



Appendix D

# Parking Facility Operation and Management Regulations

Effective Date: February 1, 2023

Approved: Ted Graff, Director of Parking

## TABLE OF CONTENTS

1.	<b><u>DEFINITIONS</u></b> .....	1
2.	<b><u>SCOPE AND APPLICATION</u></b> .....	8
3.	<b><u>DUTIES OF MANAGER</u></b> .....	8
4.	<b><u>EQUIPMENT AND CAPITAL IMPROVEMENTS</u></b> .....	18
5.	<b><u>MAINTENANCE AND REPAIRS</u></b> .....	19
6.	<b><u>FISCAL DUTIES AND MATTERS</u></b> .....	21

## 1. DEFINITIONS

For purposes of these Regulations and any Facility Management Agreement between a Manager and (1) the San Francisco Municipal Transportation Agency ("SFMTA") and/or the Parking Authority of the City and County of San Francisco (Parking Authority), or (2) a nonprofit Corporation that has leased one or more parking garages from the City and County of San Francisco (City) that is subject to these Regulations, initially capitalized terms shall have the meaning ascribed to them in this Section 2 unless otherwise specified.

**1.1 "Advertising Revenue"** means any revenue generated under an agreement between the City and County of San Francisco and an advertising vendor (currently Titan Outdoor LLC), for advertising on SFMTA vehicles and other property.

**1.2 "After Hours Exit Fee"** means the fee charged by a Manager to a customer to retrieve a vehicle from a Facility after the Facility has closed.

**1.3 "Agency/Corporation"** means either the SFMTA when used in reference to a Management Agreement between a Manager and SFMTA, or a Corporation when used in reference to a Management Agreement between a Manager and a Corporation.

**1.4 "Agents"** means the officers, directors, employees, agents, contractors, licensees and subtenants of a referenced Party, and their respective heirs, legal representatives, successors and assigns.

**1.5 "Management Agreement"** means an agreement under which a Facility Manager agrees to operate and manage any Facility that is under the jurisdiction of the San Francisco Municipal Transportation Agency or the Parking Authority of the City and County of San Francisco, including any such Facility leased to a Corporation.

**1.6 "Banking Day"** means any day which is not a Saturday or Sunday or a day on which banking institutions are authorized or required by law or by the Federal Reserve System to be closed in San Francisco, California for commercial banking purposes.

**1.7 "Budget"** (also "**Approved Budget**") means the itemized annual projection of individual Facility gross revenues, authorized capital expenditures and authorized operating expenses prepared by Manager and requiring approval by the SFMTA as set forth in these Parking Facility Regulations.

**1.8 "Carpool"** means a vehicle containing three or more people upon first entry into a Facility.

**1.9 "City"** means the City and County of San Francisco, and its departments and agencies, and officers and employees. For purposes of these regulations, "City" shall also include the Parking Authority of the City and County of San Francisco.

**1.10 "Controller"** means the Controller of the City.

**1.11 "Corporate Manager"** means the Manager of a Corporation or his or her designee.

**1.12 "Corporation"** means a non-profit public benefit corporation, formed to assist the City and SFMTA or its predecessors in the operation and management of one or more Facilities, which are leased from the City.

**1.13 "Credit Card Data" and "Credit Card Information"** means the Primary Account Number (PAN), credit card number, Credit Card Verification Code (CCV), Credit Card Expiration date and cardholder name associated with a credit card or credit card account.

**1.14 "Director"** means the Director of Transportation or his or her designee.

**1.15 "Director/Corporate Manager"** means either the Director when used in reference to a Management Agreement between a Manager and SFMTA, or the Corporate Manager when used in reference to a Management Agreement between a Manager and a Corporation.

**1.16 "Environmental Laws"** means any present or future federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Facilities, the Land or any other property, including, without limitation, soil, air and groundwater conditions.

**1.17 "Facility"** means the land and all improvements of the City-owned or administered off-street parking garages and lots, including any such garage leased to a Corporation, as well as the land and all improvements of any off-street parking garages owned or otherwise controlled by the Parking Authority described in a Management Agreement.

**1.18 "Facility Regulations"** means these Parking Facility Operation and Management Regulations promulgated by the SFMTA, as amended from time to time.

**1.19 "Fiscal Year"** means the period beginning July 1 and ending June 30, except in the case of a Management Agreement with certain non-profit parking corporations, in which case, "Fiscal Year" shall mean May 1 and ending April 30.

**1.20 "Gross Revenues"** means all revenues, from whatever source, but excluding any Advertising Revenues generated by the SFMTA Advertising Contract, received by a Manager or any subcontractor or vendor, from the operation of any Facility and from any income-generating activity carried on therein, including, but not limited to, the following: (1) revenues received from the operation of the Facility for daily and monthly parking of vehicles therein; (2) revenue paid to a Manager in connection with any ancillary services provided at or in connection with any Facility as may be approved by the

Agency/Corporation under *Section 3.1* of these Facility Regulations; (3) the selling price of all merchandise or services sold or otherwise provided for exchange in, on, or about the Facility in the ordinary course of business by Manager except any returned merchandise; (4) all charges or claims of credit of any character made by Manager or a vendor under contract to Manager or otherwise under Manager's control for the rendering of any service or work of any kind conducted in, on, about or from the Facility; (5) the gross amount of all deposits forfeited by Facility customers and retained or received by Manager in connection with the operation of the Facility, all After Hours Exit Fee charges, all valet no-key charges, and all refundable deposits subsequently returned to the depositor; (6) all interest or investment earnings received from the Gross Revenues deposited in the Revenue Account; (7) commercial rents and fees collected for display and storage rental, and/or other commercial uses approved in accordance with *Section 3.1* of these Facility Regulations; (8) the value of any in-kind services received by the Manager in exchange for a benefit derived from the use of the Facility; and (9) the amount of all Parking Taxes payable from the operation of the Facility.

**1.21 "Grace Period"** means the limited periods and specific conditions during which the otherwise applicable Parking Rates shall not be charged. These conditions are: (1) a turnaround (immediate in/out) upon entry into a Facility, (2) the time between when payment is made at a pay station or central cashier location and when the vehicle exits the Facility, and (3) when a customer is paying a Parking Rate calculated by a defined increment of time and the time on the Parking Ticket shows that the customer has exceeded the last full increment of parking. Specific time increments for each category of Grace Period are set forth in *Section 3.2(c)* of these Facility Regulations.

**1.22 "Hazardous Material"** means any material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health, welfare or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA," also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to the Carpenter-Presley-Tanner Hazardous Substance Account Act, as amended, (Cal. Health & Safety Code Section 25300 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Land, any improvements to be constructed on the Land by or on behalf of Manager or the City, or are naturally occurring substances on, in or about the Land; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

**1.23 "Hazardous Material Claims"** means any and all enforcement, Investigation, Remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, together with any and all Losses made or threatened by any third party against the City, its Agents, or the Land, a Facility or any Improvements, relating to damage, contribution, cost recovery

compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law. Hazardous Materials Claims include, without limitation, Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Land, a Facility or any Improvements, the loss or restriction of the use or any amenity of the Land, a Facility or any Improvements, and attorneys' fees and consultants' fees and experts' fees and costs.

**1.24 "Holiday"** means those days on which the following holidays are celebrated in California: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**1.25 "Invitees"** means the clients, customers, and invitees to the Facility.

**1.26 Investigation** when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under, or about the Land, a Facility and any other improvements or any portion thereof or which have been, are being, or threaten to be released into the environment. Investigation shall include, without limitation, preparation of site history reports and sampling and analysis of environmental conditions in, on, under or about the Land, a Facility or any other improvements.

**1.27 "Land"** means the land on which a Facility is located.

**1.28 "Law"** means any law, statute, ordinance, resolution, regulation (including these Facility Regulations), proclamation, order or decree of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over a Facility, the Land, Manager's operations or employees or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties.

**1.29 "Losses"** means any and all claims, demands, damages, liens, liabilities, penalties, fines, lawsuits and other proceedings, judgments and awards rendered therein, and costs and expenses including but not limited to reasonable attorneys' fees and costs arising from any injury to or death of any person (including employees of Manager) or damage to or destruction of any property (including the Facility) occurring in, on, or about the Facility premises, or any part thereof, from any cause whatsoever.

