combined single limit for bodily injury and property damage, providing at least all of the following coverages, with any self-insured retention not exceeding \$100,000 per occurrence. Coverages shall be applicable to any and all leased, owned, hired or non-owned vehicles used in any of the activities associated with this Agreement.
3. Workers' Compensation and Employers' Liability policy written in accordance with the laws of the State of California and providing coverage for any and all employees of Contractor. This policy shall:
  - a. Provide coverage for Workers' Compensation (Coverage A), and
  - b. Provide coverage for \$1,000,000 Employers' Liability (Coverage B)
4. Commercial Crime Policy employee fidelity and third party fraud.
  - a. A comprehensive crime policy, with a minimum limit of not less than \$250,000 and a deductible not exceeding \$50,000, providing at least the following minimum
    - i. Employee Dishonesty Coverage - Form A
    - ii. Depositors Forgery Coverage
  - b. The policy shall contain a provision either:
    - i. Naming City as an insured, or
    - ii. Providing that by reason of any loss resulting from Contractor's operation or maintenance of the Sites, City shall have a direct right against the insurer for such loss, and such loss shall be payable directly to City upon request.

6. Garagekeepers' Legal Liability policy with a minimum limit of not less than \$100,000 per occurrence, providing at least the following minimum coverages:
  - a. Collision - (deductible not to exceed \$500 per occurrence), and
  - b. ACV Comprehensive - (deductible not to exceed \$500 per occurrence).
7. Operators Errors and Omissions Insurance \$1,000,000 Aggregate Limit; and
8. Property insurance against all risks of loss to any Operator improvements or betterments including Business Interruption; Property insurance against all risks of loss including but not limited to fire, vandalism and malicious mischief, and other perils at the Landlords desecration, in an amount equal to 100% of the replacement cost of all furniture, fixtures, stock and equipment, including fixtures, improvements and betterments installed by Operator, in the leased Premises; Plate Glass coverage and Business Interruption coverage to include not less than the Actual Loss Sustained by the Insured during a Period of Interruption.

There shall be no endorsement reducing the scope of coverage required unless approved by the City's Risk Manager

**B. Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to, and approved by City's Risk Manager. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, employees, agents and contractors; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the City's Risk Manager.

**C. Other Insurance Provisions**

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverage
  - a. The City of San Jose, its officers, employees, agents and Operators are to be covered as additional insured as respects: Liability arising out of activities performed by or on behalf of, Operator; products and completed operations of Operator; premises owned, leased or used by Operator; and automobiles owned, leased, hired or borrowed by Operator. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, agents and Operators.
  - b. Operator's insurance coverage shall be primary insurance as respects City, its officers, employees, agents and Operators. Any insurance or self-insurance maintained by City, its officers, employees, agents or Operators shall be excess of Operator's insurance and shall not contribute with it.
  - c. Any failure to comply with reporting provisions of the policies by Operator shall not affect coverage provided CITY, its officers, employees, agents, or Operators.

- d. Coverage shall state that Operator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
  - e. Coverage shall contain waiver of subrogation in favor of the City of San Jose, its officers, employees, agents and contractors
2. **Workers' Compensation and Employers' Liability**  
Coverage shall contain waiver of subrogation in favor of the City of San Jose, its officers, employees, agents and contractors.
3. **All Coverages**

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to City's Risk Manager, except that ten (10) days' prior written notice shall apply in the event of cancellation for non-payment of premium..

**D. Acceptability of Insurers**

Insurance is to be placed with insurers acceptable to City's Risk Manager.

**E. Verification of Coverage**

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Proof of insurance shall be either emailed in pdf format to: [Riskmgmt@sanjoseca.gov](mailto:Riskmgmt@sanjoseca.gov), or mailed to the following postal address (or any subsequent email or postal address as may be directed in writing by the Risk Manager):

City of San Jose - Human Resources  
Risk Management  
200 East Santa Clara St., 2nd Floor - Wing  
San Jose, CA 95113-1905

**F. Subcontractors**

Contractor shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements for each subcontractor.

**G. Review**

The City reserves the right to review the foregoing insurance requirements from time to time and to require Contractor to provide additional or different coverages, and Contractor agrees to provide the same within thirty (30) days of receiving written notice from City.

