

THIS PRINT COVERS CALENDAR ITEM NO.: 10.2

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets – Transportation Engineering

BRIEF DESCRIPTION:

Approving various routine traffic and parking modifications as consent calendar items per the attached resolution.

SUMMARY:

- Under Proposition A, the SFMTA Board of Directors has authority to adopt parking and traffic regulations changes.
- Taxis are not exempt from any of these regulations.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO _____ Tom Folks

ASSIGNED SFMTAB CALENDAR DATE: _____

PURPOSE

To approve various routine traffic and parking modifications.

Benefit to the SFMTA 2008 – 2012 Strategic Plan:

GOAL

Goal 1 - Customer Focus: To provide safe, accessible, reliable, clean and environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy

Objective 1.1 - Improve safety and security across all modes of transportation

Goal 2 - System Performance: To get customers where they want to go, when they want to be there

Objective 2.4 - Reduce congestion through major corridors

Objective 2.5 - Manage parking supply to align with SFMTA and community goals

ITEMS:

- A. ESTABLISH – 1-HOUR PARKING – From the driveway of 1250 Missouri Street to 97 feet northerly. **PH 4/16/2010 Requested by business.**
- B. ESTABLISH – PERPENDICULAR PARKING – Missouri Street, west side, from Cesar Chavez Street to 330 feet northerly. **PH 4/16/2010 Requested by business.**
- C. RESCIND – PERPENDICULAR PARKING – Alabama Street, east side, from Mullen Avenue to 24 feet southerly. **PH 4/16/2010 Requested by resident.**
- D. RESCIND – 2 HOUR PARKING, 9AM TO 6PM, MONDAY THROUGH FRIDAY, CARPOOL PERMITTED VEHICLES EXEMPT FROM ABOVE – Mabini Street, west side, between Folsom and Bonifacio Streets. **PH 4/16/2010 Requested by SFMTA.**
- E. ESTABLISH – PARKING METERS, 2 HOUR TIME LIMIT, AREA 2, MONDAY THROUGH SATURDAY, 9AM-6PM – Mabini Street, west side, between Folsom and Bonifacio Streets. **PH 4/16/2010 Requested by SFMTA.**
- F. RESCIND – 2 HOUR PARKING 8AM TO 6PM, MONDAY THROUGH FRIDAY, EXCEPT VEHICLES WITH CARPOOL PERMITS – Maple Street, west side between California and Sacramento Streets. **PH 4/16/2010 Requested by SFMTA.**
- G. ESTABLISH – 2 HOUR TIME LIMIT PARKING METERS, MONDAY THOROUGH SATURDAY , AREA 3, 9AM TO 6PM – Maple Street, west side between California and Sacramento Streets. **PH 4/16/2010 Requested by SFMTA.**
- H. RESCIND – 35MPH SPEED LIMIT – 3rd Street between Channel Street and Evans Avenue. **PH 4/16/2010 Requested by SFMTA.**
- I. ESTABLISH – 30MPH SPEED LIMIT – 3rd Street between Channel Street and Evans Avenue. **PH 4/16/2010 Requested by SFMTA.**
- J. RESCIND – ONE-WAY STREET – Dore Street, between Howard and Folsom Streets (makes this street two-way). **PH 4/16/2010 Requested by Resident.**

- K. ESTABLISH – 2 HOUR PARKING 8AM TO 6PM, MONDAY THROUGH FRIDAY, AREA “T” EXEMPT FROM ABOVE – Portola Drive, west side, between Sydney Way and Laguna Honda Boulevard (800 block; frontage road). **PH 4/16/2010 Requested by Resident.**
- L. ESTABLISH – TRAFFIC SIGNAL – Brotherhood way and intersection of new private road serving 800 Brotherhood Way development, approximately 550 feet west of Chumasero Drive. **PH 4/16/2010 Requested by Developer.**
- M. ESTABLISH – RIGHT TURN ONLY LANE AND TOW-AWAY NO STOPPING ANYTIME – Brotherhood Way, north side, from approximately 350 west of Chumasero Drive to new private road. **PH 4/16/2010 Requested by Developer.**
- N. ESTABLISH – INCREASE SIDEWALK WIDTH TO 12 FEET AND NARROW WESTBOUND ROADWAY BY 3 FEET – Brotherhood Way, north side, from intersection of new private road to approximately 1,050 feet westerly. **PH 4/16/2010 Requested by Developer.**
- O. ESTABLISH – SIDEWALK BULBOUT OF ADDITIONAL 6 FEET IN WIDTH AND PROHIBIT ON-STREET PARKING – Brotherhood Way, north side, from intersection of new private road to approximately 60 feet westerly. **PH 4/16/2010 Requested by Developer.**
- P. ESTABLISH – SIDEWALK BULBOUT OF ADDITIONAL 6 FEET IN WIDTH AND PROHIBIT ON-STREET PARKING – Brotherhood Way, north side, from approximately 250 feet to 370 feet west of intersection of new private road (at intersection with Church Parking Lot, south of Brotherhood way). **PH 4/16/2010 Requested by Developer.**
- Q. REVOKE – TOW-AWAY NO PARKING ANYTIME – Bernal Heights Boulevard, north side, from Chapman Street to 85 feet westerly. **PH 4/16/2010 Requested by SFMTA.**
- R. RESCIND – TOW-AWAY NO STOPPING ANYTIME – Folsom Street, east side, from 54 feet to 78 feet south of 13th Street (24 foot zone). **PH 4/16/2010 Requested by Business.**
- S. ESTABLISH – NO PARKING ANYTIME EXCEPT BICYCLES – Folsom Street, east side, from 54 feet to 78 feet south of 13th Street (24 foot zone). **PH 4/16/2010 Requested by Business.**
- T. ESTABLISH – STOP SIGN – Stopping Bartlett Street at 21st Street, stopping the stem of this T-intersection. **PH 4/30/2010 Requested by Resident.**
- U. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – McAllister Street, north side, from 38 feet to 116 feet east of Leavenworth Street. **PH 4/30/2010 Requested by SFMTA.**
- V. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – McAllister Street, south side, between Hyde Street and 100 feet west of Leavenworth Street. **PH 4/30/2010 Requested by SFMTA.**
- W. ESTABLISH – TRANSIT, BICYCLES AND COMMERCIAL VEHICLES ONLY – McAllister Street, eastbound, between Hyde Street and Charles J. Brenham Place. **PH 4/30/2010 Requested by SFMTA.**
- X. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME EXCEPT FEDERAL AUTHORIZED LAW ENFORCEMENT VEHICLES – Hyde Street, east side, between McAllister Street and Fulton Street. **PH 4/30/2010 Requested by SFMTA.**
- Y. ESTABLISH – NO PARKING EXCEPT TRUCKS WITH FARMER’S MARKET PARKING PERMIT ONLY, 6 AM TO 9:30 AM, WEDNESDAY AND SUNDAY – Hyde Street, west side, from 7 feet to 102 feet north of Grove Street; and Fulton Street, north side, from 18 feet to 85 feet west of Hyde Street. **PH 4/30/2010 Requested by SFMTA.**
- Z. ESTABLISH – NO LEFT TURN, 7-9AM, 4-7PM, EXCEPT SATURDAY & SUNDAY –

- Masonic Avenue southbound at Golden Gate Avenue. **PH 4/30/2010 Requested by SFMTA.**
- AA. ESTABLISH – BUS ZONE – Avalon Avenue, south side, from La Grande Avenue to 74 feet westerly. **PH 4/30/2010 Requested by Resident.**
- BB. ESTABLISH – STOP SIGNS – Stopping 20th Street at Kansas Street, making this intersection an All-Way STOP. **PH 4/30/2010 Requested by Resident.**
- CC. ESTABLISH – NO PARKING ANYTIME – 400 block of Ulloa Street, north side, from 202 feet east of Kensington Street to 318 feet west of Knockash Hill. **PH 4/30/2010 Requested by Resident.**
- DD. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA O, 2-HOUR TIME LIMIT, 8 AM TO 6PM, MONDAY THROUGH FRIDAY – 400 block of Ulloa Street, both sides, for permit eligibility, with signage on the south side of Ulloa Street and on the north side of Ulloa Street, from Kensington Way to 202 feet easterly. **PH 4/30/2010 Requested by Resident.**
- EE. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA L, 2-HOUR TIME LIMIT, MONDAY THROUGH FRIDAY – 500 block of 2nd Avenue, both sides, between Anza and Balboa Streets. **PH 4/30/2010 Requested by Resident.**
- FF. ESTABLISH – 2 HOUR PARKING, 7AM-6PM, EXCEPT SUNDAYS – Trumbull Street, south side, between Mission and Craut Streets. **PH 4/30/2010 Requested by Resident.**
- GG. ESTABLISH – STOP SIGNS – Stopping 23rd Street at Rhode Island Street, making this intersection an all-way STOP. **PH 4/30/2010 Requested by Resident.**
- HH. RESCIND – BUS ZONE – Fourth Street, west side, from Brannan Street to 88 feet southerly. **PH 4/30/2010 Requested by SFMTA.**
- II. ESTABLISH – PART-TIME BUS ZONE, 7 AM TO 9 AM, MONDAY THROUGH FRIDAY – Fourth Street, west side, from 107 feet to 209 feet south of Brannan Street (102-foot bus zone). **PH 4/30/2010 Requested by SFMTA.**
- JJ. ESTABLISH – UNMETERED MOTORCYCLE PARKING – Waller Street, north side, from approximately 40 to 50 feet east of Webster Street (between the two active driveways for #280-284 Waller Street and #100 Webster Street). **PH 4/30/2010 Requested by Resident.**
- KK. ESTABLISH – UNMETERED MOTORCYCLE PARKING – Boardman Place, west side, from approximately 117 to 123 feet south of Bryant Street (in front of 18 Boardman; 2 spaces). **PH 4/30/2010 Requested by Business.**
- LL. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA S, 8 AM TO 9 PM, MONDAY THROUGH FRIDAY – Duboce Avenue, south side, from Castro to Noe streets; 14th Avenue, north side, from Castro to Noe streets; and Castro Street, east side, from Duboce Avenue to 14th Street. **PH 4/30/2010 Requested by Resident.**
- MM. REVOKE – NON-COMPLIANT BLUE ZONE – 90-4th Street, west side, from 4 feet to 48 feet north of the south building line (44-foot zone, to be replaced with two parking meters). **PH 4/23/2010 Requested by SFMTA.**
- NN. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – Laguna Honda Boulevard, west side, from northern edge of Noriega Street to 70 feet southerly. **PH 4/30/2010 Requested by SFMTA.**
- OO. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – Fell Street, south side, from Divisadero Street to 126 feet easterly. **PH 4/30/2010 Requested by SFMTA.**
- PP. ESTABLISH – TOW-AWAY NO STOPPING, 7 AM TO 7 PM, DAILY – Fell Street, south side, from 126 feet to 240 feet east of Divisadero Street. **PH 4/30/2010 Requested by SFMTA.**
- QQ. ESTABLISH – LEFT LANE MUST TURN LEFT – Fell Street, westbound, approaching

Divisadero Street. **PH 4/30/2010 Requested by SFMTA.**

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The San Francisco Municipal Transportation Agency has received a request, or identified a need for traffic modifications as follows:

- A. ESTABLISH – 1-HOUR PARKING – From the driveway of 1250 Missouri Street to 97 feet northerly.
- B. ESTABLISH – PERPENDICULAR PARKING – Missouri Street, west side, from Cesar Chavez Street to 330 feet northerly.
- C. RESCIND – PERPENDICULAR PARKING – Alabama Street, east side, from Mullen Avenue to 24 feet southerly.
- D. RESCIND – 2 HOUR PARKING, 9AM TO 6PM, MONDAY THROUGH FRIDAY, CARPOOL PERMITTED VEHICLES EXEMPT FROM ABOVE – Mabini Street, west side, between Folsom and Bonifacio Streets.
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- KK. ESTABLISH – UNMETERED MOTORCYCLE PARKING – Boardman Place, west side, from approximately 117 to 123 feet south of Bryant Street (in front of 18 Boardman; 2 spaces).
- LL. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA S, 8 AM TO 9 PM, MONDAY

THROUGH FRIDAY – Duboce Avenue, south side, from Castro to Noe streets; 14th Avenue, north side, from Castro to Noe streets; and Castro Street, east side, from Duboce Avenue to 14th Street.

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PP. ESTABLISH – TOW-AWAY NO STOPPING, 7 AM TO 7 PM, DAILY – Fell Street, south side, from 126 feet to 240 feet east of Divisadero Street.

QQ. ESTABLISH – LEFT LANE MUST TURN LEFT – Fell Street, westbound, approaching Divisadero Street.

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors, upon recommendation of the Executive Director/CEO and the Director of Transportation Engineering, does hereby approve the changes.

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of _____

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

THIS PRINT COVERS CALENDAR ITEM NO. : 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the San Francisco Municipal Transportation Agency, through its Executive Director/CEO (or his designee), to accept and expend up to \$375,000 in Transportation Development Act, Article 3 funds for bicycle safety outreach and education programs and bicycle facility projects.

SUMMARY:

- SFMTA requests authority to accept and expend up to \$375,000 in Transportation Development Act (TDA) grant funds for implementation of bicycle safety outreach and education programs, such as educational events, safety brochures, flyers, maps, public outreach campaigns to promote safe bicycling, outdoor media and advertising, purchasing and distributing of bicycle safety equipment and materials, and staff attendance at bicycle safety-related conferences and trainings, and bicycle facility projects.
- The choice of projects is based on input SFMTA received from various community groups, such as the San Francisco Bicycle Coalition and the Board of Supervisors' Bicycle Advisory Committee.
- The SFMTA also requires approval from the Board of Supervisors to accept and expend the funds described above because these projects are combined with projects from DPW to be presented to MTC as a unified program of projects using TDA funds.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION BE RETURNED TO: Eileen Ross, 1 South Van Ness Ave., 8th Floor

ASSIGNED SFMTAB CALENDAR DATE: _____

PAGE 2.

PURPOSE

SFMTA requests authority to accept and expend up to \$375,000 in state TDA, Article 3 funds for bicycle safety outreach and education programs and bicycle facility projects.

GOALS

The SFMTA will further the following goals of the Strategic Plan through acceptance of these funds:

- Goal 1: Customer Focus – To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.
Objective 1.1 – Improve safety and security across all modes of transportation
Objective 1.5 – Increase percentage of trips using more sustainable modes (such as transit, walking, bicycling, rideshare).
- Goal 2: Customer Focus – To get customers where they want to go, when they want to be there.
Objective 2.3 – Fulfill bicycle and pedestrian network connectivity.
- Goal 4: Financial Capacity – To ensure financial capacity and effective resource utilization
Objective 4.2 – Ensure efficient and effective use of resources.

DESCRIPTION

Article 3 of the TDA authorizes disbursement of funds for bicycle and pedestrian purposes. Within the nine-county Bay Area, the Metropolitan Transportation Commission administers TDA funds. SFMTA proposes to use these funds for the two projects described below.

1. Bicycle Safety Outreach and Education Programs (\$41,000) – Implement bicycle safety outreach & education programs, such as educational events, safety brochures, flyers, maps, public outreach campaigns to promote safe bicycling, outdoor media and advertising, purchasing and distributing of bicycle safety equipment and materials, and staff attendance at bicycle safety-related conferences and trainings.
2. Bicycle Facility Projects (\$334,000) – Planning, engineering, implementation, and maintenance of various bicycle projects, such as: striping and signing Class II bikeways (bike lanes); improving Class III bikeways (bike routes) by widening curb lanes and installing shared lane bicycle pavement symbols (“sharrows”), especially on roadways with heavy traffic volumes and narrow lanes; bicycle parking (bike racks, lockers and other materials and measures to facilitate bicycle parking); and implementing a bicycle sharing program.

PAGE 3.

Bicycle Plan Injunction

The San Francisco County Superior Court issued a peremptory writ of mandate on November 7, 2006 preventing the City and County of San Francisco from implementing portions of the San Francisco Bicycle Plan until environmental review has been completed on the entire plan. On June 25, 2009, the final environmental impact report (EIR) for the 2009 San Francisco Bicycle Plan was approved and the plan was certified by the San Francisco Planning Commission. On June 26, 2009, the SFMTA Board adopted the CEQA findings and the Bicycle Plan. The San Francisco Planning Department issued its notice of determination for the San Francisco Bicycle Plan on August 12, 2009 and it was filed by the county clerk on August 14, 2009. On November 24, 2009, the Court modified the injunction and set a briefing schedule and hearing date for June 1, 2010 (later postponed until June 22, 2010) on petitioners' objections to the approval of the EIR.

This request will fund planning and engineering work, which is not prohibited by the injunction, which allows the SFMTA to perform "studies, engineering, planning or other administrative work on any item in the 2005 San Francisco Bike Plan or any proposed improvement to any bicycle route"

This request will also fund minor improvements, such as sharrows, bicycle racks, bicycle sharing, and innovative design treatments. Under the modification to the injunction, the court has allowed such minor improvements. The modified injunction states, however, that any projects implemented are subject to being reversed if the Petitioners prevail in their challenge to the EIR.

Implementation of bicycle facility projects that are not currently permitted under the modified injunction will be postponed until after the injunction is lifted in its entirety, although planning and engineering of those projects will continue.

ALTERNATIVES CONSIDERED

Not applicable.

FUNDING IMPACT

No matching funds are required. If projects cannot be delivered in a timely manner, alternative funding will need to be sought.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The SFMTA requires approval from the Board of Supervisors to accept and expend the funds described above because these projects are combined with projects from DPW to be presented to the MTC as a unified program of projects using TDA Article 3 funds.

PAGE 4.

RECOMMENDATION

Staff recommends that the SFMTA Board approve the attached Resolution authorizing the San Francisco Municipal Transportation Agency (SFMTA), through its Executive Director/CEO (or his designee), to accept and expend up to \$375,000 in Transportation Development Act (TDA) funds for bicycle safety outreach and education programs and bicycle facility projects.

The City Attorney's Office has reviewed this calendar item.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, With input from the San Francisco Bicycle Coalition, the Board of Supervisors' Bicycle Advisory Committee, and community groups, the San Francisco Municipal Transportation Agency (SFMTA) Bicycle Program has identified a need for various bicycle projects and programs to improve and enhance bicycling as a safe, viable transportation option; and

WHEREAS, The SFMTA will apply for up to \$375,000 in Transportation Development Act, Article 3 funds for (1) implementation of bicycle safety outreach and education programs, such as educational events, safety brochures, flyers, maps, public outreach campaigns to promote safe bicycling, outdoor media and advertising, purchasing and distributing of bicycle safety equipment and materials, and staff attendance at bicycle safety-related conferences and trainings; and (2) bicycle facility projects; and

WHEREAS, SFMTA will not implement those projects prohibited by the modified injunction prohibiting implementation of the San Francisco Bicycle Plan until the injunction has been lifted by the San Francisco Superior Court; and

WHEREAS, If any of the projects and programs do not receive funding, this will not affect the other projects and programs; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the SFMTA, through its Executive Director/CEO (or his designee), to accept and expend up to \$375,000 in Transportation Development Act, Article 3 funds for bicycle safety outreach and education programs and bicycle facility projects; and be it further

RESOLVED, That the SFMTA Board commends this matter to the Board of Supervisors for its approval to accept and expend the aforementioned grant funds; and be it further

RESOLVED, That the SFMTA Board authorizes the Executive Director/CEO (or his designee) to execute agreements and other documents required for receipt of these funds, pending approval of the Board of Supervisors; and be it further

RESOLVED, That the Executive Director/CEO (or his designee) shall transmit a copy of this resolution to the Metropolitan Transportation Commission.

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

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Approving extensions of the current management agreements between the operators and non-profit corporations for operation of the Fifth and Mission Garage, the Union Square Garage, the Ellis-O'Farrell Garage and the Japan Center Garage on a month-to-month basis.

SUMMARY:

- With San Francisco Municipal Transportation Agency (SFMTA) oversight, four non-profit garage corporations manage four City-owned parking facilities through direct agreements with private operators. Currently, all four agreements have expired and are on a month-to-month basis.
- Each non-profit corporation is in the process of developing a Request For Proposals (RFP) that will result in new management agreements for each of the garages. To continue garage operations during the RFP process, the corporations have requested extensions to their current month-to-month contracts.
- Approval by the SFMTA Board of Directors is necessary to extend any month-to-month contract beyond 12 months from the date of expiration.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO _____ Amit M. Kothari

ASSIGNED SFMTAB CALENDAR DATE: _____

PURPOSE

The purpose of this report is to seek approval from the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors of requests from the Downtown Parking Corporation, the Uptown Parking Corporation, the Ellis-O'Farrell Parking Corporation and the Japan Center Parking Corporation for month-to-month extensions, for an additional 12 months, of the existing management agreements between those corporations and the operators of the Fifth and Mission Garage, the Union Square Garage, the Ellis-O'Farrell Garage and the Japan Center Garage, respectively.

GOAL

This action is consistent with the SFMTA 2008-2012 Strategic Plan.

- Goal 2: System Performance – To get customers where they want to go, when they want to be there
Objective 2.5: Manage parking supply to align with SFMTA and community goals
- Goal 3: External Affairs/Community Relations – To improve the customer experience, community value and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry
Objective 3.1: Improve economic vitality by growing relationships with businesses, community, and stakeholder groups
- Goal 4: Financial Capacity – To ensure financial stability and effective resource utilization
Objective 4.1: Increase revenue by 20 % or more by 2012 by improving collections and identifying new sources
Objective 4.2: Ensure efficient and effective use of resources

DESCRIPTION

Through direct agreements with private parking operators, four non-profit corporations, the Downtown Parking Corporation, the Uptown Parking Corporation, the Ellis-O'Farrell Parking Corporation and the Japan Center Parking Corporation manage the Fifth and Mission Garage, the Union Square Garage, the Ellis-O'Farrell Garage and the Japan Center Garage, respectively. These corporations have requested approval to continue these contracts on a month-to-month basis for an additional 12 months. These extensions will be at the current contract terms without any changes.

In April 2010, the SFMTA released a Request For Proposals (RFP) soliciting proposals from qualified parking operators to manage 13 parking facilities. The RFP does not include any facilities managed by non-profit corporations. The four non-profit corporations are in the process of developing their own RFPs based on the SFMTA's RFP. The nonprofit corporations will advertise the RFPs for non-profit garages after review and approval by the SFMTA. Since current contracts with the operators have already expired, the corporations need to extend these agreements, and under the terms of these agreements, any extensions beyond 12 months require SFMTA approval.

Additional details are provided in the following sections:

Fifth and Mission Garage

The Downtown Parking Corporation has requested a month-to-month extension to the current agreement with Ampco System Parking to May 31, 2011. During this extension all terms and conditions will remain the same as the original contract, including the \$4,600 per month management fee. All operating expenses are paid by the operator and reimbursed by the corporation.

Union Square Garage

The Uptown Parking Corporation has requested a month-to-month extension to the current agreement with City Park to June 30, 2011 with no change in the current contract terms. During this extension, City Park will continue to earn a \$4,166.66 monthly management fee. All operating expenses are paid by the operator and reimbursed by the corporation.

Ellis-O'Farrell Garage

The Ellis-O'Farrell Parking Corporation has requested a month-to-month extension to the current agreement with Parking Concepts, Inc. to April 30, 2011 with no change in the current contract terms. During this extension all terms and conditions remain the same, including the \$3,333.33 monthly management fee. All operating expenses are paid by the operator and reimbursed by the corporation.

Japan Center Garage

The Japan Center Parking Corporation has requested a month-to-month extension to the current agreement with Parking Concepts, Inc. to June 30, 2011 with no change in the current contract terms. During this extension the operator will be paid a \$3,000 monthly management fee. All operating expenses are paid by the operator and reimbursed by the corporation.

The non-profit corporations have indicated that their RFP process will be completed and new contracts will be awarded within the one-year extension period. Staff supports the contract extension request from each corporation.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

It is necessary to extend these contracts to continue operating and managing these parking garages and to continue to meet the parking needs of customers.

FUNDING IMPACT

The requests to extend the current management agreements will allow the corporations to complete the RFP process and to execute new contracts with the selected vendors during FY2010-2011. Adequate funds to conduct the RFP process are included in the corporations' FY2010-2011 Operating Budgets.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

No other approvals are required for the extensions requested by the corporations.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors adopt the attached resolution approving extensions by the Downtown Parking Corporation, the Uptown Parking Corporation, the Ellis-O'Farrell Parking Corporation and the Japan Center Parking Corporation of Operating Agreements for the management of the Fifth and Mission Garage, the Union Square Garage, the Ellis-O'Farrell Garage and the Japan Center Garage, respectively, on a month-to-month basis for an additional 12 months.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Downtown Parking Corporation oversees the operation of the Fifth and Mission Garage; the Uptown Parking Corporation oversees the operation of the Union Square Parking Garage; the Ellis-O'Farrell Parking Corporation oversees the operation of the Ellis-O'Farrell Garage; and the Japan Center Parking Corporation oversees the operation of the Japan Center Garage on behalf of the City and County of San Francisco under separate lease agreements with the City; and

WHEREAS, The four corporations manage these garages through direct agreements with individual parking operators; and,

WHEREAS, The current contracts with the operators have expired and are continuing on a month-to-month basis; and,

WHEREAS, The corporations are in the process of developing new Requests For Proposals (RFP) that are anticipated to result in new management contracts, for each garage, within 12 months; and,

WHEREAS, The existing agreements require, and the corporations have requested, approval from the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors to extend the existing operator contracts on a month-to-month basis for an additional 12 months; and,

WHEREAS, Staff supports the extension requests that will allow the corporations to complete the RFP process and to execute new management contracts for the garages; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors approves the extension of the operating agreement between the Downtown Parking Corporation and Ampco System Parking for the management of the Fifth and Mission Garage on a month-to-month basis through May 31, 2011; and, be it further

RESOLVED, That the SFMTA Board of Directors approves the extension of the operating agreement between the Uptown Parking Corporation and City Park for the management of the Union Square Garage on a month-to-month basis through June 30, 2011; and, be it further

RESOLVED, That the SFMTA Board of Directors approves the extension of the operating agreement between the Ellis-O'Farrell Parking Corporation and Parking Concepts, Inc. for the management of the Ellis-O'Farrell Garage on a month-to-month basis through April 30, 2011; and, be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves the extension of the operating agreement between the Japan Center Parking Corporation and Parking Concepts, Inc. for the management of the Japan Center Garage on a month-to-month basis through June 30, 2011.

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

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

MUNICIPAL TRANSPORTATION AGENCY
City and County of San Francisco

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the Executive Director/CEO to execute the Second Amendment to SFMTA Contract # 4099-08/09 with Cambridge Systematics, Inc. for Transportation Nexus Studies, to increase the contract amount by \$20,800 for a total contract amount not to exceed \$455,792, to reallocate \$47,409 from Task 4 (Public Meetings) to Task 3 (Auto Trip Mitigation Fee Nexus Study), and to extend the completion date from May 29, 2010 to July 28, 2010.

SUMMARY:

- On June 2, 2009, the SFMTA Board authorized the Executive Director/CEO to execute SFMTA Contract # 4099-08/09 with Cambridge Systematics for an amount not to exceed \$434,992 and a term of nine months, to conduct the TIDF nexus study update required under San Francisco Administrative Code Section 38.7, the nexus study required under Planning Code Section 326.8, and a third nexus study about a development fee to mitigate significant transportation-related environmental effects of new development for purposes of environmental analysis under the California Environmental Quality Act ("CEQA").
- On February 9, 2010, the Executive Director/CEO, acting under his contracting authority, extended the term of the contract from February 28, 2010 to May 29, 2010 due to the complex technical issues being encountered; there was no change in the contract amount.
- Due to additional technical issues with the ATMF study, more technical work and time are needed to complete the nexus studies. The proposed Second Amendment would extend the term of the agreement for an additional 60 days, to July 28, 2010; reallocate \$47,409 of funds from the Public Meeting task, a task which can be performed by the Task Force, to the ATMF study; and increase the contract amount by \$20,800 for a total amount not to exceed \$455,792.

ENCLOSURES:

1. SFMTAB Resolution
2. Amendment to SFMTA Contract # 4099-08/09

APPROVALS:

DATE

DIRECTOR OF DIVISION
PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO: Jay de los Reyes

ASSIGNED MTAB CALENDAR DATE: _____

PAGE 2

PURPOSE

This item requests authorization for the Executive Director/CEO to execute the Second Amendment to SFMTA Contract #4099-08/09 with Cambridge Systematics, Inc. for Transportation Nexus Studies, to extend the term of the contract from May 29, 2010 to July 28, 2010, reallocate \$47,409 from Task 4 (Public Meetings) to Task 3 (Auto Trip Mitigation Fee Nexus Study), and increase the contract amount by \$20,800, for a total contract amount not to exceed \$455,792.

GOAL

The contract with Cambridge Systematics as amended will help further the following goals and objectives in the SFMTA Strategic Plan:

Goal 1 – Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage use of auto-alternative modes through the Transit First Policy.

Objective 1.5 Increase percentage of trip using more sustainable modes.

Goal 2 – System Performance: To get customers where they want to go, when they want to be there.

Objective 2.2 Ensure efficient transit connectivity and span of service.

Objective 2.3 Fulfill bicycle and pedestrian network connectivity.

Goal 3 – External Affairs – Community Relations: To improve the customer experience, community value, and enhance the image of SFMTA, as well as ensure SFMTA is a leader in the industry.

Objective 3.4 Enhance proactive participation and cooperatively strive for improved regional transportation.

Goal 4 – Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.2 Ensure efficient and effective use of resources.

DESCRIPTION

Background

In 1981, the Board of Supervisors enacted San Francisco Administrative Code Chapter 38, establishing the Transportation Impact Development Fee ("TIDF"), and setting the fee at \$5.00 per square foot of new office development in Downtown San Francisco to mitigate the impact of such development on the City's public transit services. The ordinance was amended in 1984, but

remained essentially unaltered for 20 years. The TIDF has been an important revenue source for the SFMTA and will continue to be so in the future. Since 1981, Muni and SFMTA have collected more than \$122 million (including interest charges on installment payments) from the TIDF.

In 2004, following a comprehensive review and nexus study, the TIDF ordinance was substantially revised and expanded to all new non-residential development throughout the City. The rates are adjusted for inflation every two years, and currently range from \$9.07 to \$11.34 per square foot, with the next adjustment due on July, 1, 2011. The 2004 ordinance also requires that the information and calculations used in setting the rates be updated every five years and that the SFMTA Executive Director prepare a report for the SFMTA Board of Directors and the Board of Supervisors with recommendations as to whether the TIDF should be increased, decreased, or remain the same. The TIDF Nexus Study Update, the first of the three nexus studies authorized by the subject contract, will assist SFMTA in meeting this requirement.

In April, 2008, the Board of Supervisors also added Section 326.8 to the San Francisco Planning Code. This section authorized the formation of a task force, consisting of representatives from several City agencies and the SFCTA, to be coordinated by the SFMTA and the Office of City Attorney, in order to conduct "a nexus study establishing the impact of new residential development and new parking facilities on the City's transportation infrastructure and parking facilities" and, if justified, make recommendations to the Board of Supervisors for new impact fees on residential development and projects containing parking facilities. The Comprehensive Transportation Impact Development Fee (CTIDF) Nexus Study, the second of the three nexus studies authorized by the subject agreement, will assist in meeting the provisions of Section 326.8 by conducting a study on a) the impact of all new development, whether residential or commercial, on the City's entire transportation infrastructure, including that used by pedestrians and people who travel by bicycle; and b) the feasibility of a CTIDF to mitigate the impact of new development on the City's entire transportation system.

Furthermore, for the past several years, several city and county agencies, primarily the San Francisco (SF) Planning Department and the SF County Transportation Authority (SFCTA), have been working on a policy initiative to replace the Level-of-Service (LOS) standard for measuring the transportation-related environmental impact of new developments, under the California Environmental Quality Act (CEQA), with a new standard based on the number of Auto Trips Generated (ATG) by such new developments. The Auto Trip Mitigation Fee (ATMF) Nexus Study, the third of the three nexus studies authorized by the subject contract, will support the policy initiative already underway and will develop the basis for the potential adoption of a new ATMF to fund facilities and services that mitigate the significant transportation-related environmental impacts of new developments. Such facilities and services may include measures to improve bicycle and pedestrian safety, reduce noise, reduce greenhouse, gas emissions, and expand alternative modes of transportation. The interested agencies decided to combine all three studies into one request for proposals ("RFP") for a consultant to develop the studies.

In March 2009, a selection panel composed of representatives from the SFMTA, the Planning Department, the SFCTA and the Mayor's Office of Economic and Workforce Development

("MOEWD") evaluated the written proposals and oral presentations and scored Cambridge Systematics as the highest-ranked proposer.

On June 2, 2009, the SFMTA Board authorized the Executive Director/CEO to execute SFMTA Contract # 4099-08/09 with Cambridge Systematics for an amount not to exceed \$434,992 and a term of nine months.

On February 9, 2010, the Executive Director/CEO, acting under his contracting authority extended the term of the contract from February 28, 2010 to May 29, 2010 due to the complex technical issues that were being encountered. There was no increase in the contract amount.

As the work has progressed, additional technical issues with the ATMF study have arisen. SFMTA staff and staff from the other interested agencies have determined that further technical work and more time and resources are needed to complete the ATMF Study, and that in order to enable the work to be completed, it is appropriate to extend the term of the contract for an additional 60 days to July 28, 2010, reallocate \$47,409 of existing funds from the public meetings and outreach task (a function which can be performed by the Task Force) to the ATMF nexus study, and increase the contract amount by \$20,800 or 4.8%, for a total contract amount not to exceed \$455,792.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

An alternative to extending this contract would be to allow the contract to terminate and to complete the nexus studies "in-house." Staff determined that the City does not have the specialized expertise or staff resources to perform and complete all the services required for the nexus studies of such scope and complexity.

Another alternative would be to rebid rather extend the contract. Staff has determined that rebidding, including going through another Request for Proposals process, would take longer and cost more than increasing the contract amount and extending the contract term in accordance with the proposed amendment.

FUNDING IMPACT

For SFMTA, operating funds for the administration of the TIDF ordinance and program, which are the sources of funding for SFMTA's share of the contract costs, are budgeted each fiscal year and its \$9,568 share of the \$20,800 increase will require minimal adjustment to the TIDF budget. SFCTA, MOEWD, and SF Planning have agreed to the contract modifications and their revised shares of the costs to of the CTIDF and ATMF nexus studies.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Since the City Attorney's Office is also a party to the contract, the proposed amendment also requires approval by that office in addition to the approval as to form required for all City contracts.

RECOMMENDATION

SFMTA staff recommends that the SFMTA Board authorize the Executive Director/CEO to execute the Second Amendment to SFMTA Contract #4009-08/09 with Cambridge Systematics, Inc. for Transportation Nexus Studies, to extend the term of the contract by 60 days, from May 29, 2010 to July 28, 2010, reallocate \$47,409 from Task 4 (Public Meeting) to Task 3 (Auto Trip Mitigation Fee Nexus Study), and increase the contract amount by \$20,800 for a total contract amount not to exceed \$455,792.

MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. _____

WHEREAS, The original Transit Impact Development Fee (TIDF) ordinance as enacted by the San Francisco Board of Supervisors in 1981 imposed an impact fee on new office development in Downtown San Francisco to mitigate the impact of such development on the City's public transit system; and

WHEREAS, Administrative Code Chapter 38, implementing the TIDF was substantially revised and expanded in 2004 to increase the TIDF, expand its scope to include non-residential development throughout the City of San Francisco, require that the information and calculations used to determine the TIDF rates be updated every five years, and that the Executive Director prepare and submit a report to the SFMTA Board and Board of Supervisors with recommendations as to whether the TIDF should be increased, decreased, or remain the same; and

WHEREAS, Section 326.8 of the San Francisco Planning Code directs the formation of a Task Force, consisting of various City and County agencies and the San Francisco County Transportation Authority and coordinated by the SFMTA and Office of City Attorney, to conduct a nexus study establishing the impact of new residential development and parking facilities on the City's entire transportation infrastructure and make recommendations to the Board of Supervisors for funding new transportation infrastructure and services, including new residential development and parking impact fees; and

WHEREAS, The interested agencies met and agreed on a comprehensive scope and timeline for the nexus studies, and further agreed that a consultant should be retained to assist with the TIDF update required by Administrative Code Section 38.7, the nexus study directed by Planning Code Section 326.8, and an additional nexus study to evaluate a development fee to mitigate significant transportation-related environmental effects of new development for purposes of environmental analysis under the California Environmental Quality Act ("CEQA"), as measured by new automobile trips generated; and

WHEREAS, On June 2, 2009, the SFMTA Board of Directors authorized the Executive Director/CEO to execute an agreement with Cambridge Systematics, Inc. for Transportation Nexus Studies for a term of nine months and an amount not to exceed \$434,992; and

WHEREAS, The First Amendment to the agreement, extending the term from February 28, 2010 to May 29, 2010 was approved by the Executive Director/CEO under his contract authority on February 9, 2010; and

WHEREAS, Due to the complex technical issues being encountered, additional time, technical work, and resources are needed to complete the studies; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to execute the Second Amendment to SFMTA

Contract #4009-08/09 with Cambridge Systematics, Inc. for Transportation Nexus Studies, to increase the contract amount by \$20,800 for a total contract amount not to exceed \$455,792, to reallocate \$47,409 from Task 4 (Public Meetings) to Task 3 (Auto Trip Mitigation Fee Nexus Study), and to extend the completion date from May 29, 2010 to July 28, 2010.

I hereby certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of _____.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Attachment 2

City and County of San Francisco

**Municipal Transportation Agency
One South Van Ness Ave. 7th floor
San Francisco, California 94103**

**Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102**

**Second Amendment to SFMTA Contract #4009-08/09
Agreement between the City and County of San Francisco and
Cambridge Systematics, Inc. for Transportation Nexus Studies**

THIS AMENDMENT ("Amendment") is made as of _____, 2010, in San Francisco, California, by and between Cambridge Systematics, Inc. ("Contractor") and the City and County of San Francisco ("City"), acting by and through its Municipal Transportation Agency ("SFMTA") and Office of the City Attorney ("City Attorney").

RECITALS

- A. City and Contractor have entered into the Agreement (as defined below).
- B. City and Contractor desire to modify the Agreement as set forth herein.

NOW, THEREFORE, Contractor and the City agree as follows:

- 1. Definitions.** The following definitions shall apply to this Amendment:
 - a. Agreement.** The term "Agreement" shall mean the Agreement to conduct three transportation nexus studies dated June 23, 2009 between Contractor and City, as amended by the First Amendment, dated February 9, 2010.
 - b. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.
- 2. Modifications to the Agreement.** The Agreement is modified as follows:
 - a. Section 2 (Term of the Agreement) is amended to read as follows:*

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from June 23, 2009 to July 28, 2010.

b. Section 5 (Compensation) is amended to read as follows:

5. Compensation

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the SFMTA's Executive Director/CEO, in his or her sole discretion, and with the concurrence of the City Attorney, concludes has been performed as of the 30th day of the immediately preceding month. In no event shall the amount of this Agreement exceed four hundred thirty-four thousand nine hundred ninety two dollars (\$457,792), unless this Agreement is modified in accordance with its terms. The breakdown of costs associated with this Agreement appears in Attachment B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

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

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

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

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

c. Attachment B (Calculation of Charges) is removed and replaced with a new Attachment B, appended as Exhibit 1 of this Amendment.

3. Effective Date. The modifications set forth herein shall be effective on and after all parties have signed the Amendment.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY

San Francisco Municipal Transportation
Agency

CONTRACTOR

Cambridge Systematics, Inc.
City vendor number: 69909

Nathaniel P. Ford Sr.
Executive Director / CEO

Steven M. Pickrell
Senior Vice-President

Dennis J. Herrera
City Attorney

By:

Marisa Moret
Managing Attorney

Approved as to Form:

Dennis J. Herrera
City Attorney

By:

David A. Greenburg
Deputy City Attorney

AUTHORIZED BY:

**MUNICIPAL TRANSPORTATION
AGENCY BOARD OF DIRECTORS**

Resolution No: _____

Adopted: _____

Attest: _____

Roberta Boomer, Secretary to the
SFMTA Board of Directors

EXHIBIT 1

Attachment B Calculation of Charges

The table below shows the names of the consulting staff to perform the scope of services, their respective position titles and hourly fees, the projected number of hours and calculated costs for each of the tasks described in Attachment A. Services to be provided by Contractor.

Table 1. Labor Hours and Costs by Work Task

Direct Labor

Name	Labor Category	Rate	TIDF Update Hours	TIDF Update Dollars	CTIF Hours	CTIF Dollars	ATMF Hours	ATMF Dollars	Public Mtg Hours	Public Mtg. Dollars	Total Hours	Total Dollars
Chris Wornum	Principal	\$260.53	40	\$10,421	80	\$20,842	157.45	\$41,020.45	0	0	277.45	\$72,284.05
Ryan Green-Roesel	Associate	\$120.40	40	\$4,816	124	\$14,930	369.45	\$44,481.78	0	0	533.45	\$64,227.38
Wendy Tao	Senior Professional	\$120.40	0	\$0	52	\$6,261	120.00	\$14,448.00	0	0	172.00	\$20,709.00
Yushang Zhou	Senior Associate	\$193.33	0	\$0	0	\$0	40.00	\$7,733.00	0	0	40.00	\$7,733.00
Regina Speir	Production	\$113.19	16	\$1,811	32	\$3,622	52.00	\$5,885.88	0	0	100.00	\$11,319.00
William Cowart	Sr. Associate	\$170.50	0	\$0	0	\$0	60.00	\$10,230.00	0	0	60.00	\$10,230.00
George Mazur	Principal	\$206.62	0	\$0	0	\$0	40.00	\$8,264.80	0	0	40.00	\$8,264.80
Direct Labor Total			96	\$17,048	288	\$45,655	838.90	\$132,064.11	0	0	1,222.90	\$194,767.23

Table 1. Labor Hours and Costs by Work Task (Continued)

Direct Expenses

Name	Rate	TIDF Update Hours	TIDF Update Dollars	CTIF Hours	CTIF Dollars	ATMF Hours	ATMF Dollars	Public Mtg Hours	Public Mtg. Dollars	Total Hours	Total Dollars
Travel							\$70.00		0		\$70.00
Shipping			\$40		\$40		\$80.00		0		\$160.00
Outside Graphics & Copying									0		
Teleconferencing			\$40		\$40		\$80.00		0		\$160.00
Other							\$0.77		0		\$0.77
Direct Exp. Total			\$80		\$80		\$230.77		0		\$390.77

Consultants

Name	Rate	TIDF Update Hours	TIDF Update Dollars	CTIF Hours	CTIF Dollars	ATMF Hours	ATMF Dollars	Public Mtg Hours	Public Mtg. Dollars	Total Hours	Total Dollars
Bob Spencer	\$200.00	80	\$16,000	156	\$31,200	264	\$52,800	0	0	500	\$100,000
Consultants Total		80	\$16,000	156	\$31,200	264	\$52,800	0	0	500	\$100,000

SubContractors

Name	Rate	TIDF Update Hours	TIDF Update Dollars	CTIF Hours	CTIF Dollars	ATMF Hours	ATMF Dollars	Public Mtg Hours	Public Mtg. Dollars	Total Hours	Total Dollars
Envirotrans Solutions		50	\$10,000	50	\$10,000	50.00	\$10,000	0	0	150	\$30,000
Nelson/Nygaard		280	\$34,840	90	\$12,402	24.00	\$4,992	0	0	394	\$52,234
Seifel Consulting				90	\$17,950	338.00	\$60,450	0	0	428	\$78,400
Subcontractors Total		330	\$44,840	230	\$40,352	412.00	\$75,442	0	0	972	\$160,634
TOTAL PROPOSAL		506	\$77,968	674	\$117,287	1,514.90	\$260,537	0	0	2,695	\$455,792

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
City and County of San Francisco**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Resolution authorizing the Executive Director/CEO or his designee to execute and file an application/claim with the Metropolitan Transportation Commission (MTC) for allocation of operating assistance from Transportation Development Act (TDA), State Transit Assistance (STA), AB1107 One-Half Cent Sales Tax (AB1107), and Regional Measure 2 (RM2) funds for Fiscal Year 2010-2011 for \$99.5 million to support the operating budget.