**1.30 "Management Fee"** means the amount set forth in a Management Agreement as compensation for operation and management of one or more Facilities.

**1.31 "Manager"** for purposes of these Regulations means any entity that is party to a Management Agreement with the SFMTA or a Corporation for the management of one or more Facilities. When used in a Management Agreement, "Manager" shall mean the entity

that is a party to that Management Agreement and is responsible for the management and operations of the Facility/ies named in the Management Agreement.

**1.32 "Merchant Account"** is a type of bank account that allows businesses to accept payments in multiple ways, typically debit or credit cards. A merchant account is established under an agreement between an acceptor and a merchant acquiring bank for the settlement of payment card transactions. In some cases, a payment processor, independent sales organization (ISO), or member service provider (MSP) is also a party to the merchant agreement. Whether a merchant enters into a merchant agreement directly with an acquiring bank or through an aggregator, the agreement contractually binds the merchant to obey the operating regulations established by the card associations.

**1.33 "Merchant of Record"** is the organization that accepts payment for goods or services, which an acquiring bank (i.e., the financial institution that processes the customer's credit and/or debit card payments) will hold financially liable for all full and partial returns to the customer's card as well as any chargebacks initiated by the customer. For purposes of these Regulations, a Manager shall be the Merchant of Record in any transaction in which a credit card is used to pay parking fees or other charges ancillary to parking in a Facility.

**1.34 "Monthly Credential"** means either an access card (electronic key card used to access a Facility) or Automatic Vehicle Identification (AVI) windshield tag (which is a passive Ultra high frequency (UHF) ID-tag used to access a Facility) issued to users, as set forth in these Regulations.

**1.35 "Monthly Report"** shall have the meaning given such term in *Section 6.8* of these Regulations.

**1.36 "New Account Activation Fee"** means the non-refundable amount charged to activate a new monthly customer's Access Card based on the Parking Rates set in accordance with *Section 3.2(a)* of these Regulations.

**1.37 "Occurrence"** means an accident, theft, damage or other event of loss giving rise to a claim against the insurance policies described in an Agreement.

**1.38 "Operating Expenses"** means actual costs, with detailed and definitive documentation, to Manager without mark-up that are directly associated with performance of Manager's obligations under a Management Agreement for: (1) salaries, payroll taxes, workers' compensation and other payroll expenses; (2) utility services; (3) repair and maintenance of equipment, furnishings and painted surfaces; (4) routine maintenance and repair, and for cleaning of the Premises, including, without limitation, expenses related to vandalism or other damage to gates, equipment, supplies or the Premises; (5) parking tickets, supplies and equipment; (6) license and permit fees not related to an alteration of the physical plant of a Facility; (7) Garage Keeper's Liability and all other insurance required by a Management Agreement; (8) the cost of any bonds required by a

Management Agreement, but only to the extent that such bonds protect only the City's or the Corporation's interests; (9) pre-approved deductible amounts paid in accordance with any insurance policy required by a Management Agreement except as excluded in (b) below; (10) sales taxes and all other taxes resulting from operation of the Premises, except Parking Taxes, (11) real property taxes and possessory interest taxes; (12) courier deposit services, (13) settlements for claims against a Manager that are not paid by insurance carriers and do not result from Manager's negligence or willful misconduct, (14) pre-approved credit-card fees related to Facility revenues processed by a third-party gateway/merchant-services provider under contract with the Manager, and (15) all other costs and expenses of Manager that are approved by the SFMTA and, if required, by the Corporation. Operating Expenses shall not include: (a) penalties or fees resulting from Manager's late payment of taxes, bills, or other charges; (b) insurance deductibles or other payments or costs resulting from theft, employee negligence, dishonesty, or other acts of malfeasance; (c) Manager's overhead costs that are not directly attributable to its operation of a Facility; (d) attorneys fees or costs incurred in connection with any dispute with the City or a Corporation; or (e) costs to repair damage to a Facility resulting from Manager's and/or Manager's employees' willful, intentional or grossly negligent acts.

**1.39 "Parking Authority"** means the Parking Authority of the City and County of San Francisco.

**1.40 Parking Authority Commission"** means the Commission of the Parking Authority of the City and County of San Francisco.

**1.41 "Parking Rates"** means the fees, including any variable rates imposed to regulate occupancy levels, set by the SFMTA to be charged by a Manager and collected from customers parking vehicles in a Facility. The Parking Rates are set in accordance with Section 3.2 of these Regulations.

**1.42 "Parking Taxes"** means the Tax on Occupancy of Parking Space in Parking Stations, as imposed by Article 9 of the San Francisco Business and Tax Regulations Code, beginning with Section 601 thereof, and any successor ordinances or amendments thereto, or any other federal, state or local tax or fee imposed on the occupancy of parking spaces.

**1.43 "Parking Ticket"** means the record provided by the Manager to the customer setting forth the time and date that the customer's vehicle entered the Facility that is used by the Manager to determine the Parking Rate due from the customer.

**1.44 "Party"** means the Agency/Corporation or a Manager; "Parties" means both the Agency/Corporation and the Manager.

**1.45 "PCI DSS"** means Payment Card Industry Data Security Standards, a proprietary information security standard for organizations that handle branded credit cards from the major card schemes including Visa, MasterCard, American Express, Discover, and JCB that all users, processors, and banks utilizing credit cards must follow, as mandated by the



card brands and administered by the Payment Card Industry Security Standards Council. PCI DSS requirements are set out at <https://www.pcisecuritystandards.org>. See *Section 6.3* of these Regulations.

**1.46 "Premises"** means the Land on which a Facility is located and improvements upon those lands.

**1.47 "Release"** when used with respect to Hazardous Material means any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside a Facility or any other improvements constructed hereunder by or on behalf of Manager, a Corporation or the City, or in, on, under or about the Land or a Facility or any portion thereof.

**1.48 "Remediation"** when used with reference to Hazardous Material means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Materials located in, on, under or about a Facility, the Land or which have been, are being, or threaten to be Released into the environment. Remediation includes, without limitation, those actions included within the definition of "remedy" or "remedial action" in California Health and Safety Code Section 25322 and "remove" or "removal" in California Health and Safety Code Section 25323.

**1.49 "Revenue Account"** means the account into which a Manager is required to deposit Gross Revenues in accordance with *Section 6.5* of these Regulations.

**1.50 "San Francisco Municipal Transportation Agency" or "SFMTA"** means the Municipal Transportation Agency, an agency of the City and County of San Francisco established by San Francisco Charter Article VIII A, a successor the former Department of Parking and Traffic, and any successor agency to the SFMTA.

**1.51 "SFMTA Property"** means supplies, equipment and furnishings required for performance of the management and supervision services in the operation of a Facility, including but not limited to, maintenance and cleaning equipment, tools, office and accounting equipment and office furnishings.

**1.52 "Stored Vehicle"** means a vehicle parked continuously for more than seven (7) days in a Facility.

**1.53 "Tax Collector"** means the Tax Collector of the City.

**1.54 "Term"** means the period in which a Management Agreement is in effect, commencing on the Effective Date and terminating on the last day of the Management Agreement's Term, unless extended or earlier terminated.

**1.55 "Treasurer"** means the Treasurer of the City.

**1.56 "Valet Parking"** means parking of customer vehicles by a Manager.

**1.57 "Valet Assisted Parking"** means parking of customer vehicles by customers as directed by a Manager.

## **2. SCOPE AND APPLICATION**

**2.1** These Facility Regulations shall apply to the management and operation of any off-street parking garages or lots (collectively, "Facilities") owned by the City and County of San Francisco, the SFMTA or owned or otherwise controlled by the Parking Authority of the City and County of San Francisco, which are subject to a Management Agreement between the SFMTA or a Corporation and a Manager. The effective date of these regulations shall be February 1, 2023, or upon the effective date of the garage management contracts awarded from the SFMTA's Request for Proposals, dated January 27, 2022, whichever date is later.

**2.2** In the event of a conflict between the terms of these Facility Regulations and the terms of any Management Agreement subject to these Regulations, the terms of these Regulations shall control.

**2.3** Any deviation by the Manager of a Facility from the procedures outlined in these Facility Regulations must be pre-approved, in writing, by the Agency (and Corporation, if applicable).

**2.4** These Facility Regulations may be amended by the Director following notice and an opportunity to comment. SFMTA shall provide notice in writing to all Managers Corporations.