# **EXHIBIT I ACDBE PROGRAM**

## **1 POLICY STATEMENT**

The City of San José has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program in accordance with regulations of the U. S. Department of Transportation (DOT), 49 CFR Part 23. A copy of the ACDBE Program is available from the Office of Equality Assurance, 200 East Santa Clara Street, Fifth Floor, San José, CA 95113, 408-535-8455. The City receives federal financial assistance from the DOT, and as a condition of receiving this assistance, the City assures that it will comply with 49 CFR Part 23.

It is the policy of the City of San José to ensure that Disadvantaged Business Enterprises (ACDBEs), as defined in Part 23, have an equal opportunity to receive and participate in Airport Concessions. It is also our Policy to:

- Ensure nondiscrimination in the award and administration of Airport Concessions;
- Create a level playing field on which ACDBEs can compete fairly for Airport Concessions;
- Ensure that the ACDBE Program is narrowly tailored in accordance with applicable law;
- Ensure that only firms that fully meet 49 CFR Part 23 eligibility standards are permitted to participate as ACDBEs;
- Help remove barriers to the participation of ACDBEs in Airport Concessions; and
- Assist the development of firms that can compete successfully in the marketplace outside the ACDBE Program.

The City's Director of the Office of Equality Assurance has been delegated as the ACDBE Liaison Officer. In that capacity, the Director is responsible for implementing all aspects of the ACDBE Program. Implementation of the ACDBE Program is accorded the same priority as compliance with all other legal obligations incurred by the City in its financial assistance agreements with the Department of Transportation.

## **2 DEFINITION OF TERMS**

The terms used in the Program have the meanings defined in 49 CFR Section 23.3 and Section 26.5 and are as follows:

### **2.1 Disadvantaged Business Enterprise**

Means a for-profit small business concern that is:

- 1) At least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and
- 2) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it; and
- 3) Whose personal net worth does not exceed \$750,000.

## **2.2 Small Business Concern**

In order to qualify as an ACDBE, a firm must qualify as a small business concern. As a general rule, the ACDBE regulations treat a firm as a small business concern eligible to be certified as an ACDBE if its gross receipts, averaged over the firm's previous three fiscal years, do not exceed \$30 million.<sup>1</sup>

## **2.3 Socially and Economically Disadvantaged Individual**

Means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who meets one or more of the following conditions:

- Any individual determined to be a socially and economically disadvantaged individual on a case-by-case basis;
- Any individual in the following groups, members of which are reputedly presumed to be socially and economically disadvantaged:
  - "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;
  - "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
  - "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
  - "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;
  - "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;
  - Women;
  - Any additional groups whose members are designated as socially and economically disadvantaged by the Small Business Administration (SBA), at such time as the SBA designation becomes effective.

## **2.4 Personal Net Worth**

Means the net value of the assets of an individual remaining after total liabilities are deducted.

An individual's personal net worth does not include:

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<sup>1</sup> The following types of businesses have size standards that differ from the standard set forth above:

- Banks and financial institutions: \$275 million in assets
- Car rental companies: \$40 million average annual gross receipts over the firm's three previous fiscal years.
- Pay telephones: 1,500 employees.

- 1) The individual's ownership interest in an applicant or participating ACDBE firm, or;
- 2) The individual's equity in his or her primary place of residence.

An individual's personal net worth includes only his or her own share of assets held jointly or as community property with the individual's spouse.

The imposition of a personal net worth cap of \$750,000 means that regardless of race, gender or size of their business, any individual whose personal net worth exceeds \$750,000 is not considered economically disadvantaged and is not eligible for the ACDBE Program.

## **2.5 NON-DISCRIMINATION**

As a recipient of DOT financial assistance, the City will meet the non-discrimination requirements provided in Part 26, §26.7, with respect to the award and performance of any concession agreement, management contract or subcontract, purchase or lease agreement, or other agreement covered by part 23.

The City will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any concession agreement, management contract or other agreement covered by 49 CFR Part 23 on the basis of race, color, sex or national origin.

In administering its ACDBE Program, the City will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the ACDBE Program with respect to individuals of a particular race, color, sex or national origin.

The City acknowledges these representations are also in accordance with obligations contained in its Civil Rights, ACDBE and ACDBE Airport grant assurances.

## **2.6 QUOTAS**

The City will not use quotas in any way in the administration of its ACDBE Program.