SUMMARY:

- The San Francisco Municipal Transportation Agency (SFMTA) files annually an application for operating assistance with MTC in accordance with the rules and regulations established by the transportation planning agency pursuant to Public Utilities Code Section 99261.
- SFMTA is required to submit a resolution authorizing the Executive Director/CEO or his designee to execute and file appropriate TDA, STA, AB1107, and RM2 applications, together with all necessary supporting documents with the MTC for an allocation of TDA, STA, AB1107, and RM2 funds in Fiscal Year 2010-2011.
- Annually, the SFMTA gets operating assistance from TDA, STA, AB1107, and RM2 funds administered by MTC.
- The Board of Directors approved the \$99.5 million as part of the FY 10-11 Budget.

ENCLOSURES:

1. SFMTAB Resolution
2. Opinion of Counsel

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING CALENDAR ITEM:

FINANCE

EXECUTIVE DIRECTOR/CEO

SECRETARY

ADOPTED RESOLUTION

TO BE RETURNED TO: Fernando Urbano –1 So. Van Ness Ave., Finance- 8th Floor.

ASSIGNED SFMTAB CALENDAR DATE:

PURPOSE

In order to receive payment from MTC, the SFMTA must submit a resolution authorizing the Executive Director/CEO or his designee to execute and file appropriate applications for allocations of TDA, STA, AB 1107, and RM2 funds in Fiscal Year 2010-2011.

GOAL

The SFMTA will further the following goal of the Strategic Plan through acceptance of these funds:

- Goal 4 - Financial Capacity: To ensure financial stability and effective resource utilization

Objective 4.2 - Ensure efficient and effective use of resources

DESCRIPTION

The Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq. Prospective applicants wishing to receive an allocation from the Local Transportation Fund for any transit-related purposes must file an annual claim with MTC.

Apportionment of the TDA fund is based on an estimate of sales tax generation for the claim year prepared by MTC and San Francisco County Auditors. STA revenue-based operating assistance comes from a State sales tax on fuel, and STA-population-based (paratransit) assistance is computed according to a formula based on the population of the area, which may be adjusted during the governor's annual budget process. AB1107 one-half cent sales tax is based on MTC estimates of sales tax growth generations. RM2 funds are dispensed based on the agency's request for operating allocations, subject to meeting eligibility requirements and availability of RM2 operating funds.

SFMTA expects to receive the following amounts in operating assistance for Fiscal Year 2010-2011 pending the finalization of the State Budget:

FUNDING SOURCE	AMOUNT
TDA funding	\$33,138,979
State Transit Assistance - Revenue Based	\$35,957,211
State Transit Assistance – (Population Based) Paratransit	\$1,099,221
State Transit Assistance – (Population Based) Lifeline	\$627,879
AB 1107 funding	\$26 ,000,000
RM2 operating assistance funding	\$2,500,000
RM2 Owl Service funding	\$187,501
Total Request	\$99,510,791

ALTERNATIVES CONSIDERED

Not Applicable

FUNDING IMPACT:

- The Board of Directors approved the expenditure of \$99.5 million as part of the FY 2010-2011 Budget.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed this calendar. The attached Opinion of Counsel is required by MTC.

RECOMMENDATION

Staff recommends that the Board approve the attached Resolution authorizing the Executive Director/CEO or his designee to execute and file with MTC appropriate applications, together with all necessary supporting documents, for an allocation of TDA, STA, AB1107, and RM2 funds in Fiscal Year 2010-2011.

MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. _____

WHEREAS, The Transportation Development Act (TDA) (Public Utilities Code §§99200 *et seq.*), provides for the disbursement of funds from the Local Transportation Fund (LTF) of the City and County of San Francisco for use by eligible applicants for the purpose of approved transit projects; and

WHEREAS, Pursuant to the provision of the TDA, and pursuant to the applicable rules and regulations hereunder (21 Cal. Code of Regs. §§6600 *et seq.*), a prospective applicant wishing to receive an allocation from the LTF shall file its claim with the Metropolitan Transportation Commission (MTC); and

WHEREAS, The State Transit Assistance (STA) fund is created pursuant to Public Utilities Code §§99310 *et seq.*; and

WHEREAS, The STA fund makes funds available pursuant to Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

WHEREAS, TDA funds from the LTF of the City and County of San Francisco and STA funds will be required by the San Francisco Municipal Transportation Agency (SFMTA) in Fiscal Year 2010-2011 for approved transit projects; and

WHEREAS, Public Utilities Code Sections 29140, *et seq.*, make available 25 percent of the half-cent sales tax revenues collected in the three BART counties (Alameda, Contra Costa, and San Francisco) for allocation by MTC to eligible applicants; and

WHEREAS, Pursuant to the provision of Public Utilities Code Section 29142.2, eligible applicants for AB1107 funds include Alameda-Contra Costa Transit District, the Bay Area Rapid Transit District, and the City and County of San Francisco for the SFMTA; and

WHEREAS, Regional Measure 2 (RM2) establishes the Regional Traffic Relief Plan and identifies specific capital projects and programs eligible to receive RM2 funding, including operating assistance, as identified in Section 30914 (c) and (d) and Section 30914.5 of the California Streets and Highway Code; and

WHEREAS, MTC has determined that the SFMTA complies with the requirements of Public Utilities Code Section 29142.5 and Government Code Section 66517.5; and

WHEREAS, The SFMTA is an eligible applicant for TDA, STA, AB 1107, and RM2 funds as attested by the opinion of counsel dated May 10, 2010; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Executive Director/CEO or his designee to execute and file appropriate applications/claims together with all necessary supporting documents for Operating Assistance funds with Metropolitan Transportation Commission for Fiscal Year 2010-2011, as follows: Transportation Development Act funding - \$33,138,979; State Transit Assistance (Revenue Based) funding - \$35,957,211; State Transit Assistance (Population Based) Paratransit funding - \$ 1,099,221; State Transit Assistance (Population Based) Lifeline funding \$ 627,879; AB1107 Sales Tax funding - \$26,000,000; and, Regional Measure 2 funding \$2,687,501; and, be it

FURTHER RESOLVED, That a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the claim, and MTC is requested to grant the allocations of the funds as specified herein.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board at its meeting of _____.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency



DENNIS J. HERRERA
City Attorney

ROBIN M. REITZES
Deputy City Attorney

DIRECT DIAL: (415) 554-4260
E-Mail: robin.m.reitzes@sfgov.org

May 10, 2010

Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eight Street
Oakland, CA 94607-4700

Re: MTA Application for State Transit Assistance

To Whom It May Concern:

This communication will serve as the requisite opinion of counsel in connection with the San Francisco Municipal Transportation Agency's application for an allocation of Transportation Development Act ("TDA"), State Transit Assistance ("STA"), and /or AB1107 One-Half Cent Sales Tax ("AB1107"), and/or Regional Measure 2 ("RM2") funds.

1. The City and County of San Francisco, through its Municipal Transportation Agency ("SFMTA") is authorized to provide public transportation services and to perform all the projects for which the funds are requested.
2. The SFMTA is an eligible applicant for TDA and STA funds pursuant to California Public Utilities Code ("PUC") section(s) 99260 and 99314 *et seq.*, AB1107 funds pursuant to PUC sections 29142.4 and 29142.5, and for RM2 funds pursuant to California Street and Highways Code sections 30914 (c) and (d) and 30914.5.
3. I have reviewed the pertinent State and local laws, and I am of the opinion that there is no legal impediment to the SFMTA making applications for TDA, STA, AB1107, and/or RM2 funds for Fiscal Year 2010-2011 and that there is no pending or threatened litigation that might adversely affect the projects for which the funds are requested or the ability of SFMTA to carry out such projects.

Yours very truly,

DENNIS J. HERRERA
City Attorney

Robin M. Reitzes
Deputy City Attorney

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Resolution authorizing the San Francisco Municipal Transportation Agency (1) to acknowledge and adhere to procedures and conditions set forth by the Metropolitan Transportation Commission for allocation of Regional Measure 2 (RM-2) funds; and (2) to accept and expend \$200,000 of RM-2 funds for a Safe Routes to Transit project to undertake a study for the proposed redesign of Market Street to improve multi-modal conditions.

SUMMARY:

- On March 2, 2004, Bay Area voters passed Regional Measure 2 (RM-2), raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00, effective July 1, 2004. Under the Regional Traffic Relief Plan, this extra dollar provides transit operating assistance and funding to specified capital projects within the region that reduce congestion or make improvements to travel in the toll bridge corridors.
- The RM-2 program provides \$20 million for Safe Routes to Transit projects that reduce congestion on State-owned Bay Area bridges by improving pedestrian access to transit facilities.
- The San Francisco Municipal Transportation Agency (SFMTA) has applied for \$200,000 in RM-2 funds to implement a Safe Routes to Transit project to conduct a study for the proposed redesign of Market Street to improve multi-modal conditions.
- As the transportation planning, coordinating and financing agency of the nine-county Bay Area, the Metropolitan Transportation Commission (MTC) allocates RM-2 funds. MTC has adopted procedures and conditions that must be acknowledged and adhered to by recipients of RM-2 funds. The attached resolution incorporates the procedures and conditions established by the MTC that must be acknowledged and adhered to by the SFMTA in regard to the SFMTA's allocation of RM-2 funds.
- This action authorizes the SFMTA, through its Executive Director/CEO (or his designee), to acknowledge and adhere to the procedures and conditions established by the MTC in regard to the allocation of RM-2 funds as detailed in the attached resolution. Also, this action authorizes the SFMTA to accept and expend the allocation of \$200,000 in RM-2 funds to conduct a study for the proposed redesign of Market Street to improve multi-modal conditions.

ENCLOSURES:

1. SFMTAB Resolution
2. Application: Initial Project Report and Cash Flow Plan
3. Opinion of Legal Counsel for Application

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION BE RETURNED TO: Leda Young, 1 South Van Ness Avenue, 8th Floor

ASSIGNED SFMTAB CALENDAR DATE: _____

PAGE 2.

PURPOSE

The SFMTA Board approval of this resolution would authorize the SFMTA to approve and adhere to procedures and conditions set forth by the MTC in regard to the SFMTA receiving an allocation of RM-2 funds. Also, the SFMTA Board approval of this resolution would authorize the SFMTA, through its Executive Director/CEO, to accept and expend \$200,000 in RM-2 capital funds to conduct a study for the proposed redesign of Market Street to improve multi-modal conditions.

GOAL

The SFMTA will further the following goals of the Strategic Plan through acceptance of these funds:

- Goal 1 – Customer Focus: To provide safe, accessible, reliable, clean and environmentally sustainable service.

Objective 1.5 – Increase percentage of trips using more sustainable modes (such as transit, walking, bicycling, and rideshare).

- Goal 4 – Financial Capacity: To ensure financial stability and effective resource utilization.

Objective 4.2 – Ensure efficient and effective use of resources.

DESCRIPTION

On March 2, 2004, voters in San Francisco, Alameda, Contra Costa, Marin, San Mateo, Santa Clara and Solano Counties cumulatively passed Regional Measure 2 (RM-2), which will raise an estimated \$125 million each year to implement the Regional Traffic Relief Plan. The Regional Traffic Relief Plan will provide transit operating assistance and funding for specified capital projects within the region that reduce congestion or make improvements to travel in the toll bridge corridors. Funding for the Regional Traffic Relief Plan derives from a \$1.00 increase, effective July 1, 2004, in tolls on the region's seven State-owned toll bridges. As the transportation planning, coordinating and financing agency of the nine-county Bay Area, the Metropolitan Transportation Commission (MTC) allocates RM-2 funds.

The RM-2 program provides \$20 million to public agencies for Safe Routes to Transit projects that help reduce congestion on State-owned Bay Area bridges by improving pedestrian access to transit facilities. Specifically, funding is provided for the planning and construction of pedestrian access improvements in close proximity to transit facilities. The San Francisco Municipal Transportation Agency (SFMTA) has applied for the following:

- **Market Street Multi-Modal Transportation Investments Study:** RM-2 funds will be used to pay for consultant assistance and staff time to develop the Market Street Multi-Modal Transportation Strategy. It will provide critical seed money to undertake a study of the multi-modal (pedestrian, bicycle, transit, taxi, commercial vehicles/goods movement, private automobile) redesign of Market Street, improving the street for bicyclists and pedestrians to access transit. The study could include: extending/widening boarding platforms; relocations of transit boarding islands to improve accessibility and rationalize stop spacing; upgrading transit stop facilities; consideration of

pedestrian access to new mid-block boarding islands; redesigning crosswalks to optimize walking routes; beautifying the streetscape to encourage economic growth and pedestrian use; modifications to Market Street to complement forthcoming bike lane placements on 2nd Street, 5th Street, Polk Street, and McAllister Street; extension of the current bike lane on Market from Embarcadero to 8th Street; amending the width of sidewalks to accommodate bike lanes; and additional amenities to improve conditions for the multi-modal users of the Market Street corridor.

In lieu of a separate funding agreement, MTC expects the SFMTA, through its governing board, to certify that the agency acknowledges and will adhere to the following conditions with respect to the project:

- compliance with provisions of MTC's RM-2 Policy Guidance (MTC Resolution No. 3636);
- consistency with the Regional Transportation Plan;
- SFMTA has taken into consideration the time necessary to obtain applicable environmental clearance and permitting approval for the project in requesting RM-2 funding;
- the RM-2 phase of the project is fully funded based on programmed and planned funding allocations, and results in an operable and useable segment;
- the enclosed Initial Project Report (IPR), which is the SFMTA's application document to MTC that describes the project and includes a detailed financial plan, has been approved by the SFMTA;
- approval of the cash flow plan for the project;
- SFMTA has adequate staffing resources to complete the project within the schedule set forth in the IPR;
- the project and purpose for which RM-2 funds are being requested are in compliance with applicable environmental requirements and regulations;
- the City and County of San Francisco, through the SFMTA, indemnifies and holds harmless MTC and its representatives against all claims, demands, liability, losses and expenses in connection with the allocation of RM-2 funds;
- any revenues or profits from any non-governmental use of property shall be used for public transportation services for which the project was initially approved;
- assets purchased with RM-2 funds shall be used for public transportation uses as intended; and
- the SFMTA will post signs at construction sites as applicable stating that the project is funded with RM-2 funds.

In conjunction with the IPR, which must be submitted to the MTC, also attached is the required Opinion of Counsel for the project, which states that (1) the SFMTA is an eligible implementing agency of projects in the RM-2 Regional Traffic Relief Plan; (2) the SFMTA is authorized to submit an allocation request for RM-2 funding; (3) no legal impediment exists that would preclude the SFMTA from making allocation requests for RM-2 funding; and (4) no pending or threatened litigation exists that might adversely affect the project or the ability of the MTA to carry out the project.

ALTERNATIVES CONSIDERED

The alternative is to not apply for the funds so that the project would not be funded and/or it would be underfunded. This would be inconsistent with the Board's policy to implement environmental improvements to promote transportation using sustainable modes.

FUNDING IMPACT

The capital funds for this project are from:

- Regional Measure 2 - derived from a \$1.00 increase, effective July 1, 2004, in tolls on the region's seven State-owned toll bridges (\$200,000)
- Local Prop K Funds – \$750,000 (anticipated)
- Caltrans Planning Grant - \$250,000 (anticipated)

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed this calendar item.

RECOMMENDATION

Staff recommends that the SFMTA Board approve this resolution, which would authorize the SFMTA to approve and adhere to procedures and conditions set forth by the MTC in regard to the SFMTA receiving an allocation of RM-2 funds. Also, the SFMTA Board approval of this resolution would authorize the SFMTA, through its Executive Director/CEO, to accept and expend \$200,000 in RM-2 capital funds to conduct a study that would redesign Market Street to improve multi-modal conditions.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, SB 916 (Chapter 715, Statutes 2004), commonly referred to as Regional Measure 2 (RM-2), identified projects eligible to receive funding under the Regional Traffic Relief Plan; and

WHEREAS, The Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for RM-2 funds, pursuant to Streets and Highways Code Section 30914(c) and (d); and

WHEREAS, The MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for RM-2 funding; and

WHEREAS, Allocations to MTC must be submitted consistent with procedures and conditions as outlined in RM-2 Policy and Procedures; and

WHEREAS, The Safe Routes to Transit Grant Program is eligible for consideration in the Regional Traffic Relief Plan of RM-2, as identified in California Streets and Highway Code Section 30914(c) or (d); and

WHEREAS, Under the Safe Routes to Transit Grant Program, the San Francisco Municipal Transportation Agency (SFMTA) has applied for funding in the amount of \$200,000 to conduct a study for the proposed redesign of Market Street to improve multi-modal conditions; and

WHEREAS, The SFMTA is an eligible implementing agency of transportation project(s) using RM-2 Regional Traffic Relief Plan funds; and

WHEREAS, The RM-2 allocation request, contained in the Initial Project Report (IPR) submitted for the project and incorporated by reference herein as though set forth at length, lists the project, purpose, schedule, budget, expenditure and cash flow plan for which the SFMTA is requesting that MTC allocate RM-2 funds; and

WHEREAS, The application for RM-2 funds includes the certification by legal counsel of SFMTA of assurances required for the allocation of funds by MTC; and

WHEREAS, Under Charter Section 8A.102(b)12, the SFMTA has exclusive authority to apply for, accept and expend federal, state, or other grants for Agency purposes; and

RESOLVED, That the SFMTA Board of Directors authorizes the San Francisco Municipal Transportation Agency, through its Executive Director/CEO (or his designee), to accept and expend \$200,000 of RM-2 funds for a Safe Routes to Transit project to conduct a study for the proposed redesign of Market Street to improve multi-modal conditions; and, be it further

RESOLVED, That the SFMTA and its agents agree to comply with the provisions of the MTC's RM-

2 Policy Guidance (MTC Resolution No. 3636); and be it further

RESOLVED, That the project is consistent with the Regional Transportation Plan (RTP); and be it further

RESOLVED, That the year of funding for any design, right-of-way and/or construction phases has taken into consideration the time necessary to obtain environmental clearance and permitting approval for the project; and be it further

RESOLVED, That the RM-2 phase or segment is fully funded based on programmed and planned funding allocations, and will result in an operable and useable segment; and be it further

RESOLVED, That the SFMTA Board of Directors approves the IPR submitted with this resolution; and be it further

RESOLVED, That the SFMTA Board of Directors approves the cash flow plan submitted with this resolution; and be it further

RESOLVED, That the SFMTA has reviewed the project needs and has adequate staffing resources to deliver and complete the project within the schedule set forth in the IPR submitted with this resolution; and be it further

RESOLVED, That the SFMTA Board of Directors certifies that the project and purpose for which RM-2 funds is being requested is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.) and, if relevant, the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et. seq., and the applicable regulations there under; and be it further

RESOLVED, That the City and County of San Francisco, through the SFMTA, indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of SFMTA, its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM-2 funds. In addition to any other remedy authorized by law, so much of the funding due under this allocation of RM-2 funds as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages; and be it further

RESOLVED, That if any revenues or profits from any non-governmental use of property (or project) are collected, the SFMTA shall use those revenues or profits exclusively for the public transportation services for which the project(s) was initially approved, either for capital improvements or maintenance and operational costs; otherwise, MTC is entitled to a proportionate share equal to MTC's percentage participation in the project(s); and be it further

RESOLVED, That assets purchased with RM-2 funds, including facilities and equipment, shall be used for the public transportation uses intended, and should said facilities and equipment cease to be operated or maintained for their intended public transportation purposes for its useful life, that the MTC shall

be entitled to a present day value refund or credit (at MTC's option) based on MTC's share of the Fair Market Value of the said facilities and equipment at the time the public transportation uses ceased, which shall be paid back to MTC in the same proportion that RM-2 funds were originally used; and be it further

RESOLVED, That the SFMTA shall post on both ends of the construction site(s) at least two signs visible to the public stating that the project is funded with RM-2 Toll Revenues; and be it further

RESOLVED, That the SFMTA Board of Directors delegates to the Executive Director/CEO (or his designee) the authority to make non-substantive changes or minor amendments to the IPR as he/she deems appropriate; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Executive Director/CEO (or his designee) to furnish whatever additional information may be requested by MTC in connection with this request; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Executive Director/CEO (or his designee) to execute any and all agreements necessary to complete the transfer of funds; and be it further

RESOLVED, That a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the SFMTA application referenced herein.

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

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**Regional Measure 2
Initial Project Report (IPR)**

Project Title:

Market Street Multi-Modal Transportation Investments Study

RM2 Project No.

20.308

Allocation History:

	MTC Approval Date	Amount	Phase
#1:			
#2			
#3			

Total:

Current Allocation Request:

IPR Revision Date	Amount Being Requested	Phases Requested
	\$200,000	Study (including Environmental Studies)

I. OVERALL PROJECT INFORMATION

A. Project Sponsor / Co-sponsor(s) / Implementing Agency

San Francisco Municipal Transportation Agency (SFMTA)

B. Project Description (please provide details)

☐ **Project Graphics to be sent electronically with This Application**

The City of San Francisco's Market Street has always been, and continues to be, the City's multi-modal transportation spine, vibrant commercial corridor and public space. Market Street is a critical nexus for major regional and local public transportation in San Francisco providing access to the four downtown BART stations and Muni Metro subway service. Each of the four BART stations provides service to an average of almost 30,000 passengers per day. The corridor currently handles more than 150,000 daily Muni transit boardings, of which, more than half occur on the surface and almost a quarter of all Muni services utilize this corridor. The corridor is regionally significant for public transit and other modes of transportation as the Oakland Bay Bridge I-80 corridor would not function without the congestion relief provided by the Market St. surface and sub-surface transit systems. Additionally, Market Street is a critical piece of the San Francisco Bicycle Network, linking to many other parts of the City through the existing and proposed Bike Plan improvements, which provide critical access for bicyclists to transit along Market Street.

Due to the complexity and importance of Market Street in San Francisco's overall transportation network, very few improvements have been made to Market Street in the last 30 years. An effort to sustainably redesign Market Street is a once in a generation opportunity for San Francisco. The City, in fact, has the chance to leverage the upcoming 2013 City Department of Public Works' resurfacing of Market Street to design improvements that will be implemented as part of the corridor repaving work. Accordingly, a new framework for an interagency project governance structure to oversee a redesign of Market Street was recently developed and was shared at the City's Directors Working Group on July 15, 2009. While there have been numerous past attempts by individual agencies to tackle the issues of Market Street, this new interagency partnership will organize the City agencies to deliver a project on a timely basis that will address the complexities of Market Street.

RM-2 funds will be used to pay for consultant assistance and staff time to develop the Market Street Multi-Modal Transportation Investments Study. The Safe Routes to Transit grant program will provide critical seed money to grow the planning project into the larger effort necessary to implement the multi-modal (pedestrian, bicycle, transit, taxi, commercial vehicles/goods movement, private automobile) redesign of Market Street, improving the street for bicyclists and pedestrians to access transit. The study could include: extended/widened boarding platforms; relocations of transit boarding islands to improve accessibility and rationalize stop spacing; upgrading transit stop facilities; consideration of pedestrian access to new mid-block boarding islands; redesigning crosswalks to optimize walking routes; beautifying the streetscape to encourage economic growth and pedestrian use; modifications to Market Street to complement forthcoming bike lane placements on 2nd Street, 5th Street, Polk Street, and McAllister Street; extension of current bike lane on Market from Embarcadero to 8th Street; amending the width of sidewalks to accommodate bike lanes; and additional amenities to improve conditions for the multi-modal users of the Market Street corridor.

C. Project Purpose

This project will provide the following significant benefits:

- Provide design solutions to improve transit access and increase ease of travel for transit patrons, bicyclists and pedestrians,
- Address safety issues affecting transit, bicycle, and pedestrian access to/on the following services via stations on or nearby Market Street, including:
 - BART: Via the Embarcadero, Montgomery, Powell, and Civic Center stations;
 - Muni: Via the Embarcadero, Montgomery, Powell, Civic Center, and Van Ness stations, as well as at 18 curbside bus stops and 22 center lane transit boarding islands;
 - Various Ferry Services: Via the Ferry Building at Embarcadero;
 - AC Transit: Service to the East Bay via the Transbay Terminal,
- Provide recommendations to improve ADA access for seniors and persons with disabilities on Market Street, which would improve their access throughout the City.

Overall, the SFMTA and its partners anticipate that this Study will provide a “complete” survey of projects that will help to make Market Street, already one of America’s best known streets, a “complete” and “green” street, as well.

D. Impediments to Project Completion

As this is a complex multi-modal redesign involving multiple partners, the project will require a greater than usual effort of coordination. The City’s interagency model has been designed to proactively address any concerns potentially resulting in delay of project delivery. In addition, there is significant public support for improving transit reliability and performance and improving the comfort of bicycling along this corridor which supplements access to transit by many stakeholders. A public engagement program will be part of this effort to gather as much public input and support for this project. With this grant, the study has enough funds to proceed on the multi-modal transit strategy as the SFMTA has programmed \$750,000 of Local sales tax funds and is pursuing with the San Francisco County Transportation Authority a state planning grant of up to \$250,000 to be used for the remainder portions of the transportation study. All city departments are also including in-kind support of up to \$100,000 for the overall strategy. The SFMTA is also working with other city departments to complete the funding needed for the other related non-transportation elements.

E. Operability/Deliverance of Project

Recognizing the unique opportunity to leverage the City’s street resurfacing funding to repave Market Street with a preferred right-of-way design that will improve function and access for all transportation modes in this critical corridor, this study is a City-wide effort. While the SFMTA/San Francisco County Transportation Authority will be the lead agency responsible for consultant contract procurement and

management, staff time and resources have been committed by the City's Department of Public Works, the City's Planning Department, the City's Redevelopment Agency, the City's Public Utilities Commission and the City's Office of Economic and Workforce Development to support and deliver this study that will apply best practices and innovative design solutions. The date of implementation of the proposed plan is 2013, at which time the San Francisco Department of Public Works will repave and restripe Market Street, incorporating the elements of the proposed plan.

II. PROJECT PHASE DESCRIPTION and STATUS

F. Study/Environmental –

Does NEPA Apply: Yes

Study Workscope Phases:

- I. Existing Conditions Analysis and Public Outreach Process – identifying current issues and opportunities; convening experts and stakeholders; completing surveys and traffic analyses
- II. Feasibility and Conceptual Design – developing conceptual drawings, analyzing data from pilot projects and testing, vetting through stakeholder/public process
- III. Engineering Design and Environmental Review – final design and CEQA clearance for project implementation

G. Design –

Not applicable.

H. Right-of-Way Activities / Acquisition –

Not applicable.

I. Construction / Vehicle Acquisition -

Not applicable.

III. PROJECT BUDGET

J. Project Budget (Escalated to year of expenditure)

Phase	Total Amount - Escalated - (Thousands)
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	\$1,300,000
Design - Plans, Specifications and Estimates (PS&E)	
Right-of-Way Activities /Acquisition (R/W)	
Construction / Rolling Stock Acquisition (CON)	
Total Project Budget (in thousands)	\$1,300,000

K. Project Budget (De-escalated to current year)

Phase	Total Amount - De-escalated - (Thousands)
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	1,300,000
Design - Plans, Specifications and Estimates (PS&E)	
Right-of-Way Activities /Acquisition (R/W)	
Construction / Rolling Stock Acquisition (CON)	
Total Project Budget (in thousands)	\$1,300,000

IV. OVERALL PROJECT SCHEDULE

	Planned Start Date (Update as needed)	Planned Completion Date (Update as needed)
Environmental Studies & Preliminary Eng. (ENV / PE / PA&ED)	7/2010	12/2012
Final Design - Plans, Specs. & Estimates (PS&E)		
Right-of-Way Activities /Acquisition (R/W)		
Construction (Begin – Open for Use) / Acquisition / Operating Service (CON)		

V. ALLOCATION REQUEST INFORMATION

L. Detailed Description of Allocation Request

The \$200,000 being requested under this grant application is for the detailed technical design and operational analyses required to develop a plan for the physical redesign of Market Street.

Amount being requested (in escalated dollars)	\$200,000
Project Phases being requested	Study/Environmental
Are there other fund sources involved in this phase?	Yes
Date of anticipated Implementing Agency Board approval the RM2 IPR Resolution for the allocation being requested	June 1, 2010
Month/year being requested for MTC Commission approval of allocation	June 2010

M. Status of Previous Allocations (if any)

Not applicable.

N. Workplan

Workplan in Alternate Format Enclosed ☐

Milestone	Projected or Actual Date of Completion (Month/Year)
Secure Funding / Begin Consultant Procurement Process	06/2010
Hire Consultants / Begin Analysis and Design Work	07/2010
Design Completion Date	12/2011
Environmental Approval – CEQA	06/2012
Environmental Approval – NEPA	06/2012
Project Closeout – Complete Final Report and Invoice to Funding Agency	12/2012

O. Impediments to Allocation Implementation

As this is a complex multi-modal redesign involving multiple partners, the project will require a greater

than usual effort of coordination. The City's interagency model has been designed to proactively address any concerns potentially resulting in delay of project delivery. In addition, there is significant public support for improving transit reliability and performance and improving the comfort of bicycling along this corridor which supplements access to transit by many stakeholders. A public engagement program will be part of this effort to gather as much public input and support for this project. With this grant, the study has enough funds to proceed on the multi-modal transit strategy as the SFMTA has programmed \$750,000 of Local sales tax funds and is pursuing with the San Francisco County Transportation Authority a state planning grant of up to \$250,000 to be used for the remainder portions of the transportation study. All city departments are also including in-kind support of up to \$100,000 for the overall strategy. The SFMTA is also working with other city departments to complete the funding needed for the other non-transportation, but related elements.

VI. RM-2 FUNDING INFORMATION

P. RM-2 Funding Expenditures for funds being allocated:

The companion Microsoft Excel Project Funding Spreadsheet to this IPR is included.

Next Anticipated RM-2 Funding Allocation Request: Not applicable.

VII. GOVERNING BOARD ACTION

Check the box that applies:

☐ **Governing Board Resolution attached**

☒ **Checked: Governing Board Resolution to be provided on or before: June 3, 2010**

VIII. CONTACT / PREPARATION INFORMATION

Contact for Applicant's Agency

Name: Timothy Papandreou

Phone: (415) 701-4333

Title: Deputy Director Sustainable Streets-Planning/Project Manager

E-mail: timothy.papandreou@sfmta.com

Address: 1 South Van Ness Avenue, 7th Floor, San Francisco, CA 94103

Information on Person Preparing IPR

Name: Leda Young

Phone: (415) 701-4336

Title: Principal Grants Analyst

E-mail: leda.young@sfmta.com

Address: 1 South Van Ness Avenue, 8th Floor, San Francisco, CA 94103

Applicant Agency's Accounting Contact

Name: Elena Chiong

Phone: (415) 701-4660

Title: Accounting Manager

E-mail: Elena.chiong@sfmta.com

Address: 1 South Van Ness Avenue, 8th Floor, San Francisco, CA 94103

Revised IPR 120905.doc

RM-2 Initial Project Report

TOTAL PROJECT FUNDING PLAN

(Amounts Escalated in Thousands)

Project Title:	Market Street Multi-Modal Transportation Investments Study	Project ID:	20.308
Agency:	San Francisco Municipal Transportation Agency	Plan Date:	5/13/2010
TOTAL PROJECT: COMMITTED + UNCOMMITTED+TO BE DETERMINED			

Fund Source	Phase	Prior Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future Committed	TOTAL
COMMITTED FUNDING PLAN (PROGRAMMED, ALLOCATED, APPROVED FUNDING)															
RM-2	Study							200							200
Local Prop K Funds	Study							450	300						750
In-kind support*	Study							50	50						100
UNCOMMITTED FUNDING PLAN (NON-PROGRAMMED/ALLOCATED, BUT PLANNED FUNDING)															
FUNDING SOURCE STILL TO BE DETERMINED (LIST POTENTIAL SOURCES THAT WILL LIKELY BE PURSUED)															
Caltrans Planning Grant	Study								250						250
Fund Source	Phase	Prior Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future Committed	TOTAL
TOTAL PROJECT: COMMITTED + UNCOMMITTED + TBD FUNDING TOTAL															
Total								700	600						1,300

Comment s:															
Up to \$100,000 in in-kind support from SFMTA and partner agencies including City Planning, Public Utilities Commission, Office of Economic															

and Workforce Development and the Transportation Authority.

Enter all funding for the project – both Committed and Uncommitted. Enter amounts in thousands and escalated to the year of funding

Eligible Phases: ENV (or PA&ED), PS&E, R/W or CON. For planning activates use ENV. For Vehicles, Equipment or Operating use CON. OK to use CT R/W SUP or CT CON SUP for Caltrans support, but not necessary (optional).

DEFINED SEGMENT FUNDING PLAN	

(Amounts Escalated in Thousands)

Project Title:	Market Street Multi-Modal Transportation Investments Study
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Project ID:	20.308
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Agency:	San Francisco Municipal Transportation Agency
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Plan Date:	03/08/10
------------	----------

[illegible]

Fund Source	Phase	Prior	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future Committed	TOTAL
RM-2	Study							200.0							200
Local Prop K Funds	Study							450	300						750
In-kind support*	Study							50	50						100
Caltrans Planning Grant	Study								250						250
Fund Source	Phase	Prior	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future Committed	TOTAL
RM-2 SEGMENT FUNDING TOTAL															
Total								700	600						1,300

[illegible]

(Complete this spreadsheet only if RM-2 funds are dedicated to deliver a specific phase or deliverable segment of the overall total project)
Enter funds on the RM-2 Deliverable Phase or Segment, ONLY if the RM-2 Phase or Segment is different from the overall total project. The RM-2 Segment must be Fully Funded and result in an operable or useable segment.
Enter only funds <i>Committed</i> to the RM-2 Funded Segment and only if different from Total Project. Enter amounts in thousands and escalated to the year of funding. DO NOT enter uncommitted funding - The RM-2 Phase or Segment must be fully funded.
Eligible Phases: ENV (or PA&ED), PS&E, R/W or CON. For planning activates use ENV. For Vehicles, Equipment or Operating use CON. OK to use CT R/W SUP or CT CON SUP for Caltrans support, but not necessary (optional).

RM-2 FUNDING CASH FLOW PLAN For Allocation
(RM-2 Allocation Funding Only)
(Amounts Escalated in Thousands)

Project Title:	Market Street Multi-Modal Transportation Investments Study	Project ID:	20.308
Agency:	San Francisco Municipal Transportation Agency	Plan Date:	05/13/10
RM-2 CASH FLOW PLAN			

RM-2 Expenditures			2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future	TOTAL
RM-2								10	67.5	67.5	55				200
	Prior		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future	TOTAL
RM-2 CASH FLOW PLAN TOTAL															
Total								10	67.5	67.5	55				200

Comments:															
Provide the expected RM-2 expenditures – by phase and year. (This is the amount of the allocation needed for that fiscal year to cover expenditures through June 30th of that fiscal year).															
Enter RM-2 amounts in thousands and escalated to the year of funding. The total amount cannot exceed the amount identified in the RM-2 legislation.															
Eligible Phases: ENV (or PA&ED), PS&E, R/W or CON. For planning activities use ENV. For Vehicles, Equipment or Operating use CON. OK to use CT R/W SUP or CT CON SUP for Caltrans support, but not necessary (optional).															

EXPENDITURES TO-DATE BY PHASE AND FUND SOURCES

Phase	Fund Source	Date of Last Expenditure	Amount Expended to date (Thousands)	Available Balance Remaining (Thousands)

Comments:				
Includes funds that				

have not yet been awarded, but are programmed.				
As required by RM-2 Legislation, provide funds expended to date for the total project. Provide both expenditure by Fund Source and Expenditure by Phase, with the date of the last expenditure, and any available balance remaining to be expended.				
Project ID:	20.305			
Date:	3/8/2010			

Estimated Budget Plan

Please complete this form based the proposed allocation for your project. The scope should be consistent with the funding you are requesting the MTC allocate. Projects with complementary fund sources, should list the estimated cost of the entire work scope. Note that this information may not only represent the RM2 funding. A separate EBP needs to be completed for each allocation request or each phase of such request.

TITLE OF PROJECT		RM2 Legislation ID: 20.308	
Market Street Multi-Modal Transportation Investments Study			
NAME AND ADDRESS OF IMPLEMENTING AGENCY			
San Francisco Municipal Transportation Agency			
1 South Van Ness Avenue			

San Francisco, CA 94103			
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DETAIL DESCRIPTION	ESTIMATED HOURS	BASE RATE	TOTAL ESTIMATED COST (Dollars)
1. DIRECT LABOR of Implementing and Support Agency			
Includes SFMTA, SFCTA, SFDPW, SFPlanning, SFPUC staff			
Task 1: Start-Up and Project Management	190	\$ 120	22,800
Task 2: Existing Conditions			
Compile and analyze city data on existing conditions and needs.	200	\$120	24,000
Task 3: Best Practices Research	50	\$120	6,000
Task 4: Transportation Modeling and Evaluation			
Completing Task 4 and Task 5 (Three Alternative Designs)	550	\$120	66,000
Task 5: Three Alternative Designs (12 Percent Design)			
Develop 3 alternative designs for Market Street	430	\$120	51,600
Task 6: Draft Conceptual Design (30 Percent Design)			
Produce the final conceptual design for Market Street	320	\$120	38,400
Task 7: Final Conceptual Design (30 Percent Design)			
The consultant will provide the City with 30 percent design	100	\$120	12,000
Task 8: Public Outreach	40	\$120	4,800
Task 8: EIS/EIR	400	\$120	48,000
TOTAL DIRECT LABOR			273,600

2. DIRECT BENEFITS (Specify)	Benefit Rate	X BASE	Total
	34%	273,600	
TOTAL BENEFIT			93,024

3. DIRECT CAPITAL COSTS (include construction, right-of-way, or vehicle acquisition)	Unit (if applicable)	Cost per Unit (\$)	Total
Outreach Materials/Meeting Space/Production Costs			\$200,000
TOTAL DIRECT CAPITAL COSTS			\$200,000

4. CONSULTANTS (Identify purpose and or consultant)	Unit (if applicable)	Cost per Unit (\$)	Total
Task 1: Start-Up and Project Management	300	120	36,000
Task 2: Existing Conditions		120	0
Compile and analyze city data on existing conditions and needs.	100	120	12,000
Task 3: Best Practices Research	60	120	7,200
Task 4: Transportation Modeling and Evaluation		120	0
Completing Task 4 and Task 5 (Three Alternative Designs)	600	120	72,000
Task 5: Three Alternative Designs (12 Percent Design)		120	0
Develop 3 alternative designs for Market Street	450	120	54,000
Task 6: Draft Conceptual Design (30 Percent Design)		120	0
Produce the final conceptual design for Market Street	550	120	66,000
Task 7: Final Conceptual Design (30 Percent Design)		120	0
The consultant will provide the City with 30 percent design	400	120	48,000
Task 8: Public Outreach	100	120	12,000
Task 8: EIS/EIR	500	120	60,000
TOTAL CONSULTANTS			367,200

5. INDIRECT COSTS (Specify - explain costs, if any)	Overhead Rate	X BASE + Benefits	Total
RM-2 Reimbursable Overhead, capped at 50%	50%	366,624	183,312
MTA Overhead Costs - 50% Remaining Balance	50%	366,624	183,312
TOTAL OTHER DIRECT COSTS			366,624
6. TOTAL ESTIMATED COST			1,300,448

Comments:			
		Date:	3/9/2010

May 13, 2010

Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

Re: Eligibility for Regional Measure 2 funds

To Whom It May Concern:

This communication will serve as the requisite opinion of counsel in connection with the allocation to the Municipal Transportation Agency for funding from Regional Measure 2 Regional Traffic Relief Plan made available pursuant to Streets and Highways Code Section 30914(c) and (d) to conduct a study for the proposed redesign of Market Street to improve multi-modal conditions.

1. The Municipal Transportation Agency is an eligible implementing agency for the Regional Measure 2 funding.
2. The Municipal Transportation Agency is authorized to submit an allocation request for Regional Measure 2 funding to conduct a study that would redesign Market Street to improve multi-modal conditions.
3. I have reviewed the pertinent state laws and I am of the opinion that there is no legal impediment to the SFMTA making an application for Regional Measure 2 funding. Furthermore, as a result of my examination, I find that there is no pending or threatened litigation that might in any way adversely affect the proposed projects, or the ability of the San Francisco Municipal Transportation Agency to deliver such projects

Very truly yours,

DENNIS J. HERRERA
City Attorney

Robin M. Reitzes
Deputy City Attorney

THIS PRINT COVERS CALENDAR ITEM NO. : 14

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance & Information Technology

BRIEF DESCRIPTION:

To identify possible funding options for the SFMTA Board to consider placing on the November 2010 ballot, with a discussion of revenue potential, the methodology to estimate these revenues, the voting process and approval requirements, and a summary of the pros and cons of each option.