**2.5 Waiver.** The omission by either party to a Management Agreement subject to these Facility Regulations at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions of the Management Agreement or these Facility Regulations 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. No waiver of any of the provisions of such Management Agreement or these Facility Regulations shall be effective unless in writing and signed by an authorized representative of the party (City, Corporation or Manager), and only to the extent expressly provided in such written waiver. No waiver shall be deemed a subsequent or continuing waiver of the same, or any other, provision of the Management Agreement or these Facility Regulations.

## **3. DUTIES OF MANAGER**

**3.1 General Operational Duties.** A Manager shall (i) supervise the proper and efficient parking of all vehicles utilizing each Facility, (ii) maximize the accessibility and safe use of

the space available in each Facility, (iii) use best efforts to maximize the revenues generated by each Facility, (iv) maintain the Facilities assigned to it in overall professional and clean manner, (v) provide quarterly surveys of rates and operating policies in of other parking facilities (garages and lots) located within a distance to be determined by the SFMTA for each Facility assigned to it, and (vi) manage the parking of vehicles in each Facility using best practices and in a professional manner. In addition to the foregoing general duties, a Manager shall be responsible for the following specific duties:

**(a) Daily Parking.** A Manager shall charge, collect and deposit (in accordance with *Section 6.5* below) the daily Parking Rate from all daily users of each Facility and shall collect and account for all issued tickets, as well as any transient parking transactions that do not involve issuance of a parking ticket. A Manager shall provide each customer with a machine-generated receipt as mandated by Article 22 of the San Francisco Business and Tax Regulations Code. A Manager shall establish and maintain a Parking Ticket system for daily users of each Facility in a form prescribed and approved by the City and in accordance with all Laws. A Manager shall procure all Parking Tickets to be issued at the Facilities, which is a reimbursable expense. A Manager shall issue a Parking Ticket from the ticket dispenser to the operator of each vehicle entering each Facility unless the vehicle operator enters using a valid monthly access card, prepaid debit card, or other authorized means of prepayment or entry. The Manager, employees of the Manager and all vendors performing work at the Facilities must be issued a ticket; Garage employees and vendors shall not enter a Facility without pulling a ticket. Each parking ticket that is issued shall be date and time stamped to indicate arrival and departure of the vehicle and shall also be stamped upon payment with the charged amount, as mandated by Article 22 of the San Francisco Business and Tax Regulations Code. The operator of each vehicle for which a Parking Ticket is issued shall pay the current posted Parking Rate, as amended from time to time by the SFMTA Board of Directors. In accordance with *Section 2218* of Article 22 of the San Francisco Business and Tax Regulations Code, a Manager shall maintain, in San Francisco, all paid Parking Tickets, and all log files and journal tapes generated by the revenue control equipment for a period of not less than five (5) years.

**(i) Altered Parking Tickets.** Any alteration to the dates or times of occupancy or charge different from the applicable posted rate must be approved by a Facility Manager who must state in writing on the Parking Ticket the reason for the change. Any changes made without such approval and written explanation shall be disregarded, and the Parking Ticket shall be deemed to have been collected in accordance with the date and time of entry and exit stamped on the Parking Ticket and the current Parking Rate approved by the SFMTA Board of Directors, and such amount shall be included in the Gross Revenues due and remitted to the Agency/Corporation in accordance with the requirements of *Section 6.6* of these Facility Regulations, whether or not such amount is actually received by the Manager from the customer.

**(ii) Lost Parking Tickets.** In the event that a customer should claim to have lost their parking ticket, the following procedure and rules shall apply.

1. The Manager shall verify when the vehicle entered the Facility using the License Plate Recognition (LPR) system. Manager will then create a new ticket and charge the actual cost based on the length of stay and the posted rates at the Facility.
2. For each lost Parking Ticket, the Manager shall include the amount for lost Parking Tickets specified in the current Parking Rate approved by the SFMTA Board of Directors in the Gross Revenues due to the Agency/Corporation in accordance with the requirements of *Section 6.6* of these Facility Regulations, whether or not such amount is actually received by the Manager from the customer.

**(iii) Other Irregular Parking Tickets.** Any other Parking Tickets for which payment is not received and remitted in accordance with the applicable posted rate and the date and time of entry and exit (including a Parking Ticket that is issued, but for which there is no record of payment) shall be treated as a lost Parking Ticket and the Manager shall be deemed to have collected the amount for a Lost Parking Ticket specified in the current Parking Rates approved by the SFMTA Board of Directors, and such amount shall be included in the Gross Revenues due to the Agency/Corporation in accordance with the requirements of *Section 6.6* of these Facility Regulations, whether or not such amount is actually received by the Manager from the customer.

**(iv) Exception for Certain Service Vehicles.** A Manager shall provide free parking for law enforcement, fire, emergency medical services vehicles, and vehicles engaged in providing services to a Facility, for up to 30 minutes as set forth below. A Manager shall maintain a log detailing all vehicles allowed to enter and exit a Facility under this paragraph. The log shall include entry time, exit time, the name of the agency or company operating the vehicle, the driver's name, a case number if applicable, and, except for unmarked law enforcement vehicles, a vehicle license number.

**a. Law Enforcement, Fire, and other Emergency Response Personnel.** Parking for a maximum of 30 minutes, while on duty and actually conducting an inspection of the Facility, or responding to an incident at the Facility, or a call for assistance from the Facility staff or a customer.

**b. Service Providers.** For delivery and pick-up vehicles of vendors servicing a Facility, tow trucks and other vehicles providing emergency services to stranded motorists inside the Facility, parking for a maximum of 30 minutes while actually providing services to or at the Facility.

**(v) Exception for Vehicles Reported Stolen.** A Manager shall provide free parking, after receiving advance written approval from SFMTA, for vehicles reported to law enforcement as stolen, pursuant to the following conditions:

- a. Vehicle is claimed by the registered owner, or an alternate party approved in advance by SFMTA.
- b. Manager is provided a copy of the police report showing the vehicle was reported stolen. No parking charge shall apply beginning on the date the report was filed. Parking charges shall apply from the date the vehicle entered the facility up until the date it was reported stolen, if these two dates are not the same.
- c. From the time that Manager and the registered owner communicate and confirm the owner's vehicle is at the facility, the owner shall have eight (8) hours to retrieve the vehicle before parking charges shall begin to accrue. If owner does not retrieve the vehicle until more than eight (8) hours following notification by Manager, then Manager shall collect parking charges according to the posted Parking Rates for all additional hours that the vehicle remained in the facility.

**(b) Monthly Parking (applicable only to Facilities providing monthly parking).**

(i) A Manager shall require all monthly users to execute an agreement and release of the SFMTA, the form of which must be pre-approved by the Director. Manager shall collect a New Account Activation Fee for each new Monthly Credential activated under an account. Group accounts shall pay the fee for each Monthly Credential. A Manager shall collect all monthly parking fees no later than the final day of each month or, in months where the final day of the month falls on a weekend, no later than the next business day (due date), for parking privileges during the following month. A Manager shall assess a late charge (as set forth in the Schedule of Parking Rates approved by the SFMTA Board of Directors) to monthly users who fail to pay their monthly parking fee for the forthcoming month by the due date. Manager shall start assessing such late charges on the second day after the due date. Manager shall provide a system allowing for online sign-up and payment of fees by monthly parkers.

(ii) If a monthly user has not paid his or her monthly parking fee by the close of business on the due date for parking privileges for the following month, a Manager shall deactivate the Monthly Credentials of such delinquent monthly users so that the Monthly Credential is invalid by no later than 12:00 Noon on the first day after the due date. Delinquent monthly users may reactivate Monthly Credentials by paying a late charge (or such other amount as may be set by the SFMTA in the Parking Rates), in addition to the delinquent monthly fee, to the Manager. On a multi-card account, Manager shall charge the late fee for each individual Monthly Credential on the account. The late charge shall be assessed starting on the second day after the due date.

