



AGENDA REPORT

Meeting Date: October 7, 2008
Item Number: F-12
To: Honorable Mayor & City Council
From: Chad Lynn, Director of Parking Operations
Subject: APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND AMPCO SYSTEM PARKING FOR THE MANAGEMENT AND OPERATION OF THE BEVERLY GARDENS PARKING FACILITY AT THE MONTAGE; AND

APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$796,000 TO AMPCO SYSTEM PARKING FOR THE CONTRACT WORK

Attachments: 1. Agreement

RECOMMENDATION

Staff recommends that the City Council move to approve an agreement between the City of Beverly Hills and Ampco System Parking for the management and operations of the Beverly Gardens Parking Facility at the Montage.

INTRODUCTION

The Beverly Gardens Parking Facility at the Montage (Parking Structure) is nearing the completion of construction and the grand opening date is scheduled for November 24, 2008.

The full-service valet operation for visitors, guests of the Hotel, and guests of residents will be operated by the Montage Hotel staff. The City will operate the self-parking and attendant assisted parking operations for all customers entering the public parking facility. A portion of the parking operations in the Parking Structure will be jointly operated on a shared-use basis under the terms of the Reciprocal Easements and Operating Agreement and Parking Lease between the City and Hotel. The self-park and attendant assisted parking areas of the Parking Structure will be managed by the City's Parking Operations Division. As with all operations utilizing attendant assisted parking under the direct supervision of the City's Parking Operations Division, these operations are contracted out to a professional parking operator. The City's current operator,

Ampco System Parking, provides these services on an ongoing basis at the Beverly/Canon (Crate & Barrel) facility and during the holiday season at several other locations.

In May of 2008, staff retained Walker Parking Consultants (Walker) for the purpose of assisting staff in preparing the Request for Proposal (RFP) documents and managing the RFP process for the selection of a parking operator to operate the City's portion of the Parking Structure under the terms of a management agreement.

On July 18, 2008, the City released the RFP for the selection of a parking operator, which included provisions to provide additional services at the Parking Structure and at other City parking facilities on an as-needed basis.

DISCUSSION

Nine parking operators attended the mandatory pre-proposal meeting and on August 22, 2008, the City received and opened three proposals. Three operators officially declined to participate, two operators did not submit proposals, and one operator submitted the proposal after the posted deadline and was disqualified.

The three proposals submitted were reviewed by Walker for compliance with the requirements of the RFP and responsiveness of the submission. Pursuant to the evaluation process contained in the RFP, all three parking operators were selected for interview by the City's selection panel. The following three proposers were interviewed:

- Ampco System Parking
- Five Star Parking
- Modern Parking

The interviews were held on September 4, 2008. Each proposer was allowed a 30 minute presentation, which was followed by questions from the selection committee. The scheduling order of the interviews was selected at random by Walker. Pursuant to the RFP, each proposer was rated based on the following criteria, with a total possible score of 100 from each rater:

- | | |
|---|----|
| • Monthly Compensation (Hourly Rate, Insurance, Management Fee) | 40 |
| • Project Manager Experience | 30 |
| • Management Capabilities | 25 |
| • Cost of Supplementary Services | 5 |

An eight person panel with five rating members was established to interview, rate and recommend the most qualified parking operator to enter into negotiations for final recommendation to the City Council. The panel consisted of the following:

- Rating Members
 - Parking Professional from the City of West Hollywood
 - Parking Professional from the City of Los Angeles
 - Parking Supervisor from the City of Beverly Hills
 - Senior Management Analyst from the City of Beverly Hills
 - Accounting Technician from City of Beverly Hills
- Non-Rating Members
 - William Francis, Walker Project Manager

- o Richard Raskin, Walker Consultant
- o Chad Lynn, City of Beverly Hills, Director of Parking Operations

Ampco System Parking was the highest ranked operator with 457 points. This was:

- 21 points higher than the number two rated parking operator
- 49 points higher than the number three rated parking operator

The table below represents the fully burdened hourly costs of the various positions requested by the City.

Proposed Hourly Labor Costs

	Ampco	Five Star	Modern
Manager	\$28.36	\$29.58	\$28.78
Assistant Manager	\$22.30	\$21.51	\$24.02
Supervisor	\$18.73	\$18.82	\$16.07
Attendant	\$12.42	\$11.77	\$10.80*
Maintenance	\$12.42	\$13.78	\$10.80*
Clerk	\$17.47	\$16.47	\$17.16*

* Proposed Labor Costs do not provide for health benefits for these employees

Although the hourly cost for the Modern Parking proposal appears to be the lowest, it did not calculate the cost of health benefits staff members below the supervisory level. The City wishes to extend these benefits to those employed by its operator to ensure the recruitment and retention of the best employees the marketplace has to offer. Modern Parking stipulated to providing these benefits during the interviewing process; however, since the City did not select this operator to move forward into negotiations the additional costs of those services were not calculated herein.

In order to calculate the hourly cost of employees in a manner that would be fair and equitable to all parties, the City determined a schedule based on one eight-hour position per day for all positions except parking attendant, and five eight-hour positions per day for the parking attendant positions. The City then annualized those costs to show the variance of the proposed hourly rates between the operators during the operating year. This variance is minimal between the number 1 and 2 ranked operators and grows for the number 3 ranked operator, the reason for which was described above.

Annual Labor Costs Based on City Defined Schedule (For Comparison Purposes)

	Ampco	Five Star	Modern
Manager	\$58,999	\$61,526	\$59,862
Assistant Manager	\$49,384	\$44,741	\$49,962
Supervisor	\$38,958	\$39,146	\$33,426
Attendant	\$129,168	\$122,480	\$112,320*
Maintenance	\$25,834	\$28,662	\$22,464*
Clerk	\$36,338	\$34,258	\$35,623*
Total	\$338,681	\$330,813	\$313,657

* Proposed Labor Costs do not provide for health benefits for these employees

The table below shows the proposed liability insurance and management fees for the operators.

Proposed Management Costs

	Ampco	Five Star	Modern
Liability Insurance	\$12,288	\$20,328	\$17,172
Management Fee	\$22,000	\$12,000	\$27,000
Total	\$34,288	\$32,328	\$44,172

The combined costs based on hourly rates and management costs are provided in the table below.

Proposed Total Cost of Operations (based on City defined schedule)

	Ampco	Five Star	Modern
Annual Labor	\$338,681	\$330,813	\$313,657
Management Costs	\$34,288	\$32,328	\$44,172
Total	\$372,969	\$363,141	\$357,829

During the ranking process, the City's panel did not believe any of the managers proposed by any of the operators was suited for the City's operations. During the negotiation process, Ampco proposed relocating a manager from Texas with the appropriate experience and background for this operation. The site manager we have agreed upon has the following experience/expertise:

- Currently manages the parking operations for a public/private partnership in a 4 star hotel providing full-service valet and self-parking options.
- Manages a staff of over 35 employees.
- Strong experience with opening and establishing new locations.
- Strong experience with Pay-on-Foot operations.
- Has a history working in the Southern California Region before relocating to Texas.

In addition to the strength of the facility manager, Ampco will be providing additional support with the marketing and public notification for the opening of this facility, which will include neighborhood walks and visits to individual businesses neighboring the new parking facility. Ampco will also be providing the support services for implementation and operation of the City's first Pay-on-Foot location. Jeff Miller, Revenue Control Specialist, has a wealth of knowledge related to the general Pay-on-Foot applications, but has extensive knowledge of the specific Skidata PARCS equipment selected by the City.

