Council Priority: Transportation and Traffic

Summary Title: Approval of Contract with Serco, Inc. for RPP Parking Enforcement

Title: Approval of Contract Number C20176367 With Serco, Inc., for Three Years, in an Amount Not-to-Exceed $2,322,285 for Residential Preferential Parking Enforcement Services

From: City Manager

Lead Department: Transportation

Recommendation
Staff recommends that Council approve and authorize the City Manager or his designee to execute contract C20176367 (Attachment A) for an amount not to exceed $2,322,285 with Serco, Inc., for Residential Preferential Parking Enforcement for the City over a three-year period.

Background
The City actively addressed city-wide parking and transportation challenges using a strategic, multi-faceted approach focused on parking management, parking supply, and transportation demand management programs. Parking management strategies have included the development of a city-wide Residential Preferential Parking (RPP) ordinance.

The RPP program limits non-permit holder parking to two hours during program hours. The RPP program was the result of a multi-year process that included business and resident stakeholder engagement with city staff on the development of the program. The program development included deliberations on enforcement hours, program boundaries, permit prices, and employee permit allocation. The comprehensive process represents a significant effort to begin managing neighborhood parking supply. An RPP Ordinance was adopted in December 2014, with the establishment of RPP districts in the residential areas of Downtown Palo Alto,
Evergreen Park-Mayfield, Southgate, and Old Palo Alto.

Consistent with Council direction, staff is in the process of awarding a contract necessary to maintain the program, including parking enforcement and citation processing. This report provides an overview of the recommended enforcement strategy and vendor selection process.

The City of Palo Alto’s Office of Transportation staff developed a Request for Proposals (RFP) to receive proposals from firms that could implement the desired parking enforcement program in a timely manner for the City. The RFP did not specify the number of enforcement officers being requested; rather, the City invited proposers to visit the RPP Districts and make a proposal based on their experience with similar programs. The RFP was issued in October 2019 and proposals were due on Monday, November 18, 2019. The City received the following three (3) responses to the RFP:

- Ace
- Republic Parking System
- Serco, Inc.

Evaluation

As specified in the RFP, evaluation of the proposals was conducted by City staff using the following criteria:

- Quality and completeness of the proposal;
- Quality, performance and effectiveness of the solution, goods and/or services to be provided by the Proposer;
- Proposer’s experience, including the experience of staff to be assigned to the project, the engagements of similar scope and complexity;
- Cost to the city;
- Proposer’s financial condition and stability;
- Proposer’s ability to perform the work within the time specified;
- Proposer’s prior record of performance with City or other local, county or state agency;
- Proposer’s ability to provide future maintenance, repairs parts and/or services; and
- Proposer’s compliance with applicable laws, regulations, policies (including City Council policies), guidelines and orders governing prior or existing contracts performed by the contractor.

Each evaluation committee member calculated summary rating scores which established that Serco, the current parking enforcement vendor for the City, had a significantly higher score. All committee members indicated that they were in unanimous agreement that based on an evaluation of relevant experience, proposed staffing approach, and proposed technologies, the proposal submitted by Serco demonstrated the most complete understanding of the City’s RPP
Upon vendor selection, the City negotiated with Serco the details of the awarded contract that is presented in this report. Commencement of contract negotiations were completed on February 12, 2020.

**Discussion**

The City reviewed the three (3) firms that responded to the RFP – Ace, Republic, and Serco. Ace included an operation outline where they would staff the area with two (2) enforcement officers. At the same time, the Republic and Serco proposal recommended 8-9 full-time officers, which is consistent with the current staffing assignments and better balances the workload expected of the enforcement company for an enforcement area as large of Palo Alto. Republic’s proposed staffing includes part-time officers, which is not beneficial due to the difficulties of hiring and maintaining hourly employees in this region. Serco demonstrated a complete understanding of the four (4) RPP districts and experience enforcing similar parking programs in other cities. Ace’s proposal showed that they did not understand the complexity of the enforcement system and demand in the RPP program in developing their staffing estimates. The table below includes the current operating costs for RPP enforcement services.