(iii) A Manager shall require a monthly user whose Monthly Credential is deactivated to take a Parking Ticket to enter the Facility. In such a case, upon the approval of a Portfolio Manager/Assistant Portfolio Manager or Facility Manager/Assistant Facility Manager, the Manager shall void the monthly user's Parking Ticket, and re-activate the Monthly Credential immediately upon payment of the monthly fee and late charge. On the 15<sup>th</sup> of each month, a Manager shall cancel the accounts of all monthly users whose monthly parking

fee remains unpaid for the current month. Any user whose account has been cancelled shall lose all seniority at the facility. If the user wishes to re-establish a monthly account at the Facility, he or she must pay the activation fee required to open a new account. If a waiting list exists for monthly parking at the Facility, Manager shall put his or her name at the bottom of the list. A Manager shall supervise and control the billing and collection of the approved monthly Parking Rate and shall establish a security access system for monthly users. A Manager shall collect the one-time New Account Activation Fee for each new customer. For any lost or destroyed Monthly Credentials, a Manager shall reissue a new Monthly Credential and shall collect a charge for the lost or destroyed Monthly Credential in accordance with the current approved Parking Rates.

(iv) A Manager may void the transient Parking Ticket of a monthly user who has been issued a Parking Ticket to enter the Facility as a result of the user forgetting his or her Monthly Credential or where the Monthly Credential is not working (that is, the card does not activate the gate). Manager shall maintain a log of all such Parking Tickets voided on behalf of monthly parkers, and Manager shall require the Portfolio Manager/Assistant Portfolio Manager or on-site Facility Manager/Assistant Facility Manager to review and approve this log on a daily basis.

(v) From time to time, the Director may determine the maximum number of monthly parking agreements that shall be permitted in a Facility. A Manager shall deposit any amounts collected from monthly customers, including amounts for New Account Activation Fees, late charges or charges for reissuance of a new Monthly Credential into the Revenue Account no later than the next Banking Day after such amounts are collected, unless an alternate deposit schedule is approved in advance by the Director. A Manager shall keep a written record containing the names of all monthly users along with their Monthly Credential number, parking commencement date, and date each payment is received and transferred to the Revenue Account, parking termination date and amount of deposit refund.

(c) **Validated Parking.** Validated Parking procedures shall be established by Manager in writing and approved in writing by the Director. Said procedures will include an information brochure or letter as the case may be that can be used to promote and or explain the Validated Parking procedures to area merchants and businesses. The brochure or letter shall also include an itemized list of all charges to be assessed as a part of the program. All such charges assessed by the programs will be in accordance with the most recently approved Schedule of Parking Rates approved by the SFMTA.

(d) **Valet and Valet Assist Parking.** When and as directed by the Director/Corporate Manager, a Manager shall provide for Valet Parking and/or Valet Assisted Parking in a Facility.

(e) **Other Services.** A Manager shall perform such other acts and duties as are required under the terms of the Agreement and shall perform such other management and supervisory functions related to the operation of the Facilities as the Agency (and Corporation, if applicable) may require. A Manager shall not enter into any special agreements (written or oral) with a third party to provide Parking Rates other than the approved Parking Rates without pre-approval in writing from the SFMTA.

**(f) Facility Names.** Each Facility shall be operated under the name specified in the Management Agreement as the name of the Facility. The SFMTA may in its sole and absolute discretion rename a Facility.

**(g) Signs and Advertising.** Except for signs stating the Parking Rates and other pertinent information, and any signs required by applicable law, a Manager shall not erect any signs, billboard, advertising, displays or political endorsements at the Facilities or permit the circulation of any commercial announcements, pamphlets or circulars without the prior written consent of the Agency (and Corporation, if applicable). The Agency/Corporation shall have the right to lease or use, any or all portions of the Facilities for advertising. Such arrangements may be under separate agreements between the Agency/Corporation and any third party. Managers shall cooperate in good faith with the Agency/Corporation to support those activities.

**(h) Storage Rental.** A Manager shall not allow any non-vehicle property storage rental unless pre-approved in writing by the Agency (and Corporation, if applicable). If such storage rental is approved, the Manager shall require all renters to execute a rental agreement and release form, which form must be pre-approved by the Agency (and Corporation, if applicable). All collected fees shall be deposited into the Revenue Account on the day such amount is collected or the next Banking Day.

**(i) Commercial Use.** Except for parking, a Manager shall not permit the use of any portion of a Facility for commercial purposes without the prior consent of the Agency (and Corporation, if applicable). The Agency/Corporation shall have the right to lease any or all parts of the Facility for other commercial uses, including, without limitation, vending machines, wired and wireless telephone services and storage rentals. Such arrangements may be under separate agreements between the Agency/Corporation and any third party. Managers shall cooperate in good faith to support these activities.

**(j) Vending Machines, ATMs and Telephones/Communication Devices.** The installation of any vending machines, ATMs or telephones/communication devices, including internet-service devices, in a Facility must be pre-approved in writing by the Agency (and Corporation, if applicable). Once approved, a Manager may be charged with the responsibility of entering into any necessary agreements with such parties and administering such contractual relationships. Such agreements shall not exceed the term of the Management Agreement unless pre-approved by the Agency (and Corporation, if applicable), and may in any event be subject and subordinate to the Management Agreement. Such agreements shall also be assignable to the succeeding Manager or the Agency/Corporation without additional payment or cost.

**(k) Public Use of Facilities.** Managers acknowledge that the public is entitled to use the Facilities, subject to the rates, charges, hours, space availability and rules of operation as set forth herein and adopted pursuant to the terms of the Management Agreement.

**(I) Stored Vehicles.** A Manager shall not permit Stored Vehicles to remain in a Facility except as authorized by this Section. Whenever a vehicle has been parked continuously in a Facility for longer than seven (7) days without the advance written approval of the Agency/Corporation, a Manager shall promptly determine whether, based on the vehicle license plate information, the vehicle belongs to a monthly customer of the Facility, and if so, whether all parking fees due for the vehicle are paid for the current month.

**(i)** In the case of a monthly customer whose parking fees are paid for the current month and whose parking agreement with the Manager prohibits parking of Stored Vehicles without the advance written approval of the Agency/Corporation, the Manager shall:

**a.** Attempt to contact the customer by phone and email (if provided) to determine when the vehicle will be moved. If the customer requests to leave the vehicle in place for a longer term, the Manager shall contact Agency/Corporation staff to discuss whether to approve the request.

**b.** If the customer does not respond, or if the Agency/Corporation denies the request, the Manager shall attempt to contact the customer by phone and email (if provided), and place a notice on the vehicle (in a form approved by the Agency) informing the customer that, consistent with the terms of the parking agreement, the vehicle must be moved within 72 hours or it will be subject to being towed.

**c.** If the vehicle is not moved within 72 hours, a Manager shall initiate removal of the vehicle by a licensed towing company that has been approved by the Agency.

**(ii)** In the case of a transient customer, or a monthly customer whose parking fees are unpaid for the current month, a Manager shall:

**a.** Place a notice on the vehicle (in a form approved by the Agency) informing the customer that the vehicle must be removed from the Facility within 72 hours or it will be subject to being towed. In addition, in the case of a monthly customer with unpaid parking fees, the Manager shall attempt to contact the customer by phone and email (if provided) and provide such notice.

**b.** If the vehicle is not removed within 72 hours, initiate removal of the vehicle by a licensed towing company that has been approved by the Agency.

**(iii)** A Manager shall ensure that signage notifying customers of the seven-day parking limit is posted adjacent to all vehicle and pedestrian entrance and exit



points of the Facilities. The design and language of such signage must be pre-approved by the Agency/Corporation.

(iv) A Manager shall ensure that Parking Tickets issued to transient customers include language informing customers of the seven-day parking limitation. The language to be printed on the Parking Ticket for this purpose must be pre-approved by the Agency/Corporation.

(v) If the parking charges accrued by an improperly stored vehicle are eventually waived for a vehicle owner pursuant to *Section 3.1(a)(v)* of these Regulations, Manager shall remit payment to SFMTA for the Lost Ticket fee for each day in excess of 10 days that the vehicle remained stored in the facility.