Since the selection of the operator was based on total service delivery, staff considers the 3% difference between the number 1 and number 2 ranked operators minimal. Staff supports the recommendation of the rating panel to select Ampco System Parking based on the RFP rating and selection process, the strength of the on-site manager, and the additional support to be provided for the opening of the new parking facility and the implementation of new PARCS equipment for the City's first Pay-on-Foot application.

FISCAL IMPACT

The agreement between the City and Ampco System Parking is considered a "management agreement" in which the operator will be reimbursed by the City for actual costs based on an agreed labor schedule and rates, plus a fixed insurance and management fee.

In order to control the costs of operations the City and Operator have agreed to the following terms and conditions:

1. The City has pre-approved an annual labor schedule.
2. The City has pre-approved an annual non-labor operating budget.
 - a. These represent expenses such as parking tickets, telephones, uniforms, etc.
3. The City has provided an operating allowance for additional expenses related to operations at the Parking Structure.
 - a. These represent expenses such as powerwashing, lighting, additional wayfinding signage, etc.
 - b. These expenses have been budgeted and allocated to this agreement; however, the operator must obtain written approval from the City before incurring these expenses to be eligible for reimbursement.
4. The City has provided an operating allowance for additional expenses related to general parking operations throughout the City.
 - a. These represent expenses such as the Beverly/Canon, holiday parking, and special event attendant assisted parking operations.
 - b. These expenses have been budgeted and allocated to this agreement; however, the operator must obtain written approval from the City before incurring these expenses to be eligible for reimbursement.
5. The City has provided a pre-approved start-up budget for all operations.
 - a. These represent expenses related to initial capital costs of equipment for these operations, such as keyboxes, and the recruitment, pre-employment background checks, and training related to the commencement of the new operations.

Table of Fees

Public Gardens Facility Labor	\$484,424
Public Gardens Operating Budget	\$91,988
Public Gardens Operating Allowances	\$57,110
General Operating Allowances	\$131,000
Start-up Costs	\$30,200
Total	\$794,722

Staff has budgeted \$800,000 per year for the expenses related to the operations of the Public Gardens Parking Facility at the Montage and \$110,000 for Beverly/Canon and holiday parking operations for a total budget of \$910,000.

Funds for operations of the Public Gardens Parking Facility at the Montage will be offset by operating revenues and all funds have been budgeted as part of the Parking Enterprise Fund.



Scott Miller

Finance Approval



David Gustavson

Approved By

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND AMPCO SYSTEM PARKING FOR THE MANAGEMENT
AND OPERATION OF THE BEVERLY GARDENS PARKING
FACILITY AT THE MONTAGE

NAME OF OPERATOR: Ampco System Parking

RESPONSIBLE PRINCIPAL
OF OPERATOR: Arnold Klauber, Sr. Vice President

OPERATOR'S ADDRESS: 808 South Olive Street
Los Angeles, CA 90014
Attention: Arnold Klauber
Sr. Vice President

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Chad Lynn
Director of Parking Operations

COMMENCEMENT DATE: October 8, 2008

TERMINATION DATE: October 7, 2011, unless extended pursuant
to Section 2 of the Agreement

CONSIDERATION: Not to exceed \$765,000 per year and more
particularly described in Exhibit B-1

Not to exceed \$31,000 one time first year
start up costs, as described in Exhibit B-1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND AMPCO SYSTEM PARKING FOR THE MANAGEMENT
AND OPERATION OF THE BEVERLY GARDENS PARKING
FACILITY AT THE MONTAGE

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Ampco System Parking, (hereinafter called "OPERATOR").

RECITALS

A. CITY desires to have certain services provided (the "services") as set forth in Exhibit A, attached hereto and incorporated herein.

B. OPERATOR represents that it is qualified and able to perform the services.

NOW, THEREFORE, the parties agree as follows:

Section 1. OPERATOR's Services. OPERATOR shall perform the services described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

Section 2. Time of Performance. OPERATOR shall perform the services on or by the Termination Date set forth above. The City Manager or his designee may extend the time of performance in writing for three additional one-year periods pursuant to the same terms and conditions of the Agreement, upon written notice to OPERATOR thirty (30) days prior to the expiration of the current term.

Section 3. Compensation. CITY agrees to compensate OPERATOR, and OPERATOR agrees to accept in full satisfaction for the services required by this Agreement the Consideration set forth above and more particularly described in Exhibit B-1, attached hereto and incorporated herein. Said Consideration shall constitute reimbursement of OPERATOR's fee for the services as well as the actual cost of any equipment, materials, and supplies necessary to provide the services (including all labor, materials, delivery, tax, assembly, and installation, as applicable). CITY shall pay OPERATOR said Consideration in accordance with the schedule of payment set forth in Exhibit B-2, attached hereto and incorporated herein.

Section 4. Independent Contractor. OPERATOR is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of OPERATOR or any of OPERATOR's employees, except as herein set forth. OPERATOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 5. Assignment. OPERATOR shall not assign or attempt to assign any portion of this Agreement without the prior written approval of CITY.

Section 6. Responsible Principal(s)

(a) OPERATOR's Responsible Principal set forth above shall be principally responsible for OPERATOR's obligations under this Agreement and shall serve as principal liaison between CITY and OPERATOR. Designation of another Responsible by OPERATOR shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 7. Personnel. OPERATOR represents that it has, or shall secure at its own expense, all personnel required to perform OPERATOR's services under this Agreement. All personnel engaged in the work shall be qualified to perform such services.

Section 8. Interests of OPERATOR. OPERATOR affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having any such interest shall be employed by or be associated with OPERATOR.

Section 9. Bonds. OPERATOR shall obtain and provide the following bonds during the term of this Agreement which shall be executed by an admitted surety insurer which has been given a B+;VII or higher rating by the most recent edition of Best's Insurance Guide and which is authorized to issue bonds in the State of California through an authorized agent with an office in California.

(a) Fidelity Bond. A blanket fidelity bond or comparable honesty bond or crime coverage, in a form satisfactory to the City Attorney, protecting the CITY against financial loss caused by any dishonest act of OPERATOR or OPERATOR's employees. The bond shall have a minimum limit of \$10,000 and the CITY shall be named as a loss payee.

(b) Performance Bond. A faithful performance bond, in a form satisfactory to the City Attorney, covering faithful performance of the Agreement and payment of obligations arising thereunder in the amount of \$765,000.

(c) Payment Bond. A payment bond, in a form satisfactory to the City Attorney, in the amount of \$765,000.

Section 10. Insurance.

(a) OPERATOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by OPERATOR.

(b) OPERATOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One

Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by OPERATOR in performing the services required by this Agreement.

(c) OPERATOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Garage Keepers Legal Liability with a limit of not less than \$1,000,000 (One Million Dollars) per occurrence. If the insurance includes a general aggregate limit, that limit shall apply separately to this contract or it shall be at least twice the required per occurrence limit.

(d) OPERATOR agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation insurance as required by law.

(e) OPERATOR shall require each of its sub-consultants or sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(f) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+,VII in the latest edition of Best's Insurance Guide.

(g) OPERATOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at OPERATOR's expense, the premium thereon.