SUMMARY:

- On April 6, 2010, the San Francisco Municipal Transportation Agency (SFMTA) Board requested additional information on long-term revenue options to help address the SFMTA operating budget deficit.
- Securing new revenue sources will help the SFMTA address major operating budget shortfalls, reducing the pressure to implement Muni service cuts and fare increases.
- The following potential funding options are presented for the SFMTA Board's further consideration: Sales Tax, Vehicle License Fee, Parcel Tax, Payroll Tax, Hotel Tax and Commercial Off-Street Parking Tax.
- To meet a mid-July deadline to place a potential revenue option on the November 2010 ballot, the SFMTA Board will need to select a preferred option and proceed with any necessary legislation. Some funding options, including a sales tax or Vehicle License Fee increase, will also require Board of Supervisors and potentially state approval.
- By state law, any special purpose tax would require a 2/3 supermajority vote.
- If any of the revenue options are approved, they would generate approximately \$20 million to \$65 million annually, depending on the revenue option type and rate.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

SHOULD BE RETURNED TO: Sonali Bose

ASSIGNED SFMTAB CALENDAR DATE: _____

PAGE 2.

PURPOSE

To identify possible funding options for the San Francisco Municipal Transportation Agency (SFMTA) Board to consider placing on the November 2010 ballot. To provide information on revenue potential, the methodology to estimate these revenues, the voting process and approval requirements and a summary of the pros and cons of each option.

GOAL

Approval of the resolution will support:

- Goal 4 – Financial Capacity: To ensure financial stability and effective resource utilization and
- Objective 4.1: Increase revenue by 20% or more by 2012 by improving collections and identifying new sources.

DESCRIPTION

On April 6, 2010, the SFMTA Board requested additional information on long-term revenue options to help address the SFMTA operating budget deficit. San Francisco's transit ridership rate is one of the highest in the United States. With approximately 700,000 boardings on an average weekday, a robust Muni system is essential to the residents, commuters and visitors. Regardless of whether one uses transit or not, funding a comprehensive and frequent transit network (as well as other options such as bicycling and walking) is key to increasing economic vitality through enhancing access to employment and businesses, reducing traffic congestion and air pollution, avoiding high gas prices, mitigating climate change and lessening oil dependence.

The SFMTA understands the difficulty in securing additional resources to sustain and enhance transit service, particularly in the current economic environment. Consistent with the City's "Transit First" Policy, the SFMTA also recognizes the need to avoid further service reductions. With this in mind, these possible ballot measures are presented for the Board's further consideration.

Potential Funding Options

Table A identifies funding options currently under consideration and their annual revenue potential.

Table A: Potential Funding Options

Revenue Option	Description	Annual Revenue Potential
Sales Tax (local portion)	½ percent sales tax (an additional ¾ percent is currently permitted by state law)	\$65 million
Vehicle License Fee	Restore fee from current 1.15 percent to 2 percent of the vehicle purchase price, adjusted for depreciation (1998 levels)	\$33 million
Parcel Tax	\$198 annually for each residential and commercial property parcel	\$28 million
Payroll Tax	Raise payroll tax from 1.5 percent to 1.75 percent	\$55-60 million
Hotel Tax	Raise 14 percent occupancy tax by 2 percent	\$20 million
Commercial Off-Street Parking Tax	Raise 25 percent tax to 35 percent (SFMTA would retain 80 percent share under Proposition A)	\$20 million

Methodology Used to Estimate Revenue Potential

All of the taxes and fees under consideration already exist. To estimate the annual revenue potential for new funding sources, the current rates for each potential tax or fee and their current revenue yield are used. Most of this information comes from the Office of the Controller's FY 2009-10 Six-Month Budget Status Report.

For purposes of estimation, it is assumed that the change in the tax or fee rate will not be large enough to impact consumption levels (i.e., a person will continue to stay at a hotel room regardless of whether the hotel tax is 14 percent or 16 percent).

Table B and its corresponding footnotes show the estimated revenue for each funding option.

Table B: Estimated Revenues

Funding Option	Existing Rate	Current Revenue Generated (millions)	Potential Rate Increase for SFMTA	Potential Revenue Generated (millions)
Sales Tax (local portion)	1 percent	\$128.9 ⁽¹⁾	0.5 percent	\$64.5
Vehicle License Fee ⁽²⁾	1.15 percent	unavailable	0.85 percent	\$33.0
Parcel Tax	\$198 ⁽³⁾	\$28.0 ⁽³⁾	\$198	\$28.0
Payroll Tax ⁽⁴⁾	1.5 percent	\$345.0 ⁽¹⁾	0.25 percent	\$57.5

Funding Option	Existing Rate	Current Revenue Generated (millions)	Potential Rate Increase for SFMTA	Potential Revenue Generated (millions)
Hotel Tax	14 percent	\$146.8 ⁽¹⁾	2 percent	\$21.0
Commercial Off-Street Parking Tax	25 percent (80 percent to SFMTA)	\$51.1 ⁽¹⁾	10 percent (80 percent to SFMTA)	\$20.4

Sources/Notes:

⁽¹⁾ FY 2009-10 Six-Month Budget Status Report, Office of the Controller

⁽²⁾ The formula for Vehicle License Fee (VLF) assessment is based upon the purchase price of the vehicle or the value of the vehicle when acquired. The VLF decreases with each renewal for the first 11 years. The maximum VLF rate temporarily increased from 0.65% to 1.15% on May 19, 2009 through June 30, 2011, but may be extended for another year. The VLF could be restored to its historical maximum rate of 2%, which could net \$33 million based on the 475,000 vehicles registered in San Francisco.

⁽³⁾ Approved by the voters in November 2008, the San Francisco Unified School District collects a \$198 annual parcel tax to support public school education. The City Controller estimated that this tax would raise approximately \$28 million annually (<http://www.smartvoter.org/2008/06/03/ca/sf/meas/A/>).

⁽⁴⁾ Two other cities that employ payroll taxes to support transit operations include Portland, Oregon (0.6818% of wages) and Paris, France (Versement transport, 2.6% rate applies to companies employing more than 9 people)

Voting Process and Approval Requirements

The voter-approved Proposition E (1998), subsequently modified by Proposition A (2007), sets forth various provisions relating to seeking new revenues (Section 8A.109):

- “To the extent allowed by law, the Board of Supervisors may, by ordinance, dedicate to the Agency revenues from sources such as gas taxes, motor vehicle licensing taxes or other available motor vehicle-related revenue sources.”
- “The Mayor, the Board of Supervisors, and the Agency (SFMTA) diligently shall seek to develop new sources of funding for the Agency’s operations, including sources of funding dedicated to the support of such operations, which can be used to supplement or replace that portion of the Municipal Transportation Fund consisting of appropriations from the General Fund of the City and County. Unless prohibited by preemptive state law, the Agency may submit any proposal for increased or reallocated funding to support all or a portion of the operations of the Agency, including, without limitation, a tax or special assessment directly to the electorate for approval, or to the owners of property or businesses to be specially assessed, or to any persons or entities whose approval may be legally required, without further approval of the Mayor or the Board of Supervisors. The Agency shall be authorized to conduct any necessary studies in connection with considering, developing, or proposing such revenue sources.”

PAGE 5.

State law recognizes two types of taxes: general taxes for general purposes (e.g., General Fund), which require a simple majority of voters to approve, and special taxes for specific purposes (e.g., dedicated to the SFMTA), which require a 2/3 majority. While revenues from a general tax can be used to support the SFMTA, they cannot be legally dedicated to such a specific purpose.

The City Charter grants the SFMTA with the authority, consistent with state law, to place taxes on the ballot without approval from the San Francisco Board of Supervisors or Mayor. However, some taxes may require authorization by the Board of Supervisors under State law.¹ All taxes will require a noticed public hearing and adoption of either a resolution or ordinance submitting the proposal to the electorate.

Table C summarizes the approval process for each funding option.

Table C: Approval Process

Funding Options	SFMTA Board	Board of Supervisors	State Legislature	State Board of Equalization
Sales Tax	x	x		x
Vehicle License Fee	x	x	x	
Parcel Tax	x			
Payroll Tax	x			
Hotel Tax	x			
Commercial Off-Street Parking Tax	x			

A 2/3 supermajority vote is required if revenues are legally dedicated to the SFMTA (otherwise a 50 percent majority vote).

Table D summarizes the key dates in order to include these measures on the November 2, 2010 general election.

¹ Boards of Supervisors can raise local revenue by imposing or increasing a tax, an assessment, or a fee. Each of these local revenue sources has its own constitutional and statutory authority and unique laws governing its use. A Board of Supervisors may not impose new taxes without a vote of the people. Subject to a vote, a Board may impose a utility users tax, a business license tax, and a transient occupancy tax (hotel or bed tax). If the proceeds from these taxes are designated for general purposes, majority voter approval is required. If the tax proceeds are restricted to special purposes, two-thirds voter approval is required. Proposition 218, passed in November, 1996, applies additional constraints to county taxing authority, as well as fees and assessments.

Table D: Key Dates

Date	Event
June 1	Last regular SFMTA Board meeting at which the SFMTA Board may urge the Board of Supervisors to submit to the Director of Elections an increase in a tax or fee. (Sales Tax and VLF)
June 8	Last regular Board of Supervisors meeting to introduce a motion or ordinance to be submitted to the Director of Elections increasing a tax or fee. (Sales Tax and VLF)
July 15	Last date for a Board of Supervisors Rules Committee meeting for reference of proposed motion(s) or ordinance(s) increasing taxes or fees to the full Board. (Sales Tax and VLF)
July 27	Last regular Board of Supervisors meeting at which the Board may adopt a motion or ordinance (second reading) for submittal to the Director of Elections increasing a tax or fee. (Sales Tax and VLF)
July 30	Last day for Board of Supervisors or SFMTA Board to submit to the Director of Elections any ordinance(s) or motions increasing taxes or fees that the respective Board has voted to submit to the electorate.

Source: Department of Elections, City and County of San Francisco
Board of Supervisors February 2, 2010 Memo

Pros and Cons of Potential Funding Options

Table E below evaluates the potential funding options with respect to their revenue yield, particularly in relation to the magnitude of the rate increase for the funding source, and the difficulty in securing approval for implementation. The table also includes other factors for consideration.

Table E: Funding Options Evaluation

Revenue Option	Revenue Yield	Approval Requirements	Other Comments
Sales Tax	++	o	A sales tax is often considered “regressive” because lower-income people pay the same rate as others; however, transit also enables lower-income people to save money by reducing automobile usage.
Vehicle License Fee	+	-	There is a strong nexus between restoring historic vehicle license fee rates and improving public transit. Unlike most other potential funding sources, the vehicle license fee will require state legislative approval (which may be a long process).
Parcel Tax	+	o	Achieving a supermajority vote for a parcel tax

Revenue Option	Revenue Yield	Approval Requirements	Other Comments
			may be difficult in this economy, but voters approved one in 2008 for the San Francisco Unified School District.
Payroll Tax	++	o	A payroll tax would ensure that commuters residing outside of San Francisco can help fund city transit services that they may use directly or benefit from indirectly. Payroll taxes might encourage companies to locate elsewhere, although this migration would be limited with a small rate increase.
Hotel Tax	+	+	It might be easier to approve a hotel tax because it would mostly be paid by tourists. The hotel tax might have a small impact on the tourism industry (the tax increase on a \$150 per night (base rate) room would be \$3.)
Commercial Off-Street Parking Tax	+	-	There is a strong nexus between parking rates and improving public transit. However, a similar proposition to raise the off-street parking tax failed in 2006.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

Without additional revenues, the SFMTA financial challenges will worsen, resulting in a smaller, more expensive and less effective transportation system. Beginning May 8, 2010, for example, the SFMTA cut Muni transit services by approximately 313,000 annual hours (10 percent), which includes changes that will increase crowding and reduce service hours and frequency, particularly during the evenings and weekends. During the past year, Fast Pass rates have increased twice and the cash fare has increased 33%. The SFMTA will continue to face long-term financial uncertainty without new revenue sources. In turn, this will undermine the SFMTA's ability to keep fares in line with inflation and provide frequent and comprehensive public transportation options consistent with the City's "Transit First" policy.

FUNDING IMPACT

The potential funding impact for each revenue option is detailed above in Table A: Potential Funding Options. If any of the revenue options are approved, the SFMTA would realize additional revenues of approximately \$20 million to \$65 million annually, depending on the revenue option type and rate.

PAGE 8.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

No other approvals are required for this calendar item.

RECOMMENDATION

These options are presented for the Board's further consideration. To meet a mid-July deadline to place a potential revenue option on the November 2010 ballot, the SFMTA Board will need to select a preferred option and proceed with any other necessary legislation.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA provides essential transportation services, including approximately 700,000 average weekday trips on the Muni system, but recently eliminated 313,000 annual transit service hours (10 percent) due to insufficient funds to pay for day-to-day operating expenses; and,

WHEREAS, The voter-approved Proposition A (2007) states, “The Mayor, the Board of Supervisors, and the Agency (SFMTA) diligently shall seek to develop new sources of funding for the Agency’s operations, including sources of funding dedicated to the support of such operations, which can be used to supplement or replace that portion of the Municipal Transportation Fund consisting of appropriations from the General Fund of the City and County”; and,

WHEREAS, Under Proposition A, “Unless prohibited by preemptive state law, the Agency may submit any proposal for increased or reallocated funding to support all or a portion of the operations of the Agency, including, without limitation, a tax or special assessment directly to the electorate for approval, or to the owners of property or businesses to be specially assessed, or to any persons or entities whose approval may be legally required, without further approval of the Mayor or the Board of Supervisors”; and,

WHEREAS, Consistent with the City’s “Transit First” Policy, securing new revenue sources to fund a comprehensive and frequent transit network, as well as other sustainable transportation options such as bicycling and walking, is key to increasing economic vitality through enhancing access to employment and businesses, reducing traffic congestion and air pollution, avoiding high gas prices, mitigating climate change and lessening oil dependence; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors will seek voter approval to increase the _____ rate by _____ and proceed with any other necessary legislation required to place this measure on the November 2, 2010, ballot that; and, be it further

RESOLVED, That the funds raised by the measure, if approved by the voters, support SFMTA programs including, but not limited to, the restoration of 313,000 annualized transit service hours lost during the May 8, 2010, service cuts.

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

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

THIS PRINT COVERS CALENDAR ITEM NO. :

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets – Transportation Engineering

BRIEF DESCRIPTION:

Approving trial parking modifications at Coit Tower for this summer (June through September).

SUMMARY:

- This would repeat last summer's parking regulations at the Coit Tower parking lot, which restricted parking on weekends to residents only. The regulations were intended to address the problem of recurrent weekend congestion at the parking lot.
- Last summer's trial drastically reduced weekend automobile trips to the parking lot by about 50%.
- One goal is to improve the tourist experience of Coit Tower by eliminating the frustrating delay of waiting for a parking space to become available.
- The reduction in traffic congestion made noticeable improvements to the operation of the 39 Coit bus line.
- Local residents noticed a dramatic improvement in the quality of their neighborhood with the reduction in traffic congestion.

ENCLOSURES:

1. SFMTAB Resolution
2. Attachment A—Telegraph Hill Boulevard Saturday Counts
2. Attachment B—Telegraph Hill Boulevard Sunday Counts

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO _____ Tom Folks _____

ASSIGNED SFMTAB CALENDAR DATE: _____

PURPOSE

Modifications to the parking regulations at the Coit Tower parking lot are recommended to reduce recurrent weekend congestion during summer months. SFMTA staff is recommending a repeat of last year's trial.

GOAL

This proposal is consistent with the following goals and objectives of the San Francisco Municipal Transportation Agency's 2008-2012 Strategic Plan:

Goal 1—Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.

Objectives:

- 1.3 Reduce emissions as required by SFMTA Clean Air Plan
- 1.4 Improve accessibility across transit services
- 1.5 Increase percentage of trips using more sustainable modes (such as transit, walking, bicycling, rideshare)

Goal 2—System Performance: To get customers where they want to go, when they want to be there.

Objectives:

- 2.1 Improve transit reliability to meet 85% on-time performance standard
- 2.2 Ensure efficient transit connectivity and span of service
- 2.5 Manage parking supply to align with SFMTA and community goals

Goal 3—External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.

Objectives:

- 3.1 Improve economic vitality by growing relationships with businesses, community, and stakeholder groups
- 3.2 Pursue internal and external customer satisfaction through proactive outreach and heightened communication conduits

Goal 4—Financial Capacity: To ensure financial stability and effective resource utilization.

Objectives:

- 4.1 Increase revenue by 20% or more by 2012 by improving collections and identifying new sources
- 4.2 Ensure efficient and effective use of resources

DESCRIPTION

Traffic congestion at the Coit Tower parking lot has been a longstanding problem. There are 29 regular parking spaces, two motorcycle parking spaces and one blue zone. The parking serves two principal functions: to provide parking for visitors to Coit Tower and to provide parking for neighborhood residents. The parking situation for neighborhood residents is particularly challenging due to the lack of vehicular access to many dwelling units on the east side of Telegraph Hill.

Currently, the Coit Tower parking lot has Area A residential permit parking restrictions. Without a residential parking permit, vehicles are subject to a 30-minute time limit from 8 a.m. to 9 p.m., daily. Bus service is provided by the 39 Coit route, which has a terminal at the parking lot.

As a tourist attraction, Coit Tower is popular year-round, with peak visits occurring on weekends and in the summer. During those peak times, the parking lot fills up and cars begin a queue down Telegraph Hill Boulevard as people wait for a parking space to open up. The queue can at times become quite extensive and the wait apparently unbearable. Many drivers will give up waiting for a space. Those people miss out on seeing the attractions of Coit Tower and the City loses their potential visiting revenue. Those drivers typically make an awkward u-turn maneuver to go back down the hill, which is made particularly difficult because of the narrow width of the road. Even when visitors are successfully able to find a parking space, their visit is limited to 30 minutes, which severely affects the quality of their visit to Coit Tower, if they intend to take the elevator ride, look at the murals, and enjoy the natural setting.

The vehicle queueing creates other problems. One particularly damaging effect is on the reliability of the 39 Coit route. Service times and schedule adherence become a significant problem when the bus is caught in the queue. Idling vehicles are also a source of air pollution and detract from the neighborhood quality of life and park ambiance.

The City has tried various means to alleviate the queueing. Solutions are complicated by competing needs. The residents need long-term parking, while the Recreation and Park Department, which operates Coit Tower, needs short-term parking for visitors.

The current residential permit parking regulations were implemented in 1978. In 1998, the Department of Parking and Traffic attempted to address the queueing problem by a \$140,000 Clean Air grant, which installed a system of warning signs to notify the public when the parking lot was full to discourage motorists from driving up to the top of the hill. Unfortunately, that project, which relied simply on providing motorist information, was not able to successfully dissuade motorists from driving during peak times.

In the intervening years, other California cities have installed residential permit parking restrictions that have restricted parking in certain residential areas to only residents. While SFMTA staff originally had some concerns about the legality and precedence of that type of regulation, the practice has become more prevalent, particularly in cities that are impacted by seasonal tourist traffic, such as Santa Barbara, Santa Monica, Santa Cruz, and Beverly Hills.

The local neighbors, through the Telegraph Hill Dwellers' organization, asked that the SFMTA try similar restrictions for the Coit Tower parking lot. Their proposal suggested resident-only parking on summer weekends, from June through September. This allows visitors to park at the parking lot Monday through Friday during the summer and at all days of the week for the rest of the year. On summer weekends, the emphasis for visitors would be for them to take the bus, walk or be dropped off. Visitors with disabled placards would also continue to be exempt from the residential permit parking restrictions.

The Recreation and Park Department agreed to try these regulations last summer. They agreed that the current congestion is a problem and may be hampering their concession revenues. Improving accessibility by eliminating congestion was thought to be worth a try if it improves the Coit Tower visitor experience by allowing visitors to stay for longer periods of time. They were also supportive of restricting late night non-resident parking to reduce violence and vandalism.

On May 19, 2009, the SFMTA Board approved a consent calendar item with the proposed parking restrictions. From the beginning of June through the end of September last year, weekends were limited to resident-only parking, with the disability exemption noted previously. A coalition of local residents, representatives from Pier 39 and staff from SFMTA heavily promoted the 39 Coit route. Brochures were distributed to major hotels as well as the Visitors and Convention Bureau. On a number of levels, last year's trial was successful.

Most remarkably, the amount of traffic going to Coit Tower on weekends was reduced by about half. The daily traffic volume for a typical Saturday last summer was 1937 vehicles. In 1995, the typical volume was 4234 vehicles, and counts from as far back as 1958 show a volume of 3531 vehicles. Attachment A and B are included showing the reduction in traffic volumes on Saturday and on Sunday.

Saturday and Sunday ridership levels on the 39 Coit were about 38-50% higher on Saturdays and 33-78% higher on Sundays. The average run times on the 39 Coit were

also improved, although those results are not as dramatic and the results less reliable. The average Saturday run time between Union Street and Columbus Avenue was 7.4 minutes before the trial, dropped to 6.3 minutes in July, and rose to 7.3 minutes in September. On Sunday, the average run time dropped from 7.0 minutes to 6.7 minutes.

Unfortunately, one key metric that could not be reliably measured last summer was concession revenue at Coit Tower. Year to year revenues were difficult to compare because of other factors affecting the amount of weekend visitors last summer. The elevator was out of service the first weekend the restrictions went into place. They also closed early for a private event on one evening, and they suffered a PG&E neighborhood power outage on a Sunday that forced them to remain closed until after 5:30 PM. The concessionaire does feel that they have lost revenue because of the parking restrictions, but they have been unable to quantify the results.

The restrictions also received some negative publicity from people who received \$73 parking citations. Those receiving citations claimed to be unaware of the weekend parking restrictions. In fact, we initially installed seven signs to warn people about the new parking restrictions. Five of the signs were located on the roadway leading up to the parking lot with three of those signs using flashing yellow lights to attract attention. The parking lot itself had two signs, meeting our usual sign spacing criteria. We did, however, add a third sign at the parking lot later in the summer.

A visitor survey was administered Friday, Saturday, and Sunday, from September 18th through 20th between 2 pm and 5 pm on each of the three days. Survey forms were handed to visitors near the top of the steps leading to the Tower. A total of 448 forms were completed, representing 1,177 visitors. The results showed that 65% of visitors arrived on foot while 24% arrived by car and 7% by MUNI. Those who did arrive by MUNI spent more time at the Tower and are more likely to ride the elevator, compared with those who arrive by car for example. These findings are roughly similar for Friday, when parking at the Tower is limited to 30 minutes, and for the weekend days when there was technically no legal visitor parking at the Tower.

Upon completion of last year's trial, residents of the neighborhood were pleased with the results and asked that the restrictions be made permanent. They also asked that the restrictions be expanded to include the months of May and October. SFMTA staff supports these parking restrictions because it furthers the agency's transit-first objectives and reduces the deleterious aspects of automobile congestion. At this time, however, the agency is not prepared to recommend that these regulations be made permanent because of inconclusive impacts to the Recreation and Park Department. The Recreation and Park Department is willing to conduct a repeat of last year's trial to refine their conclusions.

ALTERNATIVES CONSIDERED

In making this proposal, SFMTA staff considered the following alternatives:

- Status Quo
- Paid Parking
- Permanent and Expanded Weekend Parking Restrictions

The status quo option would keep the 30-minute, 8 a.m. to 9 p.m., daily, residential permit parking restriction. This option would result in a return of the seasonal queues and their negative impacts. Visitors arriving by automobile would continue to have free parking at Coit Tower, but they would continue to be subject to a 30-minute limit from 8 a.m. to 9 p.m. This option may result in higher Coit Tower concession revenues, but it also includes an environmental cost to the neighborhood. The nearby residents were enthusiastic about last summer's results and would be disappointed with a return to the status quo.

Another option that was considered was the idea of charging for parking at Coit Tower. This option, however, is more complicated operationally and has other concerns. Chief among those concerns are what this would mean to the current residential parking. Residents could be made exempt from meter fees, but this could set an undesirable precedent in other parts of the city. In dense, mixed use areas, residential parking could take up a vast number of the metered spaces, which could cripple access for business customers. Another issue about charging for parking is how much would have to be charged to discourage automobile use to Coit Tower. As an example, the maximum allowed rate under the SFPark pilot projects is \$6 per hour. That rate is probably not going to be high enough to discourage people from using their car to visit Coit Tower. The long queues, with their undesirable effects, would likely persist, especially if visitors park longer than the current 30-minute time limit.

The recommended proposal is intended to provide a compromise between the various parking needs, allowing visitors to continue to park at the lot from Monday through Friday and during the non-peak tourist season. Residents of the neighborhood have asked that these regulations be made permanent and expanded to include the months of May and October. Doing so would extend the regulations from four months to six months out of the year. Since the Recreation and Park Department is not yet comfortable with making these regulations permanent, we are therefore recommending a repeat of last year's trial.

RECOMMENDATION

SFMTA staff recommends a trial to change the parking regulations at the Coit Tower parking lot for June through September of this year. The proposed parking regulations would limit parking at the parking lot on weekends to vehicles with residential permit parking Area A permits and to vehicles with disabled parking permits. The current Monday through Friday regulations would remain the same.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Traffic congestion at the Coit Tower parking lot has been a longstanding problem; and,

WHEREAS, That traffic congestion leads to increased air pollution, delays to the 39 Coit, frustrations to visitors and a degradation in the neighborhood quality of life; and,

WHEREAS, A trial parking regulation last summer, which limited parking at the Coit Tower parking lot on weekends from June through September to residents with Area A residential parking permits was deemed a success and wish to repeat the trial again this summer; and,

WHEREAS, The specific changes to the parking regulations would be as follows:

- A. ESTABLISH -- NO PARKING ANYTIME, SATURDAYS AND SUNDAYS, JUNE THROUGH SEPTEMBER, EXCEPT AREA A PERMITS [TRIAL] -- Coit Tower Parking Lot at the terminus of Telegraph Hill Boulevard (the Monday through Friday regulations would remain the same).
- B. RESCIND -- 30-MINUTE LIMIT, 8 AM TO 9 PM, SATURDAY AND SUNDAY, JUNE THROUGH SEPTEMBER, EXCEPT AREA A PERMITS [TRIAL] -- Coit Tower Parking Lot at the terminus of Telegraph Hill Boulevard (the Monday through Friday regulations would remain the same).

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

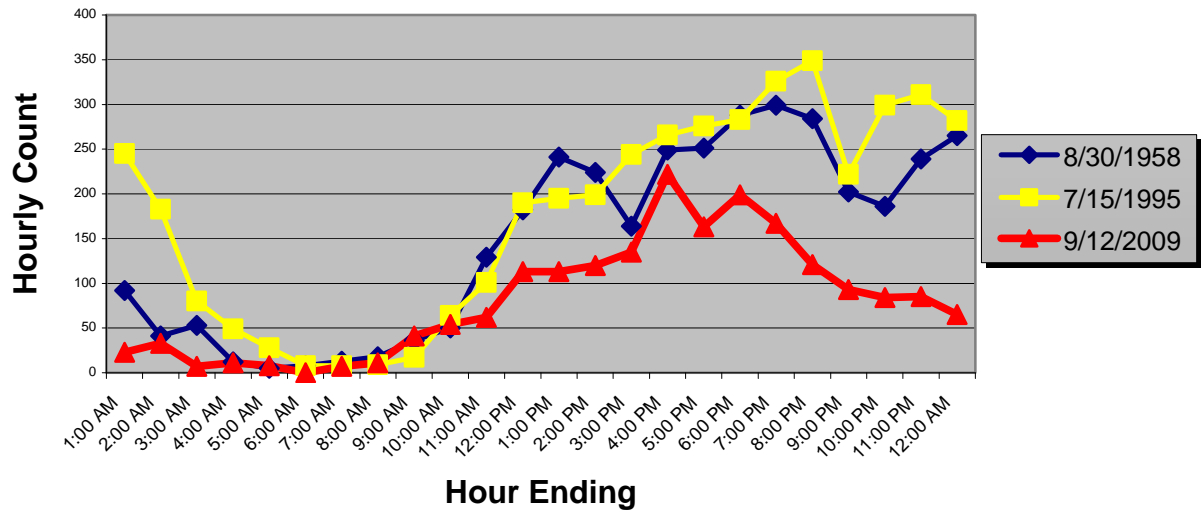
RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors, upon recommendation of the Executive Director/CEO and the Director of Sustainable Streets, does hereby approve the changes.

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

_____.

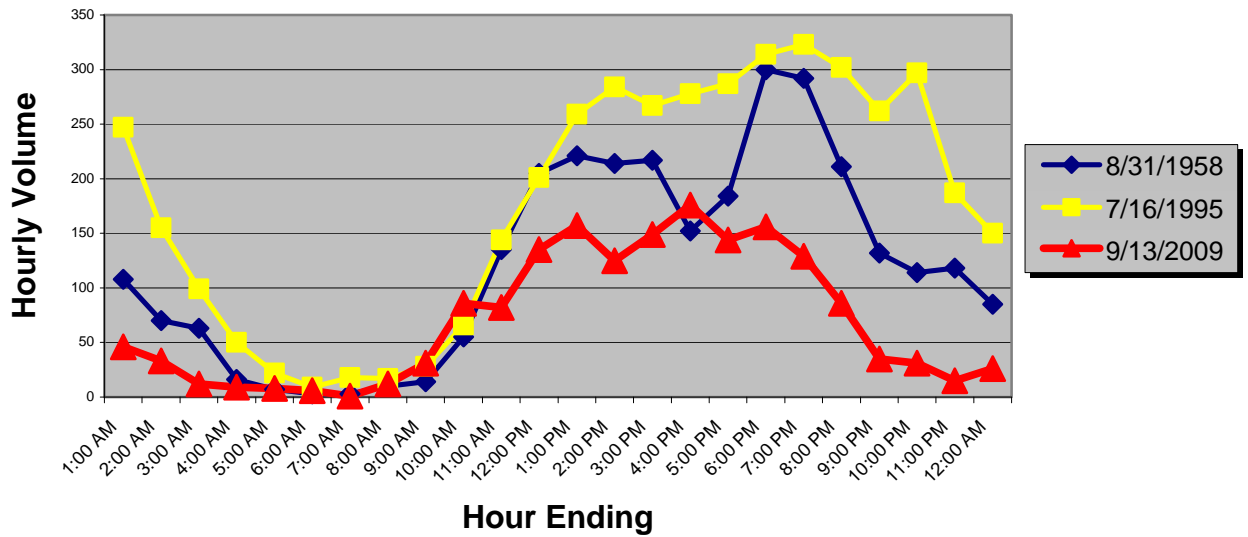
Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Attachment A Telegraph Hill Boulevard--Saturday Traffic Counts



Hour Ending	8/30/1958	7/15/1995	9/12/2009
1:00 AM	92	245	23
2:00 AM	41	183	33
3:00 AM	53	80	7
4:00 AM	12	49	11
5:00 AM	5	28	8
6:00 AM	8	8	0
7:00 AM	13	8	7
8:00 AM	18	9	11
9:00 AM	36	17	41
10:00 AM	50	64	54
11:00 AM	129	101	62
12:00 PM	182	190	113
1:00 PM	241	195	113
2:00 PM	224	199	120
3:00 PM	164	244	135
4:00 PM	249	266	222
5:00 PM	251	276	163
6:00 PM	288	283	199
7:00 PM	299	326	167
8:00 PM	284	349	121
9:00 PM	202	222	93
10:00 PM	186	299	84
11:00 PM	239	311	85
12:00 AM	265	282	65
Totals:	3531	4234	1937

Attachment B **Telegraph Hill Boulevard--Sunday Traffic Counts**



Hour Ending	8/31/1958	7/16/1995	9/13/2009
1:00 AM	108	247	46
2:00 AM	70	155	33
3:00 AM	63	99	12
4:00 AM	16	50	9
5:00 AM	7	22	8
6:00 AM	3	9	6
7:00 AM	3	18	1
8:00 AM	10	17	12
9:00 AM	14	28	31
10:00 AM	55	66	86
11:00 AM	135	144	82
12:00 PM	205	201	135
1:00 PM	221	259	157
2:00 PM	214	284	125
3:00 PM	217	267	149
4:00 PM	152	278	176
5:00 PM	184	287	144
6:00 PM	300	314	156
7:00 PM	292	323	129
8:00 PM	211	302	86
9:00 PM	132	262	35
10:00 PM	114	297	31
11:00 PM	118	187	15
12:00 AM	85	150	26
Totals:	2929	4266	1690

THIS PRINT COVERS CALENDAR ITEM NO. : 17

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

This item and presentation is for the Board's information. It discusses SFMTA policy regarding time limits at parking meters and residential permit parking areas. At its meeting of August 19, 2008 the Board of Directors granted authority to the SFMTA Executive Director/CEO to determine the maximum time limits at all parking meters. This report gives an update on the status of parking meter time limits as well as time limits in residential permit parking areas.

SUMMARY:

- Since 2008, time limits have been extended from one hour to two hours in many areas and from 30 minutes to one hour in the downtown. This change continues to be implemented.
- The *SFpark* program proposes to test a four hour time limit in seven pilot areas and unlimited time limits in two pilot areas.
- *SFpark* will use sensors in the pavement to monitor parking availability and turnover in areas with extended time limits to determine if the longer time limits are consistent with these goals.
- It is hoped that the longer time limits will provide additional convenience to drivers and still achieve the goals of providing parking availability and turnover.

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION

BE RETURNED TO Jack Lucero Fleck

ASSIGNED SFMTAB CALENDAR DATE: _____

PAGE 2.

PURPOSE

The purpose of this presentation is to explain the parking time limit policy in San Francisco, as well as the overall concept of demand responsive pricing. Because these policies impact nearly everyone in San Francisco and are very visible public policy matters, it is important that the policies are well understood by all.

GOAL

Goal 2: To get customers where they want to go, when they want to be there.

Objective 2.5 Manage parking supply to align with SFMTA and community goals

Goal 3: To improve the customer experience, community value, and enhance the image of SFMTA, as well as ensure SFMTA is a leader in the industry.

DESCRIPTION

The primary goal of parking meters is to promote vitality of businesses by ensuring availability of parking and turnover of customers. Without meters, time limits are difficult to enforce. Also, without meter prices comparable to off-street parking prices, drivers are tempted to circle the streets looking for a space. The SFMTA has set a goal of 65%-90% occupancy for its metered areas to ensure that parking is available during meter hours, i.e., one to three open parking spaces per city block at any given time.

Section 401 of the Transportation Code, Division II, states that the Director of Transportation is authorized to determine the maximum time period permitted for parking at any parking meter. This section was approved on August 19, 2008 along with the granting the Director of Transportation authority to set parking meter rates and hours within certain limits.

Parking time limits apply not only to parking meters, but also to Residential Permit Parking (RPP) and to various unmetered time limited areas. Most RPP areas have two hour parking limits, although in some cases the limit is one hour, and in other cases the limit is four hours. The shorter limit provides greater protection and the longer limit applies in cases where commuter parking impacts are less serious.

San Francisco also has about 4,000 parking spaces controlled by time limit signs. Staff recommends that many of these be phased out since they are more difficult to enforce than parking meters. If they are in locations where parking meters would be underutilized at current rates, it may be that lower hourly rates with longer time limits would be applicable at these locations. Specific proposals for replacing time limit parking with parking meters will be brought to the Board as a separate agenda item in the near future.

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Historically, in San Francisco most of San Francisco's 24,000 parking meters were set to a one hour time limit. However, outside the downtown core, based on many requests in recent years, about 2,000 meters (out of 19,000) have been switched to two hour time limits. New meters are usually installed with two hour limits. In the downtown core, all 5,000 meters have been converted from 30 minute limits to one hour. These changes have been made without affecting the availability of parking during meter hours, indicating that they have been successful.

The *SFpark* pilot project will attempt to manage parking demand to achieve parking availability targets. The right level of parking availability should deliver the benefits we expect from the pilot projects, i.e., promoting economic vitality. Improving the availability of parking also should improve Muni reliability by reducing the number of cars that double park or circle the block looking for parking.

In order to fully test this approach to parking management, the SFMTA will relax time limits in *SFpark* pilot areas. This test will use demand-responsive pricing (as enabled by new technology) rather than time limits to achieve parking management occupancy/availability targets. It will also increase driver convenience for those who need to park for longer times.

The time limits will be extended in the following fashion:

- 1) Increase time limit to at least four hours in all *SFpark* pilot areas.
- 2) Eliminate time limits in one entire pilot area (Fillmore) to fully test this approach.
- 3) Eliminate time limits in some underutilized locations South of Market.

Discussion of Rationale for Relaxing Time Limits and Using Demand-Responsive Pricing to Achieve Parking Availability

As noted, the goal of the *SFpark* pilot project is to maintain the right level of parking availability so that it is easy for drivers to find a parking space. Making it easier to find a parking space is expected to deliver many benefits, such as promoting economic vitality. Parking availability should also improve Muni reliability by reducing the unnecessary congestion caused by cars that double park or circle to find parking.

In the past, the SFMTA has used both meters and time limits to generate parking turnover. While time limits are a useful tool, they are not necessarily the best way to achieve our goals for parking availability and driver convenience. For example, having two hour time limits at meters does not necessarily mean it will be easy for a driver to find a parking space, but they do mean that shoppers will not be able to park long enough to, for example, shop, have lunch, and have coffee.

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During the *SFpark* pilot projects, the SFMTA will test new technology that allows the use of demand-responsive pricing, while deemphasizing the role of time limits, to achieve availability and turnover targets. Small changes in the price of parking will help to redistribute parking demand so that instead of everyone trying to park on the same few metered blocks at the heart of a retail district, more people will park in parking lots and garages, as well as on metered blocks that do have open spaces. This strategy will be complemented by improved information about where parking is available to more quickly match drivers with available parking spaces.

During the pilots, SFMTA will evaluate changes in time limits to see how they affect parking availability, turnover, driver convenience, and enforcement. For example, by extending time limits and installing new meters that accept credit cards, it is likely that drivers will be more likely to pay at the meter, which will increase meter revenue but, possibly, decrease the number of meter-related parking citations.

Easing time limit restrictions makes parking more convenient for drivers, but it does not necessarily mean that everyone will park longer. Some studies have shown that with smarter pricing, turnover remains high even when time limits are eliminated. For instance, when Redwood City switched to demand-responsive pricing and lowered prices of parking in off-street facilities, it eliminated time limits altogether. This did not result in many people using on-street metered parking as all-day commuter parking: the average stay on Broadway Street, a commercial corridor near a Caltrain station, was 72 minutes. (*Ref: January 2010 SPUR presentation by Dan Zack, former Redwood City Parking Manager*) Extended time limits do not mean that everyone will stay for several hours, but they do allow some customers to do so. The SFMTA believes this will have a positive economic impact; for example, no restaurateur wants his or her customer to skip dessert because of a parking time limit.

Using demand-responsive pricing with longer time limits (or no time limits) to achieve parking availability targets is consistent with the Transit First policy because it:

- 1) Discourages driving at congested times (as long as parking supply does not grow) by increasing the cost of parking – and therefore decreasing car trips – at peak times.
- 2) Helps Muni to operate faster and more reliably by reducing double parking and circling.
- 3) Enables the SFMTA to better utilize underused parking resources and/or identify where underutilized on-street parking spaces might be used more productively (e.g., bus or bike lanes, pedestrian enhancements, etc.)
- 4) Revenue from meters is used to preserve or enhance Muni service, helping to maintain the viability of public transit.

Expanded time limits in *SFpark* pilot areas

SFpark plans to extend time limits in all pilot areas. There will be no changes to time limits in yellow, green, and white zones. The *SFpark* time limit proposal follows:

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Locations (see the enclosed table for details)

Proposal	Pilot Area(s) or location(s)	Rationale for choice of area
Increase time limit to four hours	All SFpark pilot areas, with the exception of the Fillmore and some underutilized locations	This will allow a test of demand-responsive pricing and provide greater flexibility for drivers.
Eliminate time limits in one entire pilot area	The Fillmore pilot area	The Fillmore has the best distribution of off-street parking options to provide alternatives to parking on-street. Parking pricing will continue to discourage people from using on-street metered spaces as long-term car storage.
Eliminate time limits in underutilized locations	Parts of SOMA	These locations appear to be underutilized. Eliminating time limits and setting lower hourly rates based on demand will help these areas receive more efficient use.

The City Attorney has reviewed this report.

ALTERNATIVES CONSIDERED

The alternative to conducting this test is to continue existing one to two hour meter time limits. We would not be able to determine whether demand responsive pricing and relaxed meter time limits are a viable alternative to ensuring parking availability/turnover and improved driver convenience.

FUNDING IMPACT

Altering meter time limits is not expected to impact revenue. While meter revenue may increase slightly with longer time limits, citation revenue may decline; the overall revenue impact is not expected to be significant. The same is true of providing meters that accept credit cards or cell phone payments—making payment easier may increase meter revenue and decrease citation revenue.

Similarly, altering pricing to achieve availability targets is also not expected to impact revenue significantly. Current pricing is achieving availability targets in most areas. In areas that are currently underutilized (less than 65% occupancy), a lower price per hour may increase parking

meter use. In areas where parking space occupancy is greater than our high target—90%—an

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increase in meter rates may reduce occupancy.

The emphasis on achieving the right level of parking availability underscores that the reason for parking meters is to promote economic vitality, not to generate revenue. While we will track revenue impacts of these changes, the evaluation of the test of longer time limits will not use revenue generated as a measure of success.

RECOMMENDATION

This is an information-only item to allow explanation and discussion of parking time limit policy and the proposed use of time limits and demand responsive parking policy as part of the *SFpark* program.

TIME LIMITS IN SFpark AREAS

Pilot Area	Time Limit	Boundary Description
Marina	4 hours	Broderick, Chestnut, Pierce, Toledo, Mallorca, Chestnut, Fillmore, Lombard, Webster, Filbert, Steiner, Lombard
Fisherman's Wharf	4 hours	Broderick Polk, Beach, Hyde, Jefferson, Powell, Bay Taylor, Columbus, North Point, Polk
Fillmore	No Limit	Steiner, Jackson, Webster, Bush, Laguna, Geary, Webster, McAllister, Steiner
Civic Center	4 hours	Laguna, Fulton, Gough, Eddy, Hyde, Market, Haight, Gough, Page, Laguna
Mission	4 hours	Valencia, 16 th Street, Guerrero, 15 th Street, South Van Ness, 24 th Street, Valencia
Downtown	4 hours	5 th Street, Market, Powell, Bush, Grant, Washington, Montgomery, Jackson, Drumm, Embarcadero**, Howard**, Steuart**, Folsom**, 5 th Street
South Embarcadero I***	4 hours	CP Kelly Jr., Bryant**, Rincon, Harrison**, Fremont**, Folsom, Spear, Bryant, Beale, Brannan
South Embarcadero II***	No limit	5 th Street, Brannan, 4 th Street, Braynet, 3 rd Street, Folsom, Fremont, Harrison, Rincon Bryant, CP Kelly Jr., King, 3 rd Street, Berry, 5 th Street
South Embarcadero III***	4 hours	5 th Street, Folsom, 3 rd Street**, Bryant**, 4 th Street**, Brannan**, 5 th Street
South Embarcadero	4 hours	Pennsylvania, 7 th Street, King, 5 th Street**, Berry**, 3 rd Street, Rincon, Illinois**, Mariposa

* begins in southwest corner

** boundary streets excluded (otherwise included)

***pilot boundaries are same as time limit boundaries except South Embarcadero which has a 'no limit' area carved from the middle. The South Embarcadero boundaries are: Pennsylvania, 7th Street, King, 5th Street, Folsom, Steuart, Harrison Spear, Bryant, Beale, Brannan, Delancy, Townsend, CP Kelly, Jr., King, 3rd Street, Rincon, Illinois, Mariposa

THIS PRINT COVERS CALENDAR ITEM NO: 18

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION: Authorizing the Executive Director/CEO to exercise the option to extend the term of the contract by approving the Amended and Restated Service Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles by and Between the San Francisco Municipal Transportation Agency and TEGSCO, LLC d.b.a. San Francisco AutoReturn for a five-year term, until July 31, 2015.