**(m) Compliance with Laws.** A Manager and any subcontractors of the Manager shall comply and conform with all applicable Laws, these Facility Regulations and all other governmental regulations, rules and orders, existing and as may be enacted during the Term of the Management Agreement relating to, controlling, or limiting the use and operation of the Facilities. A Manager shall secure all permits and licenses specifically required for its operation of the Facilities (copies of which shall be promptly provided to the Director/Corporate Manager) and shall not use or occupy any Facility in an unlawful, noisy, improper or offensive manner. A Manager shall use its best efforts to prevent any occupancy of the Facilities or use made thereof which is unlawful, noisy, improper or offensive or contrary to any law or ordinance applicable to the Facilities. A Manager shall not cause or maintain any nuisance in or about the Facilities and shall use its best efforts to prevent any person from doing so. Nor shall a Manager cause or allow any rubbish, dirt or refuse to be placed in the streets, sidewalks or alleys adjoining the Facilities or to accumulate in the Facilities. Further, a Manager shall use its best efforts to ensure that all customers of the Facilities comply with these Facility Regulations and any other rules, regulations, or restrictions that the Agency/Corporation or the Director/Corporate Manager may adopt during the Term of the Management Agreement.

**(n) Revenue Control and Parking Receipts.** A Manager shall comply with applicable provisions of the San Francisco Business and Tax Regulations Code, including but limited to Section 6.6-1 and Article 22, and any successor provisions to those laws, which require parking stations to have revenue control equipment, to provide receipts to all occupants with the exception of occupants in possession of a monthly access card, and to have certain signage, all as more fully set forth therein. Any violation of these requirements shall be deemed a breach of these Facility Regulations and the Management Agreement, and the SFMTA, the City and the Corporation shall have all rights and remedies set forth in the above Codes as well as the rights and remedies set forth in the Management Agreement, including but not limited to, the right to terminate the Management Agreement. To the extent that any provision of these Facility Regulations or the Agreement conflicts with any provision of the San Francisco Business and Tax Regulations Code or other City ordinance, that Code or the ordinance shall govern.

**(o) Revenue Control System Maintenance.** The PARCS (parking access and revenue control system) back-end IT setup includes elements managed by the City and other elements under control of the Manager. The SFMTA has a contract with Skidata, the PARCS vendor. SFMTA staff are responsible for ensuring Skidata is fulfilling the terms of its contract. Manager is responsible for actively collaborating with SFMTA by timely reporting to SFMTA and Skidata any maintenance and/or operational issues with the PARCS. Manager shall be responsible for reporting all PARCS maintenance and/or operational issues via email, online portal and/or telephone as directed by SFMTA. Manager shall also collaborate with SFMTA staff to accurately and comprehensively log and track all open PARCS maintenance issues. Manager shall document the reporting, and eventual resolution, of all PARCS maintenance and operational issues, using a system approved in advance by SFMTA.

**(p) Revenue Protection.**

**(i)** A Manager shall take all necessary measures, applying the highest standard of care, to ensure that all parking charges, rents, fees, and other Gross Revenues are properly collected accounted and remitted to the Agency/Corporation. The SFMTA requires that all revenue collected in cash be deposited by Manager in an approved, on-site electronic safe that records and reports all deposits and provides same-day bank deposit credit.

**(ii)** A Manager shall take all necessary measures, applying the highest standard of care, to ensure that Parking Tickets, including but not limited to replacement, motorcycle, early bird, flat fee, carpool, and merchant or commercial tenant validation parking tickets, are not used to defraud the SFMTA or the Corporation of Gross Revenues or otherwise convert, conceal, misappropriate, or mis-account Gross Revenues.

**(q) Bicycle Parking.** In accordance with San Francisco Planning Code Section 155.2, a Manager will maintain required amounts of bicycle parking in the Facility and shall make all reasonable efforts to ensure that bicycle parking within the Facility is highly visible, secure and readily available to make travel by bicycle an attractive alternative to motor vehicle use. y.

### **3.2 Facility Parking Rates.**

**(a)** For all vehicles parked in each Facility, a Manager is authorized and directed to charge and collect parking fees according to the Parking Rates approved by the SFMTA for that Facility. Upon a change in the Parking Rates, the Director/Corporate Manager will give written notice to the Manager as to the new Parking Rates and their effective date(s). Upon receiving such notice, the Manager shall take such measures necessary to implement the new Parking Rates on the effective date. A Manager shall not adjust the authorized Parking Rates or collect any other rates or charges at the Facility or provide free (no charge) parking to any person except as specifically authorized by the SFMTA or as set forth in paragraphs (b) or (c) below. A Manager

shall not be entitled to any further compensation or consideration because of a change in the Parking Rates. If Manager fails to implement the new rates on the directed effective date, Manager shall pay the Agency the difference between the rates actually charged and the rates that should have been charged.

**(b) After Hours Exit Fee.** A customer wishing to retrieve his or her vehicle at any time when a Facility is closed must either i) be a monthly parker with the proper credentials or ii) a transient parker with their ticket in hand or proof of parking in the Facility in order not to incur an additional fee. At all times when a Facility is closed to the public, a Manager shall clearly post instructions on how to retrieve their vehicle or contact the manager via the intercom, at the after-hour access door, or via a phone number. If the parker has been confirmed as a monthly parker, the Manager shall let her enter the facility to retrieve her vehicle at no additional cost. If the parker is said to be a transient parker with no proof of parking in the Facility, an additional fee shall be charged to allow the parker access to the facility. The After Hours Exit Fee shall be charged for each vehicle that is retrieved when a Facility is closed, unless staff is already on duty and Manager incurs no additional labor costs in the course of allowing the vehicle to exit. In the case that staff is already on duty, Manager may charge only the posted hourly rate, up to the time of departure.

**(c)** A Manager shall apply the following Grace Periods in charging and collecting parking fees according to the Parking Rates; 1) for a turnaround or immediate in/out upon entry into a garage, the Grace Period shall be between 0 and 10 minutes, as determined by the Agency, based on the design for egress of each Facility; 2) after payment is made at a pay station or central cashier location, the Grace Period shall be 15 minutes; and 3) where a customer is paying a Parking Rate calculated by the hour and the time on the Parking Ticket shows that the customer has exceeded the last full increment of time, *there shall be no grace period*. SFMTA may, at its discretion, change the time allotment for any of the three grace period categories, following written notice to the Manager of the Facility.

**(d)** Unless otherwise authorized by these Facility Regulations, where a Manager provides any free or reduced rate parking to a Facility customer, the Manager shall be deemed to have collected the full amount due under the current Parking Rates approved by the SFMTA, and such amount shall be included in the Gross Revenues due to the Agency/Corporation in accordance with the requirements of *Section 6.6* of these Facility Regulations, whether or not such amount is actually received by the Manager from the Facility customer.

**3.3 Emergency and Disaster Response Plan.** A Manager shall maintain a current Emergency and Disaster Response Plan at each Facility in a format acceptable to the Director with a current copy to the Agency/Corporation. This plan shall consist of Emergency Procedures, contact information for the Manager, SFMTA, and Corporation (if applicable). This plan must outline procedures for employees to follow in the event of an emergency and describe a plan of action for each Alert Level defined for a specific threat or disaster.

**3.4 Confidential Information Requirements.** Vendor shall comply with all state and federal laws and regulations and applicable PCI DSS requirements concerning the security, maintenance, transmission and publication of Credit Card Data, license plate numbers, and other personal and confidential transaction information that may identify a patron of a Facility. Said authorities include but are not limited to applicable provisions of the federal Fair and Accurate Credit Transactions Act and the Fair Credit Reporting Act, applicable provisions the California Civil Code governing protection of personal information (including license plate data) and data security breach notification. (See Cal. Civ. Code §§ 1798.29, 1798.82, 1798.50 et seq.) A Manager or Corporation shall not release said information to any person without the express written authority of the SFMTA's Director of Parking or in response to valid court order or subpoena. Moreover, a Manager or Corporation shall not allow anyone, including law enforcement, to view video camera footage and shall not provide copies of any video camera footage or other documents concerning the Facility without a written request related to an active investigation. Manager shall immediately notify the Parking Director of written request that seeks video or other garage records. Manager shall refer to SFMTA any request to view video camera footage or to be provided a copy of such footage or to view or receive copies of any documents concerning the Facility.

**3.5 Operating Manual.** A Manager shall maintain at each Facility a current Operating Manual for the Facility containing Standard Operating Procedures (SOPs) that include, but are not limited to, safety standards and procedures, cash handling procedures, customer service standards, employee training, and Facility maintenance standards. At the front of the manual kept at each facility, the Manager shall include a section for site-specific procedures that address unique features and procedures required at that specific Facility. The Manager shall provide the Agency (and Corporation, if applicable) with this manual on the execution date of the Management Agreement, and shall promptly provide the Agency (and Corporation, if applicable) with any updates. The Manager will make necessary changes to the SOP manual at the Agency/Corporation's request in order to ensure that best practices are followed.