(h) At all times during the term of this Agreement, OPERATOR shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. OPERATOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(i) The insurance provided by OPERATOR shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(j) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, OPERATOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or OPERATOR shall procure a bond guaranteeing payment of losses and expenses.

Section 11. Indemnification. OPERATOR agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or

omissions of OPERATOR or any person employed by OPERATOR in the performance of this Agreement.

Section 12. Termination.

(a) CITY may cancel this Agreement at any time upon at least five (5) days written notice to OPERATOR. OPERATOR agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by OPERATOR, OPERATOR shall be paid full compensation for all services performed by OPERATOR, in an amount to be determined as follows: For work done in accordance with all of the terms and provisions of this Agreement, OPERATOR shall be paid an amount equal to the amount of services performed prior to the effective date of termination or cancellation; provided, in no event shall the amount of money paid under the foregoing provisions of this paragraph exceed the amount which would be paid OPERATOR for the full performance of the services required by this Agreement.

Section 13. CITY's Responsibility. CITY shall provide OPERATOR with all pertinent data, documents, and other requested information as is available for the proper performance of OPERATOR's services.

Section 14. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by OPERATOR and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 15. License and Permits. OPERATOR shall obtain and pay for all permits and licenses required by federal, state or local law, rule or regulation. Such permits shall not be subject to reimbursement.

Section 16. Changes in the Scope of Work. CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by OPERATOR must be made in writing and approved by both parties.

Section 17. Notice. Any notice required to be given to OPERATOR shall be deemed duly and properly given upon delivery, if sent to OPERATOR postage prepaid to the OPERATOR's address set forth above or personally delivered to OPERATOR at such address or other address specified to CITY in writing by OPERATOR.

Any notice required to be given to CITY shall be deemed duly and properly given upon delivery, if sent to CITY postage prepaid to CITY's address set forth above or personally delivered to CITY at such address or other address specified to OPERATOR in writing by CITY.

Section 18. Attorney's Fees. In the event of litigation between the parties arising out of or connected with this Agreement, the prevailing party in such litigation shall be

entitled to recover, in addition to any other amounts, reasonable attorney's fees and costs of such litigation.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and OPERATOR, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and OPERATOR.

Section 20. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 21. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the ____ day of _____ 200__, at Beverly Hills, California.

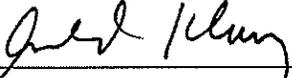
CITY OF BEVERLY HILLS
A Municipal Corporation

BARRY BRUCKER
Mayor of the City of
Beverly Hills, California

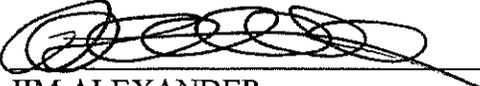
ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

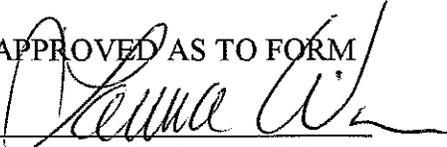
OPERATOR: AMPCO SYSTEM PARKING



ARNOLD KLAUBER
Sr. Vice President



JIM ALEXANDER
Sr. Vice President/Finance :

APPROVED AS TO FORM


LAURENCE S. WIENER
City Attorney

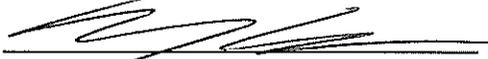
APPROVED AS TO CONTENT:

RODERICK J. WOOD
City Manager

[Signatures continue]



DAVID D. GUSTAVSON
Director of Public Works & Transportation



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF SERVICES

OPERATOR shall perform the following services to the full satisfaction of CITY:

Statement of Purpose. OPERATOR shall operate and manage a CITY owned parking garage located at the Montage Hotel between Beverly Drive and Canon Drive immediately north of Wilshire Boulevard.

The parking facility shall be operated and maintained by OPERATOR in a manner consistent with that of a first-class project. A first-class project is one which upholds quality standards one would expect of a premium, luxury hotel in a large city or major metropolitan area.

The maximum permissible rates to be charged for the garage shall be determined by CITY, as published in CITY's annual schedule of fees and charges.

Garage Plan and Access. The Montage Parking Garage Facility (Garage) is a four-level subterranean parking facility consisting of 733 code-required spaces for the hotel and condominium and 431 public parking spaces for a total of 1,164 spaces. The breakdown of these parking spaces as follows:

Parking Space Allocation

	City	Hotel	Condominium	Shared	Total
P-1		186			186
P-2	305				305
P-3	126		76	111	313
P-4		263		97	360
Total	431	449	76	208	1,164
Overflow					46
Overall Capacity					1,210

In addition to providing parking, the first level also provides separate valet pick-up/drop-off areas for the general public and for the hotel. The second level is the first full level of public and hotel parking. The third level provides additional public and hotel parking, along with an enclosed area for the condominium residents of the hotel. The fourth level has the most parking of any garage level and is the most utilitarian in nature than the others, with parking available to

the public and to the hotel. The fourth also includes the majority of the facility's compact spaces. The valet operation can park an additional 46 vehicles in the aisles on the fourth and second levels so that a total of 1,218 could be accommodated in the garage when necessary.

Self-park patrons shall be guided to available parking spaces by parking attendants. OPERATOR shall effectively monitor the traffic patterns of the garage to efficiently reverse the operation of the lane(s) to facilitate egress and alleviate exiting delays from the facility.

Parking Space Distribution

	Regular	Tandem	Total
Standard Spaces	175	879	1,062
Compact Spaces	10	78	88
Accessible Spaces	2	-	22
Total	207	957	1,164

*Reserved for Residents 76

Monthly Parking. The garage shall be operated as a public parking facility with the primary focus being the short-term parking needs of the businesses in the vicinity of the garage and the guests of the Montage Hotel. Monthly parking shall be permitted to the extent that transient parking is not negatively impacted. Monthly customers shall be provided proximity key cards to access the garage. CITY shall authorize the number of parking permits at the rate set forth in CITY's annual Schedule of Fees and Charges. OPERATOR shall provide a statement on demand of CITY that shows the number of paid monthly parkers in relationship to the number of active monthly cards within the parking facility.

The following are job descriptions of key personnel:

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

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

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

Should OPERATOR find it necessary or desirable to replace the Parking Manager following the commencement of the Operating Agreement, the Department of Public Works and Transportation - Parking Operations Division staff shall participate in and have the right to approve or reject the selection of a replacement Parking Manager. CITY shall have the right to request a new Parking Manager at any time for any reason or no reason.

Assistant Parking Manager. The Assistant Parking Manager shall be responsible for supporting the Parking Manager in all aspects of the parking facility operations, including but not limited to, overseeing the administration of the parking office, developing procedures, processing paperwork, planning work schedules, reviewing and approving documents, monitoring employee performance and counseling employees, coordinating employee work activities, counting money, investigating revenue discrepancies, auditing employee and customer use of monthly key cards, ensuring that revenues collected are accurately recorded and properly secured, coordinating bank deposits, reviewing and preparing parking revenue reports, conducting parking facility inspections, responding to customer concerns and complaints, and ensuring that the garage is sufficiently staffed at all times. CITY shall have the right to request a new Assistant Parking Manager at any time for any reason or no reason.