## **2.7 ACDBE LIAISON OFFICER (ACDBELO)**

The City has designated the following individual as its ACDBE Liaison Officer:

Nina S. Grayson  
Director, Office of Equality Assurance  
City of San José  
200 East Santa Clara Street, 5th Floor  
San José, CA 95113

Telephone: 408.535.8455  
Fax: 408.292.6270  
E-Mail: [nina.grayson@sanjoseca.gov](mailto:nina.grayson@sanjoseca.gov)

In this capacity, the Director is responsible for implementing all aspects of the ACDBE Program and ensuring that the City complies with all provisions of 49 CFR Part 23.

The ACDBELO is responsible for developing, implementing and monitoring the ACDBE Program in coordination with other appropriate officials. Duties and responsibilities include the following:

- Gathers and reports statistical data and other information as required by FAA or DOT.
- Reviews third party contracts and purchase requisitions for compliance with this program.
- Works with all departments to set overall annual goals.
- Ensures that bid notices and requests for proposals are available to ACDBEs in a timely manner.
- Identifies contracts and procurements so that ACDBE goals are included in solicitations (both race-neutral methods and contract specific goals)
- Analyzes the City's progress toward attainment and identifies ways to improve progress.
- Participates in pre-bid meetings.
- Advises the CEO/governing body on ACDBE matters and achievement.
- Provides ACDBEs with information and assistance in preparing bids, obtaining bonding, financing, and insurance; acts as a liaison to the OSDBU-Minority Resource Center (MRC).
- Plans and participates in ACDBE training seminars.
- Acts as liaison to the Uniform Certification Process in the State of California.
- Provides outreach to ACDBEs and community organizations to advise them of opportunities.

## **2.8 DIRECTORY**

The directory identifying all firms eligible to participate as ACDBEs is available at [www.dot.ca.gov](http://www.dot.ca.gov) or by contacting the California Department of Transportation/Unified Certification Program at 1-916-324-0780.

## **2.9 REQUIRED CONTRACT CLAUSES**

Contract Assurance:

The City will ensure that the following paragraphs are placed in every Airport Concession contract and subcontract:

- This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.
- The Concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

## **2.10 REPORTING, COMPLIANCE AND ENFORCEMENT PROCEDURES**

The City will retain sufficient basic information about its ACDBE Program implementation, ACDBE certification, and the award and performance of agreements and contracts to enable the FAA to

determine our compliance with Part 23. This data will be retained for a minimum of three years following the end of the concession agreement or other covered contract.

It is the Concessionaire's or contractor's responsibility to maintain records and documents for three (3) years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City or DOT. This reporting requirement is also extended to any certified ACDBE.

Beginning March 1, 2006 we will submit to the FAA Regional Civil Rights Office, an annual ACDBE participation report on the form in Appendix A of Part 23.

Confidentiality: The City will safeguard from disclosure to third parties information that may reasonably be regarded as confidential business information, consistent with Federal law and the California Public Records Act, Government Code §§6250-6276.48. The California Public Records Act provides for disclosure of public documents when a request is made unless they fall within specified exceptions. There are numerous exceptions which may or may not apply depending on the type of documents.

Except as otherwise required pursuant to federal, state or local law, we will not release personal financial information submitted by an ACDBE in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

The City will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 23.

At the Norman Y. Mineta San José International Airport, the Airport Property Section monitors ACDBE sales. ACDBE sales are tracked as a percentage of overall concession revenue. The Airport maintains these statistics and graphs the results on a monthly basis to ensure that work committed to ACDBEs at contract award is actually performed by the ACDBEs.

On a daily basis, Airport staff monitors the ongoing operation of the concession related contracts consistent with the requirements of Part 23 and this Program. The City may impose such contract remedies as are available under the contract and under federal, state and local law and regulations for non-compliance. Failure to carry out the City's ACDBE Policy and goals and obligations set forth above shall constitute a breach of contract that may result in termination of the Concession Agreement, or such other remedy as deemed appropriate by the City.

The following monitoring and enforcement provisions are included in the City's concession agreements and management contracts:

**2.10.1 Compliance:** Failure to carry out the ACDBE Policy and obligations set forth above shall constitute a breach of contract that may result in termination of the Agreement, or such other remedy as deemed appropriate by the City.