#### **4. EQUIPMENT AND CAPITAL IMPROVEMENTS**

**4.1 Ordering and Purchasing of Supplies, Equipment and Furnishings.** A Manager shall provide such supplies, equipment and furnishings required for performance of the management and supervision services in the operation of the Facilities, including, but not limited to, maintenance and cleaning equipment, tools, office and accounting equipment and office furnishings. The cost of purchasing all such supplies, equipment and furnishings shall be considered Operating Expenses. All equipment, supplies and other tangible personal property paid for as Operating Expenses shall be and remain the property of the Facilities. A Manager shall be responsible for the care and safekeeping of all SFMTA and Corporation Property and shall use such property only in connection with the operation of the Facilities. Except for supplies and other property that are routinely used and consumed in the operation of a parking Facility, a Manager shall not dispose of any SFMTA or Corporation Property without the prior written consent of the Director/Corporate Manager.

**4.2 Improvements.** A Manager shall not make any alterations or improvements to or upon a Facility without the prior written approval of the SFMTA. The Director or the Corporation may require a Manager to implement specific capital improvements during the term of the Management Agreement. With the exception of emergency repairs, which shall require the written approval of the Director or the Corporation, any such capital improvements shall require the approval of the Director and shall be performed (i) in strict accordance with any plans and/or specifications approved in advance by the Director or the Corporation in writing, (ii) by duly licensed and bonded contractors or mechanics approved by the Director or the Corporation after the Manager obtains at least three quotes for the capital improvement work, (iii) in a good and workmanlike manner, (iv) in strict compliance with all laws and subject to all other conditions that the Director or the Corporation may impose. Prior to the commencement of any work, a Manager shall procure all required permits and approvals and shall promptly deliver copies of such approvals and permits to the Director/Corporate Manager upon request. No material change from the plans and specifications approved by Director may be made without the prior consent of the Director or the Corporation. The Director/Corporate Manager shall have the right to inspect the progress of the capital improvement work at all times. If required by the Director/Corporate Manager, upon completion of the capital improvements, a Manager shall furnish Director/Corporate Manager with a complete set of final as-built plans and specifications. Notwithstanding anything in the Management Agreement or these Facility Regulations to the contrary, the actual costs and expenses incurred by a Manager in the performance by it of the obligations set forth in this Section shall be an Operating Expense. Upon completion of the improvement, the City shall own all capital improvements completed pursuant to this Section.

## **5. MAINTENANCE AND REPAIRS**

**5.1 Routine Maintenance and Repairs.** A Manager shall maintain the Facilities in a clean, safe, sanitary and attractive condition commensurate with the standards of maintenance, repair and operation set forth in the Management Agreement. For purposes of the Management Agreement, "routine maintenance and repair work" means all ordinary maintenance and repair of the premises and equipment and replacement of supplies that are normally performed on a daily or routine basis in order to keep the Facilities in an efficient, clean and safe condition. Such routine maintenance and repair work shall include without limitation:

(a) Repairing lamps and lighting fixtures and replacing bulbs, fluorescent tubes and ballasts; replacing Parking Tickets in Parking Ticket issuing machines; maintaining and replacing, if required, arms on traffic entry and exit gates; maintaining, repairing and replacing sliding or overhead doors and gates, and roll up doors; maintaining revenue control equipment; repairing, replacing and cleaning signs; maintaining heating, ventilating and other mechanical equipment; maintaining fire alarm call boxes, extinguishers and hose boxes in good working order; maintaining plumbing in good and sanitary working order; and performing emergency maintenance and repairs as required to maintain the premises in good and safe condition.

- (b)** Regular cleaning of all parking areas, Facility offices, drainage systems and other portions of the Facility premises; regular washing of all windows; prompt removal of dirt, debris, oil, grease and other liquids from the parking areas, floors and stairways; regular cleaning of floors, walls and ceilings of the pedestrian areas; regular removal of accumulated trash and other rubbish; regular cleaning of the sidewalks on all sides of the Facility; regular cleaning and maintenance of the common areas and bathrooms (including trash removal); and such other cleaning as shall be required to keep the premises in a clean, safe and attractive condition.
- (c)** Touch-up striping of the floors and surfaces of the Facility as needed.
- (d)** Otherwise cleaning, repairing and painting all surfaces of the Facility (e.g. floors, walls, fences, railings, gates, etc.) as well as adjacent sidewalks, curbs and driveways thereof as needed (particularly when such surfaces have been marred by graffiti or other forms of vandalism).
- (e)** Contracting for full-service elevator and/or rolling-door maintenance, if applicable, with a subcontractor acceptable to the Agency (and Corporation, if applicable).
- (f)** Contracting for electricity, telephone, vermin extermination, trash collection, water, sewer and any other similar utilities or services necessary to the operation of the Facility. Manager shall pay all billings for the above services when due.
- (g)** Steam cleaning or power washing of all sidewalks and any interior stairwells shall be performed on a quarterly basis and of each entire Facility on a semi-annual basis. At the discretion of the Director, steam cleaning may be required to be performed less frequently if the Facility, including sidewalks and stairwells, are maintained in a clean and orderly state.
- (h)** Prompt, daily removal of pigeon, rodent and other animal droppings from floors and all accessible surfaces.
- (i)** Thorough cleaning of all ventilation supply and exhaust vents shall be performed on a semi-annual basis, as applicable.
- (j)** Any other maintenance or repair required by the Director/Corporate Manager.
- (k)** Removal of graffiti within 48 hours, in accordance with the requirements of the Management Agreement.

A Manager shall perform all the foregoing maintenance duties in accordance with a maintenance schedule provided by Director/Corporate Manager. The Director/Corporate Manager shall have the right to require the Manager to perform certain duties specified in such schedule more frequently than provided therein. A Manager shall be responsible for

completing the Manager's Facility Inspection Checklist provided by Director/Corporate Manager on a monthly basis and maintaining a binder of completed checklists for each Facility at the Facility at all times. Upon demand of the Director/Corporate Manager, or his or her designee, a Manager shall present such checklist binder for review.

**5.2 Failure to Perform.** The Director/Corporate Manager may direct a Manager to perform routine maintenance and repair work that is necessary to keep the Facility in good and clean condition and in a proper state of repair. If the Manager does not commence performance of such routine maintenance and repair work within seventy-two (72) hours after the notice is given and thereafter diligently prosecute it to completion, the Director/Corporate Manager may cause such routine maintenance and repair work to be performed and the Manager shall pay the SFMTA's administrative expenses expended in having the routine maintenance and repair work performed.

**5.3 Long-Term Maintenance and Repairs.** As used in these Facility Regulations, the term "long-term maintenance and repairs" means all such maintenance and repair work that the Agency (and Corporation, if applicable) reasonably determines is extraordinary and beyond the normal routine maintenance and repair work to be performed by a Manager. The Agency/Corporation may request a Manager to seek bids for the specific project. If the Agency (and Corporation, if applicable) elects to proceed with the proposed project, the Manager shall cause the work to be done, pay for the work when it has been completed and include such reimbursement requests in the next Monthly Report. A Manager shall inform the Director/Corporate Manager of long-term maintenance or repair projects that are necessary to maintain a Facility in its current or better condition.

## **6. FISCAL DUTIES AND MATTERS**

**6.1 Annual Budget.** A Manager shall, at Director/Corporate Manager's request, prepare an annual operating and capital budget ("Budget") for each Facility under management for any given period for review by Director or the Corporation. The Budget shall be in the form provided by the Director/Corporate Manager. After review, the Director/Corporate Manager may return the Budget to the Manager if budget contains proprietary information regarding the Manager.

**6.2 Marketing Plan.** A Manager shall, at the Director/Corporate Manager's request, prepare a marketing plan for each Facility under management, outlining the Manager's plans to market the Facility and expand business at the Facility. The Director/Corporate Manager may review the marketing plan and recommend changes.

### **6.3 PCI Data Security Standards.**

(a) A Manager or Corporation shall manage the Facility and all transactions in accordance with PCI DSS as established by the PCI Security Standards Council ("PCI SCC"), which may be found at <https://www.pcisecuritystandards.org>, and as the PCI

Council may update its requirements and publish them at that website. Capitalized terms in these Regulations pertaining to PCI DSS, if not defined in these Regulations, shall have the meanings provided by PCI SCC.