**Figure 1: Current Contract Enforcement**

<table>
<thead>
<tr>
<th>Serco, Inc.</th>
<th>Term Ends</th>
<th>Cost per Year</th>
<th>RPP Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award Contract</td>
<td>May 2018</td>
<td>$503,210</td>
<td>Downtown</td>
</tr>
<tr>
<td>Amendment 1</td>
<td>May 2018</td>
<td>$563,210</td>
<td>*Downtown</td>
</tr>
<tr>
<td>Amendment 2</td>
<td>May 2019</td>
<td>$675,707</td>
<td>Downtown, Evergreen Park-Mayfield</td>
</tr>
<tr>
<td>Amendment 3</td>
<td>May 2019</td>
<td>$693,867</td>
<td>Downtown, Evergreen Park-Mayfield,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Southgate</td>
</tr>
<tr>
<td>Amendment 4</td>
<td>November 2019</td>
<td>$693,867</td>
<td>Downtown, Evergreen Park-Mayfield,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Southgate</td>
</tr>
<tr>
<td>Amendment 5**</td>
<td>March 2020</td>
<td>$35,070</td>
<td>Downtown, Evergreen Park-Mayfield,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Southgate, Old Palo Alto</td>
</tr>
</tbody>
</table>

*Additional staff for newly annexed Downtown streets
**Amendment 5 added Old Palo Alto for four months

The proposed cost each year reflects each firm’s understanding of the work required to meet stated program enforcement goals.
Based on Serco’s understanding of the program requirements, level of service proposed and experience enforcing similar programs, the proposal review committee felt that Serco’s proposal would be the most effective at yielding the type of enforcement required by the City.

As part of their services, Serco will be responsible for the recruitment of enforcement personnel, background checks and screening, final selection, and initial and on-going training of staff. Training will include permit enforcement, issuance of citations, marking vehicles, customer service, and codes and ordinances related to parking enforcement in the area. Additionally, Serco will provide all personnel with uniforms, badges, ID tags, and transportation, including bicycles and clean vehicles. The employees will be Serco employees and not employees of the City of Palo Alto. The Office of Transportation will manage this contract to ensure that the Serco representatives are meeting program goals in terms of enforcement.

**Timeline**
Serco is the incumbent and the transition will solely be administrative. The current contract with Serco will expire March 31, 2020. This new contract will commence April 1, 2020. Once the contract is awarded, the Serco team will need at least 30 days to implement a new offsite office and train officers to utilize new handheld devices before enforcement can begin on April 1, 2020.

**Resource Impact**
The year one cost of this contract (3/1/2020 through 2/28/2021) is $748,672, and the subsequent two years include annual increases, making the rates $771,132 and $802,481 respectively for year two and year three. The FY 2020 funding for this contract (March – June 2020) is available in the Residential Preferential Parking (RPP) Fund’s (Fund 239) FY 2020 Adopted Operating Budget. Funding beginning in FY 2021 through the remainder of the contract is subject to approval through the annual budget development process.

It should be noted that the RPP fund does not operate at full cost recovery. Since FY 2014 approximately $1.4 million in General Fund subsidies have been required to maintain financial
solvency of the RPP Fund, including a subsidy of $680,000 in FY 2020. In order to continue to support program operations and service levels, including the costs of this contract in subsequent years, additional revenue and/or General Fund support via a subsidy to the RPP Fund will be required. This will be discussed and addressed through the FY 2021 budget process.

The increase in cost for enforcement in the RPP areas are due to two to main factors, 1) the addition of four new RPP areas since the original Serco contract was signed in 2015 and 2) increased hourly labor costs. The City initially entered into a 3-year contract with Serco (C1556763) on June 1, 2015 to provide RPP parking enforcement. As more RPP areas were established, amendments were made to increase the number of Parking Enforcement Officers to patrol new RPPs and the term of the contract to five (5) years. A total of four (4) RPP patrol areas have been added since the original contract was signed. During the first three years of the contract, the hourly labor costs did not increase, but the costs rose by 5% after that. Labor costs in the new contract are 7% higher than the last amendment of the prior contract, and each subsequent year of the new contract, the cost of labor goes up by 3%. A combination of adding personnel to enforce permit parking in new RPPs and increases in hourly labor costs over the last 5 years have lead to increased enforcement costs including market inflation.