**2.10.2 Audits:** The City may also perform interim audits of contract payments to ACDBE management firms or subcontractors. The audit will review payments to ACDBE subcontractors and gross receipts earned by or payments for goods and services and management agreements to ACDBEs to ensure that the actual amount equals or exceeds the dollar amounts stated in the report of proposed ACDBE participation.

**2.10.3 Replacement/Substitutions of ACDBEs:** For concession contracts that include concession-specific ACDBE goals, Concessionaire will be required to have a valid arrangement with the ACDBE(s) designated by Concessionaire to fulfill the contract goal. For any such concession

contracts that include concession-specific ACDBE goals, Concessionaire will be allowed to substitute the originally designated ACDBE(s) only if it is demonstrated to the City that the ACDBE(s) is unwilling or unable to perform. For any such concession contracts that include concession-specific ACDBE goals, Concessionaire's ability to negotiate a more advantageous contract with another ACDBE firm will not be considered a valid basis for substitution. For any such concession contracts that include concession-specific ACDBE goals, if an ACDBE is unwilling or unable to perform, Concessionaire shall inform the City in writing and include documentation to justify the substitution, including a statement from the ACDBE to be replaced acknowledging the substitution. In any such instance, Concessionaire will identify a replacement ACDBE or document good faith efforts to replace the ACDBE with another ACDBE. For any such concession contracts that include concession-specific ACDBE goals, if Concessionaire or a non-ACDBE firm performs the work originally committed to an ACDBE, the Concessionaire shall submit a revised ACDBE plan to the City detailing how the ACDBE goal will be met or will supply documentation detailing good faith efforts which have been made to meet the goal.

**2.10.4 ACDBE Reports:** Concessionaire shall submit, in the format required by the City, a monthly report of ACDBE utilization. The City reviews the monthly reports that are required to be submitted to the City by concessionaires to ensure that the ACDBE participation levels remain in compliance with any contract requirements and to verify that the work committed to ACDBEs is actually performed by ACDBEs. This information will also be used to provide the statistical data for the achievement reports to the FAA. If the City determines that any concessionaire is not complying with any contract requirements regarding this Program, the City will implement the contract remedies specified above.

**2.10.5 Notices to DOT:** The City will also notify the U.S. Department of Transportation of any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR Section 26.107.

## **2.11 CONTRACT GOALS**

The City will use concession specific goals to meet any portion of the overall goals the City does not project being able to meet using race-neutral means. Concession specific goals are established so that, over the period to which the overall goals apply, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

## **2.12 GOOD FAITH EFFORTS**

To be eligible to be awarded a concession that has a concession specific goal; competitors must make good faith efforts to meet the goal. A competitor may do so either by obtaining enough ACDBE participation to meet the goal or by documenting that it made sufficient good faith efforts to do so. (23.25(e)(1)(iv)). Examples of good faith efforts are found in Appendix A to 49 CFR Part 26. The procedures applicable to 49 CFR Part 26.51-3, regarding contract goals apply to the City's concession specific goals. Specifically;

### **2.12.1 Demonstration of good faith efforts (26.53(a) & (c))**

The Airport Managers are responsible for determining whether a concessionaire who has not met the concession specific goal has documented sufficient good faith efforts to be regarded as responsive.

We will ensure that all information is complete and accurate and adequately documents the concessionaire's good faith efforts before we commit to the concession agreement with the bidder/offeror.

### **2.12.2 Information to be submitted (26.53(b))**

For concessions that have a concession specific goal, the City treats concessionaire's compliance with good faith efforts' requirements as a matter of responsiveness.

Each solicitation for which a concession specific goal has been established will require the concessionaires to submit the following information:

1. The names and addresses of ACDBE firms or ACDBE suppliers of goods and services that will participate in the concession;
2. A description of the work that each ACDBE will perform;
3. The dollar amount of the participation of each ACDBE firm/supplier participating;
4. Written and signed documentation of commitment to use a ACDBE whose participation it submits to meet a contract goal;
5. Written and signed confirmation from the ACDBE that it is participating in the concession as provided in the prime concessionaire's commitment and
6. If the contract goal is not met, evidence of good faith efforts.