SUMMARY:

- The SFMTA is responsible for removing illegally parked and abandoned vehicles from public streets in San Francisco.
- Under the Agreement, the San Francisco Police Department also utilizes towing services to remove the vehicles of unlicensed and intoxicated drivers, illegally operated vehicles, and vehicles involved in criminal activity from public streets.
- The Agreement, which had a five-year term, with an option to extend, was approved by the SFMTA Board in June 2005 and by the Board of Supervisors in July 2005. The Agreement is due to expire on July 31, 2010. The Agreement has generated approximately \$29.6 million since its inception, with no expenses.
- Existing services will continue under the proposed extension to the Agreement. In addition, the Contractor will establish a Contract Monitor Fund, an Audit Fund, make modifications to its auction and lien procedures, and document procedural modifications identified during the current term of the Agreement.
- Because there has been a significant decline in tow volume since an RFP was issued in 2002, and Contractor revenue is directly tied to the number of vehicles towed, it is highly unlikely that issuing a new RFP would result in as beneficial a revenue arrangement (consisting of per vehicle referral fee of \$22, one percent of AutoReturn's annual gross revenue and a cost-recovery administrative fee.
- AutoReturn has made significant improvements in customer service, reporting, and automation, and has dramatically increased the efficiency of the tow, storage and vehicle retrieval process. As such, the SFMTA desires to continue this relationship for the benefit of the City and the public.

ENCLOSURES:

1. SFMTAB Resolution
2. Restated and Amended Service Agreement

APPROVALS:

DIRECTOR OF DIVISION
PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION
BE RETURNED TO Sonali Bose

ASSIGNED SFMTAB CALENDAR DATE: _____

DATE

PURPOSE

Requesting that the San Francisco Municipal Transportation Agency Board of Directors (SFMTA Board) authorize the Executive Director/CEO to exercise the option to extend the term of the contract by approving the Amended and Restated Service Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally-Parked Vehicles (the "Amended and Restated Agreement") by and Between the San Francisco Municipal Transportation Agency and TEGSCO, LLC d.b.a. San Francisco AutoReturn ("AutoReturn") for a five-year term, until July 31, 2015.

GOAL

The extension of the Agreement will assist the SFMTA in meeting the following Strategic Goals:

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

DESCRIPTION

Background:

The SFMTA is responsible for removing illegally parked and abandoned vehicles from public streets in San Francisco. Under the towing contract, the San Francisco Police Department (SFPD) also uses towing services through the Agreement to remove the vehicles of unlicensed and intoxicated drivers, illegally operated vehicles, and vehicles involved in criminal activity from public streets. As of 2009, combined SFMTA Enforcement and SFPD operations resulted in approximately 64,000 vehicle tows annually.

A competitive procurement process was conducted in 2002, which led to the selection of AutoReturn as the highest ranked proposer on December 2, 2003. On March 22, 2004, AutoReturn entered into an emergency interim towing agreement with AutoReturn (due to the abrupt departure of its predecessor, City Tow) to avoid a disruption of towing and storage services. This interim agreement was approved by the SFMTA Board (Resolution 05-033) and the Board of Supervisors (Resolution 0256-05). The Agreement with AutoReturn, which had a five-year term and an option to extend, was approved by the SFMTA Board in June 2005 (Resolution 05-085) and by the Board of Supervisors in July 2005 (Resolution 0556-05). This agreement is due to expire on July 31, 2010.

There has been one amendment to the current contract, dated June 30, 2007. That amendment revised the rate schedule for towing, impounding, and administrative towing fees, and was approved by the SFMTA Board as part of the FY 2007-2008 Budget approval, and by the Board of Supervisors (Resolution 07-0318). The Board of Supervisors was required to approve the amendment under Charter Section 9.118.

Contract Structure, Revenue and Summary of Services:

The Agreement is a revenue contract. There are no expenses paid by the SFMTA to AutoReturn for services provided under the Agreement. The SFMTA receives revenue from three sources:

- **Administrative Fee:** A cost recovery fee to the City. The fee is made up of two components – a towing fee and a storage fee. These fees are currently \$155.75 (towing) and \$2.25 (daily storage). The towing portion of the Administrative Fee will increase to \$186.50 on July 1, 2010. The storage fee will remain the same.
- **Referral Fee:** A fee paid by AutoReturn to the SFMTA for each tow referred by the Enforcement tow desk, or scheduled by an authorized agency. The fee was \$20 at the beginning of the Agreement, but was subject to annual Consumer Price Index (CPI) increases and is currently \$22 per tow referred.
- **One Percent of Contractor's Gross Revenue:** This fee is assessed each August for the previous contract year.

Revenue from the contract since its inception in 2005 is given below:

	SFMTA Administrative Fee	Referral Fee	1% Gross Revenue Fee
Fiscal Year 2005-06	\$ 3,230,140	\$ 1,261,905	\$ 153,739
Fiscal Year 2006-07	\$ 3,309,830	\$ 1,332,164	\$ 166,903
Fiscal Year 2007-08	\$ 4,108,025	\$ 1,373,579	\$ 208,090
Fiscal Year 2008-09	\$ 4,135,314	\$ 1,409,100	\$ 216,911
<i>Fiscal Year 2009-10 (projected)</i>	<i>\$ 7,250,444</i>	<i>\$ 1,244,073</i>	<i>\$169,420</i>
<i>Projected Cumulative Total</i>	<i>\$22,033,753</i>	<i>\$6,620,821</i>	<i>\$915,063</i>

AutoReturn's revenue is based primarily on proceeds from assessing towing and storage fees on all vehicles towed on behalf of the SFMTA and the SFPD. In addition to paying the SFMTA's administrative fees, the customer pays AutoReturn for towing and storage fees. The Contractor is currently collects \$174.25 per vehicle towed, and an additional \$49.50 for each day the vehicle is in storage. (This is prorated the first storage day, because the first four hours of storage are free.) AutoReturn's towing and storage fees will increase to \$199.25 and \$57.50, respectively, as of July 1, 2010. This increase was approved by the SFMTA Board as part of the FY 2011-2012 Budget approval. When a vehicle is not claimed by the owner, the California Vehicle Code and Civil Code authorize Contractor to sell the vehicle through a lien sale process to recoup towing and storage costs..

In addition to costs associated with managing the towing and storage operation, AutoReturn pays, through a License Agreement with the SFMTA, approximately \$1.7 million annually for rent of a long-term storage facility and auction site at Pier 70. The Contractor also has a separate rental agreement with Caltrans for use of a short-term storage facility and customer service center at 4507th Street.

The documents that make up the Agreement consist of a master agreement, a detailed scope of work (Appendix A), the elements of AutoReturn's Operations Plan (Appendix B), a memorandum of understanding between the SFMTA and the Port of San Francisco for use of Pier 70 (Appendix C), a property license agreement between the SFMTA and AutoReturn for use

of Pier 70 (Appendix D), a copy of AutoReturn's contract with its vendor for employee health benefits (Appendix E), a rate schedule (Appendix F), a copy of AutoReturn's performance guarantees – a Letter of Credit and a Performance Surety Bond each in the amount of \$1,000,000 (Appendix G), and a schedule of payments due AutoReturn and Caltrans in connection with the property at 450 7th Street if the Agreement is terminated before July 31, 2015.

A summary of current terms of the Agreement that will continue under the extension follows below:

- Financial Assurances, including: \$2 million security and performance deposit, \$100,000 maintenance deposit, \$50,000 claims fund and \$10,000 environmental deposit.
- 70 performance standards in the general areas of staffing, subcontracting, equipment, tow response times, record keeping and reporting requirements, operations plans and manuals, customer services, vehicles handling requirements and financial obligations. The Agreement provides for the imposition of liquidated damages for failure to adhere to any of the performance standards.
- A 12% Local Business Enterprise (LBE) subcontracting goal.
- Requirement that AutoReturn pay for an independent Contract Monitor to oversee lien sale and auction procedures and other agreement-related projects as designated by the SFMTA.

Modifications to the agreement are contained in the Amended and Restated Agreement and are summarized below:

- **Establishes an Audit Fund:** AutoReturn will deposit \$40,000 annually to a designated SFMTA fund to allow the SFMTA to hire an independent auditor to review aspects of AutoReturn's operations as designated by the SFMTA. The fund will be subject to an annual CPI increase and any monies remaining at the expiration of the agreement will be returned to AutoReturn.
- **Establishes a Contract Monitor Fund:** The SFMTA will hire an independent Contract Monitor for ongoing monitoring of auction, lien, and other processes and procedures relating to the Agreement, as designated by the SFMTA. AutoReturn will deposit \$140,000 into the Fund to pay for this position. The fund will be subject to an annual CPI increase and any monies remaining at the expiration of the Amended and Restated Agreement will be returned to AutoReturn.
- **Modifications to Auction and Lien Procedures:** As a result of recommendations from the City Attorney's Office, certain procedures will be modified to clarify the auction and lien sale processes and procedures. As a result of recommendations from the Controller's Office, certain procedures developed over the course of the current Agreement will be incorporated into Appendix A (Scope of Work).
- **Procedural modifications:** In order to clarify operational requirements, the SFMTA and AutoReturn have agreed to modifications to the operational standards set forth in

Appendix A, the Scope of Work. These modifications do not significantly impact the existing scope of services under the Agreement.

Port MOU:

The current MOU with the Port of San Francisco for use of Pier 70 as the long-term vehicle storage facility, SFPD hold facility and auction site is in effect until March 2012. The SFMTA and the Port are currently negotiating modifications to the MOU, which will include an extension, until July 31, 2015, to coincide with the Towing extension. Staff will bring the amended MOU to the SFMTA Board for consideration under separate cover, on June 15, 2010.

Contractor Performance:

Prior to AutoReturn's tenure as the City's towing contractor, the City's tow vendor had a long history of customer complaints with regard to auction procedures and other issues. The City was unable to enforce the contract short of terminating it due to the lack of performance standards and corresponding liquidated damages in the contract. The City eventually sued the vendor and, in late 2005, received a settlement of approximately \$5.7 million.

AutoReturn has acknowledged that retrieving a towed vehicle can be a challenging experience for both the public and the City agencies involved, and has worked diligently to mitigate the inconvenience with a number of service improvements, which are summarized below:

Performance Area:

Customer Service

- Prior to AutoReturn's tenure, customer complaints were commonplace and averaged 20 per month. The complaint volume now averages less than one per quarter, with minimum intervention required from the SFMTA.
- AutoReturn serves as an alternate facility for customers to pay for outstanding parking citations.

Support to the SFMTA

- AutoReturn has significantly reduced tow response times and successfully managed multiple towing subcontractors for the SFMTA.
- AutoReturn has significantly improved reporting procedures so that the SFMTA has real-time electronic access to all data generated regarding regular tow operations.
- AutoReturn's tow management software system provides the SFMTA with all information required for tracking towed vehicles in an easily digestible format. The system has been stable, flexible and has provided a new level of transparency into towing operations that the SFMTA did not have prior to its implementation. AutoReturn has developed a simplified version of its dispatch software to enable the Enforcement tow desk to automate tow requests, and hopes to install this software at Enforcement during the extension period.
- AutoReturn responds in a timely, courteous and helpful manner, to inquiries from the SFMTA.

- In March 2007, AutoReturn received a favorable review during a compliance audit conducted by the City Controller's Office. A second audit, currently in progress, has so far yielded nothing that would preclude the contract extension.

Support to the Port

- AutoReturn has contributed significantly to the City through infrastructure enhancements such as new, more durable and aesthetically pleasing fencing for the long-term storage facility, as well as onsite cameras to track activity. These enhancements have pleased residents in the area and have increased the security of the vehicles being stored.
- AutoReturn has repaved much of the Pier 70 area used for long-term vehicle storage and upgraded the drainage systems onsite to protect against contamination of soil and the Bay.
- During the extension period, AutoReturn will add to these efforts through the Port Commission's new Beautification Program, with repairs to Building 12, a historically significant building at Pier 70, and with a signage project installed along the Port that explains the historical significance of Pier 70.

Support to the SFPD

- AutoReturn has provided the SFPD with facilities to store vehicles and process evidence for vehicles involved in criminal activities. Members of the SFPD who work with the SFMTA on tow issues have stated that they are satisfied with the work performed by AutoReturn.

Local Business Enterprise Goals

- AutoReturn agreed under the original agreement to maintain an LBE subcontracting goal of 12%. AutoReturn has surpassed this goal by maintaining an average of 16.6 % of LBE subcontractors.

ALTERNATIVES CONSIDERED

The Agreement contains an option to extend. The alternative of issuing a Request for Proposals (RFP) was rejected for the following reasons:

1. **Continued decrease in annual towing volume.** A tow contractor has fixed operational costs that do not decrease proportionally with the decrease in total number of vehicles towed. Thus, a tow contractor's revenue is directly impacted by the number of vehicles towed. When proposers responded to the RFP in 2002, the average annual number of tows for the previous four years was approximately 79,000, and all proposers based their revenue and expense projections on receiving a similar number of annual tows. By 2005, when the current Agreement with AutoReturn began, the number of tows had fallen to 68,000, a 14% decline. After remaining stable for the next four years, in late 2009 the tow volume decreased again, resulting in approximately 64,000 for the year, or an additional five percent drop.

Given the 19 percent drop in number of vehicles towed since 2002, the resulting negative impact on contractor revenue, and the fixed costs that have become proportionately higher when compared to revenue, it is highly unlikely the SFMTA would receive responses to an

RFP that would include referral and percentage fee cost proposals comparable to what AutoReturn currently pays, while maintaining the high standard of customer service that AutoReturn has provided. In addition, under the terms of the existing Agreement, any new contractor would have to pay \$1.5 million to AutoReturn to reimburse AutoReturn for the build-out costs for the Customer Service Center and short-term lot at 450-7th Street.

Therefore, staff concluded that it would be unwise to issue an RFP in the currently unstable economic environment, and decided to exercise the option in Section 2 of the Master Agreement to extend.

2. **Contractor performance:** AutoReturn has significantly improved both the customer's experience of retrieving a towed vehicle, and the City's towing process through its customer service-oriented methods and its facility with technologies associated with the towing industry. As such, the SFMTA desires to continue the relationship with AutoReturn.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The Agreement has been certified for FY 2011 by the Controller's Office as required in Charter Section 10.104.15 (Proposition J). The Contract Compliance Office and the City Attorney's Office have reviewed the item.

Under Charter Section 9.118, the SFMTA is required to obtain the Board of Supervisors' approval of any modifications to the Agreement. Since the contract/contract modification requires approval of the Board of Supervisors, the City Attorney will sign as to form after the Board of Supervisors has approved the item,

RECOMMENDATION

SFMTA staff recommends that the San Francisco Municipal Transportation Agency Board of Directors authorize the Executive Director/CEO to execute the Amended and Restated Agreement and Property Use License with TEGSCO LLC dba San Francisco AutoReturn, which will exercise the option to extend the term of the Contract as amended, for five years, until July 30, 2015.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA is responsible for removing illegally parked and abandoned vehicles from public streets in San Francisco; and,

WHEREAS, The San Francisco Police Department also utilizes towing services to remove the vehicles of unlicensed and intoxicated drivers, illegally operated vehicles, and vehicles involved in criminal activity from public streets; and,

WHEREAS, A five-year long-term agreement, with an option to extend, was approved by the SFMTA Board in June 2005 and by the Board of Supervisors in July 2005; and,

WHEREAS, This agreement is due to expire on July 31, 2010; and,

WHEREAS, The revenue contract has generated approximately \$29.6 million since its inception, with no expenses; and,

WHEREAS, Existing services will continue under the extension; and,

WHEREAS, In addition, the Contractor will establish a Contract Monitor Fund, an Audit Fund, make modifications to their auction and lien procedures and document other procedural modifications identified during the current contract term; and,

WHEREAS, Because there has been a significant decline in tow volume since an RFP was issued in 2002, and Contractor revenue is directly tied to the number of vehicles towed, it is highly unlikely that issuing a new RFP would result in as beneficial a revenue arrangement as the SFMTA currently has with AutoReturn; and,

WHEREAS, AutoReturn has made significant improvements in customer service, reporting, automating and increasing the efficiency of the tow, storage and vehicle retrieval processes; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to exercise the option to extend the term of the contract by approving the Amended and Restated Service Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles by and Between the San Francisco Municipal Transportation Agency and TEGSCO, LLC d.b.a. San Francisco AutoReturn for a five-year term, until July 31, 2015.

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

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**AMENDED AND RESTATED SERVICE AGREEMENT AND PROPERTY USE
LICENSE**

**FOR TOWING, STORAGE AND DISPOSAL
OF ABANDONED AND ILLEGALLY PARKED VEHICLES**

**by and between the
CITY AND COUNTY OF SAN FRANCISCO**

AND

TEGSCO, LLC

**d.b.a. SAN FRANCISCO AUTORETURN,
a California Limited Liability Company**

Dated: July 31, 2015

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**AMENDED AND RESTATED SERVICE AMENDED AND RESTATED AGREEMENT
AND PROPERTY USE LICENSE
FOR TOWING, STORAGE, AND DISPOSAL
OF ABANDONED AND ILLEGALLY PARKED VEHICLES
BY AND BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO AND
TEGSCO, LLC, D.B.A. SAN FRANCISCO AUTORETURN**

This Amended and Restated Service Amended and Restated Agreement And Property Use License for Towing, Storage, and Disposal of Abandoned and Illegally Parked Vehicles ("Amended and Restated Agreement"), dated for convenience as July 31, 2010, is entered into by and between the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency, Department of Parking and Traffic, hereinafter referred to as "City", and TEGSCO, LLC, a California limited liability company doing business as San Francisco AutoReturn, hereinafter referred to as "Contractor", in the City and County of San Francisco, State of California, for the services and under the terms described herein.

Recitals

WHEREAS, The City issued a Request for Proposals for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles on September 18, 2002 ("RFP"); and

WHEREAS, Contractor submitted a proposal dated March 10, 2003 ("Proposal") which was selected by City as the highest-ranked proposal among the proposals submitted in response to the RFP; and

WHEREAS, In the course of negotiating a Service Amended and Restated Agreement And Property Use License For Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles the City's existing towing services contractor, The City Tow, informed the City on January 23, 2004 that it would cease to provide towing services as of March 21, 2004; and

WHEREAS, The cessation of towing services under the then-existing contract with The City Tow created emergency circumstances that required the City and Contractor, with the approval of the San Francisco Board of Supervisors, to enter into an Emergency Interim Service Amended and Restated Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles ("Emergency Interim Agreement") pending negotiation of the long-term contract pursuant to the RFP, and Contractor began providing towing services to the City on March 22, 2004; and

WHEREAS, The City and Contractor entered into the Service Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles (the "Original Agreement"), which had a five-year term ending on July 31, 2010 and an option to extend; and

WHEREAS, On June 30, 2007 the City and Contractor entered into an amendment to the Original Agreement (the "First Amendment"), which revised the rate schedule for towing, impounding, lien, and administrative towing fees; and

WHEREAS, the City and Contractor now wish to amend the Original Agreement as amended by the First Amendment to: (1) extend the Original Agreement for five years, until July 31, 2015, (2) revise the rates to be charged for towing and storage of vehicles under the Original Agreement, as amended by the First Amendment, (3) require Contractor to contribute to an audit fund and a fund to be used by City to hire an employee to monitor Contractor's performance, (4) update the insurance and performance guarantees required by the Original Agreement, (5) make changes to the procedures that Contractor must follow under the Original Agreement; and (6) amend other provisions of the Original Agreement as amended, by the First Amendment; and

WHEREAS, For simplicity of reference and ease of use by the parties, the parties wish to amend and restate the Original Agreement as amended by the First Amendment by means of this Amended and Restated Service Amended and Restated Agreement and Property Use License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles; and

WHEREAS, The parties acknowledge and agree that this Amended and Restated Agreement amends and restates the Original Agreement, as amended by the First Amendment, in its entirety, contains the entire understanding of the parties, and thereby supersedes and replaces the Original Agreement, as amended the First Amendment;

NOW, THEREFORE, based on the foregoing, and in consideration of the promises, covenants, and undertakings contained herein, the City and Contractor hereby agree as follows:

AMENDED AND RESTATED AMENDED AND RESTATED AGREEMENT

1. Definitions

The following words and phrases shall have the meanings set forth below when used in this Amended and Restated Agreement:

1.1 Abandoned Vehicle: A vehicle that qualifies to be towed pursuant to San Francisco Traffic Code § 159 because it is parked or left standing on a public street or highway in the City for more than 72 consecutive hours, or is deemed to be abandoned pursuant to Vehicle Code § 22669(a), or is found to be a public nuisance on private property pursuant to Vehicle Code § 22660 and Traffic Code § 234.

1.2 Administrative Hold: A hold placed on a vehicle impounded by SFMTA or SFPD pursuant to which the vehicle may not be released prior to the passage of a specified period of time, fulfillment of statutory requirements or upon written authorization by the impounding agency. The procedures and requirements for Administrative Holds are further described in Section 4.7 of Appendix A to this Amended and Restated Agreement.

1.3 Agreement: This Amended and Restated Agreement, its Appendices, Exhibits and Attachments to Appendices, and the Operations Plan as adopted in accordance with Section 14 of Appendix A, the RFP, the Proposal, and other documents attached hereto or specifically incorporated herein by reference.

1.4 Automated Dispatch System (ADS): Contractor's automated dispatch management system that is GPS-enabled and provides electronic dispatch communications.

1.5 Central Dispatch: Contractor's primary facility for taking Tow Requests and dispatching Tow Cars, as further defined in Section 11.1(d) of Appendix A.

1.6 Citation: A ticket for a parking violation processed by SFMTA.

1.7 City: The City and County of San Francisco, acting by and through its Municipal Transportation Agency.

1.8 Claim: Any claim brought against the City or Contractor or their respective agents, contractors or employees for theft of property or injury to any property or person arising out of Contractor's performance of services under this Agreement. For the purpose of Appendix A, § 5.2, "Claim" shall mean a request for compensation for personal injury, loss from or damage to towed vehicle and/or personal property, costs of recovering a vehicle that was not dropped in violation of Appendix A, Section 4.2, or the value of a vehicle that was lost in violation of Section 4.1 of Appendix A.

1.9 Complaint: Any problem with service provided by Contractor within the scope of this Agreement that is communicated to Contractor or City by a Customer and which is not a

Claim. This does not include issues reported to the Contractor by Customers that the Contractor is able to resolve to the satisfaction of the Customer through internal issue resolution procedures.

1.10 Controller: The Controller of the City and County of San Francisco or any duly authorized agent thereof.

1.11 Citation Management System (CMS): SFMTA's Ticket Information Management System (TIMS) or successor system(s) used by SFMTA for tracking Tow Requests and Citations.

1.12 Customer: A member of the public who is associated with an impounded vehicle, which may include either the registered owner, the driver of the vehicle at the time that it is stopped or towed, a person who appears on behalf of the owner or the driver of the vehicle, or a purchaser of a vehicle at lien sale auction.

1.13 Customer Service Center: The location for Customers recovering vehicles in person to pay fees and process required forms for release of a vehicle, as further described in Appendix A Section 11.1(a) and located at 450-7th Street, San Francisco.

1.14 Courtesy Tows: Tows requested for disabled vehicles owned or used in an official capacity by either SFPD or SFMTA.

1.15 Days: Consecutive calendar days, including weekends and holidays, unless otherwise specified.

1.16 Deficiency Claim: A claim by Contractor against a registered vehicle owner equal to towing and storage charges, less any amount received from the sale of the vehicle, and which is subject to all rights and limitations set forth in California Civil Code § 3068.2 or any successor statute that creates, defines and limits Contractor's right to such claim.

1.17 Delinquent Citation: A Citation that was unpaid past the original due date for payment, upon which penalties for overdue payment have accrued, and which is not scheduled for administrative review or hearing by SFMTA.

1.18 Designated Facilities: Real property and any buildings and improvements thereon used by Contractor in the performance of this Agreement, as further described in Appendix A, Section 11.1.

1.19 Director of Transportation: The Chief Executive Officer of the Municipal Transportation Agency of the City and County of San Francisco.

1.20 Dispatch Tows: Individual Tow Requests that are communicated to Contractor from the Enforcement tow desk or other dispatch center operated by the City.

1.21 DMV: California Department of Motor Vehicles.

1.22 DPH: Department of Public Health of the City and County of San Francisco.

1.23 Effective Date: July 31, 2010, or the date upon which all required approvals are obtained and all signatures of the parties have been affixed hereto, whichever date is later.

1.24 Employees: The persons directed and controlled by Contractor and/or its PEO Contractor who are providing work and services on behalf of Contractor in order to perform the work required under this Agreement, not including entities that are independent subcontractors. The classes and job descriptions of persons who are Employees of Contractor may include, but are not limited to:

- (a) Cashiers, bookkeepers, and accountants.
- (b) Persons who move vehicles at and between Designated Facilities (also known as "Storage Specialists").
- (c) Forklift and heavy equipment operators.
- (d) Clerks, secretaries, telephone operators and administrative and information technology/computer support personnel.
- (e) Tow Car operators directly employed by Contractor and/or its PEO Contractor.
- (f) Guards and security personnel.

1.25 Expedited Tow: A tow needed to ensure public or officer safety and/or to eliminate a hazard.

1.28 Gross Revenues: Contractor's gross receipts from all fees and proceeds under this Agreement, including all revenues derived from lien sales conducted pursuant to this Agreement. "Gross Revenues" do not include SFMTA or SFPD Traffic Offender Fees or fees payable by vehicle owners or operators collected by Contractor on behalf of the City pursuant to the terms of this Agreement.

1.29 Headquarters Office: Contractor's administrative office, currently located at 945 Bryant Street, Suite 350 San Francisco, California.

1.30 Investigative Police Hold: A Police Hold imposed on an evidentiary vehicle for the purpose of criminal investigation, as further described in Appendix A, Section 4.6.

1.31 Letter of Credit: The letter of credit which Contractor is required to maintain to guarantee the performance of Contractor's obligations under this Agreement, as further described in Section 12.1 and 12.2 and in Appendix C, Section 6 of this Agreement. The Letter of Credit and all replacement Letters of Credit provided by Contractor during the Term of this Agreement shall be attached hereto as Appendix F and is incorporated by reference as though fully set forth herein.

1.32 Lien 1 Vehicle: A low-value vehicle, including a vehicle valued at five hundred dollars (\$500) or less, in accordance with Vehicle Code § 22670 (requiring valuation of any vehicle towed by a public agency) and § 22851.2 (regarding vehicles valued at an amount not exceeding five hundred dollars (\$500) and not towed for being abandoned) or a vehicle valued at five hundred dollars (\$500) or less pursuant to § 22851.3 (regarding vehicles towed for being abandoned) and §§ 22851.6 - 22851.10 (regarding disposal procedures for low-value vehicles). If the Vehicle Code is amended subsequent to the Effective Date to change the dollar amounts that trigger requirements for low-value vehicles, this Agreement shall incorporate such amendments by reference as though fully set forth herein for the purpose of defining dollar-value thresholds and legally required procedures for handling and disposal of low-value vehicles.

1.33 Lien 2 Vehicle: A medium-value vehicle valued at more than five hundred dollars (\$500) and up to and including four thousand dollars (\$4,000) in accordance with Vehicle Code § 22670 (requiring valuation of any vehicle towed by a public agency), or over five hundred dollars (\$500) and up to and including four thousand dollars (\$4,000) for the purpose of Vehicle Code § 22851.3 (regarding vehicles towed for being abandoned), and California Civil Code §§ 3067-3075 (setting forth legally required procedures for lien sales of towed vehicles). If the Vehicle Code or the California Civil Code are amended subsequent to the Effective Date to change the dollar amounts which trigger requirements for medium-value vehicles, this Agreement shall incorporate such amendments by reference as though fully set forth herein for

the purpose of defining dollar-value thresholds and legally required procedures for handling and disposal of medium-value vehicles.

1.34 Lien 3 Vehicle: A high-value vehicle valued at more than four thousand dollars (\$4,000), in accordance with Vehicle Code § 22670, requiring valuation of any vehicle towed by a public agency, and California Civil Code Sections 3067-3075, setting forth required procedures for lien sales of vehicles. If the Vehicle Code or the California Civil Code are amended subsequent to the Effective Date to change the dollar amounts which trigger requirements for high-value vehicles, this Agreement shall incorporate such amendments by reference as though fully set forth herein for the purpose of defining dollar-value thresholds and legally required procedures for handling and disposal of high-value vehicles.

1.35 Lien Category: The classification of a vehicle as a Lien 1, Lien 2 or Lien 3 vehicle in accordance with its appraised value.

1.36 Mandatory Fee: All fees that must be paid by Customer before Contractor may release any vehicle to the owner or purchaser of a vehicle. Mandatory Fees include: boot fees, SFMTA Administrative Fee, SFPD Traffic Offender Fee, towing, storage, transfer and lien fees, returned check charges and Delinquent Citation fees, as applicable.

1.37 Monthly Finance Report: Monthly report that summarizes administrative and referral fees paid by the Contractor to the City and waiver activity.

1.38 Occurrence: Any accident or incident occurring in a single place at a single time from a single event that results in one or more claims for injury to persons or property. An accident or incident that results in multiple claims shall be considered a single Occurrence for purposes of applying any deductible provisions of Contractor's insurance coverages.

1.39 Operations Plan: The collected written procedures manuals, lists and schedules required to be submitted by Contractor and approved by City as set forth in Appendix A, Section 14, and which are listed in Appendix B to this Agreement. When approved by City, the Operations Plan shall define the service standards for the work to be performed under this Agreement, and is hereby incorporated into this Agreement as though fully set forth herein.

1.40 Peak Service Hours: Monday through Friday, 7:00 a.m. to 8:00 p.m., excluding City holidays.

1.41 Peak Towing Hours: Monday through Friday, 7:00 a.m. to 9:00 a.m. and 3:00 p.m. to 7:00 p.m., excluding City holidays.

1.42 PEO Contract: Any agreement with any professional employment organization (PEO) which provides payroll, workers' compensation, work place safety, staffing and other human resources services, for the purpose of performing the services required by this Agreement. "PEO Contract" does not include contracts with subcontractors for the provision of Tow Cars, Tow Equipment and related towing services.

1.43 PEO Contractor: An entity with whom Contractor has entered into a PEO Contract.

1.44 Performance Bond: The Performance Bond which Contractor is required to maintain to guarantee the performance of Contractor's obligations under this Agreement, as further described in Section 12.1 and 12.2 and in Appendix C, Section 6 of this Agreement. The Performance Bond and all replacement Performance Bonds provided by Contractor during the Term of this Agreement shall be attached hereto as Appendix F and incorporated by reference as though fully set forth herein.

1.45 Police Hold: A hold placed on a vehicle by the SFPD in writing which requires a vehicle to be processed in accordance with the Police Hold procedures specified in this Agreement, or a vehicle with no visible VIN which is held for inspection by the SFPD .

1.46 Port: The San Francisco Port Commission, an agency of the City and County of San Francisco.

1.47 Port MOU: That certain Memorandum of Understanding by and between SFMTA and the Port, a copy of which is attached hereto as Appendix C and incorporated by reference as though fully set forth herein.

1.48 Primary Storage Facility: The facilities primarily used for short term storage of impounded vehicles currently located at 450 7th Street, San Francisco, California, as further described in Section 11.1(b) of Appendix A.

1.49 Project 20: The SFMTA program which allows vehicle owners and operators to perform community service in lieu of paying Citation fees, in accordance with Vehicle Code § 40215(c)(7).

1.50 Property, Properties: Real property owned by the City and licensed to Contractor for the purpose of this Agreement, collectively, the 415 7th Street, 850 Bryant Street (Hall of Justice) and Pier 70 as of the Effective Date of this Agreement, and any other properties that may be licensed to Contractor by City for the purpose of this Agreement during its Term.

1.51 Proposal: The proposal submitted by Contractor in response to the RFP, dated March 10, 2003, incorporated by reference into this Agreement as though fully set forth herein.

1.52 Records: The documents Contractor is required to create and maintain under this Agreement, including but not limited to: (1) complete and accurate books, accounts and documentation of financial transactions relating to all items of income received and expenses incurred in the performance of this Agreement; (2) documentation of all vehicles towed; (3) documentation of all vehicles stored; (3) documentation of all Claims; (4) all Monthly Management Reports and other reports Contractor is required to submit to City; (5) charts and diagrams of any property licensed to Contractor by City to fulfill the obligations of this Agreement; (6) other documents or reports as City may require Contractor to produce in the course of performing work under the Agreement; and (7) the Records described in Section 13 of Appendix A to this Agreement.

1.53 Referral Fee: The fee established in Section 12.1(a) of Appendix A to this Agreement.

1.54 RFP: The City and County of San Francisco's Request for Proposals for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles, dated September 18, 2002, and all addenda thereto, incorporated by reference into this Agreement as though fully set forth herein.

1.55 Regional Sweeps: Pre-arranged parking or traffic enforcement operations in designated areas. These tow requests are generally communicated directly by SFPD officers or SFMTA Parking Enforcement Officers to Tow Car operators who are deployed in the field and assigned to specific officer(s).

1.56 Routine Tows: Scheduled Tows and Dispatch Tows.

1.57 Scheduled Tows: Pre-arranged tow events at times and in places designated by City, including but not limited to scheduled commuting hour ("towaway") tows, Zone Tows, Special Events Tows and Abandoned Vehicle tows. These tow requests are generally communicated directly by SFPD officers or SFMTA Parking Enforcement Officers to Tow Car operators who are deployed in the field and assigned to specific officer(s).

1.58 Scofflaw Vehicle: A vehicle towed for multiple Delinquent Citations pursuant to subsection (i) of Vehicle Code § 22651.

1.59 Secondary Storage Facility: The facility primarily used for long term storage of impounded vehicles, located at Pier 70, San Francisco, California as of the Effective Date of this Agreement, as further described in Appendix A, Section 11.1(c).

1.60 SFMTA: The San Francisco Municipal Transportation Agency an agency of the City and County of San Francisco

1.61 SFPD: The Police Department of the City and County of San Francisco or any duly authorized officer or member thereof.

1.62 SFPD Traffic Offender Fee: The fee described in Section 12.1(d) of Appendix A to this Agreement, as authorized by Traffic Code §§ 170.2-A and 170.2-B and Vehicle Code § 22850.5, or successor statutes.

1.63 Special Events Tows: Tows of vehicles parked in violation of temporary parking restrictions, as authorized by Traffic Code §§ 33(c) and 130 or successor ordinances.

1.64 Term: The duration of this Agreement as established in Section 2 herein, and any additional period during which Contractor completes repair, remediation or other work required for the termination of the License agreement for Pier 70 , as set forth in Appendices C and D of this Agreement, and the tasks listed in Section 54 of this Agreement for transition to a successor contractor or successor agreement.

1.65 Tow Car: A motor vehicle which has been altered or designed and equipped for and exclusively used in the business of towing vehicles by means of a crane, hoist, tow bar, tow line, or dolly or is otherwise exclusively used to render assistance to other vehicles, and as defined in Vehicle Code § 615.

1.66 Tow Equipment: Tow Cars and all appurtenant computer systems, communications devices, hand tools, electric tools and towing hardware, whether or not expressly listed in this Agreement, which are necessary to perform towing services to the standards of the towing industry and as set forth in this Agreement.

1.67 Tow Request: A request directed to Contractor from SFMTA, DPH or SFPD for service by a Tow Car or Tow Equipment for the removal or relocation of a vehicle.

1.68 Towed Vehicle Management System (TVMS): The electronic database system to be used by Contractor to meet record keeping, reporting and vehicle handling requirements of this Agreement, as further described in Section 10 of Appendix A.

1.69 Traffic Code: The Traffic Code of the City and County of San Francisco.

1.70 Treasurer: The Treasurer of the City and County of San Francisco.

1.71 Unavoidable Delays: With respect to a delay in performance, "Unavoidable Delay" shall mean any delay that is attributable to any: (a) strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto or their contractors), civil disturbance, future order claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockage, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body; (b) changes in any applicable laws or the interpretation thereof; or (c) lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion; or (d) a governmental taking by eminent domain of all or a substantial portion of a Designated Facility; or (e) any interference with Contractor's right to access a substantial portion of a Designated Facility owned or provided for Contractor's use by City, or any other cause beyond the reasonable

control of the party from whom performance is required, or any of its contractors or other representatives.

1.72 Vehicle Code: The Vehicle Code of the State of California.

1.73 VIN: The distinguishing number or other mark used for the purpose of uniquely identifying a vehicle or vehicle part, as further defined in Vehicle Code § 671.

1.74 WAN: Wide Area Network.

1.75 Zone Tows: Tows of vehicles parked in zones listed in Traffic Code § 71b.

GENERAL PROVISIONS

2. Term of the Agreement

The Term of this Agreement shall be from the July 31, 2010 through July 31, 2015. Any extension of this Agreement must be in writing. The City agrees to submit a request for an increase in rates to the SFMTA Board to reflect any increased cost to Contractor for increased rental payments for the property at Pier 70 from August 1, 2010 through July 31, 2015 that is in excess of CPI adjustments to be applied during the terms of Appendices C and D.

3. Effective Date of Amended and Restated Agreement

This Amended and Restated Agreement shall commence upon the Effective Date.

4. Services Contractor Agrees to Perform

The Contractor shall tow and store any vehicles that SFMTA, DPH or the SFPD orders removed from any public street or highway or from private property within the City, in accordance with the requirements of the Traffic Code and the Vehicle Code, and shall perform such other related services as are described in this Agreement, in accordance with Appendix A, "Scope of Work," and Appendix B "Operations Plan". Appendix A, Appendix B, and the Operations Plan to be adopted and amended as provided in Section 14 of Appendix A are all attached hereto and incorporated by reference as though fully set forth herein. Rates and charges to the public for services under this Agreement shall be as set forth in Appendix G, attached hereto and incorporated by reference as though fully set forth herein.

All vehicle handling and storage required by this Agreement shall be conducted at one of the Designated Facilities. As of the Effective Date of this Agreement, City hereby licenses to Contractor the use of one of the real properties on which the Designated Facilities are currently located -- Pier 70, San Francisco. The license agreements for this property is attached hereto as Appendix D and is incorporated by reference as though fully set forth herein. The parties acknowledge that Contractor's Customer Service Center and Primary Storage Facility operations are conducted at a property owned by Caltrans and leased by Contractor -- 450 7th Street. Should City cease to use Contractor for towing services, the terms for the City's continued use of the 450 7th Street property are attached hereto as Appendix H and are incorporated by reference as though fully set forth herein.

City hereby consents to Contractor's towing and storage of vehicles that are not towed or stored pursuant to a Tow Request with the prior written approval of City and subject to any conditions imposed in such written approval; provided however, that (i) Contractor shall at all times conduct itself in accordance with the Customer service standards of this Agreement so as not create any negative effect on Contractor's public image and reputation as the City's towing contractor, and (ii) Contractor's operations with respect to such vehicles shall not create any adverse impact on its performance of all requirements of this Agreement. City may revoke its consent at any time without cause by written notice to Contractor. The following sections of this Agreement shall apply to any towing or storage of vehicles by Contractor within the City and County of San Francisco that are not towed or stored pursuant to a Tow Request: Service Agreement Sections 8, 9, 11, 12, 13, 14, 15, 16, 17, 20, 22, 26, 27, 28, 29, 31, 32, 35, 37, 38, 40, 41, 42, 50; Appendix A Sections 1, 3, 4, 5, 6, 7, 9, 11, 12.1(b), 12.3, 12.5, 12.6, 13, 14; Appendix B, Appendices C, D and E during their respective terms, Appendix F and Appendix G.

5. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set

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

6. Taxes

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

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

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

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

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

7. Payment Does Not Imply Acceptance of Work

The acceptance of any payment by City and/or Contractor's deduction or offset of funds (that would otherwise be paid by City to Contractor as payment for services) from revenues generated under the Agreement shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was received. Work that does not conform to the requirements of this Agreement may be rejected by City and in such case Contractor must take immediate corrective action.

8. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor, or through subcontracts entered into pursuant to Section 27. Contractor will comply with City's reasonable requests regarding assignment of personnel, including the removal of specified personnel upon request of City, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to meet its obligations under this Amended and Restated Agreement.

8.1 Contractor Is the Employer of the Employees

Notwithstanding any language in any PEO Contract, and notwithstanding the intent of Contractor and/or any contractor for PEO Contract services in entering into a PEO Contract or as memorialized within a PEO Contract or as a PEO Contract may be construed by any person, Contractor affirms, agrees and warrants that for all purposes under the Agreement and under relevant law applicable to the Agreement, Contractor is the employer of the Employees. Contractor affirms, agrees and warrants that for all purposes of the Agreement, specifically including but not limited to Contractor's duties under Sections 4, 5, 8, 9, 10, 14, 15, 16, 18, 21, 22, 26, 30, 32, 35, 37, 40, 41, 42, 43, 49, 50 of this Agreement, and Section 8 of Appendix A to this Agreement, Contractor is the employer of the Employees.

8.2 PEO Contract Shall Not Control or Modify the Agreement

Notwithstanding any language in any PEO Contract, and notwithstanding the intent of Contractor and/or a PEO Contractor in entering into a PEO Contract or as memorialized within a PEO Contract or as a PEO Contract may be construed by any person, Contractor affirms, agrees and warrants that all provisions of this Agreement are in full force and effect, and that a PEO Contract does not modify Contractor's obligations and duties under this Agreement. Contractor further agrees, affirms and warrants that a PEO Contract shall have no effect upon the City's rights under this Agreement and a PEO Contract does not alter the City's right to enforce all provisions of this Agreement against Contractor directly.