(b) A Manager or Corporation shall utilize business procedures and practices and data security procedures and practices that comply with the most current PCI DSS.

(c) A Manager or Corporation shall store, retain or otherwise keep Credit Card Data only to the extent necessary to identify a transaction for accounting and refund purposes. A Manager or Corporation shall not store, retain or otherwise keep or utilize credit card data except as in accordance with PCI DSS requirements.

(d) When the Manager or Corporation services any part of the PARCS pay stations, it shall visually inspect the pay stations to discover sniffers and other unauthorized equipment and shall notify the City of any anomalies it discovers.

**6.4 Merchant of Record.** City shall be the Merchant of Record for cash transactions, and Manager shall be Merchant of Record for credit card transactions.

(a) *Cash Transactions* – Manager shall deposit all cash at the end of each cashier's shift into an electronic safe installed at the Facility capable of counting the cash deposited into it. Manager shall ensure the electronic-safe provider provides a service that directly electronically connects the safe count to the City's bank account, such that deposits made into the safe are immediately recognized in the City's account.

(b) *Credit/Debit Card Transactions* - As Merchant of Record for credit card revenues, Manager shall establish a processing protocol such that credit-card revenue settles directly into the City's designated bank account, with no detour to any third-party account, such that Manager adheres to the daily deposit requirements of City revenues set out in *Section 6.6* of these Regulations.

**6.5 Revenue Account.** The SFMTA shall provide Manger with account details of the City account that shall serve as the Revenue Account. A Manager may, however, with advance written consent from the SFMTA, establish and maintain a special account designated as the Revenue Account for each Facility. A Manager shall make daily deposits into the Revenue Account for each Facility unless an alternate deposit schedule is approved in writing by the Agency and the Office of the Treasurer/Tax Collector.

**6.6 Gross Revenues and Other Monies; Deposits and Transfers of Monies.** All Gross Revenues shall be the sole and exclusive property of the Agency (or Corporation if applicable), which Manager shall hold in trust and safeguard for the sole benefit of the Agency. The Manager shall have no right, title, interest, lien or set-off rights on or against any portion of the Gross Revenues. The Manager shall safeguard all Gross Revenues with the highest degree of care. The Gross Revenues shall be deposited in the Revenue Account no later than the next Banking Day after such amounts are collected unless an alternate deposit schedule is approved in writing by the Agency. A Manager shall not commingle any of Gross Revenues with its own funds. If a Manager fails to deposit Gross Revenues including Parking Taxes as specified in this Section, the Manager shall pay the Agency/Corporation interest on the amount that was not timely deposited in accordance with the late payment provisions in the Management Agreement until such time the amount is deposited in the manner prescribed in these Facility Regulations, and such payment shall



not be a compensable Operating Expense. A Manager's failure to deposit Gross Revenues including Parking Taxes on a timely basis shall constitute a material breach of the Management Agreement, and a Manager's obligation to pay interest on funds not deposited shall not limit any other rights or remedies the Agency or Corporation may have under the Management Agreement with respect to such default. A Manager shall be responsible for, and liable for any damages arising from, the secure transport and delivery of Gross Revenues in accordance with these Facility Regulations and the Management Agreement. Until monies charged and collected by the Manager on behalf of the Agency/Corporation are deposited in accordance with these Facility Regulations, the Manager shall assume all risk of loss of such monies, including, but not limited to, loss by damage, destruction, disappearance, theft, fraud, counterfeit bills/coins, or dishonesty.

**6.7 Daily Accounting.** Every day of operation, a Manager shall prepare a daily report ("Daily Report") for each Facility in a form approved by the Director/Corporate Manager. If requested by the Director/Corporate Manager, the Manager shall submit the Daily Reports to the Agency/Corporation on a daily basis in electronic form. All Daily Reports must be certified true and correct by the Manager. A Manager shall not modify the format of the Daily Report without the Director/Corporate Manager's prior written approval.

**6.8 Monthly Report.** By the 15<sup>th</sup> of each month, a Manager shall deliver to the Director/Corporate Manager a monthly report ("Monthly Report") for each Facility in a form approved by the Director. Manager shall also enter all financial information into the SFMTA's online reporting portal. The Monthly Report shall be provided in electronic format, as well as in hard copy if requested by SFMTA, and include an accounting of all Gross Revenues and a description of Operating Expenses as set forth in *Section 6.9*.

(a) For each day submittal of the Monthly Report is late, a Manager shall incur a late charge of One Hundred Dollars (\$100) per Facility as liquidated damages payable to the Agency/Corporation to cover administrative costs for revenue report and projection revisions, and such late charges shall not be an Operating Expense. All submitted Monthly Reports must be certified as true, correct, and complete by the Manager. Should the Agency/Corporation detect any inaccuracies in the Monthly Reports which were not previously communicated by the Manager, the Agency/Corporation may, in its discretion and without limiting the Agency/Corporation's other rights and remedies hereunder, impose a charge of Two Hundred Dollars (\$200) for each Monthly Report misreported to cover administrative costs to correct revenue reports and projections. Such charges shall be deducted by the Agency/Corporation from the next payment of the Management Fee under the Management Agreement. The aforementioned charges shall not be considered a penalty but are the reasonable cost to the Agency/Corporation incurred by the Manager's delay. The Controller, the Director or the Corporation may modify the form of the Monthly Report and change the due date of the Monthly Report.

**(b)** The Monthly Report shall include all usage data by customer type, marketing initiatives conducted during the month, any capital expenditures incurred during the month and any extraordinary operational or management efforts.

**(c)** Manager shall also provide a Monthly Exception Report, in a format approved by SFMTA, that analyzes all manual transactions (e.g. manual gate opens from the cashier station, central control station and/or by use of key at the exit station; replacement tickets produced, including lost tickets; and any other manual overrides of rate calculation or gate vending). This report shall detail Manger's follow up on any suspicious transactions and/or pattern of transactions.

## **6.9 Operating Expenses.**

**(a)** For all Operating Expenses for which a Manager seeks reimbursement, the Manager shall, for each Facility, submit monthly or as needed complete documentation, an invoice and statement listing all operating expenses for the month together with copies of all invoices, receipts or other evidence, including all operating expenses incurred since the previous invoice and statement, including all salaries, wages, payroll taxes, and benefits described in the Management Agreement, and the Manager's management fee. Each invoice, in a form approved by the Director or Corporation and the Controller, shall be accompanied by evidence of payment of all items and any other such supporting documentation evidencing such operating costs, salaries, wages, payroll taxes and benefits, workers compensation, garage keepers, and any and all other insurance coverages, as the Agency/Corporation shall require.

All invoices for which a Manager is seeking payment shall:

- (1) be prepared by the Manager and signed by the authorized representative of the Manager;
- (2) identify the line item of the Approved Budget under which reimbursement is requested;
- (3) include documentation of the quotes or bids obtained when required pursuant to paragraph (b) below;
- (4) for unbudgeted expenses, include written approval of the Director, and
- (5) be submitted to the Director/Corporate Manager for approval.

To qualify as an Operating Expense, the following conditions must also be satisfied:

- (1) the Manager must have submitted the required documentation requested above,
- (2) the expenditure must have been authorized in the Approved Budget,
- (3) for both vendor expenses and professional services, the expenditure must have been made pursuant to a written agreement or purchase order executed by both Manager and the vendor/service provider; and
- (4) the expenditure must have the prior approval of the Director or Corporate Manager and the Controller.

A Manager may be reimbursed for any otherwise reimbursable expense incurred during a month that exceeds the Approved Budget by no more than 5 percent without seeking prior approval from the Director/Corporate Manager, as long as such an over-budget expenditure does not occur in consecutive months. The Agency/Corporation will reimburse the Manager by electronic payment or by disbursing a check at the address specified for notice in the Management Agreement. The Agency/Corporation shall not reimburse a Manager for any interest charges or late penalties imposed on the Manager due to late payment of its bills, taxes or fees. The Director/Corporate Manager shall have ultimate approval of all Operating Expenses.