### **2.12.3 Administrative reconsideration (26.53(d))**

Within three (3) days of being informed by the City that it is not responsible because it has not documented sufficient good faith efforts, a proposer may request administrative reconsideration. Contractor should make this request in writing to the City Manager, 200 East Santa Clara Street, San José, California 95113. The reconsideration official will not have played any role in the original determination that the proposer did not document sufficient good faith efforts.

As part of this reconsideration, the proposer will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The proposer will have the opportunity to meet in person with our reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do. We will send the proposer a written decision on reconsideration, explaining the basis for finding that the proposer did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the DOT.

For concessions that have a concession specific goal, any business that fails to demonstrate that it achieved the concession-specific ACDBE participation goal and fails to demonstrate that it made sufficient good faith efforts to do so shall be deemed "non-responsive" and, therefore, shall be ineligible for award of the concession contract.

### **2.13 Good Faith Efforts when an ACDBE is replaced on a concession (26.53(f))**

For concessions that have a concession specific goal, the City will require a concessionaire to make good faith efforts to replace an ACDBE that is terminated or has otherwise failed to complete its concession agreement, lease, or subcontract with another certified ACDBE, to the extent needed to meet the concession specific goal. We will require the concessionaire to notify the ACDBE Liaison officer immediately of the ACDBEs inability or unwillingness to perform and provide reasonable documentation.

In this situation, we will require the concessionaire to obtain our prior approval of the substitute ACDBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts.

If the concessionaire fails or refuses to comply in the time specified, our contracting office will give notice and opportunity to cure until satisfactory action has been taken. If the concessionaire still fails to comply, the contracting officer may issue a termination for default proceeding.

When a concession specific goal is established pursuant to the City's ACDBE Program, the following specification will be used to notify concession firms of the requirements to make good faith efforts:

The requirements of 49 CFR Part 23, regulations of the U.S. Department of Transportation, applies to this concession. It is the policy of the City of San José to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this concession will be conditioned upon satisfying the requirements of this proposal/bid specification. These requirements apply to all concessions firms and suppliers, including those who qualify as an ACDBE. An ACDBE concession specific goal of **0 percent (0%)** of annual gross receipts; value of leases and/or purchases of goods and services) has been established for this concession. The concession firm shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26 to meet the concession specific goal for ACDBE participation in the performance of this concession.

The concession firm will be required to submit the following information: (1) the names and addresses of ACDBE firms and suppliers that will participate in the concession, (2) A description of the work that each ACDBE will perform; (3) The dollar amount of the participation of each ACDBE firm participating; (4) Written and signed documentation of commitment to use a ACDBE whose participation it submits to meet a contract goal; (5) Written and signed confirmation from the ACDBE that it is participating in the concession as provided in the prime concessionaire's commitment, and (6) If the contract goal is not met, evidence of good faith efforts.

### **2.14 COUNTING ACDBE PARTICIPATION FOR CAR RENTALS**

The City will count ACDBE participation toward overall and contract goals for car rentals as provided in 49 CFR Part 23.5e.

### **2.15 COUNTING ACDBE PARTICIPATION FOR CONCESSIONS OTHER THAN CAR RENTALS**

The City will count ACDBE participation toward overall and contract goals for concessions other than car rentals as provided in 49 CFR Part 23.55.

## **2.16 ACDBE CERTIFICATION**

The City will use the procedures and standards of 49 CFR Part 26, except as provided in 49 CFR Section 23.31, for certification of ACDBEs to participate in our concessions program and such standards are incorporated herein.

For information about the certification process or to apply for certification firms should contact:

### **California Department of Transportation**

**Civil Rights – MS 79**  
**1823 14<sup>th</sup> Street**  
**Sacramento, CA 95814**  
**Phone: 916-324-0790**  
**Fax: 916-324-1862**

Website: <[www.dot.ca.gov](http://www.dot.ca.gov)>

The City is a member of the California UCP, which has established four Regional DBE Certification Clusters throughout the State to effectively facilitate statewide DBE certification activities. Completed certification packets are to be mailed to one of the agencies serving the county where the firm has its principal place of business.

The California UCP will not process a new application for DBE certification from a firm having its principal place of business in another state, unless the firm has already been certified in that state.

Certification decisions for ACDBEs to participate in the City's concession program are made by the California Unified Certification Program (CUCP).