Parking Maintenance Attendant. The Parking Maintenance Attendant shall clean and maintain the parking facility and parking offices on a daily basis. The responsibilities shall include, but not be limited to, daily sweeping of all garage parking levels, including the entrance and exit ramps, picking up trash and debris, sweeping and mopping the garage stairwells, cleaning and maintaining the area immediately surrounding the central garage elevator and escalator core, the parking office, emptying waste baskets, cleaning and emptying ashtrays, touch-up painting, directing traffic and placing and removing directional sign stands and rubber traffic cones weighing up to 25 pounds. This position may involve interaction with the public in directing the public and answering questions. CITY shall have the right to request the incumbent in this position to be replaced at any time for any reason or no reason.

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

Employee Quality of Service. OPERATOR shall maintain the highest degree and standards of courtesy on the part of its employees. All employees shall perform assigned duties in an orderly and professional manner. Employees shall always be respectful of others and not engage in profanity or unsafe or illegal behavior. Employees shall be able to communicate effectively in English.

Uniforms and Appearance. OPERATOR shall furnish all employees with uniforms acceptable to CITY consisting of a jacket, shirt, and full-length pants. Employees must be attired in clean uniforms bearing logos and wording as approved by CITY in writing, and be well-groomed at all times while on duty. Employees shall wear name tags to clearly identify themselves to the public and to CITY staff.

Required Equipment. Prior to the commencement of parking operations, OPERATOR shall be required to purchase certain equipment and supplies to operate the parking garage in a manner consistent with that of a first-class project, as detailed below:

Parking Management Office. The parking garage contains one Parking Management Office located on Level P-2. OPERATOR shall be required to equip the Parking Management Offices with adequate resources, including but not limited to, office furniture, personal computers, printers, telephones, office safe(s), facsimile machine, photocopy machine, time clock, and any other equipment or materials necessary to effectively administer the office. The equipment shall remain the property of the OPERATOR.

Telecommunications Equipment. OPERATOR shall be responsible for the provision of at least one business telephone for the OPERATOR's Parking Management Office. OPERATOR will be responsible for telecommunication services at the parking facility, the cost of which shall be considered an operating expense. However, long distance telephone charges shall not be reimbursed by CITY.

OPERATOR shall be required to obtain two-way radios or similar devices to facilitate communications between managers, supervisors, and parking staff. Costs associated with the two-way radios shall be at the OPERATOR's sole expense and such equipment will remain the property of the OPERATOR. All telecommunication equipment shall be operational during business hours.

Revenue Control Equipment. The parking structure shall be furnished with a SkiData revenue control system that shall be remotely linked to CITY, Department of Public Works and Transportation, Parking Operations Division. CITY shall have access to the revenue control equipment on-site at all times. CITY has entered into a maintenance service contract for preventative maintenance and emergency service of the revenue control equipment. OPERATOR shall be required to oversee the operation of the revenue control equipment on a daily basis and work closely with the contract service vendor and CITY to ensure that the equipment is fully operational during special events and high-volume periods. OPERATOR shall be required to monitor the service and repair of the revenue control equipment, including recording the removal of revenue control equipment parts by the service vendor, and maintaining an accurate spare parts inventory. OPERATOR and its personnel shall be trained in the proper

use of the revenue control equipment and related software and the ability to generate comprehensive reports, including but not limited to, revenue and validation reports, occupancy counts and monitoring, equipment functions, and Garage usage counts. OPERATOR shall be financially responsible for any damages due to negligence.

Attendant Booths. There are no attendant booths. This will be a pay-on-foot parking facility.

Elevator and Escalator Core. Regular pedestrian ingress and egress to the garage is through the elevator and escalator core with landings on each floor of the garage and retail areas. Maintenance and repair of the escalators, elevators, light fixtures and art work within the elevator lobbies and escalator landing areas shall be provided by CITY and shall not be within OPERATOR's scope of services.

Security Services. OPERATOR shall not be responsible for providing regular security services; however, the OPERATOR shall promptly notify CITY whenever problems or unusual circumstances occur regarding security, security equipment or security issues within the garage.

Scope of Maintenance Services. OPERATOR shall maintain the parking facility in good order, condition and repair consistent with that of a first-class project and in accordance with the Garage Maintenance and Repair Standards Agreement attached hereto and incorporated herein as Attachment 1 to Exhibit A. Should the garage not be properly maintained according to the standard acceptable to CITY and that of a first-class project, CITY reserves the right, after reasonable notice and opportunity to cure, to clean the garage and/or perform repairs or necessary maintenance activities. CITY shall deduct the cost of these services from the monthly compensation due to the OPERATOR.

Cleaning. OPERATOR shall remove all papers, debris, refuse and surface waters and thoroughly sweep paved areas on a daily basis. The stairwells shall be swept and cleaned on a daily basis. No garbage or trash shall be permitted to accumulate, except in covered containers of a type approved by CITY. OPERATOR shall provide for regular trash collection services so as to maintain a clean and safe condition within the garage. Trash receptacles shall be cleaned, as needed. OPERATOR shall remove all oil and grease deposits from the parking surface on an as-needed basis.

Power Sweeping. Power sweeping shall be performed at the direction of CITY and/or Montage Hotel, and OPERATOR shall be reimbursed for any direct expenses incurred.

Steam Cleaning. Steam cleaning shall be performed at the direction of CITY and/or the Montage Hotel, and OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

Entrances. OPERATOR shall maintain, repair, and replace parking area entrance, exit and directional signs, markers and lights required for safety and consistent with that of a first-class project. OPERATOR shall periodically paint the curbs within the parking facility to maintain a clean appearance. All work described in this paragraph shall be

performed at the direction of CITY, and OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

Lighting. OPERATOR shall clean lighting fixtures and re-lamp and re-ballast them as needed. The parking facility shall be kept lighted for security purposes seven days each week and uniformly distributed throughout the parking facility. Light bulbs shall be replaced no later than 24-hours from the time of failure. All work shall be performed at the direction of CITY, and the OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

Signage. OPERATOR shall clean, maintain, re-lamp and repair all existing signs in the parking facility, including parking rate signs, directional and other signage related to parking functions. OPERATOR shall not be responsible for the directional signage pertaining to the elevator and escalator core, pedestrian only landing areas and elevator lobbies. OPERATOR may be required by CITY to provide additional signage in the garage from time to time, at CITY's expense, subject to the approval of CITY before installation. All work shall be performed at the direction of CITY, and OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

Graffiti Removal. OPERATOR shall be required by CITY to remove graffiti from the garage and paint and touch up garage surfaces and fixtures, as necessary. OPERATOR shall utilize the most recent technology to adequately remove graffiti and paint over damaged areas to ensure that the work is commensurate with that of a first-class project. All work shall be performed at the direction of CITY, and the OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

Fire Alarm Monitoring. OPERATOR shall maintain and oversee the operation of the fire alarm system within the garage. All work shall be performed at the direction of CITY, and OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

Exhaust Maintenance. OPERATOR shall maintain and oversee the operation of the exhaust system within the garage. All work shall be performed at the direction of CITY, and OPERATOR shall be reimbursed by CITY for any direct expenses incurred.

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

Operations Office. A central office and a records retention area shall be provided by CITY (if not available within the garage facility). A 24-hour telephone service shall be maintained for emergency contact with the OPERATOR. OPERATOR shall provide this number to the

Department of Public Works and Transportation – Parking Operations Division and shall notify the Department of any changes. OPERATOR shall ensure that the emergency number is answered at all times and that a response to any call will be provided within 30 minutes.