8.3 PEO Contract is a Subcontract to the Agreement

Notwithstanding any language in any PEO Contract, and notwithstanding the intent of Contractor and/or a PEO Contractor in entering into a PEO Contract or as memorialized within a PEO Contract or as a PEO Contract may be construed by any person, Contractor affirms, agrees and warrants that for all purposes under this Agreement and under relevant law applicable to this Agreement, any PEO Contract is a subcontract for the purpose of providing payroll, workers' compensation, work place safety and other human resources services to Contractor. Pursuant to Section 27 of this Agreement, the City hereby approves Contractor's PEO Contract with Gevity HR, which is attached hereto as Appendix E and incorporated by reference as though fully set forth herein. The parties stipulate that no agreement or legal relationship exists between the City and Gevity HR.

8.4 Contractor is Liable for All Actions of PEO Contractor

Notwithstanding any language in any PEO Contract, and notwithstanding the intent of Contractor and/or a PEO Contractor in entering into a PEO Contract or as memorialized within a PEO Contract, or as any PEO Contract may be construed by any person, Contractor affirms, agrees and warrants that, Contractor shall be liable for all actions of its PEO Contractor insofar as said actions affect the City or Contractor's performance of its duties under the Agreement. For purposes of the Agreement, Contractor shall not assign and has not assigned any of its duties under the Agreement to its PEO Contractor.

8.5 City is not a General or Special Employer to the Employees

The parties agree no employment relationship exists between the City and the Employees. As to the Employees, the City is not a "General Employer" or "Special Employer", as those terms are defined under California law, for any purpose, including but not limited to application of California Labor Code §§ 6300 *et seq.* and California Insurance Code § 11663, or any other applicable statute. Should a court or administrative agency having jurisdiction over the issue determine that the City is a "General Employer" or "Special Employer" of the Employees, Contractor shall fully indemnify the City for all costs and liabilities arising from that finding, including but not limited to consequential and incidental damages, temporary disability indemnity, permanent disability indemnity, medical costs, penalties and fines, vocational rehabilitation costs, and attorneys fees. Contractor's duties and obligations under this section of the Agreement are material obligations guaranteed by the performance guarantee described in Section 12.

8.6 Prevailing Wages

Contractor hereby acknowledges that it has read completely and fully understands San Francisco Administrative Code Section 21.25-2 and agrees that this Agreement shall be subject to, and Contractor shall comply with, all applicable obligations and requirements imposed by that Section.

9. Responsibility for Equipment

City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its Employees, even though such equipment be furnished, rented or loaned to Contractor by City.

10. Independent Contractor; Payment of Taxes and Other Expenses

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

Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

10.2 Payment of Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor or any of its agents or Employees is an employee of the City for purposes of collection of any employment taxes, any amounts offset from revenues paid by Contractor to the City under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such

amount due to the City (again, offsetting any amounts already paid by Contractor that can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

10.3 Contractor's Employees. Contractor shall be solely responsible for all matters relating to payment of Contractor's Employees, including compliance with Social Security, withholding and payment of any and all federal, state and local personal income taxes, disability insurance, unemployment, and any other taxes for such persons, including any related assessments or contribution required by law and all other regulations governing City Health Service System, vacation, holiday, retirement or other programs, nor, in the event that City terminates this Agreement shall Contractor have recourse of rights of appeal under City's rules and regulations which are applicable to employees.

Payroll and Taxation. Contractor shall make or cause to be made all necessary payroll deductions for disability and unemployment insurance, social security, withholding taxes and other applicable taxes, and prepare, maintain and file or cause to be filed all necessary reports with respect to such taxes or deductions, and all other necessary statements and reports pertaining to labor employed in the performance of this Agreement.

11. Required Insurance

Subject to approval by the City's Risk Manager of the insurers and policy forms, Contractor shall place and maintain throughout the Term of this Agreement, and pay the cost thereof, the following insurance policies:

11.1 Comprehensive general liability insurance with limits not less than \$1,000,000 (such limit may be provided through a primary and excess policy) each Occurrence, combined single limit for bodily injury and property damage, or in such greater amount and limits as SFMTA may reasonably require from time to time, including coverage for contractual liability, personal injury, broadform property damage, products and completed operations, independent contractors (excluding towing and dismantling subcontractors), and mobile equipment.

11.2 Sudden and accidental pollution insurance with limits not less than \$1,000,000 for each occurrence.

11.3 Comprehensive business/commercial automobile liability insurance with limits not less than \$1,000,000 for each Occurrence combined single limit for bodily injury and property damage, including coverage for owned, non-owned and hired automobiles. If Contractor does not own or lease company vehicles that are subject to motor vehicle registration, then only non-owned and hired coverage is required.

11.4 Garage-keeper's legal liability insurance with limits not less than \$5,000,000 for each Occurrence combined single limit for loss and damage to vehicles in Contractor's care, custody or control caused by fire, explosion, theft, riot, civil commotion, malicious mischief, vandalism or collision, with any deductible not to exceed \$25,000 for each Occurrence. Contractor may insure or self-insure loss of non-automobile property in the care, custody, or control of the garage keeper with a limit of \$5000.

11.5 Workers' Compensation Insurance, including Employers' Liability, with limits not less than \$1,000,000 for each accident, covering all Employees employed by

Contractor in the performance of this Agreement to provide statutory benefits as required by the laws of the State of California. Said policy shall be endorsed to provide that the insurer waives all rights of subrogation against the City.

11.6 Environmental impairment liability insurance with limits not less than \$1,000,000 each occurrence, covering the sudden and accidental release of hazardous materials and the resulting costs of clean up.

Except as set forth above, any deductibles in the policies listed above shall not exceed \$25,000 each occurrence. The insurance policies shall be endorsed to name as an additional insured the City and County of San Francisco and its respective departments, commissioners, officers, agents and employees.

The agreements between the Contractor and its towing and dismantling subcontractors (as applicable) shall require that reasonable insurance is maintained and that the City will be named as an additional insured on the general liability policy.

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

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

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limits of liability.

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

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

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

11.10 Subject to the provisions of Section 18.1, should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

11.11 Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages,

including additional insured endorsements and the policy declaration page for any umbrella policies, set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

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

12. Financial Assurances

12.1 Requirement to Provide Financial Guarantees

Upon the Effective Date of this Agreement, Contractor shall provide, and shall maintain for the time periods specified herein, financial instruments and funds described in this Section 12 as security to ensure Contractor's performance of all terms and conditions of this Agreement and to compensate for any damage to City property and/or other actual costs to City or for reimbursement to Customers for Contractor's violation of the terms of this Agreement, as further described below.

12.2 Letter of Credit and Performance Bond

12.2.1 Performance Guarantee. Upon the Effective Date of this Agreement, Contractor shall provide to the City, and shall maintain throughout the Term of this Agreement and for a period of at least ninety (90) days after expiration or termination of this Agreement, or until all of Contractor's obligations have been performed under this Agreement (including but not limited to investigation and remediation obligations under Appendices C, D and E), whichever date is later, a performance guarantee of two million dollars (\$2,000,000), which shall consist of a confirmed, irrevocable Letter of Credit in an amount between one million dollars (\$1,000,000) and two million dollars (\$2,000,000) and, if Contractor chooses to satisfy the performance guarantee, in part, with a Performance Surety Bond, a Performance Surety Bond of up to one million dollars (\$1,000,000) in favor of the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency (and during the Term of Appendix D, the Port of San Francisco), guarantying the faithful performance by Contractor of this Agreement and of the covenants, terms and conditions of this Agreement, including all monetary obligations set forth herein, and including liquidated damages and any dishonesty on the part of Contractor.

The City may draw upon such Performance Surety Bond and/or Letter of Credit in circumstances which include, but are not limited to:

(a) To ensure regulatory compliance in the event that Contractor receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over Contractor's operations or the Properties used by Contractor for the performance of this Agreement and Contractor does not achieve compliance with the notice of violation or order to the satisfaction of the issuing agency within the time specified by the agency or by the City if the agency does not specify a timeframe.

(b) To reimburse the City for any fine or other charge assessed against the City related to any notice of violation or other regulatory order issued to Contractor.

(c) To reimburse the City for costs associated with City's environmental assessments or corrective action related to Contractor's violation of any of the requirements of Appendices D or E, which may be performed at the City's sole discretion.

(d) To satisfy rental payment obligations for City-owned property licensed to Contractor in Appendices D or E .

(e) To satisfy fines assessed by City against Contractor pursuant to Appendix D of the Agreement.

(f) To compensate City for losses or damage to property caused by Contractor.

12.2.2 Performance Surety Bond/Letter of Credit Requirements. The Performance Surety Bond and/or Letter of Credit required by this Section 12 shall be issued on a form and issued by a financial institution acceptable to the City in its sole discretion, which financial institution shall (a) be a bank, insurance or trust company doing business and having an office in the State of California, (b) have a combined capital and surplus of at least \$25,000,000, and (c) be subject to supervision or examination by federal or state authority. If Contractor defaults with respect to any provision of this Agreement, City may, but shall not be required to, make its demand under said Performance Surety Bond or Letter of Credit for all or any portion thereof, to compensate City for any loss or damage which City may have incurred by reason of Contractor's default or dishonesty, including (but not limited to) any claim for fines or liquidated damages; provided, however, that City shall present its written demand to said bank, insurance or trust company for payment under said Performance Surety Bond or Letter of Credit only after City first shall have made its demand for payment directly to Contractor, and five (5) full days have elapsed without Contractor having made payment to City.

12.2.3 Expiration or Termination of Letter of Credit.

In the event the City receives notice from the issuer of the Letter of Credit that the Letter of Credit will be terminated, not renewed or will otherwise be allowed to expire for any reason during the period from the commencement of the Term of this Agreement to ninety (90) days after the expiration or termination of this Agreement or the conclusion of all of Contractor's obligations under the Agreement, whichever occurs last, and Contractor fails to provide the City with a replacement Letter of Credit (in a form and issued by a financial institution acceptable to the City) within ten (10) days following the City's receipt of such notice, such occurrence shall be an Event of Default as defined in Section 18 of this Agreement, and, in addition to any other remedies the City may have due to the default, including the right to terminate this Agreement, the City shall be entitled to draw down the entire amount of the Letter of Credit (or any portion thereof) and hold such funds in an account with the Treasurer in the form of cash guarantying Contractor's obligations under this Agreement under the terms of this Section 12. In such event, the cash shall accrue interest to the Contractor at a rate equal to the average yield of Treasury Notes with one-year maturity, as determined by the Treasurer. In the event the Letter of Credit is converted into cash pursuant to this paragraph, upon termination of this Agreement Contractor shall be entitled to a full refund of the cash (less any demands made thereon by the City pursuant to Section 12.2.4,) within ninety (90) days of the termination date, including interest accrued through the termination date.

12.2.4 Expiration or Termination of Performance Surety Bond. The term of the Performance Surety Bond shall apply for individual one-year periods, and may be extended by the insurance, bank or trust company by Continuation Certificate. The insurance, bank or trust company herein may, if it so elects, terminate its obligation under this bond by serving at least forty five (45) days written notice of its intention to do so upon the SFMTA. In the event the City receives notice from the issuer of the Performance Surety Bond that the Performance Surety Bond will be terminated, not renewed or will otherwise be allowed to expire for any reason during the period from the commencement of the Term of this Agreement to ninety (90) days after the expiration or termination of this Agreement or the conclusion of all of Contractor's obligations under the Agreement, whichever occurs last, and Contractor fails to provide the City with a replacement Performance Surety Bond (in a form and issued by a financial institution acceptable to the City) within ten (10) days following the City's receipt of such notice, such occurrence shall be an Event of Default as defined in Section 18 of this Agreement. However, neither nonrenewal by the insurance, bank or trust company, nor the failure or inability of the Contractor to file a replacement bond in the event of nonrenewal, shall itself constitute a loss to the City recoverable under the Performance Surety Bond or any renewal or continuation thereof. Insurance, bank or trust company's liability under the Performance Surety Bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in the Performance Surety Bond or in any additions, riders, or endorsements properly issued by the insurance, bank or trust company as supplements thereto.

12.2.5 Demands Upon Performance Surety Bond or Letter of Credit. City may use all or any portion of the Performance Surety Bond or Letter of Credit to compensate City for any loss or damage that it may have incurred by reason of Contractor's negligence or breach. Such loss or damage may include without limitation any damage to or restoration of the Properties for which Contractor is responsible, and claims for fines and/or liquidated damages. Should the City terminate this Agreement due to a breach by Contractor, the City shall have the right to draw from the Performance Surety Bond or Letter of Credit those amounts necessary to pay any fees or other financial obligations under the Agreement and perform the towing and storage services described in this Agreement until such time as the City procures another contractor and the agreement between the City and that contractor becomes effective. The Treasurer shall have sole authority and responsibility to make demands upon the Performance Surety Bond or Letter of Credit. The Treasurer shall not allow any demands made to the Performance Surety Bond or Letter of Credit pursuant to claims arising from Section 6(c) of Appendix C to exceed a combined outstanding amount of more than four hundred thousand dollars (\$400,000.00). In addition, the Treasurer shall not allow any demands to be made to the Performance Surety Bond or Letter of Credit pursuant to claims arising from Section 6(b) of Appendix C to exceed a combined outstanding amount of more than twice the amount of the current Base Fee established in Appendix D, Section 5, including all periodic CPI adjustments up to the date of the demand on the Performance Surety Bond or Letter of Credit. The Treasurer shall not allow any demands made to the Performance Surety Bond or Letter of Credit pursuant to claims arising from any section of the Agreement, excluding Appendices C and D, to exceed a combined outstanding amount of more than one million three hundred thousand dollars (\$1,300,000.00).

12.2.6 Depletion of Performance Surety Bond or Letter of Credit. If any portion of a Letter of Credit or Performance Surety Bond is used by City, Contractor shall provide written proof that the Performance Surety Bond or Letter of Credit has been restored to its initial value, which shall require a replacement Performance Surety Bond or Letter of Credit in the face amount of the required Performance Surety Bond or Letter of Credit. Contractor's failure to do so within the time limits specified in Section 18.1.1(f) shall constitute an Event of Default as defined in Section 18 of this Agreement.

12.2.7 Dispute Resolution. In the event that a dispute arises between the City and Contractor concerning this Agreement or the use or maintenance of the Performance Surety Bond or Letter of Credit, Contractor may appeal to the Director of Transportation within fourteen (14) days of demand on the Performance Surety Bond or Letter of Credit with evidence supporting Contractor's claim for relief from the demand on the Performance Surety Bond or Letter of Credit. The Director of Transportation will respond within fourteen (14) days. Any failure of the Director of Transportation to respond within fourteen (14) days shall be deemed a rejection of Contractor's claim for relief from the demand on the Performance Surety Bond or Letter of Credit. Contractor's claim for relief from demands on the Letter of Credit and the Director of Transportation's response to such demand shall constitute the administrative remedy for Agreement interpretation described in Section 46 herein. Each party reserves its remedies in equity and law. No decision by the City concerning the Performance Surety Bond or Letter of Credit shall prevent Contractor from seeking restoration of the funds by appropriate legal action.

12.3 Maintenance Deposit. Upon execution of this Agreement, Contractor shall deposit with City the amount of one hundred thousand dollars (\$100,000) as a maintenance deposit. These funds may be used by City when maintenance required by this Agreement is not done in a timely manner or in accordance with the standards of this Agreement. Contractor shall be responsible for replenishing this maintenance deposit fund to maintain a balance of one hundred thousand dollars (\$100,000) within fifteen (15) days of any date that the fund falls below the minimum balance. Failure to replenish the maintenance deposit fund for more than forty-five (45) days shall be an Event of Default under this Agreement. Any interest accrued and earned on the maintenance deposit fund shall be retained by City.

12.4 Claims Fund. Contractor shall at all times maintain a Claim Fund for payment of Claims. Contractor shall maintain at least fifty-thousand dollars (\$50,000) in the

Claim Fund at all times. Contractor shall be responsible for replenishing this Claims Fund to maintain a balance of fifty thousand dollars (\$50,000) within fifteen (15) days of any date that the fund falls below the minimum balance. Failure to replenish the Claims Fund for more than forty-five (45) days from the date that it falls below the minimum balance shall be an Event of Default under this Agreement.

12.5 Environmental Oversight Deposit. Upon the Effective Date of this Agreement, Contractor shall provide to the City, and shall maintain and replenish throughout the term of the property license set forth in Appendix D ("Pier 70 License") and for a period of at least ninety (90) days after termination or expiration of the Pier 70 License, an Environmental Oversight Deposit in the amount of ten thousand dollars (\$10,000), which shall be deposited in an account specified by City. If Contractor receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over Pier 70 and or its operations (other than from the Port of San Francisco), and such notice is not cured within fourteen (14) days, the City may draw from this deposit to reimburse the City for staff costs incurred by the City while inspecting site conditions and enforcing and administering the Hazardous Materials provisions of the Pier 70 License. If Contractor receives a notice of violation or other regulatory order from a governmental or regulatory agency with jurisdiction over the site and or its operations (other than from the Port of San Francisco), and such notice is cured within fourteen (14) days, the City may draw from this deposit in an amount not to exceed \$500 to reimburse the City for staff costs incurred by the City. The City will submit an invoice to Contractor for any such costs, and Contractor will pay such invoiced amounts within thirty (30) days to replenish the Environmental Oversight Deposit. Contractor's failure to pay such costs within thirty (30) days, or to replenish the Environmental Oversight Deposit if drawn upon, will constitute an Event of Default.

13. Insurance and Performance Guarantee Requirements

All insurance policies, Performance Surety Bonds and Letters of Credit obtained pursuant to this Agreement shall be endorsed to provide that thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits shall be given to SFMTA in the manner and at the addresses specified below (and during the term of Appendix D, to the Port of San Francisco in the manner and at the address specified in Appendix D).

Two copies of any Performance Surety Bond or Letter of Credit, and two copies of each original policy or policy endorsement of insurance shall be provided to SFMTA (and during the term of Appendix D, to the Port of San Francisco) upon the Effective Date of this Agreement, and complete copies of any insurance policies obtained pursuant to this Agreement shall be provided to SFMTA (and during the term of Appendix D, to the Port of San Francisco) if requested at any time.

13.1 Upon City's request, Contractor shall provide satisfactory evidence that Contractor has adequately provided for Social Security and Unemployment Compensation benefits for Contractor's Employees.

Contractor shall comply with the provisions of any insurance policy covering Contractor or the City, and with any notices, recommendations or directions issued by any insurer under such insurance policies so as not to adversely affect the insurance coverage.

14. Contractor's Representations and Warranties

Contractor hereby represents and warrants as follows:

14.1 Experience. Contractor is experienced in the operation and management of automobile towing and disposal services and hereby agrees to apply its best efforts and most efficient methods in performance of this Agreement.

14.2 Formation. Contractor is a duly formed, validly existing and in good standing limited liability company under the laws of the State of California.

14.3 Authority. Contractor has full power and authority (corporate or otherwise) to enter into this Amended and Restated Agreement and to consummate the transactions contemplated by it. This Agreement has been duly authorized by all necessary action on the part of Contractor, and no other corporate or other action on the part of Contractor is necessary to authorize the execution and delivery of this Agreement.

14.4 Conflicts and Consents. The execution and delivery by Contractor of this Agreement and the performance by Contractor of the transactions contemplated by it will not violate any federal, state or local law, rule or regulation, or conflict with or result in any breach or violation of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or constitute an event or condition that would permit termination or acceleration of the maturity of, the Articles of Incorporation, bylaws or partnership agreement of Contractor (as applicable) or any indenture, mortgage, lease, agreement or other instrument or obligation to which Contractor is a party or by which it may be bound which would materially adversely affect the ability of Contractor to perform its obligations under this Agreement. No approval, authorization, consent or other order or action of, or filing or registration with, any person, entity or governmental authority is required for the execution and delivery by Contractor of this Agreement.

14.5 Conflict with Orders. The execution and delivery by Contractor of this Agreement will not conflict with any order, judgment or decree of any court, government, government agency or instrumentality, whether entered pursuant to consent to otherwise, by which Contractor may be bound or affected.

14.6 Litigation. There is no litigation, action, arbitration, grievance, administrative proceeding, suit or claim filed and pending, nor is there any investigation by a governmental agency of Contractor or any of its affiliates that, if adversely decided, could have a material adverse impact on Contractor's ability to perform its obligations under this Agreement.

15. Indemnification

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including Employees of Contractor or loss of or damage to property, resulting directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, the use of Contractor's facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. The foregoing indemnification does not include the limitations on Contractor's liability described in Appendix D, Sections 24.3 and 24.8.

In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

As to any intellectual property that Contractor provides to the City in the performance of this Agreement, Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other

intellectual property claims of any person or persons, arising as a consequence of the use by City of the intellectual property supplied by the Contractor, or any of its officers or agents.

16. Incidental and Consequential Damages

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

17. Liability of City

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AMENDED AND RESTATED AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AMENDED AND RESTATED AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AMENDED AND RESTATED AGREEMENT.

18. Default; Remedies

18.1 Each of the following shall constitute an event of default ("Event of Default") under this Amended and Restated Agreement; provided, however, that with the exception of the Events of Default listed in Section 18.1.1 below, Contractor shall have thirty (30) days after the date of written notice of the default sent by City to cure the default before an Event of Default exists:

18.1.1 The following conduct by Contractor shall constitute an Event of Default at the time it occurs without a right to cure under this Section 18, and shall be grounds for termination pursuant to Section 19:

(a) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 5, 6, 11, 12.2.1, 13, 22, 28, 35 and 54.

(b) Substantial abandonment or discontinuance by Contractor, without the prior written consent of the City, of any or all of the services and operations required hereunder.

(c) Contractor's representation or warranty made pursuant to this Agreement which Contractor made knowing that it was not true and correct at the time when made.

(d) Failure of Contractor to replenish the maintenance deposit or Claims Fund required by Sections 12.3 and 12.4 and such failure continues for more than forty-five (45) days.

(e) Failure of Contractor to replenish the Environmental Oversight Deposit required by Section 12.5 and such failure continues for more than thirty (30) days.

(f) Failure to replace the Performance Surety Bond or Letter of Credit as required by Sections 12.2.3, 12.2.4 and 12.2.5 within twenty (20) days of (i) City's receipt of notice of its termination or expiration, or (ii) use by City of the Performance Surety Bond or Letter of Credit, unless City's use is challenged pursuant to Section 12.2.7, in which event the twenty (20) days shall run from the date of the Director of Transportation's denial of the challenge, or fourteen (14) days from the date of the challenge, whichever is later.

18.1.2 Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement.

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

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

18.1.5 Failure of Contractor to pay when due any other amount owing from Contractor to the City, including without limitation rents, taxes, fees or other charges, whether or not such amounts are related to this Agreement; provided, however, that if Contractor disputes the amount of any such obligation in good faith and is actively negotiating or litigating such dispute, Contractor's failure to pay such amount shall not constitute a default under this paragraph.

18.1.6 Failure of Contractor to abide by any of the terms or conditions of the Port MOU, set forth in Appendix C to this Agreement.

18.2 On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. City's right to termination for an Event of Default shall be subject to Contractor's opportunity to cure such Event of Default pursuant to the terms of Sections 18.1 and 19. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other Agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other Agreement.

18.3 All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

19. Termination

The City shall have the right to terminate this Agreement after written notice to Contractor upon the occurrence of any Event of Default, provided, however, that Contractor shall have a period of ten (10) days from the date of City's notice of intent to terminate to cure such default before City's termination for cause may become effective.

19.1 Termination Effective Upon Notice. Termination under this Section shall be effective immediately upon notice being given by SFMTA to Contractor and after the expiration

of any applicable cure periods. Upon such termination, all rights, powers, privileges and authority granted to Contractor under this Agreement shall cease, and Contractor shall immediately thereupon vacate the Designated Facilities, except as may be permitted pursuant to Section 54 (Transition Period), below.

19.2 Termination Not Exclusive Remedy. The City's right to terminate this Agreement under this Section is not its exclusive remedy but is in addition to all other remedies provided to it by law or the provisions of this Agreement.

19.3 Duties Upon Termination. Upon termination of this Agreement, the City and Contractor shall promptly pay to the other, as soon as is determinable after the effective date of termination, all amounts due each other under the terms of this Agreement, and upon such payment neither shall have any further claim or right against the other, except as expressly provided herein. Upon the effective date of termination, Contractor shall deliver to the SFMTA the originals of all books, permits, plans, Records, licenses, contracts and other documents pertaining to Contractor's operation under this Agreement, any insurance policies, bills of sale or other documents evidencing title or rights of the City, and any and all other Records or documents pertaining to Contractor's operation under this Agreement, any insurance policies, bills of sale or other documents evidencing title or rights of the City, and any and all other Records or documents pertaining to the Designated Facilities, whether or not enumerated herein, which are requested by the City or necessary or desirable for the ownership and operation of the Designated Facilities, which are then in possession of Contractor. Contractor further agrees to do all other things reasonably necessary to cause an orderly transition of the management and operation of the services provided by Contractor under this Agreement without detriment to the rights of the City or to the continued operation of such services.

20. Provisions of Amended and Restated Agreement Surviving Termination or Expiration

This Section and the following Sections of this Agreement shall survive termination or expiration of this Amended and Restated Agreement: 1, 5, 6, 7, 9, 10, 12 (except for 12.2.5), 14, 15, 16, 17, 18.2, 18.3, 19.3, 20, 22.1, 23, 24, 25, 26, 29, 38, 39, 43, 46, 47, 48, 49, 53, 54, 55, 56 and 57; and Appendix A Sections 1.3(b), 4.1, 5.2, 12, 13.3, 15.1, 15.2, 15.7(1), 15.7(2), 15.10(7) and 15.11.

21. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provisions of §15.103 and Appendix C 8.105 of City's Charter and § 87100 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions.

22. Proprietary or Confidential Information

22.1 Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that to the extent permitted by law, all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

22.2 Contractor understands and agrees that the City's Sunshine Ordinance (Administrative Code, Chapter 67) and the California Public Records Act (Gov. Code section 6250 *et seq.*), apply to the Agreement and all of its appendices, that these documents are not proprietary or confidential, do not constitute trade secrets, and that the City must disclose these

documents to the public, upon request, without redaction, except for employee's personal information. Contractor shall cooperate with City in the compilation, copying and production of records in its custody that are subject to requests for public records. The City is not required to take any action, or to refuse to release information where to do so would violate applicable law. During the Term, the City will endeavor to provide Contractor reasonable notice of any request for public information that seeks disclosure of confidential or proprietary information that Contractor has provided to City under the Agreement and that Contractor has identified as confidential and proprietary, with the exception of this Agreement and its appendices. Contractor may at its option then take whatever legal steps it deems appropriate to protect said information from disclosure to the public, but the City shall have no further obligation to protect said information from disclosure. However, if the Contractor takes legal action to protect said information, and if the City is required to incur legal fees and costs in such legal action, and if the Contractor does not prevail in such legal action, Contractor shall pay all legal fees and costs that the City incurs as a result of such legal action. Contractor shall clearly identify to City all information that Contractor provides to City that it considers to be proprietary, trade secret or is otherwise protected from disclosure under the California Public Records Act, the City's Sunshine Ordinance and other applicable law.

23. Notices to the Parties

Any insurance certificates or notices required under Sections 11, 12, 13, 15, 18, 19, 46 or 52 of the Agreement must be sent by first class, certified U.S. mail, postage pre-paid. All other written communications, unless otherwise indicated elsewhere in this Agreement, may be by first class U.S. mail, by email, or by fax, and shall be addressed as follows, or to such other address as designated by the parties in writing:

To Contractor:

San Francisco AutoReturn
Attention: John Wicker, President and CEO
945 Bryant Street, Suite 350
San Francisco, CA 94103
Telephone: 415-575-2355
Facsimile 415-575-2375
Email: jwicker@autoreturn.com

To City:

San Francisco Municipal Transportation Agency
Attention: Lorraine Fuqua
1 South Van Ness Avenue, 8th Floor
San Francisco, CA 94103
Telephone: 415-701-4678
Facsimile: 415-701-4736
Email: lorraine.fuqua@sfmta.com

24. Ownership of Results

Any interest of Contractor or its Subcontractors, in the Records prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities. To the extent that the use of proprietary software or other proprietary information or intellectual property is required to access or utilize the data contained in the Records, or that Contractor holds particular work practices or methods to be proprietary, Contractor hereby grants the City a perpetual, royalty-free, nonexclusive, nontransferable, limited license, to use and reproduce said proprietary information or intellectual property, solely for City's internal purposes related to the towing, storage, and disposal of abandoned and illegally parked vehicles.

25. Works for Hire

Subject to the limited license set out in Section 24 above, any artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, source codes, or any other original works of authorship of Contractor that are not Records, are proprietary to Contractor and shall not be considered works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of Contractor.

26. Audit and Inspection of Records

26.1 Records. Contractor shall maintain, in accordance with generally accepted accounting principles and business practices, all books, accounts and Records created in the performance of this Agreement in accordance with the requirements of Appendix A. Such books, accounts and Records shall be maintained throughout the Term of this Agreement at one of the Designated Facilities, or at Contractor's Headquarters Office. Records created or maintained in an electronic format shall be submitted monthly in an electronic format as specified by SFMTA, which may be an electronic database format or a static electronic format, such as PDF or an electronic format that attaches a date or time stamp to each document and record entry that cannot be erased or altered. Contractor shall deliver said copy of the Records with the Monthly Management Report described in Appendix A, Section 13.

Except as otherwise specified herein, Contractor shall maintain Records related to this Agreement in a safe and secure location available for inspection and copying by City for a period of five (5) years following termination of this Amended and Restated Agreement.

26.2 City's Right to Inspect. Any duly authorized agent of City shall have the right to examine, at any time during normal business hours, all books, accounts and Records, including computer records, of the type described above.

26.3 Audit. Within sixty (60) days of the expiration or termination of the Agreement, an independent auditor approved by the SFMTA shall conduct an audit of those records pertaining to Contractor's performance during the final year of this Agreement, including a summary report of prior annual audits conducted pursuant to Appendix A, Section 12.6. Such audit shall include a review of all records involving the removal, impoundment and disposition of vehicles pursuant to this Agreement during the previous and current audit periods. All costs of such audits shall be withdrawn from the Contractor Compliance Audit Fund, as specified in Section 12.6 of Appendix A. A certified copy of each such audit report shall be furnished promptly to SFMTA and the Controller not more than 120 days following the expiration of the Agreement.

26.4 Retention of Records. Contractor shall retain all records of subcontracts, Employee payroll and benefits, tax assessments and payments, and those records and reports described in Sections 10 and 26 of this Agreement for a period of not less than four (4) years from date of termination of this Agreement.

27. Subcontracting

Except as specifically provided in this Agreement, Contractor shall not enter into any subcontract for the performance of all or any part of this Agreement for the acquisition of towing services, security services, vehicle handling or disposal services, auctioneer or appraisal services, Customer relations services or with any PEO Contractor without the prior written consent of the City, which consent shall not be unreasonably withheld. Any attempt to enter into such a subcontract without such consent shall be null and void. Subject to the foregoing, this Agreement shall be binding upon, enforceable by, and shall inure to the benefit of any permitted subcontractor.

28. Assignment

Contractor shall not assign or otherwise transfer this Agreement or any of Contractor's rights, duties or interest under this Agreement without the prior written consent of the City. Any attempted assignment or transfer without such consent shall be null and void. Subject to the foregoing, this Agreement shall be binding upon, enforceable by, and shall inure to the benefit of the successors and permitted assigns of the Contractor.

29. Non-Waiver of Rights

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

30. Earned Income Credit (EIC) Forms

Administrative Code Chapter 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

30.1 Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Amended and Restated Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the Term of this Agreement.

30.2 Failure to comply with any requirement contained in Section 30.1 of this Agreement shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty (30) days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

30.3 Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

30.4 Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12O of the San Francisco Administrative Code.

31. Minority/Women/Local Business Utilization; Liquidated Damages

31.1 Compliance. Contractor understands and agrees to comply fully with all applicable provisions of Chapter 12D.A ("Minority/Women/ Local Business Utilization Ordinance--IV") of the San Francisco Administrative Code set forth in the RFP, Contractor's Proposal and this Agreement, and agrees to include such provisions in all subcontracts (as defined in Section 27) made in fulfillment of the Contractor's obligations under this Agreement. Said provisions are incorporated by reference and made a part of this Agreement as though fully set forth herein. Contractor's willful failure to comply with Chapter 12D.A is a material breach of contract.

31.2 Enforcement. If Contractor willfully fails to comply with any of the provisions of Chapter 12D.A set forth in this Agreement pertaining to MBE or WBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is

greatest. City may also impose other sanctions against Contractor authorized in Chapter 12D.A, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's MBE or WBE certification. City will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to §12D.A.16(B). By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by City shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with this Section 31 for a period of three (3) years following termination of this contract, and shall make such records available for audit and inspection by HRC or the Controller upon request.

31.3 Subcontracting Goals. The MBE/WBE subcontracting participation goal for this contract is 12% of Gross Revenues. Contractor shall fulfill this goal throughout the duration of this Agreement. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in Chapter 12D.A, for any purpose inconsistent with the provisions of Chapter 12D.A, its implementing rules and regulations, or this Section.

31.4 Subcontract Language Requirements. Contractor shall include in all subcontracts with MBEs or WBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any MBE or WBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor fails to comply with the requirements of this Section, unless Contractor received approval from City to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with this Section 31 for a period of three (3) years following termination of this contract and to make such records available for audit and inspection by City upon request.

31.5 Payment of Subcontractors. Contractor shall pay its subcontractors within thirty (30) days after receiving an invoice or request for payment from a subcontractor, unless Contractor notifies City in writing within ten (10) working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount.

32. Nondiscrimination; Penalties

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

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

authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

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

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

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

33. MacBride Principles—Northern Ireland

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

34. Tropical Hardwood and Virgin Redwood Ban

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

35. Drug-Free Workplace Policy

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

36. Resource Conservation

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

37. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly

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

38. Sunshine Ordinance

38.1 Documents Subject to Disclosure by the City. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public by the City upon request. Contractor acknowledges that this Agreement and all of its appendices are covered by this paragraph and are subject to disclosure without redaction, except for employee's personal information.

38.2 Documents Subject to Disclosure by Contractor. Contractor agrees that it shall comply with San Francisco Administrative Code § 67.29-7(c), the provisions of which are set out in full below:

In any contract, agreement or permit between the City and any outside entity that authorizes that entity to demand any funds or fees from citizens, the City shall ensure that accurate records of each transaction are maintained in a professional and businesslike manner and are available to the public as public records under the provisions of this ordinance. Failure of an entity to comply with these provisions shall be grounds for terminating the contract or for imposing a financial penalty equal to one-half of the fees derived under the agreement or permit during the period of time when the failure was in effect. Failure of any Department Head under this provision shall be a violation of this ordinance. This paragraph shall apply to any Agreement allowing an entity to tow or impound vehicles in the City and shall apply to any Agreement allowing an entity to collect any fee from any persons in any pretrial diversion program.

Contractor's compliance with Section 67.29-7(c) is a material term of the Agreement.

38.3 Public Records Requests from Public. If any member of the public communicates a public records request directly to Contractor, Contractor shall refer the requestor to SFMTA. In no event shall Contractor respond directly to a public records request or attempt to communicate a public records request to SFMTA on behalf of the requestor. SFMTA will work with Contractor, and Contractor shall cooperate with SFMTA to identify responsive records in Contractor's possession. If production of requested records involves significant staff time of Contractor, City in its sole discretion may elect to collect legally authorized fees from the requestor and credit some or all of the fees to Contractor.

39. Notification of Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such

individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

40. Requiring Minimum Compensation for Covered Employees

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

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

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

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

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

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

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

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

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

41. Requiring Health Benefits for Covered Employees

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

41.1 For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

41.2 Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with this Section 41.1 above.

41.3 Contractor's failure to comply with the HCAO shall constitute a material breach of this Agreement. City shall notify Contractor if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5(f)(1)-(5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

41.4 Any Subcontract entered into by Contractor shall require the Subcontractor (unless that Subcontractor is exempt pursuant to Section 12Q.3) to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be

responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

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

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

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

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

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

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

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

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

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

42. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

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

b. First Source Hiring Amended and Restated Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring a ("Agreement") with the City, on or before the effective date of the contract or property contract.

Contractors shall also enter into an Agreement with the City for any other work that it performs in the City. Such Agreement shall:

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

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

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

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

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's Agreement. In the event that the

FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

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

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

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

c. Hiring Decisions

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

d. Exceptions

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

e. Liquidated Damages

Contractor agrees:

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

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

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and

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

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

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

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

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

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

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

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

43. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or

remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

44. Preservative-treated Wood Containing Arsenic

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

45. Modification of Amended and Restated Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved by Contractor and by the Director of Transportation, except where the approval of the Municipal Transportation Agency Board or the San Francisco Board of Supervisors is required by applicable law, in which case, the approval of those agencies shall also be required.

46. Administrative Remedy for Amended and Restated Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the Director of Transportation, who shall decide the true meaning and intent of the Agreement.

47. Amended and Restated Agreement Made in California; Venue

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

48. Construction

All paragraph, article, and section captions and headings contained in this Agreement are for reference and convenience only and shall not be considered in construing the scope or meaning of this Agreement. Unless this Agreement specifically provides otherwise, it is to be construed in the following manner.

48.1 Syntax. Whenever the context of this Agreement requires, the singular shall include the plural, the plural shall include the singular, the masculine shall include the feminine and the feminine shall include the masculine.

48.2 References. Unless otherwise indicated, references to Articles, Sections and subsections are to Articles, Sections and subsections in this Agreement.

49. Entire Amended and Restated Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 45.

This Agreement contains the entire Agreement between the parties with respect to the subject matter of this Agreement and any prior Agreements, discussions or understandings, written or oral, are superseded by this Agreement and shall be of no force or effect. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by the parties to this Agreement.

50. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time. Contractor shall comply and conform with all laws and all governmental regulations, rules and orders that may from time to time be put into effect relating to, controlling or limiting Contractor's performance under this Agreement or enjoyment of any rights or privileges granted hereby. Contractor shall secure all permits and licenses specifically required for Contractor's performance under this Agreement (copies of which shall be promptly provided to City), and shall comply with all applicable laws and regulations relating to labor employed in and relating to Contractor's performance under this Agreement. Contractor shall not use or occupy the Designated Facilities in an unlawful, noisy, improper or offensive manner and shall use its best efforts to prevent any occupancy of the Designated Facilities or use made thereof which is unlawful, noisy, improper or offensive or contrary to any law or ordinance applicable to them. Contractor shall not cause or maintain any nuisance in or about the Designated Facilities, and shall use its best efforts to prevent any person from doing so. Nor shall Contractor cause any rubbish, dirt or refuse to be placed in the streets, sidewalks or alleys adjoining the Designated Facilities or to accumulate in the Designated Facilities.

51. Services Provided by Attorneys

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

52. Unavoidable Delays

Any prevention, delay or stoppage in a party's performance of any part of this Agreement due to an Unavoidable Delay shall excuse the performance of the party affected for a period of time or otherwise in a manner that bears a causal relationship and is in proportion to any such prevention, delay or stoppage.

53. Severability

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

54. Transition Period

54.1 Notwithstanding any other provision of this Agreement to the contrary, Contractor hereby agrees that it shall cooperate in good faith with City and with any contractor chosen by City pursuant to a competitive selection process to take over Contractor's obligations

after the expiration of this Agreement, or any contractor designated by City to provide towing services following termination of this Agreement pursuant to §19 herein, for the smooth and efficient transfer of those functions.

54.2 Contractor agrees to take all actions as may be necessary or as the City may direct for the protection and preservation of any property related to this Agreement that is in the possession of Contractor and in which City has or may acquire an interest, including any environmental remediation required under Appendices C, D and E. Contractor acknowledges that City has a vested interest for payment of fees for vehicles that Contractor has towed and/or is storing, and Contractor shall not impair said interest and shall take all actions reasonably necessary to safeguard City's interest in said towed and stored vehicles.

54.3 Contractor shall remove any towed and/or stored vehicles from City property by the termination date and shall relocate said vehicles to a location approved by the City or (subject to City approval) authorize a successor contractor to serve as an agent of Contractor for purposes of conducting any lien sale auctions that may be required for disposal of such vehicles.

54.4 Contractor shall provide City or any successor contractor with all information necessary, in a form approved by the City, to facilitate retrieval by the registered owner of any vehicle upon which Contractor holds a lien.

54.5 If Contractor has implemented the Consolidation (as defined in Section 4) of the Customer Service Center and Primary Storage Facility as of the termination of this Agreement, Contractor agrees to assign all right, title and interest of Contractor in the 450 7th Street property to the City, subject to the payment terms specified in Appendix H, as part of the transition of towing operations to a successor towing services contractor.

55. Administration of Contract

This Agreement shall be administered by and for the City by SFMTA. The Executive Director/CEO of SFMTA shall, unless otherwise stated herein, have the authority to act for or on behalf of the City in the administration of this Agreement.

56. Required Actions

Contractor agrees to execute all instruments and documents and to take all actions as may be required or necessary in order to carry out the purposes and terms of this Agreement.

57. Non-impairment of City-Owned Towing Equipment and Facilities

Nothing contained in this Agreement shall be deemed to prohibit, limit or otherwise restrict the use and operation by City of City-owned towing equipment or storage facilities, or the procurement by City of towing services for City-owned vehicles.

58. Deleted by agreement of the parties.

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

60. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set

forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

61. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

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

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AMENDED AND RESTATED AGREEMENT ON THE DAY FIRST MENTIONED ABOVE.

CITY

APPROVED:

NATHANIEL P. FORD, SR.
Executive Director/CEO
San Francisco Municipal Transportation
Agency

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By:_____
Mariam Morley
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitles Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 33, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

JOHN WICKER
President and CEO
TEGSCO, LLC,
d.b.a. San Francisco AutoReturn
945 Bryant Street, Suite 350
San Francisco, CA 94103
Phone No.: 415-575-2355
Employer ID No.: 01-0688299

SFMTAB Resolution
Number:_____

Date: _____

Attest: _____

Roberta Boomer, Secretary,

San Francisco Municipal Transportation
Agency Board

LIST OF APPENDICES

- A. Scope of Work**
- B. Services and Standards (Operations Plan)**

Appendix A/Scope of Work Elements:

§ 2.6:	Tow Service Plan
§ 4.6(a):	Police Department Procedures
§ 5.1(e):	Customer Service Manual
§ 5.2(d):	Claims/Complaint Processing Plan
§ 8.2(a):	List of Approved Subcontractors
§ 8.2(b):	Subcontractor Compensation Plan
§ 8.2(c):	Subcontractor Performance Standards
§ 8.3:	Employee Training Plan
§ 8.4:	Policy and Procedure Manual
§ 8.5:	Staffing Plan
§ 11.3:	Security Plan
§ 11.4:	Personal Property Plan

Appendix D/Pier 70 Premises Management Elements (*see* Appendix C, §14(k)).