**Policy Implications**

Parking Enforcement of the RPP program is consistent with the City’s commitment promote enhanced safety and mobility in Palo Alto's transportation system while protecting resources and preserving the community's quality of life, and is also consistent with the following Comprehensive Plan goals:

1. Goal T-5, Policy T-5.1 All new development projects should manage parking demand generated by the project, without the use of on-street parking, consistent with the established parking regulations. As demonstrated parking demand decreases over time, parking requirements for new construction should decrease
2. Policy T-5.11: Work to protect residential areas from parking impacts of nearby businesses and uses, recognizing that fully addressing some existing intrusions may take time.
3. Goal B-2; Policy B-2.2 Recognize that employers, businesses and neighborhoods share many values and concerns, including traffic and parking issues and preserving Palo Alto’s livability, and need to work together with a priority on neighborhood quality of life.

**Environmental Review**

The proposed actions are not a project under the California Environmental Quality Act (CEQA).
In the event the proposed actions are deemed a project under CEQA, they are exempt under CEQA regulation 15321 (Enforcement Actions by Regulatory Agencies).

Attachments:

Attachment A - C20176367 Serco (PDF)
CITY OF PALO ALTO CONTRACT NO. C20176367

AGREEMENT BETWEEN THE CITY OF PALO ALTO AND

SERCO INC. FOR PROFESSIONAL SERVICES

This Agreement is entered into on this day of , 2020, (“Agreement”) by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and SERCO INC., a New Jersey corporation, located at 12930 Worldgate Drive, Suite 600, Herndon, VA 20170 ("CONSULTANT").

RECITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to provide parking enforcement services for the Downtown Residential Preferential Parking (RPP) district (“Project”) and desires to engage a consultant to provide services in connection with the Project (“Services”).

B. CONSULTANT has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONSULTANT to provide the Services as more fully described in Exhibit “A”, attached to and made a part of this Agreement.

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

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONSULTANT shall perform the Services described at Exhibit “A” in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

SECTION 2. TERM.
The term of this Agreement shall be from the date of its full execution through February 28, 2023 unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY’s agreement to extend the term or the schedule for performance shall not preclude recovery.
of damages for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A” (“Basic Services”), and reimbursable expenses, shall not exceed Two Million Three Hundred Twenty Two Thousand Two Hundred Eighty Five Dollars ($2,322,285.00). The applicable rates and schedule of payment are set out at Exhibit “C-1”, entitled “SCHEDULE OF RATES,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described at Exhibit “A”.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT’s billing rates (set forth in Exhibit “C-1”). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT’s payment requests shall be subject to verification by CITY. CONSULTANT shall send all invoices to the City’s project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONSULTANT or under CONSULTANT’s supervision. CONSULTANT represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONSULTANT under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONSULTANT is solely responsible for costs, including, but not limited to, increases in the cost of Services, arising from or caused by
CONSULTANT’s errors and omissions, including, but not limited to, the costs of corrections such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of CITY’s stated construction budget, CONSULTANT shall make recommendations to CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONSULTANT, and any person employed by or contracted with CONSULTANT to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of CITY.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT’s obligations hereunder without the prior written consent of the City Manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the City Manager will be void.

SECTION 12. SUBCONTRACTING.

Option A: No Subcontractor: CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

CONSULTANT shall be responsible for directing the work of any subconsultants and for any compensation due to subconsultants. CITY assumes no responsibility whatsoever concerning compensation. CONSULTANT shall be fully responsible to CITY for all acts and omissions of a subconsultant. CONSULTANT shall change or add subconsultants only with the prior approval of the city manager or his designee.

SECTION 13. PROJECT MANAGEMENT. CONSULTANT will assign Phillip Ballin as the project manager to have supervisory responsibility for the performance, progress, execution of the Services and will represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project manager, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

CITY’s project manager is Mark Hur, Office of Transportation, 250 Hamilton Ave, Palo Alto, CA
94301, Telephone: (650) 329-2520. The project manager will be CONSULTANT’s point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate project manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. Upon delivery, all work product, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents, other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in CITY, and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONSULTANT nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

SECTION 15. AUDITS. CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT’s records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 16. INDEMNITY.

[Option B applies to any consultant who does not qualify as a design professional as defined in Civil Code Section 2782.8.] 16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, actual third party claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorney’s fees, experts fees, court costs and disbursements (“Claims”) resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

16.3. The acceptance of CONSULTANT’s services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.
SECTION 18. INSURANCE.

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best’s Key Rating Guide ratings of A-:VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY’s Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days’ notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT’s receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY’s Chief Procurement Officer during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services.