Reserved Spaces. No spaces shall be reserved for certain patrons or businesses without prior written approval by CITY with the exception of the reserved parking spaces for the Montage Hotel.

Restriction on Use. OPERATOR, in its operation of the garage, shall be subject to all orders, directions or conditions issued by CITY, and all Federal, State, and Municipal Laws, Regulations and Codes. Other uses, including but not limited to storage of vehicles, film permit related usage, public and private events, and retail or wholesale commercial activities, shall be permissible only with a written request to and advance approval by CITY which may be withheld by the CITY at CITY's sole discretion..

Improvements and Alterations. No improvements, structures, facilities, alterations or additions shall be made in, to or upon the garage by OPERATOR without the prior written consent of the Department of Public Works and Transportation – Parking Operations Division.

Non-Parking Revenues. OPERATOR shall not enter into any agreements concerning non-parking uses of the parking facility without the prior written consent of the Department of Public Works and Transportation – Parking Operations Division which may be withheld by the Parking Operations Division at its sole discretion. Non-parking uses include, but are not limited to, product promotions or commercial advertising on CITY property or on ticket stock. Any revenues generated by such non-parking uses shall be identified and reported each month as part of the total revenue from the garage.

Revenue Control, Collection, and Deposit Procedures. OPERATOR shall implement revenue control procedures which account for parking fees collected and deposited, vehicles parked in the facility, tickets issued and collected, and lost tickets. Daily reports and logs, which contain the name of the parking personnel who open and close the garage, opening and closing ticket numbers, opening and closing car counts, time of opening and closing, time of change of shifts, and list of overnight vehicles with amount due, shall be maintained by OPERATOR. Daily audits shall be conducted by OPERATOR, in addition to monthly reporting, complete audits, and surprise field audits shall be conducted periodically by OPERATOR. OPERATOR shall be required to implement a secure system for collecting and moving cash from the pay-on-foot stations to the on-site Parking Management Office. OPERATOR shall ensure that all collected revenues are accurately counted and shall provide a safe(s) and security devices that will prevent theft or expose pilferage.

Bank Deposit of Gross Revenues. OPERATOR shall deposit all gross revenues collected daily from the parking facility into CITY's Bank Account by the close of the next business day. OPERATOR shall transmit the daily listing of deposits to the Department of Public Works and Transportation – Parking Operations Division electronically or by facsimile machine every business day. OPERATOR shall be responsible for the safekeeping of parking revenues at all times, including overnight and weekends, until they have been deposited into CITY's Bank

Account. OPERATOR shall transport revenues via CITY-contracted armored transport carrier at CITY's expense. "Gross revenues" shall include all revenues generated from parking facility operations including but not limited to, parking fees collected from the daily parking automobiles, special events, monthly parking permit revenue, and other revenue as designated by the Department of Public Works and Transportation – Parking Operations Division.

OPERATOR's deposit of gross revenues due to CITY shall be considered delinquent if not received by CITY by the close of the next business day following the day on which the revenues were collected. If the deposit is delinquent, the OPERATOR shall pay penalties according to the following schedule:

- A. If any gross revenues are deposited within one to 30 calendar days after the due date, a penalty may be assessed up to five percent (5%) of the amount of gross revenues due.
- B. If any gross revenues are delinquent for over 30 calendar days after the due date, a penalty may be assessed up to ten percent (10%) of the amount of gross revenues due. CITY shall have the right to collect from OPERATOR's Performance Bond to cover the amount due and late payment charges.

CITY retains the right to waive or reduce such penalties as assessed under this section in its sole discretion.

Petty Cash Account. OPERATOR shall be required to maintain a petty cash account to ensure timely deposits of all gross revenues into CITY's Bank Account for the purposes of managing daily activities. The petty cash account shall also cover all change or replenishment needed for the pay-on-foot machines.

Lot Operation Start-Up Penalties. If OPERATOR fails to commence operations of the parking facility on November 4, 2008 in compliance with the start-up date, CITY reserves the right to assess the OPERATOR penalties in the amount of \$15,000 per day.

Meetings Between OPERATOR and CITY Management and Hotel. Meetings between OPERATOR and responsible CITY management shall be held, at the direction of CITY, at the Department of Public Works and Transportation Building, 345 Foothill Road, Beverly Hills, CA, 90210 or at another mutually agreed upon site, at a mutually agreed upon time. OPERATOR shall also be required to meet regularly with representatives of the Montage Hotel at the direction of CITY.

Problem and Complaint Abatement/Maintenance of a Written Log. OPERATOR shall resolve any operational problems and/or patron complaints and accurately report these problems and/or complaints to CITY within twenty-four hours and follow up with a written report within ten days of the incident. OPERATOR shall maintain a written log of all complaints, injuries and accidents, security problems, damage to the facilities and equipment, and other unusual incidents occurring on the parking lots. OPERATOR shall note the location, dates and times, as well as the action taken or the reason for non-action. The log shall be available for inspection by the

Department of Public Works and Transportation – Parking Operations Division staff at all reasonable times.

Reporting Requirements. OPERATOR shall be required to submit monthly reports as deemed necessary by CITY and in a format acceptable to CITY. OPERATOR shall work to provide online access to a reporting site that will include both reports for the operation of the parking facility and the monthly invoices from OPERATOR.

Monthly Summary of Lot Operations. A Monthly Summary of Lot Operations Report shall be turned in no later than the fifteenth of the month following the reporting period. Information to be reported shall include, but is not limited to, the parking utilization of the facility and permitted non-parking uses, corresponding revenues, payment due OPERATOR and/or CITY, ticket usage, unusual incidents occurring in the garage such as security problems, damage to facilities or equipment, citizen complaints, and other actions that are noteworthy but not specifically covered in other reports. These reports shall be submitted to the Parking Operations Division of the Department of Public Works and Transportation.

Incident Notification. Any occurrences in the parking facility involving fire and law enforcement authorities or reports of personal injury resulting from incident(s) in the garage shall be immediately reported to the Department of Public Works and Transportation – Parking Operations Division and shall be followed by a written incident report within seven calendar days of any such incident.

Approved Uses of the Garage Other than Regular Fee Parking. OPERATOR shall be required to immediately advise the Department of Public Works and Transportation – Parking Operations Division, of the nature of any requests for use of the parking garage other than for regular fee parking. Any such use shall be approved in advance in writing by CITY at CITY's sole discretion.

OPERATOR's Books and Records/Audits and Inspections. After execution of the Operating Agreement, CITY staff shall meet with OPERATOR to review record keeping methodologies in place and recommend changes, as necessary to ensure adequate reporting to CITY.

At any time during normal business hours and as often as CITY may deem necessary, the OPERATOR shall make available to CITY for examination, all books, ledgers, journals and accounting records which reflect receipts derived from the operation of the garage as well as accounting records pertaining to expenditures relative to the operation and maintenance of the parking facility. CITY shall have the authority to audit, examine and make excerpts or transcripts from records, including but not limited to, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other documents or statistical data relating to the operation of the parking facility.

The aforementioned records, and all source documents, including, but not limited to tickets/ticket stubs, receipt for monthly parking, logs, validation receipts, daily bank deposit slips, invoices of services and other related records, shall be retained by OPERATOR for a period of not less than

three (3) years or until the examination of the source documents are completed and the audit reports are finalized.