1.	Pollution Prevention Plan
2.	Utilities Maintenance Plan
3.	Pier 70 Premises Maintenance Plan
4.	Facility plan
5.	Public Auction Plan

- C. SFMTA-Port MOU**
- D. Pier 70 Property License**
- E. Letter of Credit & Performance Surety Bond**
- F. Rate Schedule**
- G. Consolidated Facility Payment Schedule**

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APPENDIX A
SCOPE OF WORK

1. Tow Equipment Dispatch Requirements

1.1 Hours of Service

Contractor shall respond to all Tow Requests and shall intake and release towed vehicles twenty-four (24) hours per day, 365 days per year in accordance with the standards specified in this Agreement.

1.2 Central Dispatch

Contractor shall dispatch Tow Equipment from its Central Dispatch facility. Contractor shall provide dispatch staff to receive Tow Requests twenty-four (24) hours per day, 365 days per year. During Peak Towing Hours, a dispatch supervisor must be on duty to direct staff and address any issues or escalations raised by the City that relate to a Tow Request. At all times, Contractor must ensure that:

- (1) Tow Request phone calls must be answered within thirty seconds or less with no busy signal for 95% of the calls and within 90 seconds for the remaining 5% of the calls during a given calendar month; and
- (2) Tow Requests must be assigned to a subcontractor towing firm within five (5) minutes or directly to a Tow Car operator within ten (10) minutes.

1.3 Communications Equipment

(a) Equipment Requirements

Within thirty (30) days of the Effective Date of this Agreement, Contractor shall provide a dedicated telephone line to be used exclusively for communication between Central Dispatch and the City, and a minimum of two (2) two-way radios or equivalent equipment to be used as an alternative communications method.

(b) Audio Recordings

Contractor shall provide equipment that will create an audio recording with a time/date stamp of all Tow Requests communications by telephone between SFMTA and the Tow Desk and Contractor's Central Dispatch Facility. Contractor shall maintain such audio recordings for a minimum of 120 days. Upon City's request, Contractor shall provide City access to the audio recordings within twenty-four (24) hours for the purpose of reviewing or copying the recordings.

(c) Dispatch Tow Car Operators

Communication between Central Dispatch and towing subcontractors shall be by means of landline communications, radios, mobile telephones, or electronic two-way data terminals. Any other method of communication to be used between Central Dispatch and Tow Car operators must be approved by the City in writing.

2. Tow Request Response Time Requirements

2.1 Routine Requests

(a) Scheduled and Dispatch Tows

Upon receiving a Tow Request for a Scheduled Tow or Dispatch Tow Contractor shall be on site with the appropriate Tow Equipment for the vehicle type to be towed, or with Tow Equipment specifically requested by City in the Tow Request, within thirty-five (35) minutes of a Dispatch Tow Request during Peak Towing Hours and within twenty-five (25) minutes at all other times, or within ten (10)

minutes of the time designated for initiation of a Scheduled Tow. Contractor may notify City that it is requesting an extension of time of up to fifteen (15) minutes to process a Scheduled or Dispatch Tow request for reasons beyond the Contractor's control, which are defined as traffic congestion or travel distance, and the City shall inform Contractor if the request for extension of time is denied. Contractor shall respond within the applicable time limit for at least 94% of the Dispatch Tows performed in a given calendar month.

(b) Abandoned Vehicle Tows

Contractor must respond to each Abandoned Vehicle Tow Request within twenty-four (24) hours unless otherwise specified in the Tow Request.

2.2 Expedited Tow Response Time Requirement

City may specify that an Expedited Tow is required in the Tow Request. During Peak Towing Hours, Contractor shall respond to a Tow Request for an Expedited Tow within thirty (30) minutes of the Tow Request. Contractor may notify City that it is requesting an extension of time of up to fifteen (15) minutes to process an Expedited Tow request for reasons beyond the Contractor's control, which are defined as traffic congestion or travel distance, and the City shall inform Contractor if the request for extension of time shall be denied. Contractor shall respond within the applicable time limit for 100% of the Expedited Tows performed in a given calendar month.

2.3 Regional Sweeps

Contractor shall participate in Regional Sweeps requested by SFMTA or SFPD as a part of its regular towing services. SFMTA or SFPD shall notify Contractor at least forty-eight (48) hours in advance (with seventy-two (72) hours advance written notice provided when possible) of the date for a Regional Sweep, and shall inform Contractor of the number of Tow Cars required, the location, and the time that tows are to begin. City reserves the right to modify and/or expand Regional Sweep programs, and shall notify Contractor of these modifications and/or expansions no later than forty-eight (48) hours in advance of the date of a Regional Sweep. Regional Sweeps are subject to the performance standards of Scheduled Tows under this Agreement.

2.4 Courtesy Tows and Roadside Service

At the request of City, Contractor shall remove any disabled SFMTA or SFPD vehicle or render timely roadside assistance, including but not limited to starting vehicles, delivering gasoline and changing flat tires. These requests for towing or roadside assistance shall be provided within thirty-five (35) minutes of City's request. Contractor may notify City that it is requesting an extension of time of up to fifteen (15) minutes to process a Courtesy Tow request for reasons beyond the Contractor's control, which are defined as traffic congestion or travel distance, and the City shall inform Contractor if the request for extension of time shall be denied. The costs for these services shall not be charged to City, nor may Contractor pass the cost of these services to its subcontractors. Should Contractor fail to respond to a request in accordance with this Section, City may elect to acquire the services from another source and Contractor shall be responsible for City's direct and indirect costs in acquiring the requested services from another source.

2.5 Failure to Respond

In the event that Contractor fails to respond and/or fails to furnish necessary Tow Equipment at the designated point of tow within the time periods specified in this Agreement, the City shall have the right, by whatever means appropriate, to remove or cause the removal of the vehicle which was the subject of the Tow Request and transport it to the Contractor's storage facility, whereupon Contractor shall process and handle such vehicle in accordance with all requirements of this Agreement. In such

event, Contractor shall be responsible for reimbursing City's direct and indirect costs for removing the vehicle, excluding subsequent damage caused by the alternate towing service provider.

2.6 Tow Service Plan

Contractor shall submit a Tow Service Plan to the City describing how it will deploy its subcontractors in sufficient detail to allow City to determine that Contractor will meet service requirements specified in this Agreement. This plan shall be approved and adopted as part of the Operations Plan, as provided in Section 14 of this Appendix A.

3. Vehicle Intake Requirements

3.1 Tow Data

Contractor shall ensure that a record of each Dispatch Tow is created in ADS by means of a Tow Car data terminal or by computer at Central Dispatch within five (5) minutes of receiving the tow request and the record must be created in TVMS within fifteen (15) minutes of completion of the tow. A record of each Scheduled Tow shall be created in TVMS within fifteen (15) minutes of completion of the tow. In addition, within fifteen (15) minutes of the initial arrival of a towed vehicle at a Designated Facility, Contractor shall record, at a minimum, the following data:

- (1) the time the initial call for service was requested
- (2) the time the Tow Car arrived on the scene of the tow
- (3) the time the Tow Car arrived at the vehicle intake facility.
- (4) Contractor shall meet these timing requirements in ninety percent (90%) of all tows within any reasonable audit period identified by City.

3.2 Valuation

Contractor shall have each impounded vehicle assigned a Lien Category (Lien 1, Lien 2 or Lien 3 Vehicle) by trained personnel as soon as possible during vehicle intake, but in no event later than seventy-two (72) hours after the vehicle's initial arrival at a Designated Facility. Contractor shall assign a value to each vehicle under penalty of perjury as required by California Vehicle Code Section 22670(b). After Contractor initiates the lien process for a vehicle with the DMV, Contractor's valuation and classification of the vehicle under this Section 3.2 shall be subject to later adjustment only as directed by, or with the approval of, the City's designated Contract Monitor in compliance with the Vehicle Valuation Standards Plan as defined in Section 8.8(b). In no event shall any impounded vehicle be pulled from a pending auction for the purpose of reclassifying the vehicle after the auction has begun.

3.3 Inspection

(a) VIN

Contractor shall visually inspect any vehicle for which a lien is requested to confirm and record the VIN of each vehicle, and include the VIN in its lien request to the DMV within seven (7) days. Contractor shall notify the SFPD within twenty-four (24) hours of becoming aware of any vehicle in its possession for which the license plate and the VIN do not match. Exceptions to the deadline for collecting the VIN include:

- (1) Vehicles subject to SFPD investigative holds.

- (2) Vehicles identified as NO ID vehicles pursuant to Section 4.5 of this Appendix A which require SFPD inspection.
- (3) Other cases of extenuating circumstances as approved by the City.

(b) Personal Property

During intake inspection, personal property in the vehicle of more than nominal value that is visible from the exterior without opening any locked compartment shall be inventoried, and as part of the inventory Contractor shall record whether or not the vehicle has a locked storage compartment. This information shall be recorded in the TVMS system and/or the vehicle inventory forms that are kept on file at the Primary Storage Facility. Contractor, SFMTA, DPH and SFPD shall endeavor to keep the vehicle locked to the maximum extent possible during the towing and storage process. Contractor may remove and separately store personal property from the vehicle for security or other reasons as necessary.

3.4 Digital Photo Recording

Contractor shall have cameras at all vehicle intake facilities and shall take photos of all four (4) sides of the exterior of each vehicle the first time that it is brought into any Designated Facility, except for over-sized vehicles that cannot be brought into the Secondary Storage Facility through the main entrance and must enter the facility from the secondary entrance. These images shall be stored electronically and in a manner that allows prompt retrieval within one (1) working day of any City request. City agrees that the requirements of this Section 3.4 may be satisfied by extracting still images from continuous video footage.

4. Vehicle Handling Requirements

4.1 Improper Disposal of Vehicles

If, in violation of applicable law or this Agreement, Contractor releases, sells, disposes of, or otherwise loses possession of or is unable to locate within its possession any vehicle that it has towed or impounded under this Agreement, notwithstanding any other criminal or civil penalties levied by a court of law, Contractor shall have sixty (60) days to resolve any Claim filed by the vehicle owner, and must submit any proposed Claim settlement to City for approval prior to finalizing such Claim. If Contractor fails to satisfactorily resolve such Claim within sixty (60) days, City may require Contractor to pay to the vehicle owner the blue book value of the vehicle at the time of sale, destruction or loss of the vehicle as determined by the City. If City directs Contractor to resolve a Claim after sixty (60) days by paying the blue book value of a vehicle to the owner, City may assess liquidated damages against Contractor in accordance with Section 15 of this Appendix A. This contractual remedy shall not preclude the vehicle owner from taking any other appropriate legal action against the Contractor.

4.2 Vehicle Drop

The Tow Car operator shall release a vehicle without assessing any towing charges upon request of the SFMTA or SFPD officer or DPH employee present at the site of the tow. The City officer or employee may require release of the vehicle pursuant to this Section 4.2 when the owner or operator of the vehicle is present to claim the car before all of the following three (3) events occur:

- (1) The towing apparatus is completely attached to the vehicle in a manner consistent with the proper use of the Tow Car equipment and in accordance with industry standards, and

- (2) All required data has been collected, and
- (3) The Tow Car has been put in gear by the operator and has started to drive away.

The City may assess liquidated damages against Contractor pursuant to Section 15 of this Appendix A for failure to release a vehicle as required by this Section 4.2. In addition, the Contractor shall reimburse the owner or operator of the vehicle towed in violation of this Section all expenses incurred by the owner or operator to recover the vehicle plus \$100 per occurrence.

4.3 Personal Property Releases

(a) Standard for Release

Contractor shall only release personal property found within any vehicle in its custody when it is satisfied that the claimant is entitled to access the vehicle and its contents and the vehicle is not subject to a Police or Administrative Hold.

(b) Vehicles Subject to Hold

No person shall be allowed to retrieve personal property from a vehicle subject to an Investigative or Administrative Police Hold without the prior written authorization of the SFPD.

(c) Personal Property Release

A personal property release allows the claimant to enter the vehicle, with the supervision of Contractor, to obtain property from the towed vehicle. Contractor's supervision shall include preparing a written inventory of the items removed by the claimant, but Contractor shall have no responsibility for assisting the claimant to remove personal property from the vehicle. Contractor shall require the claimant to sign the inventory statement listing the item(s) they removed from the vehicle, and shall file the personal property release data collected in the TVMS system or in a paper file with a file name cross referencing the Tow Request ID in the TVMS.

4.4 Retrieval Requirements from Secondary to Primary Storage Facility

If the Customer's vehicle is stored at the Secondary Storage Facility, Contractor shall provide either a free shuttle service enabling a Customer who appears at the Primary Storage Facility to retrieve a vehicle directly from the Secondary Storage Facility, one-way taxi fare for the Customer between the Primary Storage Facility and the Secondary Storage Facility, or free Tow Car service to tow the vehicle back to the Primary Storage Facility. In all cases, the vehicle must be released to the Customer within one (1) hour of the Customer's payment of fees at the Customer Service Center, with the exception of the categories of vehicles listed in Section 11.1(c)(ii).

4.5 No ID Vehicles

(a) NO ID Designation

All vehicles with no visible VIN shall be impounded under a "NO ID" number and shall be designated as a vehicle subject to Investigative Police Hold and held for inspection by the SFPD Auto Detail regardless of which City agency initiated the Tow Request. NO ID vehicles shall be included in regular reports to the SFPD of Police Hold vehicles as specified in Sections 4.6(d) and 13 of this Appendix A. Contractor shall keep NO ID vehicles within the NO ID area (excluding oversized vehicles), with the exception that Contractor shall move a NO ID vehicle out of the NO ID area within twenty-four (24) hours of receiving a request to do so by the SFPD.

(b) NO ID Procedure

If a VIN is found following inspection by the SFPD, Contractor shall follow applicable lien sale provisions of the Vehicle Code for processing that vehicle. Otherwise, Contractor shall designate the vehicle as an "Unable to Identify" or "UTID" vehicle and, after receipt of a written release by the SFPD (DMV Form 462, "Public Agency Authorization of Disposal of Vehicle" or successor form), such UTID vehicle shall be disposed of as required by the Vehicle Code and in accordance with instructions on DMV Form 462 or successor form.

(c) SFPD Access to NO ID Vehicles

Contractor shall allow SFPD personnel with written authorization from the Chief of Police or an officer designated by the Chief of Police to remove parts from any NO ID vehicle, except as prohibited by Appendices B, C and D.

4.6 Procedures for Vehicles Impounded by the SFPD

(a) Investigative Police Hold Vehicles

The SFPD may designate any vehicle for which it has made a Tow Request as an Investigative Police Hold vehicle. Investigative Police Hold vehicles shall be stored in a segregated, secure area, which may be located in a Designated Facility. Within ninety (90) days of the Effective Date of this Agreement, Contractor shall provide secured and fenced Investigative Police Hold storage locations at the Designated Facilities which shall include the following features:

- (1)** A vehicle inspection area with six (6) indoor bays that contain car lifts, air compressors, and access to 220V electricity at the Primary Storage Facility.
- (2)** An office area with two (2) phone lines dedicated for use by SFPD personnel (upon request of the SFPD) at the Primary Storage Facility.
- (3)** Indoor space for at least twenty-five (25) NO ID vehicles; and
- (4)** Secured indoor space for at least 100 Investigative Police Hold vehicles; and
- (5)** Secured outdoor space for at least 175 Investigative Police Hold vehicles; and
- (6)** Contractor shall provide a covered storage space that holds at least fifty (50) vehicles secured for SFPD investigations at the Primary Storage Facility that meets with the approval of the SFPD. The SFPD has approved the following arrangement: Storage space for twelve (12) vehicles is located behind a secure fence under the freeway between columns R58 and R56. Additional space that can accommodate at least 38 vehicles is provided by a secure fence that will run from in front of the 6 bays to the carwash building, and from the carwash building to the fence line across from R56. Any change to this configuration must be approved, in advance and in writing, by the SFPD.

No person shall be allowed access to an Investigative Police Hold vehicle or retrieve personal property from such vehicle without written authorization from the SFPD. If the SFPD designates an Investigative Police Hold vehicle as an evidentiary vehicle at the time of the Tow Request, Contractor shall ensure that the towing and storage of the vehicle is conducted in accordance with any standards for handling and preservation of evidence provided to Contractor by the SFPD in writing. Contractor shall maintain the Investigative Police Hold areas in a manner which ensures its ability to locate vehicles requested by SFPD within one (1) hour of SFPD's request. Contractor may, from time to time, request training for Tow Car operators and Employees for the handling of evidentiary vehicles from the SFPD. Contractor shall submit Police Department Procedures to the City describing in detail how it will process Investigative Police Hold vehicles to meet service requirements specified in this

Agreement. These procedures shall be approved and adopted as part of the Operations Plan, as provided in Section 14 of this Appendix A.

(b) Release

Contractor shall not release or allow parts to be removed from any vehicle towed by the SFPD without a written release authorization from the SFPD. The SFPD will provide to Contractor a standard form to be used for all written release authorizations and a list of individuals authorized to sign vehicle and personal property releases, including exemplars of those individuals' signatures. Contractor may not release an Investigative Police Hold vehicle without a release form signed by an authorized individual as designated by the SFPD. Contractor shall inform the Customer that release of a vehicle subject to Police Hold may only be obtained by going to a SFPD station to request that the vehicle be released.

(c) Recovery of Stolen Vehicles

Recovered stolen vehicles may only be released upon presentation of SFPD Form 425 or as otherwise specified by SFPD in writing. Contractor shall cooperate with City in the coordination of electronic information between DMV and City, between City agencies, and between Contractor and City for the purpose of early identification of stolen vehicles and prompt notification of the owner. Procedures for waiver and reimbursement of towing and storage charges for stolen vehicles are described in Section 12.2(a) of this Appendix A.

(d) Reporting

(i) Reports Required

Contractor shall submit to the SFPD a weekly report listing all Investigative Police Hold vehicles that are currently being stored by Contractor in accordance with the requirements of Section 13 of this Appendix A, delivered to the person designated by the SFPD as the inspector in charge of auto investigative holds. Contractor shall issue reports to SFPD personnel designated by the Chief of Police in writing, the Director of SFMTA or her or his designee, and the SFMTA Contract Administrator upon occurrence of the following events:

- (1)** A "300 vehicle warning" notice on each day that the number of Investigative Police Hold vehicles stored by Contractor exceeds 300 vehicles; and
- (2)** An inventory report of Investigative Police Hold vehicles on each day that the number of Investigative Police Hold vehicles stored by Contractor exceeds 325 vehicles.

(ii) Police Hold Storage Charges

On each day or portion of a day that the Contractor has more than 350 Investigative Police Hold vehicles in storage, Contractor may charge the SFPD a daily Investigative Police Hold storage fee per vehicle, as further described in Section 12.2(b) of this Appendix A.

4.7 Administrative Hold Procedures

(a) Administrative Hold

SFMTA or the SFPD may designate a vehicle as an Administrative Hold vehicle. Contractor shall identify and track Administrative Police Holds as either "STOP" holds or "Traffic Administration" holds. Vehicles subject to Administrative Hold by the SFPD or the SFMTA shall not be processed or otherwise treated as Investigative Police Hold vehicles.

(b) Release Restrictions

Administrative Hold vehicles that are impounded in accordance with the provisions of the Vehicle Code, including Administrative Holds resulting from the SFPD's STOP Program, shall not be released until Contractor receives written authorization for the release by the SFPD. Contractor may proceed with the lien sale of the vehicle in accordance with all applicable lien sale requirements, without written SFPD release authorization. SFPD STOP Administrative Hold vehicles must be held for at least thirty (30) days prior to lien sale.

(c) *Administrative Hold Reports*

Within twenty-four (24) hours of a request from SFMTA or SFPD, Contractor shall produce a report of SFMTA and SFPD Administrative Holds that lists the City employee and department requesting the hold for each vehicle subject to Administrative Hold.

5. *Customer Service*

Contractor shall interact with Customers who contact Contractor for the purpose of retrieving towed vehicles in person, by phone using an interactive telephone answering system ("IVR") and live operators, and by internet. When a Customer makes an inquiry of Contractor by any means of communication, Contractor shall provide the Customer with accurate and timely information regarding their rights with respect to the towed vehicle under this Agreement and all applicable federal, state and local laws and regulations. Contractor shall at a minimum implement the Customer service activities described in this Agreement. All materials created by Contractor which are intended for use by Customers, whether in written, electronic or audio format, shall be made available in Spanish, spoken Cantonese and written Chinese. Contractor shall also make best efforts to provide bilingual staff to assist Customers in the Mandarin, Russian and Vietnamese languages.

5.1 *Customer Intake and Processing*

(a) *Telephone System*

Contractor shall establish and maintain one (1) customer service phone line that the City or the public may call for information regarding towed vehicles. This phone line shall be independent of the phone line used for requests for Dispatch Tows. Contractor shall make information available to City and Customers through both an automated IVR, as further described in Section 6.3 of this Appendix A, and through live operators as described in Section 5.1(b) below. The automated IVR and call distribution system to live operators must have sufficient lines, instruments, hardware, software, and overflow safeguards to meet the service requirements of this Agreement.

(b) *Live Operators*

Contractor's telephone operators must be available to respond to calls from the public twenty-four (24) hours per day, 365 days per year. During each monthly reporting period, at least ninety-five percent (95%) of all customer service calls received during Peak Service Hours must reach a live operator within three (3) minutes of request; of the remaining five percent (5%) of Peak Service Hour customer service calls, at least four percent (4%) must reach a live operator within ten (10) minutes of request. At all other times, at least eighty percent (80%) of all customer service calls must reach a live operator within three (3) minutes of request; of the remaining twenty percent (20%) of customer service calls, at least nineteen percent (19%) must reach a live operator within ten (10) minutes of request during the monthly reporting period.

(c) *In-Person Customer Service*

(i) ***Facility***

Contractor shall operate a Customer Service Center that is open to the public twenty-four (24) hours a day, 365 day per year. The Customer Service Center shall have equipment that records the time that each Customer enters the waiting area and how long they wait for service at the service window. Contractor shall store this data and summarize it in the Customer Service reports required by subsection 5.1(c)(v). In all cases, a vehicle must be released to a Customer within one (1) hour of the Customer's completion of all payment and documentation requirements for vehicle release.

(ii) ***Staffing***

During Peak Service Hours, Contractor shall maintain adequate and sufficiently trained staff to simultaneously serve six (6) Customers, including "quick service" window(s), in accordance with the standards set forth in this Agreement. Wait times for ninety-five percent (95%) of all customers served in person shall be no longer than ten (10) minutes.). Contractor shall cross-train all personnel so that window staff are trained to answer telephone calls if they are not assisting a Customer in person and call volumes require additional telephone operators. Telephone operators shall be trained to assist window staff when walk-in wait times exceed ten (10) minutes and windows are available. All Employees of Contractor who have regular, continuous contact with members of the public shall be neat in appearance and courteous to the public.

(iii) ***Customer Service Representative***

Contractor shall provide a Customer Service Representative in addition to the regularly scheduled service window staff and telephone operators. An appropriately trained Customer Service Representative shall be on duty during the hours of 7:00 a.m. through 7:00 p.m., Monday through Friday, excluding City holidays, to assist Customers apart from normal window service, including but not limited to escalated service inquiries, suggestions, Complaints, assistance to disabled Customers and other out-of-the-ordinary Customer needs. The designated Customer Service Representative may assist Customers at a window or assist telephone callers while not occupied with escalated service inquiries, so long as service level requirements for phone and walk-in service as defined in this Section 5 are met.

(iv) ***Self-Service***

Contractor shall provide Customers who use the self-service phone system and the self-service web site access to a special "quick service" window(s) or self-service kiosk(s) for expedited service.

(v) ***Reports***

Contractor shall submit a monthly Customer Service Report that shows window staffing patterns, average wait times for Customers, and number of Customers served by hour.

(c) ***Customer Service via Internet***

Contractor shall create and maintain an internet site that provides general information to the Customer, including the ability to ascertain the status of a specific towed vehicle and to make payments of Mandatory Fees with a credit card. Contractor's internet site shall generally be available twenty-four (24) hours a day, 365 days per year. Internet site maintenance and down-time should be scheduled between the hours of 12:00 a.m. and 6:00 a.m., except as otherwise necessary. City may assess liquidated damages pursuant to Section 15 of this Appendix A for failure to meet these standards; however Contractor may request a waiver of liquidated damages in advance of maintenance that must be performed outside the hours of 12:00 a.m. to 6:00 a.m.. Detailed specifications and requirements for the internet site are set forth in Section 6.4 of this Appendix A.

(d) ***Customer Service Manual***

Within forty-five (45) days of the Effective Date of the Agreement, Contractor shall create a Customer Service Manual for Employees describing the policies and procedures for assisting Customers with vehicles towed under this Agreement. This manual shall be a reference for Contractor staff and subcontractors. The Customer Service Manual shall include, but is not limited to Employee training, guidelines for dissemination of information to the public, specifications for the Customer Service Center, cleanliness and safety standards for all facilities, and procedures for solicitation of feedback from Customers served. The Customer Service Manual shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

5.2 Complaints and Claims

(a) Claims Procedure

Contractor shall establish a procedure by which persons whose vehicles have been towed and/or stored ("Claimants") may file a Claim against Contractor. Contractor shall respond to all Claims within fourteen (14) days of receipt of Claim, either to accept, deny or request further information for investigation. Contractor shall endeavor to resolve each Claim within ninety (90) days of receipt from Claimant, and shall resolve all Claims within six (6) months unless (i) such Claim is abandoned by the Claimant's failure to respond to Contractor's communication for a period of thirty (30) days, or (ii) the Claim is filed in court. Contractor shall in all cases endeavor to resolve Claims fairly and expeditiously. Contractor shall designate a Claims Manager who shall supervise Contractor's Claims procedures and shall be available during regular business hours to discuss Claims with Claimants in person or by telephone. Contractor shall maintain records of all Claims filed and of all correspondence with Claimants, denials of Claims, settlement offers and amounts paid on Claims.

(b) Complaint Procedures

Contractor shall establish a procedure by which Customers ("Complainants") may submit Complaints about Contractor's performance of the services under this Agreement. Contractor shall make available to Customers a Complaint Form, which shall include a self-addressed pre-paid postage envelope. Contractor's Complaint procedure shall allow Complaints to be submitted by mail, fax or internet. Customers shall be able to request a Complaint Form by telephone, fax, in person or by email. Contractor shall record the name, telephone number, and address of each Complainant and the details of each Complaint. Contractor shall respond to all Complaints, regardless of origin of request for service (by mail, phone, in person or by internet) within seven (7) days of receipt of Complaint.

(c) Claims/Complaint Status Reports

Contractor shall submit a monthly Claims/Complaint Status Report that contains the following information:

- (1) Claim/Complaint tracking number
- (2) Name of Claimant/Complainant
- (3) Date Claim/Complaint received
- (4) Name of Employee who processed Claim/Complaint
- (5) Brief description of Claim/Complaint
- (6) Estimated value of Claim, when available
- (7) Verified amount of Claim
- (8) Status of Claim/Complaint
- (9) Average Claim/Complaint resolution time

- (10) Brief description of Claim/Complaint resolution
- (11) Date of resolution of Claim/Complaint

Contractor shall deliver reports regarding Claims and Complaints to the City in accordance with the reporting requirements of Section 13 of this Appendix A. Contractor also shall retain any supporting documents submitted with a Claim or Complaint in accordance with Record retention requirements of this Agreement. Contractor shall respond to City requests to review Records related to Claims and Complaints within seven (7) days. Contractor shall track Complaints and Claims using both paper forms and electronic records. Using electronic records, Contractor shall provide the City with supplemental, specialized reports regarding any Complaint or Claim upon request within seven (7) days.

(d) ***Claims/Complaint Processing Plan***

Contractor shall provide the City with its Claims/Complaint Processing Plan, along with the form of Complaint and Claim forms to be used under this Agreement, within forty-five (45) days of the Effective Date of this Agreement. This plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

5.3 Dissemination of Information to the Public

(a) ***Posted Information***

The Contractor shall distribute the following information to its towing subcontractors and make available on its internet site and in the Customer Service Center, or in a different location as specified below, that are accessible to the public in a conspicuous location:

- (1) Statement that a complete copy of this “Tow Agreement with the City and County of San Francisco” is available for review on the internet (including the URL for the internet site) or may be obtained at the same maximum per-page costs for copies which the City makes available to the public under the Sunshine Ordinance, San Francisco Administrative Code Chapter 67.
- (2) A statement of the Customer's rights and obligations pursuant to Vehicle Code § 22852.
- (3) Schedules of all current towing, storage and additional charges as established pursuant to this Agreement.
- (4) Notice required by Vehicle Code § 22850.3 that any vehicle impounded pursuant to Vehicle Code § 22850 may only be released upon proof of current registration or upon issuance of a notice to appear with proof of correction of the registration violation, at the discretion of the impounding agency.
- (5) Notice explaining the right to a post-storage hearing and the procedure by which a post-storage hearing may be requested from SFMTA, DPH or the SFPD.
- (6) Procedures for filing a Claim for damages incurred to the vehicle or contents thereof as a result of the tow or while in storage, and associated Claim forms.
- (7) Procedure by which all unclaimed vehicles are sold at public auction, including the location of such auctions, and a statement indicating that all in attendance at such auction shall have an equal opportunity to bid.

- (8) List of publications in which such auctions are advertised.
- (9) Instructions for bidders interested in attending the public vehicle auctions.
- (10) At the Secondary Storage Facility, a preliminary list of all vehicles to be auctioned seven (7) days in advanced of the auction date.
- (11) At the Secondary Storage Facility, results of the previous vehicle auction, which must include the list of vehicles by make, model and year and the final sale price.
- (12) A list of Tow Car firms that Contractor has evaluated for compliance with industry standards based on maintenance of insurance and permits which are not affiliated with Contractor, along with their contact information, that Customers may contact for towing services.

(b) Translation of Posted Information

Except for items 5.3(a)(10) and 5.3(a)(11) above, information provided at the Customer Service Center shall be available to the public in English, Spanish, and Chinese and up to three other languages that may be designated by the City. For items 5.3(a)(10) and 5.3(a)(11) above, Contractor shall provide a summary sheet in Spanish and Chinese explaining how to read the lists of auctioned vehicles. Specifications for signage or documentation produced, including but not limited to multiple languages required, wording, size of letters, font used and methods of display shall be approved by the City in advance of posting or publication. Contractor shall publish all information listed above on its internet site and distribute it to all of its towing subcontractors.

6. Procedures for Vehicle Recovery

6.1 Form of Payment

(a) In-Person Payments

At the time that a Customer contacts Contractor by telephone, internet or in person, Contractor shall communicate the amount of all Mandatory Fees and any other fees owing as of the date of the contact, and shall collect all Mandatory Fees owing prior to releasing the vehicle to the Customer. Customer Service Center staff shall be trained in procedures to accept payments when electronic cash registers or Contractor's computer systems are not operational. The following forms of payment shall be valid for Customers making payment in person at the Customer Service Center:

- (1) Cash;
- (2) Personal checks with valid ID card as proof of identity if verified through check verification service provided by Contractor; and
- (3) Credit card (MasterCard, VISA, American Express, and Novus/Discover Card) with a valid ID card as proof of identity; and
- (4) Debit/ATM card with a valid ID card as proof of identity.

(b) Phone and Internet Payments

For payment over the phone or the internet, Contractor shall accept at a minimum:

- (1) Credit cards (Visa, Mastercard); and

- (2) Debit/ATM cards with credit card company affiliations suitable for internet payments.

6.2 Collection of Parking Citation Payments and Related Fees; Deposit

(a) Citation Payments

Contractor shall accept payment of Citations from all Customers at its Customer Service Center, regardless of whether or not the Customer has had a vehicle towed. In order to allow Contractor to accept Citation payments, City shall give Contractor access to its CMS through the City's WAN and/or via the internet. If a Customer wishes to dispute any Citation, Contractor shall refer the Customer to the SFMTA Citation Division.

(b) Outstanding Fees

At the time that a Customer contacts Contractor regarding payment of fees Contractor shall determine Customer's outstanding Citations and the amount due on each, using SFMTA's CMS. If Customer has five (5) or more Delinquent Citations, Customer must pay all Delinquent Citations before Contractor may release the vehicle. If Customer has fewer than five (5) Delinquent Citations, Contractor must inform Customer of the amount of fees due for outstanding Citations and the option to pay outstanding Citation fees through Contractor. If any person wishes to pay outstanding Citation fees that are not yet Delinquent, the Contractor shall accept payment at its Customer Service Center, or by internet or telephone credit card payment. At the time of payment, Contractor shall record Citation payments online in real-time to the CMS twenty-four (24) hours per day, 365 days per year. Notwithstanding the requirements of this Section 6, Contractor shall not be required to provide information over the internet on outstanding Citation fees, nor shall Contractor be required to accept credit card payments over the internet until such time as Phase 3 of Contractor's internet site is implemented, as described in Section 6.4 herein. Contractor shall not accept payments for Citations that are marked in the CMS as being under Administrative Review, Hearing, or Project 20. Contractor shall also require payments for boot fees that may have been charged prior to the vehicle being towed and any insufficient funds fees that may have been assessed for prior Citation payments.

(c) Collection Fees for Non-Towed Vehicle Citations

The threshold amount of funds collected daily for Citations associated with vehicles that have not been towed, under which amount Contractor is required to collect Citation fees for non-towed vehicles without any reimbursement credit from City (the "Daily Collection Limit"), is currently set at \$5,952 per day, based on the current average parking fine payment of \$48.29 per Citation (the "Average Citation Amount"). Should the amount collected by Contractor exceed the Daily Collection Limit amount more than twice within a given calendar month, Contractor shall be entitled to a processing fee in the form of a credit in an amount equivalent to seven and a half percent (7.5%) of the amount received above the Daily Collection Limit, beginning on the third (3rd) day and continuing on each day within the calendar month that Citation fee collections exceed the Daily Collection Limit. Should the Average Citation Amount increase or decrease by more than one percent (1%), the Daily Collection Limit shall increase or decrease by the same percentage. The Average Citation Amount and the Daily Collection Limit amount shall be reviewed by City and recalculated as necessary at the beginning of each contract year.

6.3 Interactive Voice Response System

Within sixty (60) days of the Effective Date of the Agreement, Contractor shall provide an interactive voice response system ("IVR") that will answer incoming calls and offer callers a choice of menus with information on towing services. Contractor's proposed telephone answering system, its

equipment, functionality and its message content shall be subject to review and approval by the City. At a minimum, the IVR must contain the following features:

- (1) Capability for users to obtain general information about the status and location of a vehicle, including Investigative and Administrative Police Hold information
- (2) Ability to hear a detailed listing and summarized total of all Mandatory Fees and other fees that have been applied to the vehicle (excluding Delinquent Citations)
- (3) Option to pay Mandatory Fees and other fees by credit card and receive instructions for the expedited release of the vehicle from a live operator (excluding Delinquent Citations)
- (4) Options for information on Contractor's locations and operating hours
- (5) Ability to listen to general information regarding Contractor and City policies and procedures
- (6) Information on the weekly lien sale auctions
- (7) Option to transfer to a live operator
- (8) The IVR must be functional ninety-seven percent (97%) of the time during the hours of 6:00 a.m. to 12:00 a.m. during a monthly reporting period.

Within 180 days of the date that the City provides an Application Programming Interface ("API") that Contractor can use to integrate its TVMS with the City's CMS, the Contractor's IVR shall provide the following additional capabilities: Contractor's IVR shall communicate in real-time with the TVMS to accept payments for any outstanding fees and optional services available to the public and with the City's Citation processing system to pay any outstanding Citations. The IVR shall advise the Customer of the date range for which the stated fees are applicable, as well as a time limit within which the vehicle must be retrieved without incurring additional storage charges once the fees have been paid. The IVR shall ensure that all fees for five (5) or more Delinquent Citations, boot fees and insufficient funds fees shall be included in the Mandatory Fees required for release of the vehicle presented to the Customer for payment on the IVR. In addition, Contractor must advise the Customer of any other outstanding amount listed in the Citation processing system. Contractor's IVR shall inform Customers of the payment of Mandatory Fees required for release of the vehicle, and shall separately advise of the amounts of any other outstanding fees that may be paid simultaneously through the IVR system. Following integration of the TVMS and CMS, Contractor shall provide Customers with the ability to make credit card payments for Mandatory Fees through its IVR system.

6.4 Internet Services

Within ninety (90) days of the Effective Date of this Agreement, Contractor shall design and implement an internet site that allows the Customer to access information on towed vehicles, not including outstanding Citation fees or the ability to make credit card payments over the internet ("Phase 2"). In Phase 2, a Customer shall be able to look up vehicle data on the internet site using a minimum of two (2) of the following data look-up fields:

- (1) License number
- (2) Make
- (3) Towed from location (by street name)

(4) Tow date

Within 180 days of the date that the City provides an Application Programming Interface (“API”) that Contractor can use to integrate its TVMS with the CMS, Contractor shall provide the ability for the public to access all information regarding a towed vehicle and all related outstanding fees and charges (“Phase 3”). In Phase 3, Contractor shall provide the capacity on its internet site to make on-line, real-time payments of Mandatory Fees and any other fees for Citations, using a credit card with appropriate security restrictions for payment types accepted. The internet site shall advise the Customer of the date and time range for which the stated fees are applicable, as well as a time limit within which the vehicle must be retrieved once the fees have been paid without incurring additional storage charges. The internet site shall ensure that all fees for five (5) or more Delinquent Citations, boot fees, and insufficient funds fees shall be included in the Mandatory Fees required for release of the vehicle that are presented to the Customer for payment on the internet site. Contractor’s internet site shall inform Customers of the payment amount of Mandatory Fees required, and shall separately advise of the amounts of any other outstanding fees that may be voluntarily paid through the internet site. The internet site created to satisfy the requirements of this Section shall meet Department of Telecommunications and Information Services standards for accessibility.

6.5 Vehicle Recovery

(a) Vehicle Location

Contractor's staff in the Customer Service Center and vehicle storage facilities shall be able to identify and locate a towed vehicle in Contractor's possession by using the license number, the VIN, or three (3) or more of the following identifiers: vehicle make and model, vehicle color, date of tow, and location of tow. Contractor's Customer Service Center and vehicle storage facility staff shall use the TVMS to provide information regarding the tow, and shall also be trained in procedures for manual processing of vehicle pick-up requests during times that the TVMS is not operational.

(b) Vehicle Release Procedure

When appearing to recover a towed vehicle, the Customer shall be required to provide evidence that she/he is a person entitled to possession of the vehicle. This shall include, but is not limited to, a key to the vehicle, a letter authorizing the person to pick up the vehicle signed by the registered owner, or a valid photo identification establishing a person's right to claim the vehicle. When Contractor is satisfied that the Customer is entitled to possession of the vehicle, Contractor shall record the identity of the Customer and the number of the photo identification provided by the Customer into the TVMS. After obtaining payment of all fees owing, the Customer shall be issued a tow receipt, with a copy to be signed by the Customer and retained by Contractor, and shall be directed to the Designated Facility where the vehicle is located to meet a Customer service agent. This Customer service agent shall either assist the Customer with the physical retrieval of their vehicle, direct them to the Contractor-provided shuttle, or arrange a pre-paid, one-way taxi ride to the Secondary Storage Facility in order to retrieve their vehicle. Contractor shall require any person who claims the right to possession of a vehicle to show a valid driver's license or to identify a licensed driver before allowing the vehicle to be driven off of the Contractor's facilities and onto the public streets, except that Contractor may release a vehicle towed by SFPD to the person listed on the release issued by SFPD without requiring that person to show a valid driver's license.

(c) Vehicles Not Subject to Release

Contractor shall not release a vehicle that is subject to Police or Administrative Hold without a written authorization for release from the agency that impounded the vehicle. Contractor shall not release a vehicle unless Mandatory Fees have been paid or have been waived as provided in this Agreement.

Contractor may not release any vehicle without proof of compliance with vehicle registration laws, which at the time of vehicle intake may be ascertained by visual inspection of registration tags on license plates. Contractor shall be liable for and hold City harmless from all claims arising out of the improper release of a vehicle, unless such release is caused solely by the negligence of SFMTA, SFPD, DPH or the DMV.

6.6 Form of Receipt

Contractor shall provide all Customers with a receipt for services rendered. The form of the receipt shall be subject to approval by City. All receipts shall include the following information:

A clear and succinct statement, in a legible text of at least 10-point type, informing the Customer that by law they may protest a vehicle tow, that a hearing to protest any tow must be requested within thirty (30) days from the date of tow, and setting forth current telephone numbers for SFMTA, DPH and the SFPD for the purpose of requesting a hearing. SFMTA may require changes to the language or form of such statement printed on Contractor's receipt. In addition, each Customer's receipt shall include the following information:

- (1) A complete, itemized schedule of fees and charges, and
- (2) Each individual Citation paid, listed by Citation number, the amount paid on that Citation, and the remaining balance due for any outstanding Citation.

6.7 Disclosure of Deficiency Claim at time of Vehicle Abandonment

Contractor shall provide written notice to Customers who abandon their vehicles at Contractor's facilities, informing the Customer that abandoning a vehicle is not sufficient to avoid towing and storage costs in excess of the vehicle's sale price, and that such towing and storage charges in excess of the vehicle's sale price may be subject to collection. Such notice shall include (1) the charges to date, and (2) the Lien Category expressed as the range of potential value of the vehicle. The form of such notice shall be subject to prior approval of the City. Contractor shall not provide such notice to owners of Lien 1 Vehicles, because Lien 1 Vehicles are not subject to deficiency claims.

6.8 Invalid Payments

Any costs incurred by or loss to Contractor resulting from the use of checks, counterfeit cash, credit cards, debit cards, or ATM cards, whether received in person, through the IVR or internet, shall be considered a business expense of Contractor and is not billable to the City under any circumstances.

7. Procedures for Lien Sales

7.1 Notification to Registered Owner

Contractor shall make a diligent effort to locate and contact the owner and any lienholder(s) for each impounded vehicle, in accordance with all state and local laws and regulations. Contractor shall request vehicle ownership information from the DMV for all vehicles stored at least seventy-two (72) hours, and shall, whenever ownership information is available, send lien notices to registered owners, lien holders and legal owners identified by the DMV between three (3) and seven (7) days from the date that the vehicle was towed. If Contractor is able to ascertain the identity of the owner of the vehicle and fails to send notice under this section within seven (7) days of the date that the vehicle was towed, Contractor shall waive storage fees for the vehicle for the eighth (8th) day of storage through the lien start date. Contractor shall use an electronic means of communicating its requests for vehicle license and ownership information to, and of receiving responsive information from the DMV.