All firms certified by the CUCP on behalf of the City and included in the CUCP directory will be reviewed and recertified by the CUCP based on the submittal of the information required for certification to determine their ACDBE eligibility. These reviews will be completed as soon as possible, but not later than April 21, 2006 or three years from the anniversary date of each firm's most recent certification, whichever is later. The City will insure that only firms certified as eligible ACDBEs participate as ACDBEs in its concession program.

All owners of all certified ACDBEs will be required to submit, on the anniversary date of their certification, a "no change" affidavit meeting the requirements of 26.83(i), including any change in their circumstances affecting their ability to meet size, disadvantaged status, personal net worth, ownership or control criteria or of any material changes in the information provided with the application for certification.. A copy of the renewal serves as the City's and CUCP's no change affidavit.

The California UCP handles all decertification decisions on behalf of the City with respect to the Airport's concession program.

We will treat a firm as a small business eligible to be certified as an ACDBE if its gross receipts, averaged over the firm's previous three fiscal years do not exceed \$30 million. The size standard for banks and other financial institutions is \$275 million in assets, for car rental companies it is \$40 million, and for pay telephone companies the standard is 1,500 employees. (23.33) The personal net worth standard used in determining eligibility for purposes of part 23 is \$750,000 and any person who

has a personal net worth exceeding this amount is not a socially and economically disadvantaged individual, even if a member of a group is otherwise presumed to be disadvantaged. (23.35).

We will presume that a firm that is certified as a DBE under part 26 is eligible to participate as an ACDBE. However, before certifying such a firm, we will ensure that the disadvantaged owners of a DBE certified under part 26 are able to control the firm with respect to its activity in our concessions program. We are not obligated to certify a part 26 DBE as an ACDBE if the firm does not do work relevant to our concessions program. (23.37).

We recognize that the provisions of part 26, Sections 26.83(c) (2-6) do not apply to certifications for purposes of part 23. We will obtain resumes or work histories of the principal owners of the firm and personally interview these individuals. We will analyze the ownership of stock of the firm, if it is a corporation. We will analyze the bonding and financial capacity of the firm. We will determine the work history of the firm, including any concession contracts or other contracts it may have received. We will compile a list of the licenses of the firm and its key personnel to perform the concession contracts or other contracts it wishes to receive. We will obtain a statement from the firm of the types of concessions it prefers to operate or the type of other contracts it prefers to perform. We will ensure that the ACDBE firm meets the applicable size standard. (23.39(a)(b)).

We acknowledge that a prime contractor includes a firm holding a prime contract with an airport concessionaire to provide goods or services to the concessionaire or a firm holding a prime concession agreement with a recipient. We recognize that the eligibility of Alaska Native Corporations (ANC) owned firms for purposes of part 23 is governed by part 26 Section 26.73(h). (23.39(c)(d)).

We will use the certification standards of part 23 to determine the ACDBE eligibility of firms that provide goods and services to concessionaires. (23.39(i)).

In instances when the eligibility of a concessionaire is removed after the concessionaire has entered into a concession agreement because the firm exceeded the size standard or the owner has exceeded the PNW standard, and the firm in all other respects remains an eligible DBE, we may continue to count the concessionaire's participation toward ACDBE goals during the remainder of the current concession agreement. We will not count the concessionaire's participation toward ACDBE goals beyond the termination date for the concession agreement in effect at the time of the decertification. (23.39(e)). Attachment 7 to the ACDBE Program recites the Part 26.87 procedures for removal of an ACDBE's eligibility.

We will use the Uniform Application Form found in appendix F to part 26 with additional instruction as stated in 23.39(g). A copy of this form is included as Attachment 6 of the ACDBE Program.

**EXHIBIT J**  
**HAZARDOUS MATERIALS**

In addition to complying with the provisions set forth earlier in this Agreement, Contractor agrees to the following provisions:

**1. Notification of Release.** Contractor shall be solely and fully responsible for notifying the appropriate public agencies of any Hazardous Material release which is caused by or results from the activities of Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees on the Airport. Contractor shall immediately notify City of any Hazardous Material release which occurs on the Airport and is caused by or results from the activities of Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees, regardless of whether the release is in a quantity that would otherwise be reportable to a public agency.