19.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and
other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or
given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such
materials will become the property of CITY.

19.4. Upon such suspension or termination by CITY, CONSULTANT will be
paid for the Services rendered or materials delivered to CITY in accordance with the scope of
services on or before the effective date (i.e., 10 days after giving notice) of suspension or
termination; provided, however, if this Agreement is suspended or terminated on account of a
default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that
portion of CONSULTANT’s services which are of direct and immediate benefit to CITY as such
determination may be made by the City Manager acting in the reasonable exercise of his/her
discretion. The following Sections will survive any expiration or termination of this Agreement:
14, 15, 16, 19.4, 20, and 25.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY
will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by
certified mail, addressed as follows:

To CITY: Office of the City Clerk
City of Palo Alto
Post Office Box 10250
Palo Alto, CA  94303

With a copy to the Purchasing Manager

To CONSULTANT: Serco Inc.
Attn: Muhammad Mansoor/Chan Phuong
12930 Worldgate Drive, Suite 600
Herndon, VA 20170

SECTION 21. CONFLICT OF INTEREST.

21.1. In accepting this Agreement, CONSULTANT covenants that it presently
has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which
would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this
Agreement, it will not employ subconsultants, contractors or persons having such an interest.
CONSULTANT certifies that no person who has or will have any financial interest under this
Agreement is an officer or employee of CITY; this provision will be interpreted in accordance
with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the
State of California.
21.3. If the Project Manager determines that CONSULTANT is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 22. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person due to that person’s race, skin color, gender, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, pregnancy, genetic information or condition, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONSULTANT shall comply with the CITY’s Environmentally Preferred Purchasing policies which are available at CITY’s Purchasing Department, incorporated by reference and may be amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of CITY’s Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, CONSULTANT shall comply with the following zero waste requirements:

(a) All printed materials provided by CONSULTANT to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY’s Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.

(b) Goods purchased by CONSULTANT on behalf of CITY shall be purchased in accordance with CITY’s Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Division’s office.

(c) Reusable/returnable pallets shall be taken back by CONSULTANT, at no additional cost to CITY, for reuse or recycling. CONSULTANT shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. COMPLIANCE WITH PALO ALTO MINIMUM WAGE ORDINANCE. CONSULTANT shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as it may be amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONSULTANT shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONSULTANT shall post notices regarding the Palo Alto Minimum Wage Ordinance.

SECTION 25. NON-APPROPRIATION

25.1. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 26. PREVAILING WAGES AND DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS

☐ 26.1 This Project is not subject to prevailing wages. CONSULTANT is not required to pay prevailing wages in the performance and implementation of the Project in accordance with SB 7 if the contract is not a public works contract, if the contract does not include a public works construction project of more than $25,000, or the contract does not include a public works alteration, demolition, repair, or maintenance (collectively, ‘improvement’) project of more than $15,000.

26.2 CONSULTANT shall comply with the requirements of Exhibit “E” for any contract for public works construction, alteration, demolition, repair or maintenance.

SECTION 27. MISCELLANEOUS PROVISIONS.

27.1. This Agreement will be governed by the laws of the State of California.

27.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

27.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys’ fees paid to third parties.

27.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

27.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and consultants of the parties.
27.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

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

27.8 In the event of a conflict between the terms of this Agreement and the exhibits hereto or CONSULTANT’s proposal (if any), the Agreement shall control. In the case of any conflict between the exhibits hereto and CONSULTANT’s proposal, the exhibits shall control.

27.9 If, pursuant to this contract with CONSULTANT, CITY shares with CONSULTANT personal information as defined in California Civil Code section 1798.81.5(d) about a California resident (“Personal Information”), CONSULTANT shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONSULTANT shall not use Personal Information for direct marketing purposes without City’s express written consent.

27.10 All unchecked boxes do not apply to this Agreement.

27.11 The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

27.12 This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.
IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

____________________________
City Manager

APPROVED AS TO FORM:

____________________________
City Attorney or designee

SERCO INC.