Exceptions to the deadlines for providing prompt notice of storage to vehicle owners pursuant to this Section 7.1 include:

- (1) Vehicles subject to Investigative Police Holds. Ownership information for these vehicles should be requested and notices sent within seven (7) days after the hold is released by the SFPD, and storage charges shall begin to accrue as of the date of the release of the hold.
- (2) Vehicles identified as NO ID vehicles pursuant to Section 4.5 of this Appendix A which require SFPD inspection. Ownership information for these vehicles should be requested and notices sent within seven (7) days after vehicle identification has been provided by SFPD.
- (3) Vehicles with out-of-state license plates for which the DMV does not have ownership information. Lien notices for these vehicles must be sent to DMV in accordance with the requirements of the Vehicle Code.
- (4) Other cases of extenuating circumstances as approved by the City.

The form of notice sent to registered owners and lien holders shall be subject to Vehicle Code, Civil Code, and DMV requirements and prior approval by City. Lien sale notices shall include a statement that failure to claim a vehicle is not sufficient to avoid towing and storage costs in excess of the vehicle's sale price, and that, with the exception of Lien 1 Vehicles, such towing and storage charges in excess of the vehicle's sale price may be subject to collection. Lien sale notices shall also be accompanied by the following notice:

If your vehicle is sold at auction, you may be entitled to any proceeds that exceed the amount of the AutoReturn lien, any applicable City fees, and the amount of any unpaid parking citations on the vehicle. AutoReturn is required to send the excess proceeds to the California Department of Motor Vehicles to be deposited in the Motor Vehicle Account in the State Transportation Fund. If you do not claim the excess proceeds within three years of the date that the money is deposited into the Motor Vehicle Account, you may forfeit your right to the money under California Civil Code Section 3073. In order to find out if your car sold for more than our lien amount, you may contact the Lien Sale Unit at the Department of Motor Vehicles at the following address: California Department of Motor Vehicles, Lien Sale Unit, P.O. Box 932317, Sacramento, CA 94232-3170. Or, you may call the Lien Sale Unit at the following telephone number: 916-657-7976.

7.2 Lien Sales

(a) *Lien Sale Procedures*

Contractor shall comply with all state and local laws and regulations applicable to notice and conduct of lien sales of vehicles, including, but not limited to California Civil Code §§ 3068-3074 and Division 11, Chapter 10, Article 2 of the Vehicle Code (§§ 22650 *et seq.*), and any successor statutes. Contractor shall track lien-related dates, and process the official lien notification paperwork as required for lien sales in the state of California. Contractor's lien sale notice for Lien 2 and Lien 3 vehicles shall include the specific date that the vehicle is scheduled to be sold at auction, and Contractor may use this date to calculate the amount of storage charges due. Contractor shall not process the Bill of Sale and the Certificate of Lien Sale until the auction sale date and shall include on these forms the name of the buyer and the purchase price of the vehicle.

Unless City has given prior written approval to suspend a scheduled lien sale ("auction"), Contractor shall conduct lien sales at least weekly for vehicles that have been cleared for sale after the lien process

is complete. The day of the week for these auctions is subject to approval by City. City hereby approves Wednesday as a regularly scheduled auction day. Contractor shall submit a Public Auction Plan for the City's review and approval upon the Effective Date of the Agreement. The Public Auction Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

(b) Pre-Registration

Contractor shall require all persons who desire to purchase vehicles at auction to pre-register. Contractor shall require all registrants to provide photo identification with current address. Contractor shall maintain records of each purchaser's name and address. Contractor may develop lists of auction participants who demonstrate a tendency to purchase and subsequently abandon vehicles purchased at auction, and may prohibit such persons and any other persons who are known to have engaged in illegal conduct or conduct prohibited by this Agreement before, during or after an auction from submitting bids.

7.3 Post-Lien Sale Procedures

(a) Driver's License and Vehicle Registration

Contractor shall require the purchaser of a vehicle or the purchaser's agent to show a valid driver's license before driving the vehicle off of any Designated Facility and onto the public streets. Contractor shall comply with applicable Vehicle Code requirements for the transfer of title, including but not limited to the requirement of filing a notice of transfer of title pursuant to Vehicle Code § 5900. Contractor shall cooperate with City in implementing any program to provide on-site vehicle registration during vehicle auctions.

(b) Deficiency Claims

Following sale of any vehicle for which Contractor wishes to maintain a Deficiency Claim under California Civil Code § 3068.1, after the sale and before attempting collection of the Deficiency Claim Contractor shall send a notice to the registered owner of the amount of the Deficiency Claim, the basis of charges, including the dates and amounts of towing and storage fees, the make, model and license number of the vehicle that is the basis for the claim, and the amount of the debt, including the amount that is offset by money recovered from the sale or salvage of the vehicle. Documentation of any amounts received by Contractor for the sale or salvage of the vehicle shall be included with such notice. In the event that Contractor utilizes a third-party vendor to provide collection services for these Deficiency Claims, Contractor shall contractually require the third-party vendor to meet the notice requirements of this Section 7.3(b). The form of such notice, whether sent by Contractor or by a third-party vendor, shall be subject to prior approval by City. Contractor waives the right to collect any Deficiency Claim for which it has not complied with the notice requirement of this Section; however Contractor may pursue a Deficiency Claim in spite of a failure to provide adequate notice as required herein if it cures such failure by sending a notice that meets the requirements of this Section within ten (10) days of receiving a written request for documentation of the debt from the vehicle's legal owner, registered owner or the City. Contractor shall not maintain a Deficiency Claim for any Lien 1 Vehicle.

7.4 Disposal of Unsold Vehicles

Contractor shall ensure that Lien 1 and other vehicles not sold at auction are removed from the Secondary Storage Facility at least once per week.

8. Staffing Requirements

8.1 Adequate Staffing

Contractor shall employ adequate numbers of qualified personnel to perform the required services in accordance with the standards specified in this Agreement. The City may require Contractor to hire additional Employees if it reasonably determines that additional Employees are necessary to perform the services required under this Agreement to the specified standards. Criteria to be used in making this determination include but are not limited to any combination of the following:

- (1) Tow response times, or
- (2) Wait times for walk-in Customers at Customer Service Center, or
- (3) Vehicle delivery times to Customers, or
- (4) Live operator wait-times for phone Customers, or
- (5) Ten percent (10%) change in the number of Complaints, based on monthly Complaint report data, and at least ten (10) more Complaints than the prior month.

8.2 Subcontractors

(a) Subcontractor Designation

Contractor may subcontract with one or more towing service companies for the provision of towing services to Contractor in accordance with the standards of this Agreement. A list of the Contractor's pre-selected and pre-qualified subcontractors shall be submitted upon the Effective Date of this Agreement for City's approval. Consistent with the provisions of Sections 27 and 31 of the Agreement, Contractor shall notify the City in writing prior to deleting or adding any towing subcontractors. Contractor shall provide the City with copies of all subcontractor agreements within five (5) days of the Effective Date of this Agreement and required insurance certificates that identify the Contractor and City as co-insured parties for those subcontractors (not including Worker's Compensation Insurance). Contractor shall also provide copies of subsequent subcontract amendments within five (5) days of any such amendments to its subcontractor agreements.

(b) Subcontractor Compensation

Contractor shall not pay compensation to towing subcontractors based solely on a flat fee per tow. City may require Contractor to change any element of its compensation structure if it results in an undue number of subcontractor complaints or Customer service problems. Upon the Effective Date of this Agreement, Contractor shall submit a Subcontractor Compensation Plan to City for approval as part of the Operations Plan in accordance with the procedures set forth in Appendix A, Section 14.

(c) Subcontractor Performance Standards

Contractor shall define Subcontractor Performance Standards for all Tow Car operators. At a minimum, Performance Standards shall require compliance with all applicable Vehicle Code and San Francisco Police Code requirements for Tow Car operators and Tow Car firms. Subcontractor Performance Standards shall be provided to the City upon the Effective Date of this Agreement. The Subcontractor Performance Standards shall be approved and adopted as part of the Operations Plan as provided in Appendix A, Section 14. Contractor shall audit compliance with these standards quarterly, beginning on a date no later than one hundred and eighty (180) days from the Effective Date of this Agreement, and shall provide written audit results to the City. Contractor's quarterly audit shall, at a minimum, audit subcontractors for compliance with the requirement to maintain valid licenses and permits. The City reserves the right to require the Contractor to perform more frequent audits. Contractor is responsible for any and all claims arising out of the Contractor's failure to maintain current permits and licenses.

(d) Subcontractor Compliance with Licenses and Permits

Contractor shall maintain current and valid City licenses, permits and proof of insurance necessary to perform the services required for this Agreement. Contractor shall require in its subcontracting agreements that all subcontractors maintain current and valid City licenses, permits, and proof of insurance, including but not limited to Articles 30 (Permits for Tow Car Drivers) and 30.1 (Permits for Tow Car Firms) of the San Francisco Police Code or successor Tow Car or Tow Car firm permitting ordinances, and shall require all subcontractors to demonstrate evidence of such licenses, permits and insurance at the time of executing the subcontracts.

(e) Subcontractor Identifying Equipment and Uniforms

All subcontractor personnel who have regular, continuous contact with members of the public shall be neat in appearance and courteous to the public. Contractor shall ensure that all Tow Cars used by its subcontractors for the provision of towing services shall bear a permanently attached sign stating Contractor's and subcontractor's trade name and telephone number in characters at least two inches high and an identifying number in characters at least three inches high on both sides of the vehicle. Detachable magnetic signs may not be used. Contractor shall include in subcontracts the following uniform requirements for subcontractors:

- (1) All Tow Car operators must display photo ID badges at all times when on duty. The form and design of the photo ID badges must be approved by the City.
- (2) All Tow Car operators must wear at all times a standard colored shirt with the name of the employee affixed to right or left side of the shirt. The Contractor or subcontractor's company name shall be displayed on the opposite side of the shirt and/or jacket.

8.3 Training

Contractor shall be responsible for all training costs for its Employees. City shall approve all training programs proposed by Contractor in advance of implementation. Contractor shall review the Employee Training Plan with the City annually. Contractor shall submit within ninety (90) days of the Effective Date of the Agreement an Employee Training Plan to the City for review and approval. The Employee Training Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A. In approving the Employee Training Plan, City shall give Contractor credit for training provided to Employees during the term of the Emergency Interim Agreement to the extent that it meets the requirements of this Section.

Within thirty (30) days after the Effective Date of the Agreement, Contractor shall have every Employee attend twenty-four (24) hours of professional job training, including customer service training. In addition, Contractor shall conduct a minimum of eight (8) hours of professional customer service training annually for all Employees who perform duties involving significant Customer contact. Contractor shall require certificates of completion for each Employee and shall file these in Employee personnel files with copies sent to the City within five (5) days of completion of training. Contractor shall require in its subcontractor agreements with Tow Car operators that all Tow Car operators performing services for Contractor shall participate in one four (4) hour customer service training session annually. Contractor must provide one such four (4) hour training session annually for towing subcontractors at its own expense; however, when additional training sessions for new subcontractor employees are required Contractor may pass the cost of such trainings on to the subcontractors.

8.4 Policy and Procedure Manual

Contractor shall submit within ninety (90) days of the Effective Date of the Agreement a Policy and Procedure Manual to the City for review and approval. The Policy and Procedures Manual shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A. Contractor shall require in its subcontracting agreements that all subcontractors shall adhere to Contractor's Policy and Procedures Manual. The Policy and Procedures Manual shall differentiate between the responsibilities of each subcontractor where necessary.

8.5 Staffing Plan

Within forty-five (45) days of the Effective Date of the Agreement, Contractor shall provide a Staffing Plan to meet all service and performance requirements of the Agreement. Contractor's Staffing Plan shall indicate the number of people and positions it will provide to perform the services required in this Agreement. The Plan shall provide the name, title and time allocation (percentage of dedication to the proposed Agreement) for each staff person. The Staffing Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

8.6 Management Changes

Contractor shall provide written notice for City approval prior to any permanent changes or substitutions of executive or management Employees, for any substitutions longer than six (6) weeks. SFMTA may request a change in contract personnel or reject any substitution. The Contractor shall notify the City within five (5) days of occurrence any terminations or resignations of Contractor's executive or management Employees.

8.7 On-Call Manager

8.8 Contractor shall have a manager with the authority to make decisions regarding Agreement-related issues who shall be available or on-call at all times through the use of mobile phones, pagers, or two-way radios for all operational functions. Contractor's system for providing the City with access to the manager at all times must be approved, in writing, by the City. Contract Monitor

(a) Contract Monitor Payment Fund

Within 30 days of the Effective Date of this Second Amendment to the Agreement, and within 30 days of each anniversary of that Effective Date during the Term of the Agreement (the "Anniversary Date"), Contractor shall make a payment to the City ("Contractor Monitor Payment") to be used by City for the sole purpose of employing a Contract Monitor who shall monitor Contractor's compliance with the Agreement, its Appendices, the Operations Plans and relevant California law as directed by City. The initial Contract Monitor Payment shall be \$140,000, which shall be adjusted annually in direct proportion to the percentage increase in the current Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area ("CPI") for the month immediately preceding the applicable Anniversary Date ("Current Index") over the CPI for the month of June 2010 ("Base Index"). In no case shall the Contract Monitor Payment, as adjusted, be less than the Contract Monitor Payment made on the previous Anniversary Date. If the Current Index has increased over the Base Index, the adjusted Contract Monitor Payment shall be determined by multiplying the initial Contract Monitor Payment by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, as follows:

Current Index
Base Index x initial Contract Monitor Payment = Adjusted Contract Monitor
Payment

(b) Duties of Contract Monitor

The Contract Monitor shall have broad audit and investigation authority. The Contract Monitor shall review the Contractor's classification of vehicles as Lien 1, Lien 2, or Lien 3 and has the authority to require Contractor to change the classification to protect vehicle owners prior to the Contractor sending the lien notice to the DMV. The Contract Monitor's decision to change the classification of a vehicle must be in accordance with Vehicle Valuation Standards Plan, which shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

The Contract Monitor's duties shall include such duties as City, in its sole discretion, shall specify. In addition, the Contract Monitor is hereby authorized to act as SFMTA's representative for the purpose of conducting any inspection authorized by Section 11.6 of Appendix A of this Agreement.

Contractor shall notify Contract Monitor of the day of regularly scheduled weekly auctions. Contractor also shall notify the Contract Monitor a minimum of three (3) days before any additional auctions will take place. Contractor shall provide the Contract Monitor a report of all vehicles being auctioned, which shall include at a minimum the vehicle makes, models and the minimum asking price as determined by Contractor. The Contract Monitor has the authority to require Contractor to reduce the minimum bid amounts, if any, prior to the auction.

8.9 Vehicle Auctioneer

(a) Auctioneer Staffing Plan

Contractor shall contract for the services of an independent auctioneer at Contractor's expense. Contractor shall replace a full-time auctioneer at least once per year except with the City's prior written approval. Upon Contractor's request, and with prior written approval by City, an individual who has served as a full-time auctioneer in the past, but not within the preceding year, may again act as a full-time auctioneer. A full-time auctioneer is defined as one who has performed more than 50% of the auction within a given contract year. Within forty-five (45) days of the Effective Date of the Agreement, Contractor shall provide to City an Auctioneer Staffing Plan, which shall include the method for selection and screening of candidates for the position of auctioneer, the duties of the auctioneer, and the measures that Contractor shall take to ensure that no sales are made at auction in violation of Section 8.9(c) of this Agreement. The Auctioneer Staffing Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

(b) Information Provided to Auctioneer

Contractor shall notify the auctioneer of the day of regularly scheduled weekly auctions. Contractor also shall notify the auctioneer a minimum of three (3) days before any additional auctions will take place. Contractor shall provide the auctioneer a report of all vehicles being auctioned, which shall include at a minimum the vehicle makes, models, and the minimum asking price as determined by Contractor ("Auctioneer Report").

(c) Vehicle Sales to Certain Individuals Prohibited

Contractor shall not knowingly sell vehicles at auction to any individuals meeting the following criteria (collectively, "Restricted Auction Participants"):

- (1) The Contract Monitor and any Close Family Member of the Contract Monitor;
- (2) Contractor's employees and any Close Family Member of Contractor's employees;

(3) Any individual designated to provide auditing services under the Agreement as described in Section 12.6; and

(4) Any person who is acting or has acted within the previous five years as Contractor's vehicle auctioneer, and any Close Family Member of a person who is acting or has acted within the past five years as Contractor's vehicle auctioneer.

Any auctioneer who knowingly has accepted bids on lien sale vehicles in violation of this Agreement, or who conducts an auction that in any way benefits the auctioneer's own financial interests or the financial interests of any Close Family Member, shall be immediately disqualified from conducting any future auctions. The Contractor must act immediately to dismiss an auctioneer if it has actual knowledge of any conduct on the part of the auctioneer that is prohibited under this Section, and must immediately notify the City if it has actual knowledge or suspicion of any conduct on the part of the auctioneer that is prohibited under this Section.

Contractor shall not be responsible for screening auction participants for improper relationships, except that Contractor must obtain and verify a list of the Restricted Auction Participants at the time of any changes to the current employee list, the Contract Monitor, the Auctioneer and/or the individuals designated to provide auditing services under the Agreement. On at least a quarterly basis, Contractor must utilize the most current list of Restricted Auction participants and a random sample set of vehicles sold through the auction during the given evaluation period to determine if any vehicle sales within the sample are prohibited under this Section. The sample should contain no less than 1% of the vehicles sold for the evaluation period.

Contractor must establish a clear employment policy that prohibits employees and their Close Family Members from making purchases of vehicles at Contractor's auctions. The policy must be included in Contractor's employee policies manual that all new employees are required to review and acknowledge acceptance of at the time of employment. The Contractor must act immediately initiate termination proceedings for any employee found to have violated this policy and must immediately notify the City if it has actual knowledge or suspicion of any employee violating this policy.

For the purpose of this Section, the term "Close Family Member" shall mean an individual's spouse, child or parent.

9. Equipment and Information Services Requirements

9.1 Tow Cars

Contractor shall provide regular and heavy duty Tow Cars staffed with trained operators twenty-four (24) hours a day, 365 days per year, within response time requirements, to perform any type of vehicle removal that is the subject of a Tow Request from any public street or highway or private property within the City in accordance with the requirements of the Vehicle Code and the Traffic Code, including, but not limited to, the following types of tows:

- (1) Towing of large and oversize vehicles
- (2) Towing from off-road areas
- (3) Towing from low-clearance areas and underground garages

- (4) Towing of evidentiary vehicles
- (5) Towing vehicles involved in collisions
- (6) Towing of vehicles with anti-theft locking devices.

All Tow Cars used in the performance of tow services under this Agreement shall be in good mechanical and operating condition and clean on the interior and exterior. Contractor's agreements with subcontractors for towing services must require subcontractors to comply with maintenance and cleanliness standards for Tow Cars and auxiliary equipment set forth on the California Highway Patrol form number 234 "Annual Tow Car Inspection Report" or successor California Highway Patrol form. Contractor shall conduct random inspections of all Tow Cars and Tow Equipment provided by subcontractors at least quarterly, on an inspection schedule that ensures that the entire fleet and all operators are inspected over a twelve (12) month period. Contractor shall require compliance with such random inspections in its subcontracts for towing services. Contractor shall submit all inspection results to the City.

9.2 GPS Tracking Systems for Tow Cars

(a) GPS Equipment

Subcontracts for towing services shall require that all Tow Cars or Tow Car operators used to provide services under this Agreement be equipped with a global positioning tracking system ("GPS") within ninety (90) days of the Effective Date of this Agreement. The GPS device selected for use in the Tow Cars must allow City to accurately track the location of the Tow Car operator in accordance with the specifications set forth in Section 15.5(5) of this Appendix A while it is used to provide services under this Agreement. If the selected GPS device does not meet the City's reasonable expectations based on the GPS standards set forth in the RFP, the City reserves the right to require an alternate device be used, including one that is affixed to the Tow Car.

(b) GPS Software

Contractor shall acquire and maintain all necessary software licenses for this GPS tracking system. Contractor shall provide to City, at Contractor's sole cost, access to the GPS tracking system using an internet based interface or client-server application that can operate on the City's WAN. Contractor shall install and configure GPS software, provide training for the use of the software, and support all activities related to the City's use of the GPS tracking system.

9.3 Two-Way Radio Communications Equipment

On the Effective Date of this Agreement, Contractor shall issue a two-way radio to each Tow Car operator that shall be used when direct voice communication is required or as a backup communication method, and to enable digital, hands-free communication between Central Dispatch and the Tow Car. All radio communications between Central Dispatch and a Tow Car shall be monitored by supervisory personnel and recorded (as described in Appendix A, Section 1.3). Contractor shall also issue a minimum of two (2) radios to SFMTA to be used as an alternative communications method between City dispatchers and Contractor dispatchers. Contractor shall be responsible for all costs associated with two-way radios that are issued to the City; however, Contractor may recover costs for radios distributed to subcontractors from those subcontractors.

9.4 Tow Car Data Terminal

Within 180 days of the Effective Date of this Agreement, Contractor shall send the initial basic information collected on every vehicle towed (field officer requested tows only) by each Tow Car in

real-time to the TVMS using a data terminal or other device available in each Tow Car. Contractor shall train Employees and subcontractors on the manual procedure for inputting the initial basic information on towed vehicles if the Tow Car data terminals are not working. When Tow Car data terminals are not working, the information shall be communicated from the Tow Car operators in the field to Central Dispatch via two-way radio communications. This initial communication will create a new record indexed to the unique, system-generated field in the TVMS for every tow provided by Contractor, herein referred to as the "Tow Request ID" for the purpose of this Agreement only; Contractor may use any clearly defined field name in the TVMS. The basic information reported on every towed vehicle must at a minimum, include at least three (3) of any of the data elements from the following list; however City may, by written notice to Contractor, require that the vehicle license plate number be a mandatory data element for the purposes of this Section:

- (1) Vehicle license plate number
- (2) Vehicle make
- (3) Vehicle model
- (4) Vehicle color
- (5) Location of the tow (street and cross street)
- (6) Tow date and time.

9.5 Vehicle Tow Records and CMS

Within ninety (90) days of agreement by the parties on an interface design and joint project plan, Contractor shall create an interface between its TVMS and the City's CMS so that records on each towed vehicle are created in the City's CMS in real-time as the tows occur (field officer requested tows only). In addition, this interface must ensure that agreed-upon updates made by Contractor to a towed vehicle record in the TVMS are updated in the City's CMS in real-time for any data element that is shared by the CMS and the TVMS (both dispatch and field officer requested tows). Contractor must provide City with information to update the CMS with all intake information within one (1) hour of the intake of the vehicle. In any instance in which the CMS and TVMS have matching information for the vehicle, Contractor must enter all release information into the CMS within twenty-four (24) hours of release of the vehicle. If the vehicle's identifying information cannot be matched between the CMS and the TVMS, Contractor shall report the discrepancy to SFMTA within two (2) business days, excluding weekends and holidays. Contractor shall update the City's CMS via a "simple screen swipe" method, for the purposes of inserting new tow information (field officer requested tows only) through the interface; however, if Contractor identifies a more efficient, cost effective method which the City approves in writing, Contractor may implement such alternative method at its own cost.

At any time during the Term of this Agreement, with the City's prior, written approval, and subject to all conditions contained in such approval, the parties may agree to eliminate the use of the City's CMS for entering and tracking towed and impounded vehicles. Should the parties agree to eliminate the data entry of new tow information into the CMS, the interface requirements of this Section 9.5 would not longer apply. Likewise, Contractor would no longer be required to update CMS when a vehicle is released or sold (removed from the impound facilities). Instead, the sole record of towed and impounded vehicles would be the Contractor's TVMS system, and the City would have the right to audit this data at any time using reasonable auditing methods. If a record of towed and impounded vehicles is no longer maintained in CMS, the Contractor would be required, on a daily basis, to provide

the City with a list, in an electronic format that is approved by the City, of all vehicles that are currently impounded.

9.6 Electronic Tow Inventory Slips

Within sixty (60) days of the Effective Date of this Agreement, Contractor shall provide electronic storage of all tow slip information in the TVMS system. The tow slips shall be processed and entered into the TVMS system as soon as the vehicle is delivered to one of the Designated Facilities, and never more than eight (8) hours after a vehicle is towed. Contractor shall ensure that City has remote electronic access to the tow inventory slip information at all times. Contractor shall also scan all manually written tow slips and store the tow slip as an electronically scanned image, cross-referenced to the tow record in the TVMS. Contractor shall provide a hotline for technical assistance related to electronic tow inventory slips Monday through Friday from 8:00 a.m. to 6:00 p.m., with pager or mobile phone access during all other hours.

10. Towed Vehicle Management System

Contractor shall maintain detailed electronic records of each tow in its TVMS. The TVMS shall assign a unique, system-generated Tow Request ID to each Tow Request made during the term of this Agreement. All information related to the towing, impoundment, and disposition of any vehicle currently impounded or previously released, sold or disposed of, including references to manually written (paper) tow slips, shall be searchable in the TVMS using the Tow Request ID. This system must be capable of providing to SFMTA a daily record containing information including the date of the Tow Request, the make, model, license plate number, and VIN of all towed vehicles and the current status of all towed vehicles. Towed vehicle information must be entered into the TVMS within three (3) days of the date of the tow.

For Dispatch Tows, information about vehicles that are dropped or not towed for some other reason shall be recorded in the Contractor's TVMS but Contractor shall not generate any record for the purpose of assessing charges for tows of such vehicles.

10.1 Computer Hardware and Software

Contractor shall use Microsoft Windows 2000 Server, or later version, VMware ESX Server 3.5, or later version, or CentOS 5.x, or later version, as the operating system of its servers. Contractor shall use Windows XP Professional, or later version, as the operating system for its desktop computer workstations. The location of the Contractor's data center in which information for the TVMS is hosted must be approved by the City. As of the Effective Date of the Agreement, City hereby approves the location of Contractor's data centers, at the following locations:

- (1) TVMS: SoftLayer Technologies, Inc., Seattle, Washington;
- (2) ADS: Evocative, Inc., Emeryville, California; and
- (3) Other Applications: the Evocative data center and the data center located at Contractor's Customer Service Center.

Contractor shall not under any circumstances maintain the TVMS using proprietary software that prevents data extraction and analyses into any general industry-wide database system protocol, such as Oracle or Microsoft SQL.

Contractor shall provide the following specified hardware for the City's use to connect the City network to the Contractor's network. All the equipment that is installed in the City's data center and required to terminate the secure, point-to-point connection between the City and Contractor networks shall become the property of the City at the expiration or termination of this Agreement. The requirement that Contractor provide this equipment is subject to the provisions of Section 10.2 If the City, in writing, removes the requirement for the T1 data line, the associated equipment will no longer be required.

(a) ***Firewall Configuration***

Cisco (PIX-506E-BUN-K9)

Product	Description	Quantity
PIX-506E-BUN-K9	PIX 506E 3DES/AES Bundle (Chassis, SW, 2 FE Ports, 3DES/AES)	1
CAB-AC	Power Cord, 110V	1
SF-PIX-506-6.3	PIX v6.3 Software for the PIX 506E Chassis	1
PIX-506-SW-3DES	PIX 506E3DES/AES VPN/SSH/SSL encryption license	1
PIX-VPN-CLNT-K9	Cisco VPN Client Software (Windows, Linux, Solaris)	1
CON-OSP-PIX506BN	ONSITE 24x7x4 PIX 506E 3DES/AES Bundle (Chassis, SW, 2)	1

(b) ***Router Configuration***

(CISCO 1760)

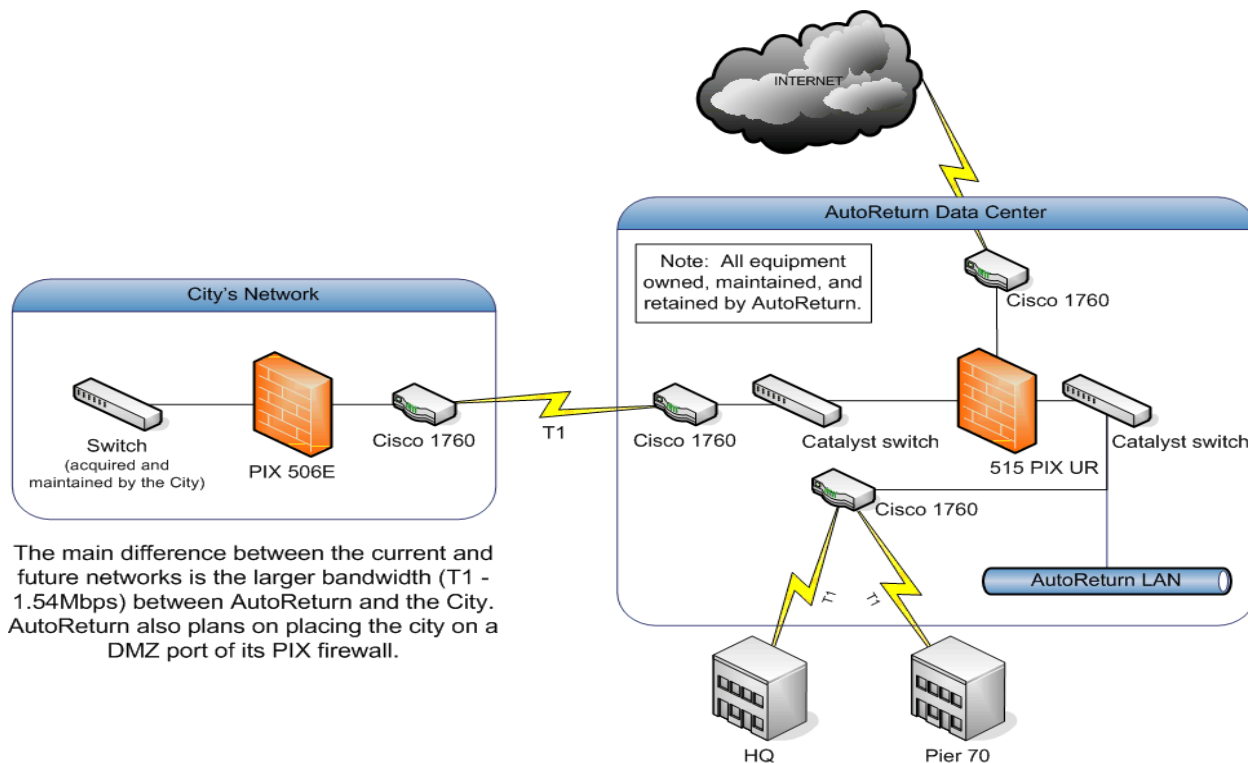
Product	Description	Quantity
CISCO1760	10/100 Modular Router w/ 4 slots, 19-in. Chassis, 32F/64D	1
S17B-12215T	Cisco 1700 IOS IP/IPX	1
WIC-1DSU-T1	1-Port T1/Fractional T1 DSU/CSU WAN Interface Card	1
CAB-AC	Power Cord, 110V	1
ROUTER-SDM	Device manager for routers	1
CON-SOP-1760	24x7x4 Onsite Svc, 10/100 Modular Router w/ 2WIC/VIC, 2VICs	1

See Figure 1 for further configuration details.

Figure 1: Overview of Connectivity Between City and Contractor Networks

Connectivity between the City and Contractor Networks is as follows:

- The City's Network consists of a Switch acquired and maintained by the City, connected to a PIX 560E, connected to a Cisco 1760. The main difference between the current and future networks is the larger bandwidth (T1-1.54/bps) between AutoReturn and the City. AutoReturn also plans on placing the city on a DMZ port of its PIX firewall.
- The AutoReturn Data Center consists of three branches that all connect to the 515 PIX UR. The first branch connects a Cisco 1760 to a Catalyst Switch to the 515 PIX UR, the second branch connects the Internet to a second Cisco 1760 to the 515 PIX UR and the third branch connects both headquarters and Pier 70 via T1 line to a third Cisco 1760 that connects to a second Catalyst switch to the 515 PIX UR. The 515 PIX UR also connects through the second Catalyst switch to AutoReturn's LAN. Note: All equipment in the AutoReturn Data Center is owned, maintained, and retained by AutoReturn.
- The City's Network and the AutoReturn Data Center connect to each other via a T1 line.



10.2 Network Connections

Within thirty (30) days of the Effective Date of the Agreement, or other date approved in writing by City, the Contractor shall provide data lines to connect the following locations to the Contractor's TVMS:

Contractor Division	Location
Customer Service Center	450-7th Street
Primary Storage Facility	450-7th Street
Secondary Storage Facility	Pier 70

Note: Alternate sites may be approved by the City.

Contractor shall provide T1 Internet data lines that connect the Customer Service Center and Primary Storage Facility to the Contractor's TVMS. Contractor shall provide data connections to the Primary and Secondary Storage Facilities using a T1 data line. Contractor shall install a firewall at all locations where there is a direct connect to the Internet to ensure the security of the data.

Within thirty (30) days of the Effective Date of this Agreement, or other date approved in writing by City, Contractor shall provide a T1 data line that connects the Customer Service Center with the SFMTA server headquarters at 1 South Van Ness Avenue. This connection will be used to provide a connection to the Contractor's TVMS for City staff and create a pathway for the Contractor's staff and systems to access the City's CMS. At any time during the Term of this Agreement, with the City's prior, written approval, and subject to all the conditions contained in such approval, the parties may agree to eliminate the requirement for the T1 data line that connects the networks of the City and Contractor. Because both the CMS and TVMS systems can now be accessed directly via the Internet, the parties may agree to eliminate the T1 data line to simplify the systems administration for the City and Contractor, and to eliminate the monthly costs of both the data connection and the associated networking equipment (see Section 10.1).

Contractor shall provide the following City locations with real-time access to the Contractor's TVMS within thirty (30) days of the Effective Date of this Agreement:

City Division	Location
SFMTA Enforcement	505-7th Street
SFMTA Citation Division	11 South Van Ness Avenue
SFMTA Hearing Division	11 South Van Ness Avenue
SFMTA Administration	1 South Van Ness Avenue, 8 th Floor

City Division	Location
SFPD NOID Office	Pier 70
SFPD STOP Program	850 Bryant Street

For users located at the City locations listed above who cannot connect to the Contractor's system using either a direct connection to the Internet or the data line connecting the Customer Service Center to 1 South Van Ness Avenue, Contractor shall configure a single Virtual Private Network (VPN) utilizing 3DES encryption per location. Remote clients shall be able to connect to Contractor's network through remote VPN client software and DSL Internet connections. Contractor shall bear only the cost of the DSL Internet services and the corresponding DSL modems and/or routers. City shall identify and provide a computer (Windows XP, or later version) in each location on which the VPN client software will be installed, for which the DSL Internet service will be established, and for which the access to the Contractor's TVMS will be provided. The City shall also be responsible for any telecommunications cabling that is required for the DSL connections to be established in each location.

10.3 City Access to TVMS

Contractor shall provide the City with direct, real-time access to the TVMS. Access to the TVMS shall be controlled using sufficient security protocols and procedures to protect the security of the City's network. Contractor shall issue user logins and passwords to authorized City staff members as needed and requested by the City. All costs associated with providing the City with access to the TVMS, including any required hardware and data lines (as described in Sections 10.1 and 10.2), shall be the sole responsibility of the Contractor (except as specified in Sections 10.1 and 10.2).

Contractor shall provide all associated hardware, software, data lines, and maintenance to ensure on-going City access to the TVMS at least ninety-nine percent (99%) of the time during a monthly reporting cycle and shall provide a hotline for technical assistance Monday through Friday from 8:00 a.m. to 6:00 p.m., with pager or mobile phone access during all other hours.

10.4 TVMS Functionality

Contractor shall provide the City with a proposed data model of the TVMS that shows all tables and fields for the City's review and approval within thirty (30) days of the Effective Date of this Agreement. Contractor's proposed data model for the TVMS shall include, at a minimum, the data fields listed below.

Data Element:

- Vehicle Information
 - Required Fields:
 - Make, Model, Year, Color, Body style, License number, License state, Vehicle identification number, Comments added by Customer service representatives from conversations with vehicle owner, lien holder, insurance agent, or any other applicable party, Date of tow, Time of tow, Location of tow – street, Location of tow - cross street, Tow Equipment type, Reason for tow, Time of arrival at Primary Storage Facility, Date relocated to Secondary Storage Facility, Time relocated to Secondary Storage Facility, Storage location, Dispatcher ID, Tow subcontractor ID,

- Photograph of Vehicle Condition
 - Digital photographs of vehicle condition at time of initial arrival at Designated Facility.
- Image of Vehicle Condition
 - Documentation of damage visible on vehicle at time of tow.
- Registered Owner Information
 - Name, Address.
- Revenue
 - Sales Revenue, Salvage Revenue.
- Fees Received
 - Tow Fees, SFMTA Administrative Fees, Storage Fees, Transfer Fees, Lien Fee.
- Lien Information
 - Date information sent to DMV, Date of release (release or sale date), Lien Category, Sales Price, Purchaser Name, Purchaser Address, ID type provided, ID information.
- City Notification
 - Time of Tow Request, Date of Tow Request, Agency that initiated Tow Request, Officer badge number, if applicable.
- Contractor Notification
 - Time that Tow Request was received, Time that Tow Car arrived on site.
- Hold Information
 - Field indicating whether vehicle is on Hold, Name and/or badge number of officer who authorized the release for holds requiring written release authorization, Date of release from hold for holds requiring written release authorization, Time of release from hold for holds requiring written release authorization.

Once City has reviewed the initial data model, it shall request Contractor in writing to make any modifications it considers vital to the system. Contractor shall incorporate the City's comments and resubmit the data model for the City's approval.

10.5 Handheld Devices

Within 180 days of the Effective Date of this Agreement, or other date approved in writing by City, Contractor shall provide handheld devices to be used by its Employees at its Primary and Secondary Storage Facilities. These devices shall provide real-time access to a limited number of specified fields in the TVMS in order to allow Contractor's Employees to real-time query data on impounded vehicles in accordance with the standards set forth in Section 15.5(11) of this Appendix A. The fields available for such queries shall include but are not limited to vehicle license number, VIN, date of tow, and the Tow Request ID. Contractor's handheld devices shall also be able to scan and read ID tags (bar-code, RFID, etc.) so that the devices can be used for inventory management of towed vehicles stored at the

Secondary Storage Facility. Contractor shall propose its recommended handheld device to the City for approval prior to purchase.

Contractor shall, at its sole expense, provide the City with up to three (3) handheld devices (as requested by the City) that are identical to the devices to be used by Contractor's Employees. Contractor shall be responsible for any ongoing license fees, airtime charges, or other related costs to use these devices.

11. Facilities Requirements

11.1 Designated Facilities

Contractor shall use the Designated Facilities for all service requirements of this Agreement, except as otherwise approved in advance in writing by City. The location or relocation of any Designated Facility shall be subject to prior written approval by City. City hereby approves the current location of all Designated Facilities. Contractor may use Designated Facilities for towing and storing vehicles that are not towed or stored at the request of the City with the prior written approval of City and subject to any conditions imposed in such approval. Contractor may allow Employee and vendor parking at Designated Facilities, subject to any limitations set forth in Appendices D and E, so long as it does not interfere with Contractor's performance of towing and impound services to all standards and requirements of this Agreement.

(a) Customer Service Center

The Customer Service Center shall provide a location for Customers recovering vehicles in person to pay for towing and storage charges, Citation fees and penalties, and other applicable fees, and/or to process any documentation required for vehicle release. The Customer Service Center shall be open to the public twenty-four (24) hours per day, 365 days per year. If the Customer Service Center is relocated outside of the Hall of Justice at 850 Bryant Street, Contractor shall provide a security guard in any area open to the public at all times that such facility is open to the public at its sole expense. The Customer Service Center must be located at or near the Primary Storage Facility. City hereby grants Contractor a license to occupy and use the Property at 850 Bryant Street for a Customer Service Center as of the Effective Date of the Agreement during the Term of and so long as the Contractor complies with the terms and conditions of Appendix E.

(b) Primary Storage Facility

(i) Authorized Facility

City hereby grants Contractor a license to occupy and use the Property at 415 7th Street as a Primary Storage Facility as of the Effective Date of the Agreement during the Term of and so long as the Contractor complies with the terms and conditions of Appendix E.

(ii) Vehicle Storage and Retrieval

Contractor must provide a covered area at the Primary Storage Facility where Customers can wait while their vehicle is being retrieved. The Primary Storage Facility shall be open twenty-four (24) hours per day, 365 days per year. Contractor may also use the Caltrans lot at 450 7th Street as a Primary Storage Facility.

(iii) Tows to Primary Storage

Contractor shall take all towed vehicles to the Primary Storage Facility for short-term storage if they are not subject to a Police Hold or are not taken directly to the Secondary Storage Facility. Contractor shall store all towed vehicles at the Primary Storage Facility for twenty-four (24) hours after being towed, unless vehicles are required by this Agreement to be directly towed to the Secondary Storage

Facility. Vehicles stored at the Primary Storage Facility may be moved to the Secondary Storage Facility after the first twenty-four (24) hours, with the exception that, during the term of Appendix E, Contractor may decide to relocate select vehicles to the lot at 450 7th Street for additional short-term storage. Contractor shall ensure that it transfers vehicles from Primary to Secondary Storage frequently enough to ensure that there is, at all times, sufficient space for newly-towed vehicles to be received at the Primary Storage Facility. Contractor shall not conduct any vehicle maintenance or vehicle parts sales at the Primary Storage Facility, except for maintenance of forklifts or other lot operations equipment.

(c) *Secondary Storage Facility*

(i) *Authorized Facility*

City hereby grants Contractor a license to occupy and use the Property at Pier 70 as a Secondary Storage Facility as of the Effective Date of the Agreement during the Term of and so long as the Contractor complies with the terms and conditions of Appendices C and D.

(ii) *Vehicle Storage and Retrieval*

Contractor shall use the Secondary Storage Facility to store vehicles, including vehicles towed directly to the Secondary Storage Facility and most vehicles which are not picked up by the public within twenty-four (24) hours. Contractor shall conduct vehicle lien sales at this location. This facility shall be open to the public from 8:00 a.m. to 6:00 p.m. Monday through Friday. Outside of operating hours, Contractor shall secure the Secondary Storage Facility using security personnel. All vehicles must be available for retrieval from the Secondary Storage Facility by Contractor's staff twenty-four (24) hours per day, 365 days per year, with the exception of the following categories of vehicles: (1) type II vehicles (more than 8,500 lbs. but less than 26,500 lbs., trucks, buses, and unattached trailers); (2) type V vehicles (more than 26,500 lbs., trucks, buses, and unattached trailers); (3) stolen recovery vehicles (vehicles stolen and recovered by SFMTA or SFPD); (4) hit and run vehicles (vehicles involved in hit and run accidents); (5) accident vehicles (vehicles involved in accidents and towed by the SFMTA or the SFPD); and (6) abandoned/missing parts vehicles (vehicles abandoned by owner/driver and missing parts).

(iii) *Tows to Secondary Storage*

Contractor shall tow all Scofflaw, arrest, accident, Abandoned, recovered stolen vehicles, oversized vehicles, SFPD STOP Administrative Police Hold vehicles, disabled vehicles, dilapidated vehicles and other vehicles as directed by the City directly to the Secondary Storage Facility. The specific policies for whether vehicles are towed to the Primary Storage Facility or directly to the Secondary Storage Facility may be changed at any time subject to City's prior written agreement.