**2. Liability.** Contractor shall be solely and fully responsible and liable for:

- (a) any use of Hazardous Materials on the Airport, by Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees;
- (b) any Hazardous Material Release which is caused by or results from the activities of Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees on the Airport;

**3. Prevention of Release.** Contractor shall take all necessary precautions to prevent its activities from causing any Hazardous Material release to occur on the Airport, including, but not limited to any release into soil, groundwater, or the City's sewage or storm drainage system.

**4. Obligation to Investigate and Remediate.** Contractor, at Contractor's sole cost and expense, shall promptly investigate and remediate, in accordance with requirements of all applicable Environmental Laws any release or danger of release of Hazardous Material on the Airport, including, but not limited to, into soil or groundwater, or the City's sewage or storm drainage system, which, was caused, or results, in whole or in part from the activities of Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees;

In addition to all other rights and remedies of City hereunder, if Contractor does not promptly commence, and diligently pursue to remediate, any such release, or danger of release, of Hazardous Materials, City, in its discretion, may pay, to have same remediated and Contractor shall reimburse City within fifteen (15) business days of City's demand for payment. The failure to commence remediation and provide City with a schedule for diligent completion of the remediation within thirty (30) days after discovery of such release, or danger of release, of Hazardous Material shall constitute prima facie evidence of failure to promptly commence remediation. The demand for payment by City shall be prima facie evidence that the expense incurred was necessary and reasonable and that such expense was incurred by City on behalf of Contractor.

**5. Indemnification.** Contractor shall defend, indemnify and hold City harmless from and against all loss, damage, liability (including all foreseeable and unforeseeable consequential damages) and expense (including, without limitation, the cost of any required cleanup and remediation of the Hazardous Materials) which City may sustain as a result of:

- (a) any use of Hazardous Materials on the Airport, by Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees
- (b) any Hazardous Material release on the Airport, including, but not limited to any release into soil or groundwater, or the City's sewage or storm drainage system, which is caused by or results from the activities of Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees.

**6. Release of Claims Against City.** Contractor releases, acquits and forever discharges City from any and all claims, actions, causes of action, demands, rights, damages, costs, including but not limited to loss of use, lost profits, or expenses, which Contractor may now have, or which may hereafter accrue on account of or in any way growing out of all known and unknown, foreseen and unforeseen bodily and personal injuries and property damage, and the consequences thereof resulting or arising out of the presence or cleanup of any Hazardous Material on the Airport. This release shall not apply to any claims for contribution that Contractor may have against City in the event that Contractor incurs any cost in undertaking any cleanup of Hazardous Material from the Airport ordered by a governmental agency, to the extent that the cleanup order and costs result from a release of Hazardous Material for which Contractor is not responsible and liable under this Agreement. Contractor understands and agrees that Contractor is hereby waiving all such rights under Section 1542 of the Civil Code of California and any similar law of any state or territory of the United States. Said Section reads as follows:

“1542. Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

**7. (a) Cessation of Activities.** Contractor shall cease its activities on the Airport, to the extent requested by City, if City determines, in its sole discretion, that such cessation is necessary to investigate, cure or remediate any release of Hazardous Materials. Contractor shall not recommence its activities on the Airport, until notified by City that such release or danger of release of Hazardous Material has been investigated, cured and remediated in a manner satisfactory to the City.

(b) Abatement of Fees and Charges on Airport. Contractor shall not be charged fees or charges for use of the Airport, to the extent that City requests Contractor to cease activities on that portion of the Airport due to City's efforts to investigate, cure or remediate contamination, unless the release is one for which Contractor is responsible under this Agreement.

**8. Records and Inspections.**

(a) Contractor shall maintain, during the term of this Agreement and for a period of not less than four (4) years after the expiration or termination of this Agreement, or for any longer period of time required by any applicable law, regulation, policy, order or decree, separate and accurate daily records pertaining to the use, handling and disposal of any Hazardous Material(s) by Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees on or from the Airport.

(b) Upon request by City, Contractor shall furnish City with such daily records, and such other documentation or reports as Director, from time to time, and at any time during the term of this Agreement, may reasonably require pertaining to the use, handling and disposal of any Hazardous

Material(s) by Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees on or from the Airport.