(b) In no event shall a Manager contract for or purchase any one item which exceeds One Thousand Dollars (\$1,000.00) in cost or any item which costs in excess of the amount set out on the approved Budget without the prior written approval of the Director (and Corporate Manager, as applicable). Any rebate or discount obtained by a Manager in connection with the Management Agreement shall be the property of the Agency/Corporation. All expenses in excess of One Thousand Dollars (\$1,000.00), including recurring expenses such as Parking Tickets, unless service is from a sole source supplier, shall be documented with three written quotes submitted for the Director's review. A Manager must receive written approval from Director (and Corporate Manager, as applicable) identifying the preferred quote before the purchase is made. For expenses anticipated to exceed Five Thousand Dollars (\$5,000.00), a Manager (and Corporation, if applicable) shall consult with the Director prior to requesting any quotes, so that all procurement options may be fully considered. If a Manager determines that an emergency situation exists that requires an immediate vendor service visit, making it unreasonable and impractical to follow the above steps, the Manager shall immediately notify Agency staff through the 24/7 contact information provided to the Manager, and Agency staff shall direct the Manager how to proceed.

**6.10 Parking Taxes.** A Manager shall comply with the requirements imposed by Sections 6.6-1 and 6.7-1 of Article 6, and Section 604 of Article 9 of the San Francisco Business and Tax Regulations Code to collect all Parking Taxes, sales taxes and other taxes due, which shall be deposited into the Revenue Account and accounted for separately. A Manager shall submit to the Agency/Corporation with each Monthly Report a full accounting of all taxes due and payable to any third party, including any taxes due to the City. A Manager shall file with the San Francisco Tax Collector, with a copy to the Agency (and Corporation, if applicable) all required monthly Parking Tax returns. A Manager is liable for any interest or penalties incurred due to late filing of required tax returns or failure to correctly determine the tax due, which interest or penalties shall not be considered an Operating Expense or otherwise reimbursed by the SFMTA or the Corporation. A Certificate of Authority to collect Parking Tax shall be posted in each Facility in a prominent location at all times during the Term of the Management Agreement. Manager shall remit all Parking Tax due directly to The Tax Collector. Manager shall include Parking Tax payments made as part of its monthly invoices for Operating Expenses.

**6.11 Parking Tax Collection Bond.** A Manager shall comply with the requirements imposed by Section 6.6-1 of Article 6 of the San Francisco Business and Tax Regulations

Code, requiring Manager to post a Parking Tax Collection Bond on behalf of the City in the amount required by the Tax Collector.

**6.12 Right to Audit and Inspect Records.** A Manager agrees to maintain and make available to the Agency/Corporation, during regular business hours, accurate books and accounting records relating to its work under the Management Agreement. A Manager will permit the Agency/Corporation to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by the Management Agreement, whether funded in whole or in part under the Management Agreement. A Manager shall maintain such data and records in an accessible location and condition for a period of not less than three years after final payment under the Management Agreement or until after final audit has been resolved, whichever is later. The City, the State of California or any federal agency having an interest in the subject matter of the Management Agreement shall have the same rights conferred upon the SFMTA or a Corporation by this Section.

**6.13 Audit.** A Manager shall cooperate in audits of its books and records relating to the Facilities and the Manager's compliance with the Management Agreement. The audits shall be conducted at the direction of the Agency/Corporation or the City Controller by an auditor selected by the Agency/Corporation or the Controller. The Agency/Corporation or the Controller shall determine the scope of said audit(s), which may include but are not limited to the Manager's compliance with the terms of the Management Agreement and these Facility Regulations, determining the amount of Gross Revenues and Parking Taxes received by the Manager from the operation of the Facilities; the Gross Revenues and Parking Taxes deposited into the Revenue Account; any differences between the Gross Revenues and Parking Taxes reported and the Revenue Account deposits and audited revenues; and the form and method of the Manager's record keeping. The audits may include review of capital expenditures, operating expenses and/or compliance with any provisions of the Management Agreement and these Facility Regulations or any other item related to administration of the Management Agreement or the financial stability of the Manager, at the discretion of the Agency/Corporation.

**6.14 Books and Records.** A Manager shall establish and maintain at each Facility books, records and systems of account, including all records relating to Revenue Control Equipment at the Facilities in accordance with generally accepted accounting principles, consistently applied reflecting all business operations of Manager transacted under the Management Agreement. To the extent a Manager has not complied with generally accepted accounting principles, the Director/Corporate Manager may require Manager to restate its books, records and systems of account to conform to such requirements. These books, records and systems of account shall be retained by a Manager during the term of the Management Agreement and for at least three (3) years thereafter, and shall be available at all reasonable times, with or without notice, for inspection and audit by the City, the Agency/Corporation, or their agents. Upon expiration or early termination of the Management Agreement, all such books, records and systems of account shall be delivered to the Director/Corporate Manager. All used and unused parking tickets, tapes and other records used in the operation of each Facility are owned by the

Agency/Corporation but shall be retained by a Manager at the Facility unless the Director or Corporate Manager requests otherwise. Such tickets, tapes and records shall be available at all reasonable times, with or without notice, for inspection and audit by either the Director or Corporate Manager or their agents and shall not be destroyed without prior written consent from the Director or Corporate Manager.

**APPENDIX E**  
**ROLES AND RESPONSIBILITIES ASSOCIATED WITH THE**  
**MANAGEMENT OF THE PORTSMOUTH SQUARE GARAGE**  
**AND THE JAPAN CENTER GARAGES**

The City leases two garages in Group B, Portsmouth Square Garage and Japan Center Garages, to the Portsmouth Plaza Parking Corporation and the Japan Center Garage Corporation, respectively. At these two garages, the roles and responsibilities described below shall apply.

- 1. Roles and Responsibilities.** Commencing February 1, 2023, the SFMTA, IMCO Parking and the Corporation (PPPC or JCGC) will perform the actions and duties described below to manage and operate the Portsmouth Square Garage and Japan Center Garages:

**A. SFMTA**

SFMTA shall:

- (1) Provide oversight and direction to Operator to ensure Garage operations are managed in accordance with the Operator Contract, the Corporations' Leases with the City, and City policies and regulations concerning off-street parking facilities.
- (2) Coordinate with the Corporations and IMCO Parking to ensure the needs and desires of the local community are heard and considered on a regular basis.
- (3) SFMTA representatives shall attend Corporation Board meetings to facilitate information sharing and to provide updates on the status of garage operations, in conjunction with IMCO Parking staff.
- (4) Approve Garage operating budgets in accordance with the Lease.
- (5) Ensure that IMCO Parking responds in a timely manner regarding budget-requisition processing and all financial information needed for Corporations to submit the required monthly financial reports in accordance with their Leases with the City.

**B. Corporations**

PPPC/JCGC shall:

- (1) Perform all of its obligations and duties described in the Lease with the City.
- (2) Subject to annual review and approval by SFMTA, JCGC shall employ a Corporate Manager and an independent bookkeeper and administrative support staff, as needed, to meet JCGC's responsibilities under the Lease, as approved by SFMTA.

- (3) Maintain a separate payroll and benefits process for any paid Corporation staff, which shall be separate from Operator's payroll and benefits processes for parking operations staff assigned to the Garage.
- (4) Prepare monthly reporting, audited financial statements, annual proposed budgets, and execute other related duties, as required by the Lease. Financial statements will include financial information provided by Operator. Corporation will add to those reports Corporations' expenses and other information necessary to complete the reports.
- (5) Be the primary liaison to neighborhood and community stakeholders.

### **C. Garage Operator**

The SFMTA shall instruct IMCO Parking and enforce the SFMTA's Garage Management Agreement to ensure that the Operator shall:

- (1) Fulfill all responsibilities within its management agreement with the SFMTA.
- (2) Coordinate proactively, and in good faith, with both Corporation and SFMTA staff to ensure day-to-day operations are consistent with SFMTA policies and procedures for garage operations and respond to and work with Corporation staff in a timely manner to address any concern or incidents that may arise in the course of the daily operation of the garages.
- (3) Work collaboratively with the Corporation in all budgetary and financial aspects associated with the operation of the garages, including requisitions, and providing relevant financial information in a timely manner to Corporation staff for the preparation and submission of monthly financial report to SFMTA.
- (4) Assign appropriate management staff to attend regular Corporation Board of Directors' meetings and present a monthly operations and security report at the meeting.

## **2. Revenue Processing**

IMCO Parking and PPC/JCGC shall manage Garage revenues as follows:

- A. Operator will deposit all of Garage's gross revenues into an account maintained by PPC/JCGC on a daily basis.