(iv) *Facility Management*

Contractor agrees to assume all responsibilities for use of storage facilities at Pier 70 in accordance with the License Agreement attached hereto and incorporated by reference as Appendix D, and to be bound by all covenants, terms and conditions of the Port MOU, with the exception of SFMTA's obligations under Section 2 of the Port MOU, during the term of Appendix D.

Contractor shall manage the Secondary Storage Facilities to meet the following guidelines:

- (1)** Contractor shall remove vehicles that have been legally cleared for disposal on a weekly basis.
- (2)** Contractor shall, at a minimum, hold a vehicle lien sale auction once a week.

- (3) Vehicles shall be placed in such a way that no more than four (4) vehicles shall need to be moved to clear a passage for any vehicle.
- (4) Two (2) feet of clearance space shall be maintained between the sides of all vehicles.
- (5) The Secondary Storage Facility personnel shall comply with all municipal, state, and federal codes and safety regulations at all times.
- (6) The Secondary Storage Facility shall be clean and maintained at all times.
- (7) Facilities shall be screened from public view except for necessary gates, and except for, during the Term of Appendix D, the fence along the waterfront of Parcel B.
- (8) Gates shall be at least eight (8) feet high and maintained in good condition.
- (9) The parking and storage surface shall be maintained in accordance with all requirements of Appendices B, C and D.
- (10) Security systems, including ample lighting and a surveillance system, shall be in place and operational at all times for the entire occupied area.
- (11) Contractor shall not permit the public to walk through the lot unescorted by an employee of Contractor.

(d) ***Central Dispatch***

Contractor's Central Dispatch facility shall operate twenty-four (24) hours per day, 365 days per year. City hereby approves any location of Central Dispatch at the Primary Storage Facility or at Contractor's Headquarters Office, so long as Central Dispatch is located within the City and County of San Francisco.

(e) ***Changes in Facilities***

(i) ***Approval***

City may approve relocation of Designated Facilities, including shifting Contractor's operations between existing Designated Facilities, terminating the use of one or more Designated Facilities, or adding new Designated Facilities. Any such relocation or change to Designated Facilities shall require prior written approval of City.

(ii) ***Service Standards***

In the event that City approves the relocation of any Designated Facility, the parties acknowledge that certain response times and maximum charges contemplated by this Agreement may require modification to take into account the changed geographic circumstances of Contractor's operations. Any written approval of a change to the Designated Facilities listed in this Agreement shall include a revised schedule of fees and/or response times to which the parties have agreed as part of the relocation, if necessary.

(iii) ***Consolidation***

The parties anticipate that Contractor will relocate the Customer Service Center and Primary Storage Facility to a single location at the 450 7th Street site ("Consolidation"). Contractor agrees to give City thirty (30) days prior notice of its intent to relocate to 450 7th Street, and the parties shall reach written agreement on any detailed terms required, including termination of the property licenses at 850 Bryant Street and 415 7th Street, in order to implement such Consolidation. Following Consolidation, should

City cease to use Contractor for towing services prior to February 28, 2015, the terms for City's continued use of the 450 7th Street property are set forth in Appendix I. If Contractor implements the Consolidation of the Customer Service Center and the Primary Storage Facility, City agrees to terminate Appendix E as of the date that the consolidated facility meets all standards of this Agreement and any terms and conditions agreed upon by the parties for such Consolidation.

11.2 Property Maintenance Requirements

All costs associated with maintenance of Designated Facilities shall be the sole responsibility of the Contractor.

All open areas within the Designated Facilities used for vehicle storage shall be maintained in a clean, secure, neat, and visually presentable manner. Contractor shall not dismantle or crush vehicles or remove vehicle fluids on the any of the facilities to be used in the performance of this Agreement except in compliance with environmental regulations and the applicable requirements of Appendices B, C, D and E. Any removal of fluids from vehicles shall be conducted in a manner that complies with all requirements of this Agreement, and may only be performed by a licensed contractor, and into portable containers that are immediately removed from the facility.

11.3 Facility Security

Contractor shall store vehicles in such a manner as to prevent damage to vehicles and to vehicle contents. Contractor shall provide adequate security at the Designated Facilities to ensure that vehicles and vehicle contents are protected at all times. Upon the Effective Date of the Agreement, Contractor shall maintain a camera-based security system for Designated Facilities at its sole expense which, within ninety (90) days of the Effective Date, shall be viewable by management at SFMTA.

Contractor shall provide to the City a proposed plan for security systems at all Designated Facilities within ninety (90) days of the Effective Date of this Agreement ("Security Plan"). The Security Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A. All costs associated with security at Designated Facilities shall be the sole responsibility of Contractor.

11.4 Protection of Vehicle and Contents

Contractor shall provide secure storage for any personal property removed from a vehicle in its possession. Within ninety (90) days of the Effective Date of this Agreement, Contractor shall submit a plan to securely store all personal property in a vehicle, to inventory and secure personal property that is stored outside of the vehicle if it cannot be securely stored inside the vehicle, and to dispose of unclaimed personal property ("Personal Property Plan"). The Personal Property Plan shall be approved as part of the Operations Plan as provided in Section 14 of this Appendix A. Personal property not claimed by the time the associated vehicle is lien sold shall be properly disposed of by any legally authorized disposal method approved by the City. Contractor shall not be responsible for retaining personal property (for the purposes of personal property release as defined in Section 4.3) after the DMV-issued lien sale authorization date (lien sale "clear date").

11.5 Lien Vehicle Storage

All vehicles upon which Contractor issues lien holds shall be stored primarily at the Secondary Storage Facility. With the exception of Lien 3 Vehicles, which must be held for ten days after the actual date of sale pursuant to Civil Code Section 3071(k), all vehicles that are auctioned or sold for dismantling shall be removed from the Designated Facilities within one (1) week after the date of sale. Lien 3 Vehicles shall be removed from the Designated Facilities within 14 days of the date of sale.

11.6 Right to Inspect

Any authorized representative of the City has the right to inspect the Designated Facilities at all times for the purpose of evaluating Contractor's performance pursuant to this Agreement. City officials and inspectors shall have the right to conduct periodic site visits, during reasonable business hours, to inspect for permit compliance or to respond to citizens' complaints. City officials and representatives shall have unrestricted access to all of the Designated Facilities subject to permits or licenses to make whatever announced or unannounced visits they deem appropriate.

12. Fees, Payments and Credits

12.1 Payments Due to City

(a) Referral Fee

Contractor shall submit to the City a Referral Fee of \$20 per tow, excluding dropped tows as described in Appendix A, Section 4.2. The Referral Fee shall be the same for every type of vehicle, and shall increase each twelve (12) month period on each July 1st by the Consumer Price Index for the San Francisco Region as published by the United States Department of Labor, Bureau of Labor Statistics on January 1. Adjustments will be rounded to the nearest twenty-five cents (\$0.25). No Referral Fee shall be paid for:

- (1) Vehicles owned by the City under the jurisdiction of the SFMTA or the SFPD, or any other Courtesy Tow performed pursuant to Section 2.4 of this Appendix A, and
- (2) Vehicles for which a waiver of towing, storage, transfer and/or lien fees is issued by SFMTA, DPH or SFPD.

(b) Percentage Fee

Contractor shall submit to the City a percentage fee of one percent (1%) on annual Gross Revenues from all money collected during the term of this Agreement. This fee shall be initially paid in the fifteenth (15th) month after the Agreement is signed, in the thirteenth (13th) month thereafter for the previous twelve (12) month term, and yearly thereafter.

(c) SFMTA Administrative Fees

Prior to releasing the vehicle, Contractor shall collect a pass-through SFMTA Administrative Towing Fee for all vehicles recovered by the vehicle owner. The amount of the SFMTA Administrative Towing Fee is subject to change in accordance with the provisions of San Francisco Transportation Code § 305. In addition, prior to releasing the vehicle, Contractor shall collect a pass-through daily SFMTA Administrative Storage Fee for stored vehicles based upon the number of days the vehicle has been stored prior to recovery by the vehicle owner. No Administrative Fee shall be collected for:

- (1) Any vehicle owned by the City under the jurisdiction of the SFMTA or the SFPD, or any other Courtesy Tow performed pursuant to Section 2.4 of this Appendix A.
- (2) Any vehicle for which the Customer produces a written waiver of the SFMTA Administrative Fee issued by SFMTA, DPH or the SFPD.

(d) SFPD Traffic Offender Fee

If applicable, when a vehicle is sold at a lien sale and there are funds to satisfy all other fees as defined in Section 12.3(c) of this Appendix A, then Contractor shall pay to the SFPD or into an account designated by the SFPD an SFPD Traffic Offender Fee in an amount set by the San Francisco Police Commission. City and Contractor may agree in writing to utilize a mechanism other than the process described in Section 12.1(g) for collection of the SFPD Traffic Offender Fee.

(e) ***Citation Fees***

Contractor shall collect payments of Citation fees from Customers with towed vehicles and from members of the public whose vehicles have not been towed, in accordance with all requirements set forth in this Agreement.

(f) ***Liquidated Damages and Fines***

Contractor shall pay to City the amounts of any liquidated damages or fines assessed pursuant to this Appendix A, Section 15 and Appendix D, Section 6.7.

(g) ***Deposit of Fees Due to City***

Except as otherwise specified herein, Contractor shall deposit all funds collected under this Section 12 within twenty-four (24) hours of receipt into an account specified by the City, Monday through Friday, not including weekends and holidays. Any funds with a deadline for deposit which falls on a weekend or a holiday shall be deposited no later than the next business day. All funds due to City under this Section shall be paid by Contractor without prior demand by the City and without any deduction, setoff, or counterclaim whatsoever, except as expressly provided herein. The parties may agree upon alternative procedures for Contractor's payment to City, but any such change must be approved in advance, by City, in writing.

(h) ***Payment Shortages***

If Contractor fails to collect all amounts due from a Customer, Contractor shall be responsible to reimburse the City for any amounts not collected as required herein, unless the failure is caused solely by the negligence of City or a failure of the CMS. Contractor shall follow any procedures required by the City to report overages or shortages.

12.2 Credits Due to Contractor

(a) ***City Waivers***

In the event that (i) SFMTA, DPH or the SFPD determines pursuant to a post-storage hearing as required by Vehicle Code § 22852 that the towing, storage, transfer, lien and/or other fees shall be waived for a vehicle, or (ii) SFMTA, DPH or the SFPD waives the fees for the towing, storage, transfer and/or lien of a vehicle, or (iii) SFMTA or the SFPD waives the fees for the towing and storage of a vehicle for one of the reasons enumerated in §§ 10C.1, 10C.8 or 10C.8-1 of the San Francisco Administrative Code, then no such fees shall be charged by Contractor to the owner or operator of such vehicle. In the event that the owner or operator of a vehicle has paid Contractor for towing, storage, transfer, lien and/or other fees and the City subsequently waives the tow, storage, transfer, lien and/or other fees for that owner or operator, then Contractor shall directly reimburse the owner or operator in full the amounts previously paid to Contractor for such vehicle. When the City waives towing, storage, transfer and/or lien fees as provided for in this section, the City shall pay Contractor only the towing, storage, transfer and/or lien fees that would have been owed by the vehicle owner or operator, and such fees shall not include any SFMTA Administrative Fees as Contractor might otherwise charge. When the City waives storage fees as provided in this Section, the City shall pay Contractor storage fees for each such vehicle as set forth above for the first three (3) days of storage. There shall be no storage charge for the fourth (4th) through the ninth (9th) days of storage. For the tenth (10th) storage day and all days thereafter, City shall pay Contractor ten dollars (\$10.00) per day for the storage of such vehicles. Adjustments and credits and payments due to Contractor as a result of City waivers shall be calculated and submitted to the City through the City's claims process and are to be paid within one (1) month from the date of submission by the Contractor. There shall be no late payment charges or interest assessed against City for late payment.

When SFMTA or the SFPD orders Contractor to release a vehicle pursuant to Vehicle Code § 22654(e) relating to authorization for moving a vehicle otherwise lawfully parked, City shall pay the cost of the tow and storage charges for a period not to exceed seventy-two (72) hours.

(b) Police Investigative Hold Storage Fee

Contractor shall not charge or receive any fee or other reimbursement or credit from the City for the towing, storage, transfer or lien of any Police Investigative Hold vehicle, except when the number of Police Investigative Hold vehicles in storage on any day exceeds limit of 350 vehicles. SFPD shall pay Contractor a storage fee of ten dollars (\$10.00) per day per vehicle in excess of 350 Police Investigative Hold vehicles in storage at Contractor's facilities at any one time. The SFPD will be responsible for these fees and the Contractor shall not deduct any Police Hold storage fees due from any money owed to SFMTA under this contract. For the purposes of this Section 12.2(b), "Police Investigative Hold" vehicles shall not include NO ID vehicles described in this Appendix A, Section 4.5.

Notwithstanding the foregoing, in the event a vehicle is towed without a Police Investigative Hold and a Police Investigative Hold is subsequently placed on the vehicle, the SFPD shall immediately notify Contractor in writing of the Police Investigative Hold status change. The SFPD shall pay or require the owner or operator of the vehicle to pay the Contractor only the tow, transfer, lien and/or other fees accumulated from the date of tow to the date the Contractor is notified of the Police Investigative Hold by the SFPD and that would otherwise be owed by the vehicle owner or operator, and such fees shall not include any SFPD or SFMTA Administrative Fees. In addition, the SFPD shall pay or require the owner or operator to pay storage fees for any days from the tow date to the date Contractor is notified of the Police Investigative Hold by the SFPD. For storage amounts paid by the SFPD, storage charges shall be calculated for each such vehicle as set forth above for the first three (3) days of storage. There shall be no storage charge for the fourth (4th) through the ninth (9th) days of storage. For the tenth (10th) storage day and all days thereafter, the SFPD shall pay Contractor ten dollars (\$10.00) per day for the storage of such vehicles.

(c) Non-Towed Vehicle Citation Collection Fees

Contractor shall be entitled to a credit for any collection fees due pursuant to Section 6.2(c) of this Appendix A.

(d) Other Offset Allowances

At any time during the Term of this Agreement, City may elect to fund certain property maintenance, construction, improvements, systems development or staffing related to City towing and impoundment operations that are not the responsibility of Contractor under this Agreement ("Projects"). City may require Contractor to implement any such Project and offset actual costs of the Project against funds owed to the City. No Project may be implemented without the prior written approval of the City, and all Project implementation must be in accordance with specifications, maximum costs and all other requirements provided in writing by City. Contractor shall comply with City's direction as to which category of funds collected pursuant to this Section 12 may be used to offset Project costs.

12.3 Charges to Customers

(a) Maximum Towing and Storage Charges

No lien for storage of a towed vehicle may exceed authorized charges for the maximum period of storage allowed by applicable laws, including but not limited to Vehicle Code §§ 22851.6, 22851.3, California Civil Code §§ 3067-3074 and any other applicable statutes enacted during the term of this Agreement. Contractor shall not charge any Customer amounts in excess of the amounts set forth in

the rate schedule adopted pursuant to this Agreement and attached hereto as Appendix H without SFMTA's prior written approval of any change to existing rates and fees or the imposition of new fees. The rates and charges established by this Agreement shall apply to all vehicles handled by Contractor within the City, whether the vehicle is towed at the request of SFMTA, SFPD or DPH or is stored on any Designated Facility.

Towing and storage charges are subject to adjustment annually, on July 1, in direct proportion to the increase or decrease in the "Consumer Price Index for Urban Wage Earners and Clerical Workers", unadjusted data for all items for the twelve (12) months ending April of the current year, as published by the United States Department of Labor, Bureau of Labor Statistics. Adjusted charges will be rounded to the nearest twenty-five cents (\$0.25).

In the event storage charges accrue on a vehicle because of Contractor's failure to provide SFMTA or the SFPD, as applicable, with either an "Unreleased Vehicle Report" (as required in Appendix A, Section 13.2(a)(ii)), a vehicle description or a verification of the VIN, such charges shall be null and void and neither the City nor the owner of said vehicle shall be responsible for those charges.

(b) *Vehicle Transfer Fee*

If vehicle is not retrieved within twenty-four (24) hours of the tow, Contractor may charge a one-time vehicle transfer fee as set forth in Appendix H to move the vehicle between Designated Facilities, including transfers between the 415 7th Street and 450 7th Street lots. Contractor shall not assess a transfer fee for any vehicle that is towed directly to the Secondary Storage Facility.

(c) *Application of Funds Collected*

When vehicle title is transferred to the Contractor and the vehicle is subsequently sold, any funds collected from the sale of a vehicle shall be considered to have gone through the lien sale process using the average days from the tow date to lien sale date for the relevant vehicle classification (Lien 1, 2, 3) for the previous calendar year. The sale proceeds shall be applied first to paying storage, towing and legally authorized lien processing costs, and all remaining funds shall be applied toward payment of 1) Delinquent Citations, 2) the DPT Administrative Fee, and 3) the SFPD Traffic Offender Fee, in that order.

12.4 Additional Fees Proposed by Contractor

Except for periodic adjustments provided for in Section 12.3(a) above, Contractor must notify the City in advance of any proposed fee that relates to any services performed under this Agreement or services performed for owners of vehicles towed or buyers of vehicles sold pursuant to this Agreement. All Contractor fees must be approved by the City.

12.5 Account Reconciliation

Contractor shall monitor monthly any monies due to City and any monies due to Contractor and report such amounts on the Monthly Finance Report. At the end of each contract year, City and Contractor shall review all Monthly Finance Reports for the preceding year and conduct a formal reconciliation of payments, reimbursements and credits due under this Agreement. Upon verification by SFMTA in the course of the formal reconciliation, the City shall reduce any payments owed by Contractor to City by the amount of any credits due to Contractor from City. If the payments due to the City are greater than any credit due to the Contractor, SFMTA shall bill the Contractor for the remaining payment balance owing. Contractor shall remit payment for the balance due within ten (10) days of the billing date. If the payments due to the City are less than the total credits due to the Contractor, City shall either, in City's sole discretion, pay the Contractor for the amount owed or hold over a credit to be applied against the next payment due to the Contractor. Any challenges to the amount owed by City must be

memorialized in writing within 60 days of the resolution of the formal reconciliation process. Nothing in this Section 12 waives any rights of City under Section 7 of the Master Agreement.

12.6 Contractor Compliance Audit Fund

(a) Contractor Contribution

Within 30 days of the effective date of this Second Amendment, and within 30 days of each anniversary of that effective date during the Term of the Agreement (the "Anniversary Date"), the Contractor shall deposit money (the "Audit Payment") into a Contractor Compliance Audit Fund to be used by the SFMTA for the purposes of auditing the Contractor in areas to be determined by the SFMTA at the time of each audit. The initial Audit Payment shall be \$40,000.

(b) Contribution Adjustment

The Audit Payment shall be adjusted in direct proportion to the percentage increase in the current Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area ("CPI") for the month immediately preceding the applicable Anniversary Date ("Current Index") over the CPI for the month of June 2010 ("Base Index"). In no case shall the Audit Payment, as adjusted, be less than the Audit Payment for the previous year. If the Current Index has increased over the Base Index, the amount of the Audit Payment shall be determined by multiplying the amount of the initial Audit Payment by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, as follows:

Current Index

Base Index x initial Audit Payment = Adjusted Audit Payment

Any monies in the Contractor Compliance Audit Fund that are unused during the term of the Agreement shall be returned to the Contractor within 60 days of termination of this Agreement.

13. Reporting and Records Requirements

13.1 TVMS Records

(a) Records of Transaction

Contractor shall maintain consecutively numbered electronic records of each transaction involving the removal, impoundment, and disposition of all vehicles towed pursuant to this Agreement. Each electronic record shall contain the following information:

- (1) Date and time of Tow Request;
- (2) Date, time and location of tow and identity of Tow Car operator;
- (3) Make, model, year and VIN of vehicle towed;
- (4) Name and address of individual to whom vehicle is released or sold;
- (5) Inclusive dates of and charges for impoundment; and
- (6) Date and manner of vehicle disposition and income received.

(b) Weekly Management Report

Contractor shall provide a weekly Management Report to include the number of Tow Requests, number of Claims filed, number of vehicles sold at lien sales and the number of vehicles returned to the owner during the previous seven (7) day period.

(c) Monthly Management Reports

Contractor shall also provide a monthly Management Report in a form approved by the City. The approved format for each reporting item may include (but is not limited to), standardized reports (in paper or electronic format), utilities to query and download data on a variable periodic basis, or direct access the TVMS querying and reporting capabilities for ad hoc use by the City. Except as otherwise authorized, in writing, by City, Contractor shall provide the monthly Management Reports by the 10th of each month, or on the next business day if the 10th is a weekend or a holiday recognized by the City. The Reports shall include, but shall not be limited to, items such as:

- (1) Tow and service response times (Monthly Response Time Report)
- (2) Number and type of tows (Monthly Tow Summary Report)
- (3) Information on vehicles retrieved by date and time (Monthly Released Vehicles Report)
- (4) Information on vehicles awaiting lien clearance (Monthly Lien Status Report)
- (5) Information on vehicles lien sold by number of days in storage and Lien Category (Monthly Lien Sold Summary Report)
- (6) Information on vehicles sold to dismantlers (Monthly Lien Sold Buyer Report)
- (7) Information on vehicles purchased by the public (Monthly Lien Sold Buyer Info Report)
- (8) Number of vehicles in storage by reason category for tow, by department requesting tow, or by date towed (Monthly Storage Summary Report)

Monthly listing of all details in the TVMS system for every tow performed that month
(Monthly Tow Detail Report)

- (9) Report of transfers of vehicles between Designated Facilities (Monthly Vehicle Transfer Report)

(d) Auction Report

Contractor shall provide a weekly Auction Report to the City that includes detailed information for all lien sold vehicles. For each vehicle, the Report must include the following information:

- (1) Vehicle Identification Number (VIN)
- (2) License plate number
- (3) Year
- (4) Model
- (5) Lien Category
- (6) Actual sale amount
- (7) Purchaser name and address
- (8) A detailed description of the distribution of proceeds from vehicle sale

- (9) Identify vehicles not sold that are held for future lien sale or for disposal

13.2 Minimum Required Reporting

(a) Daily Reports

- (1) Police Hold Report of Police Hold vehicles in excess of 325 vehicles (§ 4.6(d))
- (2) Unreleased Vehicle Report

(b) Weekly Reports

- (1) Auctioneer Report (§ 8.9(b))
- (2) Weekly Management Report (§ 13.1(b))
- (3) Auction Report (§ 13.1(d))
- (4) Police Hold Report (§ 4.6(d))
- (5) Lien 1/Abandoned Vehicle Report

(c) Monthly Reports

- (1) Customer Service Report (§ 5.1(c)(v))
- (2) Claim/Complaint Status Report (§5.2(c))
- (3) Management Contact List (§ 8.7)
- (4) Monthly Management Report (§ 13.1(c))

(d) Quarterly Reports

- (1) Subcontractor Performance Audit Report (§ 8.2(c))

(e) Additional Reports

City may provide Contractor with a list of any additional required reports. Once the City submits its list of required reports to Contractor, Contractor shall have thirty (30) days to provide the requested reports to the City unless otherwise specified. The City reserves the right to request up to twenty (20) new reports or modifications to existing reports during the term of this Agreement.

13.3 Records Maintenance

This Section 13.3 shall survive termination of this Agreement. Contractor shall maintain digital photos that are not associated with any Claim for a period of two (2) years, except as otherwise agreed by City in writing. Digital photos related to a Claim shall be retained with the Claim file for a period of five (5) years. The retention of audio tapes is governed by Section 1.3(b) of this Appendix A. Contractor shall maintain all other Records generated pursuant to this Agreement for a period of five (5) years following expiration of this Agreement.

Contractor shall respond to requests from City for information regarding services provided under this Agreement within forty-eight (48) hours. If the Records requested are not capable of being produced within that time, the forty-eight (48) hour response shall indicate where the Records are located and

when they can be made available for City's review, which shall in no event be longer than fourteen (14) days unless otherwise agreed. Contractor shall respond to requests for Records from City by providing Records in any format in which they are maintained, including but not limited to paper, audio and electronic formats.

14. Operations Plan

14.1 General Provisions

Contractor shall submit the elements of an Operations Plan as listed in Appendix B in accordance with the requirements of this Agreement. The final approved version of any Operations Plan element and any subsequent modifications approved in accordance with this Section shall define service standards for the performance of this Agreement, and are hereby incorporated into this Agreement as Appendix B as though fully set forth herein.

14.2 Approval Process

All elements of the Operations Plan shall be subject to City review and approval. All Operations Plan elements must be initially submitted no later than the deadlines set forth in Appendix B for each Operations Plan element. The deadline for any Operations Plan element described in the Agreement may be extended by written approval of SFMTA upon the request of and a showing of good cause by Contractor; however, the extension of any deadline for the Operation Plan elements designated in Appendix B as Pier 70 Operation Plan Elements also requires written approval of the Port during the term of Appendix D. City shall have sixty (60) days to review each element submitted, and either approve it as submitted or request revisions. Contractor shall respond to a request for revisions within twenty (20) days. City will have fifteen(15) days to either approve the revised Plan element or request further revisions. Contractor and City shall from this point on have five (5) days to either approve the revised Plan element as submitted, submit further requests for revisions or to respond to requests for revisions. Each revision must reflect tracking of document versions, including date and source of revisions, and each exchange of versions between the parties shall be accompanied by an executed document substantially in the form of Appendix B.

14.3 Line Item Approval

Pending the completion of the approval process of an entire Operations Plan element, Contractor may request line-item approval of certain portions of that Operations Plan element. If City does not respond to such request for line-item approval by Contractor within fourteen (14) days, the request for line-item approval shall be deemed denied.

14.4 Final Operations Plan

When an element of the Operations Plan is accepted by City, the final version of that element must be submitted to City in PDF format. Following City acceptance of Plan elements, the final Operations Plan and any subsequent modifications shall be distributed to all subcontractors.

14.5 Subsequent Modifications to Operations Plan

Contractor shall review the Operations Plan every six (6) months, and shall propose modifications as necessary to any element of the Operations Plan needed to improve service delivery. Modifications to the Operations Plan shall be approved through the process described in this Section 14. Each finally approved Operations Plan modification must identify the document version and date. Any subsequent modification of the Operations Plan shall supersede the prior version and be incorporated into this Agreement by reference when approved in accordance with this Section.

15. Liquidated Damages

15.1 Assessment of Liquidated Damages

Liquidated damages as described in this Section may be imposed by City for violations of the provisions of this Agreement. Failure by City to impose liquidated damages for specified violations shall not be a waiver of the right to enforce this Section, nor shall it constitute a waiver of any other right of City under this Agreement. No single act or omission by Contractor which incurs fines under Section 6.7 of Appendix D may be used as the basis for assessing any liquidated damages under this Section 15. The total amount of liquidated damages that City may collect under this Appendix A, Section 15 shall be limited to three hundred sixty thousand dollars (\$360,000) per year. For the purposes of this Section 15, written notice by City of a violation shall constitute enforcement even though the City may not assess liquidated damages at the time of such initial written notice of violation.

15.2 Damages Calculation

All contract violations listed in this Section 15 are subject to the \$360,000 per year limit set forth above. In addition, each type of violation which is subject to liquidated damages under this Section 15 is followed by the designation of one of the following categories: [A], [B], [C] or [D], and depending on the category shall be subject to the following definitions and limitations:

- [A]:** The measure of liquidated damages in this category [A] shall be subject to no limitation other than the \$360,000 per year limitation stated above.
- [B]:** Liquidated damages in this category [B] may only be enforced within forty-five (45) days of the act or omission which gave rise to the City's right to collect liquidated damages.
- [C]:** Liquidated damages in this category [C] may be assessed for a period of no more than forty-five (45) days for continuing violations.
- [D]:** Liquidated damages in this category [D] may only be assessed for the immediately preceding audit period and City must provide Contractor with notice of any violation within sixty (60) days of City's completion of the audit report pursuant to Appendix A, Section 12.6.

15.3 Staffing

If Contractor fails to comply with the following staffing requirements set out in the Agreement, excluding requirements related to subcontractors, City may collect damages of \$250 per occurrence, not to exceed \$1,000 per day for each day that the required staff is not on duty, and \$250 for each eight (8) hour training session per individual that is not provided as required by the Agreement.

Requirements that are subject to this subsection include:

- (1) Failure to provide required staffing at Central Dispatch (§ 1.2) **[B]**
- (2) Failure to adhere to the window staffing requirements, except wait time requirement (§ 5.1(c)(ii)) **[B]**
- (3) Failure to have a Customer Service Representative on duty during designated hours (§ 5.1(c)(iii)) **[B]**
- (4) Failure to comply with the minimum training standards (§ 8.3) **[D]**
- (5) Failure of a manager to be available (§ 8.7) **[B]**

15.4 Subcontracting

If Contractor fails to comply with the following requirements for the use of subcontractors as set out in the Agreement, not including equipment and communication requirements related to subcontractors, City may collect damages in the amounts specified below:

- (1) Failure to include the requirement that subcontractors hold current Tow Car and Tow Firm permits in subcontracts and to check compliance at the time of executing the subcontract. (§ 8.2(d)): \$500 per occurrence **[D]**
- (2) Failure to perform quarterly audits of permits and license status of Tow Car operators (§ 8.2(c)): \$500 per occurrence **[D]**
- (3) Violation of the uniform requirements (§ 8. 2(e)): \$100 per occurrence **[B]**
- (4) Failure to replace the auctioneer annually without the City's prior, written approval (§8.9(a)) **[B]**

15.5 Equipment

If Contractor fails to comply with the following requirements for Tow Equipment set out in the Agreement, City may collect damages in the amounts specified below:

- (1) Failure to provide two (2) dedicated telephone lines for more than an hour in a twenty-four (24) hour period within thirty (30) days of Effective Date of Agreement and every day thereafter (§ 1.3(a)): \$500 per day **[B]**
- (2) Failure to provide functional recording system and to store recordings for 120 days or longer time as required by City (§ 1.3(b)): \$500 per day **[C]**
- (3) Failure to provide Tow Cars at site of tow with appropriate equipment (§9.1): \$250 per tow **[B]**
- (4) Failure to have GPS tracking system in place in accordance with specified time limits and with all required software licenses in place for required GPS functionality (§ 9.2): \$500 per day of delay **[B]**
- (5) Failure of the GPS to operate ninety-seven percent (97%) of the time during a monthly reporting period (§ 9.2): \$500 per occurrence **[D]**
- (6) Failure to provide radios (§ 9.3): \$150 per reported occurrence **[B]**
- (7) Failure to provide the required hardware, software, and data lines to create and store electronic tow inventory slips within ninety (90) days of the Effective Date (§ 9.6): \$500 per day for each day of delay **[B]**
- (8) Failure to maintain adequate security in accordance with the Security Plan (§ 11.3): \$250 per occurrence, as defined in the Security Plan **[D]**
- (9) Failure to maintain standards and connections required for computer hardware and software system within specified time limits (§ 10): \$500 per day delayed **[B]**
- (10) Failure to have handheld device solution in place as required (§ 10.5): \$500 per day of delay **[B]**
- (11) Failure of the handheld device solution to operate ninety-seven percent (97%) of the time during a monthly reporting period (§ 10.5): \$500 per occurrence **[D]**

- (12) Failure to have IVR Telephone system in place within sixty (60) days of Effective Date (§ 6.3): \$500 per day delay [B]

15.6 Response Times

If Contractor fails to comply with the following response times or deadlines set forth in the Agreement City may collect damages in the amounts specified below:

- (1) Failure to answer call within 30 seconds or less with no busy signal for 95% of the calls, and within 90 seconds for the remaining 5% of the calls, during a given month (§ 1.2): \$250 for each month in which Contractor fails to answer 95% of the calls within 30 seconds, and an additional \$100 for each percentage point by which contractor fails to meet the 95% requirement in a given month; \$250 for each month in which Contractor fails to answer the remaining 5% of the calls within 90 seconds [B]
- (2) Failure to enter data into tow database within specified time limits ninety percent (90%) of the time (§ 3.1): \$500 per audit period in which the ninety percent (90%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety (90%) percent goal [D]
- (3) Failure during any given month to respond to at least 94% of all Dispatch Tows within the designated time requirements (§ 2.1(a)), including any approved extension of time: \$500 for each month in which Contractor fails to timely respond 94% of the time, and an additional \$250 for each percentage point by which Contractor fails to meet the 94% requirement in a given month [D]
- (4) Failure to respond to an Expedited Tow request within the designated time requirements, including any City-approved time extension (§ 2.2): \$500 per calendar day. [B]
- (5) Failure to respond to a Scheduled Tow Request (§2.1) or a request for a Regional Sweep (§ 2.3) at the agreed upon start time and location: \$100 credit for each twenty (20) minute period or portion thereof, not to exceed \$500 per calendar day. [B]

15.7 Record Keeping and Reporting Requirements

If Contractor fails to meet reporting and record keeping requirements listed below, City may collect damages in the following amounts:

- (1) Failure to submit any report required by Section 13 or maintain any record required by this Agreement: \$50 per day for each day that the record is not provided or maintained or the required report is overdue, not to exceed \$250 per month per report. City agrees to notify Contractor if City becomes aware of any report required by Section 13 of this Appendix A that is overdue. [B]
- (2) Failure to provide audio records within twenty-four (24) hours of City's request (§ 1.3(b)): \$50 per day for each day that the record is not provided. [C]
- (3) Failure to furnish audit or waiver (authorizing DMV to release audits of Contractor) to the City within specified time limits (§ 12.6): \$100 per day [C]

- (4) Failure to submit copies of subcontractor agreements with required proof of insurance documents within five (5) days of the Effective Date of Agreement, or failure to submit subcontract amendments within five (5) days of any such amendments (§ 8.2(a)): \$100 per day per subcontract, up to \$3,000 per month for all subcontracts **[D]**
- (5) Failure to notify the City prior to additions and deletions of towing subcontractor (§ 8.2(a)): \$500 per occurrence **[D]**
- (6) Failure to comply with notice requirements for any personnel changes within specified time limits (§ 8.6): \$100 per occurrence **[D]**
- (7) Failure to notify the Contract Monitor of an auction at least three (3) days prior to any auction, as specified, or to provide said Contract Monitor with the report information requested (§ 8.8(b)) \$100 per occurrence **[B]**
- (8) Failure to enter a towed vehicle record within three (3) days of the date of the tow (§ 10): \$100 per towed vehicle **[A]**
- (9) Failure to maintain the functionality of the TVMS ninety-nine percent (99%) of the time during a monthly reporting period as specified (§ 10.3): \$500 per monthly reporting period in which the ninety-nine percent (99%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety-nine (99%) percent goal **[B]**
- (10) Failure to print and distribute receipts and notices as required by the City or any local, state or federal laws (§§ 6.6, 7.3): \$250 per occurrence **[D]**

15.8 Plan Submittals

If Contractor fails to submit any element of the Operations Plan in accordance with the requirements of this Agreement and the deadlines for initial document submittals and revisions set forth in Section 14, Appendix A of this Agreement, City may collect damages of \$250 per day for each day that the Operations Plan element is overdue. **[B]**

15.9 Customer Service Standards

If Contractor fails to meet the following Customer service standards as defined in the Agreement City may collect damages in the amounts specified below:

- (1) Failure to have functional internet site elements implemented within specified time limits (§ 5.1(d), 6.4): \$500 per day delay **[B]**
- (2) Failure to keep internet site functional for public and City use at least ninety-seven percent (97%) of the time during a monthly reporting period between the hours of 6:00 a.m. and 12:00 a.m. (§§ 5.1(d), 6.4): \$250 per month in which the ninety-seven percent (97%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety-seven percent (97%) goal **[D]**
- (3) Failure to accept the specified forms of payment (§ 6.1): \$500 per occurrence **[D]**
- (4) Failure to accept a payment of Citation fees for vehicles that have not been towed (§ 6.2(c)): \$100 per transaction **[D]**

- (5) Failure to have information available to the public as required, or as required by any local, state or federal laws (§ 5.3): \$250 per posting requirement per day **[B]**
- (6) Failure to meet the standards for telephone operator response time for customer service calls (§ 5.1(b)): \$100 for each percentage point by which Contractor fails to meet any of the percentage level requirements in a given month **[B]**
- (7) Failure to meet the standards for "in person" customer service wait times (§5.1(c)(ii): \$100 for each percentage point by which Contractor fails to meet any of the percentage level requirements in a given month **[B]**
- (7)
- (8) Failure to respond to a Customer Complaint within seven (7) days, or a Customer Claim within fourteen (14) days (§ 5.2): \$100 per day for each day delayed **[B]**
- (9) Failure to release a vehicle to Customer's possession within one (1) hour of a Customer's compliance with all requirements for vehicle release (§ 5.1(c)(i), 4.4): \$100 per occurrence, \$50 credit to Customer per hour/fraction of hour of delay, not to exceed \$45,000 per audit cycle **[D]**
- (10) Failure to provide free shuttle service, one-way taxi fare or vehicle retrieval service (§ 4.4): \$250 per occurrence, not to exceed \$45,000 per audit cycle **[D]**
- (11) Failure to provide hotline service for technical assistance to City. (§§ 9.6, 10.3): \$200 per day **[B]**
- (12) Failure to have remote electronic access tow inventory slip information available to City for more than one (1) day (§ 9.6): \$200 per day **[B]**
- (13) At any time following the implementation of the IVR system, failure of the IVR system to function three percent (3%) of the time from 6:00 a.m. to 12:00 a.m. during a monthly reporting period (§ 6.3): \$250 per occurrence \$250 per month in which the ninety-seven percent (97%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety-seven percent (97%) goal **[D]**

15.10 Vehicle Handling Requirements

If Contractor fails to meet the following vehicle intake or handling requirements set forth in the Agreement City may collect damages in the amounts specified below:

- (1) Contractor's failure to drop a vehicle when instructed to do so by the City officer present at the scene of the tow (§ 4.2): \$500 per occurrence **[B]**
- (2) Failure to provide Courtesy Tow or roadside assistance services to SFMTA or SFPD vehicles (§ 2.4): \$100 per occurrence plus reimbursement of any expense associated with City's procurement of towing or roadside assistance services for vehicles subject to Courtesy Tows **[B]**
- (3) Failure to hold a vehicle with Delinquent Citations that have been assessed penalties (§ 6.2(b)): an amount equal to the total amount of Delinquent Citations owed but not collected, plus \$100 **[D]**

- (4) Failure to visually inspect impounded vehicles and collect or confirm VIN within specified deadlines (§ 3.3(a)): \$500 per occurrence, not to exceed \$45,000 per audit cycle **[D]**
- (5) Failure to notify the SFPD within specified time limits of any impounded vehicles in its possession where the license plate and the VIN do not match (§ 3.3(a)): \$500 per occurrence **[D]**
- (6) Failure to hold weekly lien sale auctions (§ 7.2): \$1,000 per occurrence **[B]**
- (7) If Contractor releases, sells or disposes of any vehicle in violation of the requirements of the Vehicle Code, or otherwise loses possession of or is unable to locate within its possession a vehicle that it has towed under this Agreement and if City directs Contractor to resolve a Claim after sixty (60) days by paying blue book value of the vehicle to the owner (§ 4.1): \$1,000 per occurrence **[A]**
- (8) Failure to provide City with information to update CMS with information on intake or release of vehicles within specified time limits (§9.5): \$150 per day that release information is not provided, and \$20 for each one (1) hour period that intake information is not provided, not to exceed \$100 per towed vehicle, not to exceed \$45,000 per year **[B]**
- (9) Failure to maintain accurate personal property inventory in accordance with Personal Property Plan (§ 11.4): \$250 per occurrence as defined in the Personal Property Plan, not to exceed \$45,000 per audit cycle **[D]**
- (10) Failure to provide adequate security for personal property removed from towed vehicle (§ 11.4): \$500 per occurrence as defined in the Personal Property Plan **[D]**
- (11) Failure to provide secured Police Hold storage facility as specified (§ 4.6(a)): \$1000 per day **[A]**
- (12) Failure to remove vehicle from Secondary Storage Facility within one (1) week of sale (§ 11.5): current daily storage fee per vehicle per day **[B]**
- (13) Contractor's sale of a vehicle at an auction conducted under the Agreement to a Restricted Auction Participant in conjunction with Contractor's violation of the provisions of Section 8.9(c): \$1,000 per prescribed sale or the blue book value of the vehicle sold, whichever is greater, plus all outstanding administrative fees and citations, if any, on the vehicle. **[A]**

15.11 Financial Obligations

If Contractor fails to meet the following financial obligations set forth in the Agreement City may collect damages in the amounts specified below:

- (1) Failure to reimburse the City within five (5) days of the due date for the cost of the Contract Monitor (§ 8.8): \$50 per day **[B]**
- (2) Failure to reimburse the City within five (5) days of the due date for the cost of a City-appointed vehicle auctioneer (§ 8.9): \$50 per day **[B]**
- (3) Failure to deposit Referral Fee within specified time limits (§ 12.1(a), § 12.1(g)): \$100 per day of delay in depositing fee **[B]**

- (4) Failure to deposit percentage fee within specified time limits (§ 12.1(b)): \$100 per day of delay in depositing fee, beginning on the fifteenth (15th) month after the Effective Date of the Agreement **[B]**
- (5) Failure to deposit SFMTA Administrative Fees within specified time limits (§ 12.1(c), § 12.1(g)): \$100 per day of delay in depositing fee **[B]**
- (6) Failure to pay balance due within ten (10) days of receiving bill from City (§ 12.5): \$100 for each day of delay in paying billed amount **[B]**
- (7) Failure to collect any Mandatory Fee due to internet site or IVR system errors (§§ 6.3, 6.4): amount of uncollected Mandatory Fees due to the City which have not been assessed as liquidated damages pursuant to another subsection of this Section 15 **[D]**
- (8) Failure to deposit all or any part of collected funds not identified in any other paragraph of this Section 15.11 within specified time limits (§12.1(g)): \$500 per day delayed **[B]**
- (9) Failure to maintain minimum balance in Claims Fund (Master Agreement § 12.4): \$500 per day that balance is below minimum requirement **[D]**
- (10) Failure to maintain minimum balance in Maintenance Deposit (Master Agreement § 12.3): ten percent (10%) APR or the maximum allowed by California law, whichever is greater, per day that balance is below minimum requirement, paid on the deficiency **[D]**
- (11) Failure to timely make the annual payment to reimburse the City for the cost of the Contract Monitor (§ 8.9(a)): \$100 per day for each day that payment is delayed **[B]**.
- (12) Failure to make timely annual payment into the Contractor Compliance Audit Fund (§12.6): \$100 per day for each day that payment is delayed **[B]**