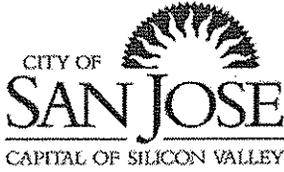
(c) After the expiration of four (4) years following the termination of this Agreement, Contractor may destroy the records pertaining to the use, handling and disposal of any Hazardous Material(s) by Contractor, Contractor's officers, agents, employees, contractors, permittees or invitees on or from the Airport, provided, however, that Contractor shall notify City no later than sixty (60) days prior to any proposed destruction of any of said records and shall upon request by City within thirty days (30) days after such notice is received, deliver copies of said records to City.

**9. No Third Party Beneficiaries.**

Nothing contained in this Exhibit shall be construed as conferring any benefit on any person not a party to this Agreement, nor as creating any right in any person not a party to this Agreement to enforcement of any obligation created under this Agreement.

**10. Survival of Obligations.**

Contractor's obligations under this Agreement shall survive the expiration or earlier revocation or suspension of this Agreement.



## Classification and Wage Determination

**CONTRACT SCOPE:** Airport Parking Operations and Management Services

**ISSUANCE DATE:** September 20, 2011

The following work classifications are subject to the City of San Jose's Prevailing Wage Policy (Resolution No. 61144). Four (4) classifications are City of San Jose established classifications and three (3) classifications are California Department of Industrial Relations (DIR) established prevailing wage classifications.

For the DIR established prevailing wage classifications, the wage rates are contained in the General Prevailing Wage Determination 2011-2 and 2011-2 Pre-Determined Wage Determination issued by the Director of Industrial Relations. Copies of the Wage Determination can be obtained from the Office of Equality Assurance at 200 East Santa Clara Street, 5<sup>th</sup> Floor, San Jose CA 95113, 408-535-8430 or through the Internet at [www.dir.ca.gov](http://www.dir.ca.gov).

### CITY OF SAN JOSE ESTABLISHED PREVAILING WAGE CLASSIFICATIONS

Classification	Hourly Pay Rate	Health & Welfare	Vacation (Minimum 10 Days)	Paid Sick Leave (6 Days)	Total Hourly Pay Rate
Parking Cashier/Valet	\$11.88	\$3.63	\$.46	\$.27	\$16.24
Parking Garage/Parking Lot Maintenance/Janitorial/Custodial	\$13.80	\$3.63	\$.53	\$.31	\$18.27
Traffic Director	\$13.80	\$3.63	\$.53	\$.31	\$18.27
Lead Person	\$17.36	\$3.63	\$.67	\$.40	\$22.06

The total hourly wage must be paid directly to the worker **unless** the Employer is making payments to a benefit plan(s). If the Employer is making payments to a benefit plan(s) but the benefits being paid do not add up to the full amount of the benefits listed above, the Employer must pay the difference directly to the worker.

Breakdown of Benefits		
Paid Vacation (Calculate at applicable hourly pay rate)	After 1 year	10 Days – 80 Hours
	After 5 years	15 Days – 120 Hours
	After 10 years	20 Days- 160 hours
Paid Sick Leave	Six (6) paid sick days	
Paid Holidays	No paid holidays. If worked, compensation shall be in accordance with Industrial Welfare Commission Order No. 16-	

<p><b>Pressure Wash</b> (Includes Nozzleman)</p> <p>Laborer Group 2* (Page 49 of DIR Wage Determination)</p>	<p>\$26.99</p>	<p>\$16.70</p>	<p>\$43.69</p>
<p><b>Parking Garage Ride-On Powerboss Autoscrubber</b></p> <p>Laborer Group 1* (Page 49 of DIR Wage Determination)</p>	<p>\$27.36</p>	<p>\$16.70</p>	<p>\$44.06</p>
<p><b>Sweeper</b></p> <p>Operating Engineer Group 8** (Page 39 of DIR Wage Determination)</p> <p>or</p> <p>Teamster Group 3** (Page 55 of DIR Wage Determination)</p>	<p>\$28.51</p>	<p>\$24.23</p>	<p>\$52.74</p> <p>\$48.10</p>

## **Hours and Days of Work**

(Industrial Welfare Commission Order No. 16-2001)

City of San Jose agreements subject to City wage policies will use the same guidelines for all covered classifications/employees.

Employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

- (a) One and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7<sup>th</sup>) consecutive day of work in a workweek; and
- (b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7<sup>th</sup>) consecutive day of work in a workweek.