In the event that OPERATOR fails to provide CITY with the requested documents, including but not limited to books, ledgers, journals, accounting records or source documents during the examination and audit, OPERATOR shall be fined a penalty of \$10,000 and CITY shall have the right to terminate the Operating Agreement.

In the event that CITY discovers any unreported revenues during the examination and audit, OPERATOR shall pay CITY the entire unreported amount and a penalty of five hundred dollars (\$500) for every incident, and one percent (1%) accrued interest per month. An additional one percent (1%) interest may apply until the requested unreported revenue(s) is/are fully paid. The Operating Agreement may also be terminated as a result of the discovered unreported revenue(s).

CITY reserves the right to dispatch auditors of its choosing to the parking facility. OPERATOR shall provide an adequate private working area for CITY's auditor. The auditor(s) shall have ready access to a photocopy and facsimile machine. The auditor(s) shall be allowed to interview any employees of the OPERATOR.

OPERATOR agrees that examination of OPERATOR's books and records shall be made in accordance with generally accepted auditing standards applicable in the circumstances and that as such, said examination shall not require a detailed audit of all transactions. Testing and sampling methods may be used in verifying reports submitted by OPERATOR. Deficiencies ascertained by the use of such testing and sampling methods, by applying the percentages of error obtained from such testing and sampling to the entire period under examination, shall be binding on OPERATOR and shall be admissible in court to prove any amounts due CITY from OPERATOR. This shall not prevent OPERATOR from producing all actual records and figures in court to rebut the sampling method. CITY shall then conduct an audit of all the records for the audit period. In the event the deficiency ascertained is 2% or more of the amount reported to CITY, OPERATOR shall pay CITY for the entire cost of the audit.

Monthly Compensation Deductions. Upon review of the parking facility operations and required reports, CITY reserves the right to deduct fees from the selected OPERATOR's monthly compensation if CITY in its sole discretion determines that any of the conditions or incidents listed below have occurred. These monthly compensation fee deductions shall not preclude, minimize, or replace OPERATOR's responsibility for ensuring that appropriate corrective actions are taken when necessary.

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

- \$25 shall be deducted for each individual page of paperwork that OPERATOR processes and fails to submit to CITY at the direction of CITY.
- \$25 shall be deducted for each individual page of paperwork that OPERATOR submits to CITY that is not properly completed, missing required information or contains inaccuracies.
- \$50 shall be deducted for each instance that an Office Employee or Field Employee is absent from an assigned work area for reasons of abandonment or personal, non-emergency interest. Such penalty shall not preclude OPERATOR from initiating the employee disciplinary process.
- \$50 shall be deducted for each instance that an Office Employee or Field Employee rudely interacts with a customer while performing his/her duties.
- \$200 shall be deducted each time OPERATOR fails to submit the required Monthly Summary of Lot Operations Report by the end of the business day on the due date.
- \$200 shall be deducted for each instance that a Field Employee fails to adequately anticipate the need for open lanes by not scheduling off-peak period employee breaks, thereby resulting in exiting delays for the public.
- \$200 shall be deducted for each instance that a Field Employee engages in activity that detracts from a professional and alert stance while on duty (including, but not limited to drinking alcohol, sleeping, eating meals, maintaining lengthy personal conversations, or holding non-emergency telephone calls.) Drinking water, cold drinks and hot beverages is acceptable, but should not be consumed while assisting the traveling public. Such penalty shall not preclude OPERATOR from initiating the employee disciplinary process.
- \$500 shall be deducted for each instance that an Office Employee or Field Employee commits vandalism or deliberate disabling or defacing of property and equipment (including revenue control equipment) belonging to CITY. In addition, OPERATOR shall be required to return said damaged property to its original condition or better. Such penalty shall not preclude OPERATOR from initiating the employee disciplinary process or either entity reporting said employee to the appropriate authorities.
- \$500 shall be deducted for each instance that an Office Employee or Field Employee commits theft of CITY revenues or CITY property. Such penalty shall not preclude OPERATOR from initiating the employee disciplinary process or either entity reporting said employee to the appropriate authorities.

- \$500 shall be deducted for each instance that an Office Employee or Field Employee commits theft of property belonging to the parking public, OPERATOR, visitors, or retail tenant employees. Such penalty shall not preclude OPERATOR from initiating the employee disciplinary process or either entity reporting said employee to the appropriate authorities.
- \$500 shall be deducted for each instance that improvements, structures, facilities, or additions are made in, to, or upon the Parking Facility by OPERATOR without receiving prior written authorization from CITY. In addition, OPERATOR shall be required to return said property to its original condition or better.

CITY retains the right to waive or reduce the above penalties in its sole discretion. These penalties shall be in addition to, and not in-lieu of, any remedy that the CITY may exercise using its governmental authority and the imposition of any such penalty shall not excuse any breach of this Agreement.

ATTACHMENT 1 TO EXHIBIT A

GARAGE MAINTENANCE AND REPAIR STANDARDS

GARAGE MAINTENANCE AND REPAIR STANDARDS

1.0 OVERVIEW

These standards are the “Garage Maintenance and Repair Standards” to which that certain Reciprocal Easements and Operations Agreement (the “REOA”) by and among the City of Beverly Hills, the Parking Authority of the City of Beverly Hills and _____ dated as of _____. Capitalized terms that are used, but not defined, in these standards shall have the meaning given to them in the REOA.

Scheduling of the required maintenance and repair activities for the Public Garage as set forth in these standards is intended to accomplish specific objectives in relation to time. The following standards have been prepared for the purpose of defining and scheduling repetitive inspections and general maintenance and repair requirements for the Public Garage.

Prior to the official opening of the Public Garage, the Parking Authority and the Developer shall develop a comprehensive parking facility maintenance program, incorporating all as-built conditions of the Public Garage to ensure the Garage is maintained in a continuous state of repair for the benefit of the general public and the users thereof (including Hotel guests).

2.0 GOAL

The Parking Authority shall cause to be implemented a “Periodic Maintenance” program for the Public Garage that encompasses maintenance operations that go beyond the prevention of equipment breakdown. To aid in this effort, the standards in Section 3.0 below have been adopted for determining what maintenance work should be performed on the Public Garage on a periodic basis and establishing a schedule for each item of such work.

3.0 PERIODIC MAINTENANCE

- A. Lighting Maintenance:** Lighting shall be maintained in a continuous state of operation. The Public Garage operator shall inspect and report all inoperative fixtures immediately to the appropriate department of the Parking Authority as described by written notice given to such operator (and from time-to-time amended) by the Parking Authority. Inoperative fixtures shall be repaired within no more than 72 hours from the initial report. In the event a group of fixtures has been reported as inoperative, repairs shall be completed as soon as is reasonably possible.

Group lamp replacement shall be completed once the lamps have reached 95% of their rated life. During such replacements, fixtures shall be cleaned to ensure rated light output is maintained according to design.

Emergency lighting, including exit signs throughout the Public Garage, shall be inspected for proper operation monthly. Inspections shall be scheduled during off-peak business hours and shall be supervised by the appropriate individuals familiar with the emergency lighting system. Full-load testing of the emergency generator (which serves the Public Garage as well as other components of the Project) shall be performed at least once per year by the Hotel's engineering department and shall be coordinated with the Parking Authority.