Officer 1
By: Chan Phuong
Name: Chan Phuong
Title: Contracts Representative

Officer 2
By: David Cornell
Name: David Cornell
Title: Sr Manager Contracts

Attachments:
EXHIBIT “A”: SCOPE OF SERVICES
EXHIBIT “B”: SCHEDULE OF PERFORMANCE
EXHIBIT “C”: COMPENSATION
EXHIBIT “C-1”: SCHEDULE OF RATES
EXHIBIT “D”: INSURANCE REQUIREMENTS
EXHIBIT “A”
SCOPE OF SERVICES

Project Description
CITY is contracting with CONSULTANT to operate the Parking Enforcement Program for Residential Preferential Parking (RPP) Districts in Palo Alto.

TASK 1: ONBOARDING AND STARTUP – 30 DAYS

A) CONSULTANT will provide the appropriate and necessary training to CONSULTANT’s staff (“staff”) who work under this Agreement, relevant to their respective job duties. CONSULTANT shall maintain complete training records for each staffer, as well as any other records prescribed by law or CITY policy as appropriate. The CITY’s Police Department will provide all materials related to enforcement rules and regulations currently in place; all other training materials are to be provided by CONSULTANT.

I. Training topics include, but are not limited to, the following topics:
   a. Design of the RPP District, including information on employee and resident permits and history of the program development
   b. Enforcing parking permit violations and other parking regulations
   c. Marking and tagging of vehicles using City-provided handheld devices
   d. Palo Alto Municipal Codes, California Vehicle Code, state statutes, and ordinances related to parking enforcement
   e. Chain of command and authority levels
   f. Marking, tagging, towing, and impoundment of vehicles
   g. Job procedures and emergency protocol
   h. Responding to calls for service
   i. Customer service delivery and expectations
   j. Courtroom procedures and testimony
   k. Workplace safety
   l. Civil rights law and procedures
   m. Information on history of Palo Alto and City Attractions

The training program should provide the CONSULTANT’s staff with sufficient understanding of the RPP program as well as operation of required equipment and enforcement protocol. All staff are to complete and pass the training course prior to starting service, and the training procedures must be approved by the CITY. The time period from CITY’s notice to proceed to start of enforcement shall not be less than thirty (30) days.

B) CONSULTANT will train staff to appear in court in a professional manner with related documentation and evidence to support the case. CONSULTANT’s Project Manager will represent the company in court appearances unless, an enforcement officer is specifically required to be present, in which case the Project Manager will accompany the enforcement officer or Supervisor to the hearing.
C) Additional Deliverables: CONSULTANT will provide a training plan upon receiving notice to proceed from the CITY. The training plan will include all training activities planned for enforcement officers and include information from the CITY required to complete the training, as well as a detailed schedule.

TASK 2: PERSONNEL

A) CONSULTANT will ensure that all new staff meet all CITY of Palo Alto and CONSULTANT employment requirements as listed below. CONSULTANT will comply with all existing Government code and CITY non-discrimination policies.

I. All candidates must complete a job application and provide a DMV printout. To be offered a position, candidates must pass a pre-screening at CONSULTANT’s expense. CONSULTANT’s pre-screening includes the following:

   a. Pre-employment drug and alcohol testing
   b. Criminal history background check
   c. DMV record check
   d. Social Security Number verification
   e. Eligibility to work in the United States
   f. Ability to speak and write in English
   g. LiveScan/Fingerprinting
   h. California Department of Justice background check

Drivers will undergo further screening:

   a. Comply with USDOT/Federal Motor Carrier Safety Administration and California DMV regulations
   b. DMV nationwide records check
   c. Pass the Smith Systems Defensive Driver Safety Training
   d. 40 hours on-the-job training

B) CONSULTANT shall select and hire only persons who are well-qualified to perform the duties for their respective job positions and should provide classifications of all employee positions within their proposal, including a job description. Classifications might include, but are not limited to:

I. Parking Enforcement Supervisor/Manager: Assist the parking enforcement staff with day-to-day operations and staffing issues. Supervisor shall be responsible to report with the on a bi-monthly basis and provide updates on the enforcement process, any feedback from the public, incidents and number of citations issued. A supervisor should possess sufficient IT knowledge to be able to handle employee equipment issues in the field, and the capability of working with the citation processing agency for any citation issues.
II. Parking Enforcement Staff: Responsible for the day-to-day management, supervision, and operation of parking enforcement services. These individuals must have the capacity to act as “Ambassadors” for the CITY, providing information about parking enforcement practices and other information on Palo Alto’s Downtown.

C) CONSULTANT should provide performance metrics for each position so that performance evaluations may take place.

D) CONSULTANT will provide eleven (11) shirts and eleven (11) pants to full-time employees.