B. Garage Sweeping & Cleaning: Litter collection, general housekeeping and power sweeping of the Public Garage shall be performed on a regular scheduled basis. The Public Garage shall be maintained in a continuous state of cleanliness for the benefit of the public and the users thereof (including Hotel guests).

1) **Litter Patrol:** Trash shall be collected from all interior trash receptacles in the Public Garage on a daily basis. Inspections shall be performed twice daily to ensure such containers are not full and overflowing. All trash shall be disposed of daily.

2) **Power Sweeping:** Power sweeping of the entire Public Garage shall be performed once per week. To facilitate the sweeping operation, the sweeping work should be done when use of the Public Garage is most likely to be minimal. Scheduling of sweeping work shall be closely coordinated between the Parking Authority and the Hotel Property Owner.

Pressure Washing: Pressure washing and/or mechanical scrubbing of the Public Garage shall be completed as conditions warrant, but no less than once per year.

The Parking Authority shall monitor the overall cleanliness of the public Garage and closely coordinate the activities described in this Section B with the Hotel Property Owner

C. Custodial Care: Custodial care of public restrooms and ticket booths for the Public Garage shall be performed daily. The condition and cleanliness of such restrooms and booths leaves a lasting impression on all that enter the Public Garage. These areas are therefore to be maintained to a standard of excellence at all times.

1.) **Public restrooms:** All restrooms in the Public Garage shall be cleaned and disinfected once per day, and in addition such restrooms shall be inspected and spot cleaned once per day. In addition, performance standards for restroom cleaning shall be adopted prior to the opening of the Public Garage. These standards shall include procedures for cleaning and washing of all elevations, refilling of dispensers and proper procedures for disinfecting the restrooms.

- 2.) **Ticket Booths:** All ticket booths in the Public Garage shall be inspected and cleaned **once** per day. Performance standards for ticket booth cleaning shall be adopted prior to the opening of the Public Garage. These procedures shall include procedures for cleaning and washing of all elevations.

D. Maintenance Schedules:

- 1.) **Definitions.** For the purposes of these standards, the following terms shall have the following meanings:

Inspect: An inspection pursuant to a formal inspection checklist adopted by the Parking Authority, with all listed items being inspected by the Parking Authority. Summary reports of such inspections shall be made available, on site, for review by the Hotel Property Owner upon 48 hour notice to the Parking Authority. Inspections should note the condition of each item inspected and, if not acceptable, recommendations for cleaning, refinishing, repair or replacement and the time frame for the completion of the same. Periodic courtesy inspections may be made by the City to identify areas in need of attention.

Clean: The physical cleaning of various elements using appropriate cleaning procedures for such elements (i.e.; mop, sweep, vacuum, dust, wipe down, spray clean, hose, pressure wash). All graffiti shall be removed within 72 hours of initial discovery.

Refinish: Application of touch-up or refinishing surface coating to otherwise sound base materials with appropriate base preparations. Applications shall be of the same or similar finish materials and colors as originally used on the surface to be refinished.

Replace: Replacement of damaged or stolen items (or parts or portions thereof), with like kind items (or parts or portions thereof) in a manner that returns the item replaced to its original condition.

O.E.M.: Original equipment manufacturer.

- E. Preventative Maintenance:** The Parking Authority shall implement preventive maintenance procedures based on original equipment manufacturer's specifications and requirements.

EXHIBIT B-1

CONSIDERATION

OPERATOR shall be reimbursed by CITY for direct operating expenses not to exceed Seven Hundred Sixty-Five Thousand Dollars (\$765,000) per year in accordance with the following budgets:

- A. Not-to-Exceed labor budget for operation of the Public Gardens Parking Facility. Calculated pursuant to the schedule attached hereto and incorporated herein as Attachment 1. Any expenses in excess of the amount stated herein shall require written approval by CITY prior to deployment.

OPERATING EXPENSE – LABOR			
Labor	Annual Hours	Hourly Rate	Total
Parking Manager	2080	\$ 24.04	\$50,003
Assistant Manager	2080	\$ 19.23	\$39,998
Supervisor	2080	\$ 14.00	\$29,120
Attendant	21372	\$ 9.00	\$192,348
Maintenance Attendant	2080	\$ 9.00	\$18,720
Clerical	2080	\$ 13.00	\$27,040
SubTotal			\$357,230
Labor Burden		Percent	Total
Payroll Taxes		11.45%	\$40,903
Workers' Compensation		14.75%	\$52,691
Health Insurance		\$280 per employee	\$33,600
SubTotal			\$127,194
Total Labor Costs			\$484,424

B. Not-to-Exceed operating budget for operation of the Public Gardens Parking Facility.
 Any expenses in excess of the amount stated herein shall require written approval by
 CITY prior to deployment.

OPERATING EXPENSE	
Other Expenses	Total
Liability Insurance	\$12,288
Telecommunications	\$1,800
Lot Supplies and Inventory	\$3,000
Lighting	\$2,400
Tickets	\$10,000
Cleaning Supplies	\$3,000
Sweeping - Once a week	\$6,600
Fire Alarm Monitoring	\$1,200
Graffiti Removal	\$2,400
Signage Maintenance	\$3,600
Exhaust Maintenance	\$7,000
Armored Pick Up	\$7,200
Business License - Based on number of hours worked	\$1,500
Uniforms/Cleaning	\$7,800
SubTotal	\$69,788
Proposed Management Fee	\$22,200
Total Budget	\$91,988

C. Operating allowances for Public Gardens Parking Facility. Any expenses incurred herein shall require written approval by CITY prior to deployment.

OPERATING EXPENSE - ALLOWANCES BEVERLY HILLS GARDEN	
Other Expenses	Total
Way finding signs - based on 4 areas at \$5,000 per area	\$20,000
Steam-Cleaning / Power-Washing	\$7,500
Additional Labor - assumes 2 events a week @ 24 hours per week	\$19,610
Miscellaneous	\$10,000
Total Budget	\$57,110

D. Operating allowances for Non Public Gardens Parking Facilities and Operations. Any expenses incurred herein shall require written approval by CITY prior to deployment.

OPERATING EXPENSE - ALLOWANCES NON-BEVERLY HILLS GARDEN	
Other Expenses	Total
Special Event Labor - Assumes on per month at 48 hours per month	\$11,000
Beverly/Cannon - 48 hours per week - or 2,500 hours annually	\$48,000
Holiday - Based on previous year of 5,000 hours for Nov & Dec (Crescent Drive, Rodeo, Brighten Way, and 345 N. Beverly)	\$62,000
Miscellaneous	\$10,000
Total Budget	\$131,000

E. One-Time Start-up costs. Keyboxes shall remain the property of CITY.

Manager and Assistant Manager for entire Month of Oct 2008

Manager and Assistant will be on site for the first month preparing for the opening

Classification/	Week	Month	Rate	Total
Manager	40.0	173.2	\$ 24.04	\$ 4,163.73
Assistant Manager	40.0	173.2	\$ 19.23	\$ 3,330.64
	160.0	346.4		\$ 7,494.36

Support Staff on site Starting Week of October 27th

Support staff will begin on site the last week of October However, they will be receiving training beforehand at various Ampco facilities at no charge to CITY They will only be charged the last week when they are on-site.

Supervisor	40.0	40.0	\$ 14.00	\$ 560.00
Clerk	40.0	40.0	\$ 13.00	\$ 520.00
Maintenance (Graveyard)	56.0	56.0	\$ 9.00	\$ 504.00
P-2 Attendant	56.0	56.0	\$ 9.00	\$ 504.00
P-2 Attendant	40.0	40.0	\$ 9.00	\$ 360.00
P-2 Attendant	42.0	42.0	\$ 9.00	\$ 378.00
P-2 Attendant	35.0	35.0	\$ 9.00	\$ 315.00
P-2 Attendant	56.0	56.0	\$ 9.00	\$ 504.00
P-3 Attendant	56.0	56.0	\$ 9.00	\$ 504.00
P-3 Attendant	35.0	35.0	\$ 9.00	\$ 315.00
P-3 Attendant	35.0	35.0	\$ 9.00	\$ 315.00
Total	491.0	491.0		\$ 4,779.00
Total Labor Hours		837.4		\$ 12,273.36
Payroll Taxes			11.45%	\$ 1,405.30
Workers' Compensation			14.75%	\$ 1,810.32
Health Insurance - Mg & Assist				\$ 560.00
Sub-Total Labor Start up Cost				\$ 16,048.99

Staff Recruitment	No Charge
	\$
Pre-employment Background/Drug Screening	500.00
Training	No Charge
	\$
Keyboxes*	13,650.00
Other	No Charge
	\$
Total Start-Up Cost	30,198.99

F. Hourly Rates for Public Gardens add-on staffing.

	Total
Supervisor	\$17.67
Attendant	\$11.36
Cashier	\$11.36
Valet Attendant	\$11.36
Maintenance	\$11.36
Clerical	\$16.41

G. Hourly Rates for Non Public Gardens add-on staffing.

	Total
Supervisor	\$22.65
Attendant	\$15.71
Cashier	\$15.71
Valet Attendant	\$15.71

Attachment 1 to Exhibit B-1

Schedule of Labor Hours

Classification/	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		Hours Worked					Total																							
	in	out	in	out	in	out	in	out	in	out	in	out	in	out	Mon	Tue	Wed	Thur	Fri		Sat	Sun																					
Manager	9:00	18:00	9:00	18:00	9:00	18:00	9:00	18:00	9:00	18:00	9:00	18:00				8.0	8.0	8.0	8.0	8.0	8.0	8.0	40.0																				
Assistant Manager	9:00	18:00	9:00	18:00	9:00	18:00	9:00	18:00	9:00	18:00	9:00	18:00				8.0	8.0	8.0					40.0																				
Supervisor	16:00	0:00	16:00	0:00	16:00	0:00	16:00	0:00	16:00	0:00	16:00	0:00	12:00	20:00	8.0			8.0	8.0	8.0	8.0	8.0	40.0																				
Clerk	8:00	17:00	8:00	17:00	8:00	17:00	8:00	17:00	8:00	17:00	8:00	17:00				8.0	8.0	8.0	8.0	8.0	8.0		40.0																				
Total Management Hours																						24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	160.0

Maintenance (Graveyard)	22:00	8:30	0:30	22:00	8:30	0:30	22:00	8:30	0:30	22:00	8:30	0:30	22:00	8:30	0:30	8.0			8.0	8.0	8.0	8.0	8.0	40.0																				
Total Maintenance Hours																						8.0			8.0			8.0			8.0			8.0		8.0			8.0	8.0	8.0	8.0	8.0	40.0

P-2 Attendant	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	56.0																			
P-2 Attendant	9:30	16:00	0:30	9:30	16:00	0:30	9:30	16:00	0:30	9:30	16:00	0:30	9:30	16:00	0:30	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	56.0																			
P-2 Attendant				11:00	19:30	0:30	11:00	19:30	0:30	11:00	19:30	0:30	11:00	19:30	0:30				8.0	8.0	8.0	8.0	8.0	40.0																			
P-2 Attendant	17:00	23:00	0:00	17:00	23:00	0:00	17:00	23:00	0:00	17:00	23:00	0:00	17:00	23:00	0:00	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	42.0																			
P-2 Attendant	16:00	21:00	0:00	16:00	21:00	0:00	16:00	21:00	0:00	16:00	21:00	0:00	16:00	21:00	0:00	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	35.0																			
P-3 Attendant	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	56.0																			
P-3 Attendant	9:30	16:00	0:30	9:30	16:00	0:30	9:30	16:00	0:30	9:30	16:00	0:30	9:30	16:00	0:30	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	56.0																			
P-3 Attendant	18:00	23:00		18:00	23:00		18:00	23:00		18:00	23:00		18:00	23:00		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	35.0																			
P-3 Attendant	17:00	22:00		17:00	22:00		17:00	22:00		17:00	22:00		17:00	22:00		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	35.0																			
P-2 Attendant	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8:30	17:00	0:30	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	56.0																			
Total Level attendant Hours																						53.0	53.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	53.0	53.0	61.0	61.0	61.0	61.0	61.0	411.0

Grand Total Hours		85.0	77.0	85.0	82.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	85.0	77.0	85.0	82.0	93.0	93.0	93.0	93.0	611.0
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EXHIBIT B-2

SCHEDULE OF PAYMENT

All approved fees and expenses shall be reimbursed in the subsequent month for which they are incurred in accordance with Exhibit B-1, after submittal of an invoice on a form acceptable to CITY. Invoice shall be accompanied by supporting documentation in the form of a detailed cost breakdown itemizing all labor and expenses and must contain a sufficient level of detail to clearly justify the compensation and reimbursement requested. CITY shall pay OPERATOR for satisfactory services in the amount of the billing for such services within thirty (30) days of receipt of same.

OPERATOR's management fee shall be paid in twelve equal monthly installments to be invoiced with labor and expenses for the prior month.

OPERATOR shall be paid an hourly rate for any "as needed" parking personnel assigned to the Public Gardens in accordance with the proposed hourly rates listed in Exhibit B-1. Labor expenses shall not exceed any budgeted line-item without prior written authorization from CITY.

OPERATOR shall be reimbursed for all direct operating expenses in the approved operating budget. Operating expenses shall not exceed any budgeted line-item without prior written authorization from CITY.

OPERATOR shall be paid an hourly rate for any "as needed" parking personnel assigned to facilities other than the Public Gardens facility in accordance with the proposed hourly rates listed in Exhibit B-1. Expense related to these services shall require written authorization from CITY prior to deployment.

OPERATOR shall invoice CITY for one-time compensation for the start-up costs as outlined in Exhibit B-1. Said one-time compensation shall be accompanied by supporting documentation in the form of a detailed cost breakdown itemizing all expenses and must contain a sufficient level of detail to clearly justify the compensation.

Deductions to the Monthly Compensation may be applied, as presented in Exhibit A, Monthly Compensation Deductions, if deemed appropriate by CITY.



EXHIBIT C

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below:

NAMED INSURED

COMPANIES AFFORDING COVERAGE

A.
B.
C.

ADDRESS

COMPANY (A. B. C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKERS' COMPENSATION <input type="checkbox"/>					

It is hereby understood and agreed that the **City of Beverly Hills**, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the **City of Beverly Hills** and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of contractor's officers, employees, agents or others employed by Contractor while engaged by Contractor in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the **City of Beverly Hills**.

In the event of cancellation or material change in the above coverage, the company will give **30 days** written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE: _____

BY: _____
Authorized Insurance Representative

AGENCY: _____

TITLE: _____
ADDRESS: _____

RM02.DOC REVISED 10/14/96.