E) CONSULTANT will issue staff jackets, hats, and rain attire for inclement weather, all bearing the company logo. CONSULTANT and uniform company will be responsible for cleaning of uniforms. Cleaning of uniforms is not the responsibility of the CITY. CONSULTANT will provide sample uniforms for CITY review prior to any issuance of uniforms.

F) Staff will wear CONSULTANT-issued photo ID at all times while on duty.

G) CONSULTANT will be expected to purchase parking permits for any staff driving to Palo Alto.

H) CONSULTANT will be responsible for all personnel supervision, discipline, and termination actions. However, the CITY may require the removal of any CONSULTANT’s staff, when it is determined to be in the best interest of the CITY, at any time.

I) CONSULTANT will address temporary vacancies due to vacations, illness, leaves of absence, or termination and provide continuous staffing.

J) Additional Deliverables:
   a. CONSULTANT will supply an updated organization chart and complete list of employees and roles at the CITY’s request and annually on contract anniversary date.
   b. CONSULTANT will provide draft design of enforcement uniforms for approval during transition phase.
   c. At the request of the CITY, Consultant will allow CITY to participate in staff interviews.

**TASK 3: Parking Enforcement Program**

A) CONSULTANT will be responsible for issuing citations for parking permit violations within the RPP Districts listed in Task 5. Citations must include the make, model, color, and style of vehicle, license tag number or Vehicle Identification Number (VIN), violation code number and description, base fine amount and additional fine amount in the event there is a failure to respond timely, badge number, the location of the parking offense, type of offense (e.g. permit incorrectly displayed, no valid permit, not parked in the right location) and the time and date of the offense.
B) CONSULTANT staff will be fully trained on City-furnished handheld devices. Staff will also be trained on how to capture digital images of vehicle license plates, and how to issue manual paper citations. Consultant will work with CITY’s existing citation processing vendor to ensure that citations associated with the RPP district may be recorded and tracked separately from existing parking enforcement.

C) CONSULTANT will train staff on proper placement of citations on the windshield, how to complete and issue citations for drive offs and covered VIN numbers, missing license plates, and other unusual occurrences. In the event the driver drives away, the citation will be mailed as required by the California Vehicle Code.

Task 4: Equipment

A) DESCRIPTION AND LOCATION: CITY will allow CONSULTANT to use citation issuing handheld devices (EQUIPMENT). CITY will determine the appropriate model(s) and quantity of EQUIPMENT to assign to CONSULTANT. CONSULTANT will not remove, reposition or relocate any EQUIPMENT from the Palo Alto without CITY’s prior written consent.

B) EQUIPMENT OWNERSHIP: CITY will retain title to and ownership of the EQUIPMENT at all times. CONSULTANT will not (a) remove or obscure labeling on the EQUIPMENT indicating that it is the property of CITY or (b) sell, assign, transfer, pledge, hypothecate or otherwise dispose of, encumber or permit a lien to be placed on any of the EQUIPMENT. Upon termination of the Agreement, CONSULTANT will provide CITY reasonable access to CONSULTANT’s location(s) during normal business hours so CITY may remove the EQUIPMENT.

C) CARE AND OPERATION: CONSULTANT will maintain, store, and use the EQUIPMENT in a careful and proper manner pursuant to the written instructions of the EQUIPMENT manufacturer and CITY, and will not make any modifications to the EQUIPMENT without CITY’s prior written consent. Any modifications to the EQUIPMENT of any kind will become the property of CITY upon acceptance and subject to the Agreement. CONSULTANT will comply with all laws, ordinances and regulations relating to the possession, use and maintenance of the EQUIPMENT. CITY will not be responsible for any damages, claims, injury or liability (collectively, “DAMAGES”) relating to the operation of the EQUIPMENT while it is in the possession of CONSULTANT (except for DAMAGES caused by the negligence of CITY, its employees, agents or contractors). CONSULTANT will be responsible for all DAMAGES caused by its use of the EQUIPMENT and for the loss, theft or destruction of the EQUIPMENT.

D) ACCEPTANCE OF EQUIPMENT: CONSULTANT will immediately inspect each piece of EQUIPMENT delivered by CITY and give notice to CITY if any EQUIPMENT
is damaged or different from the type of EQUIPMENT described in its agreement with CITY. If CONSULTANT gives no such notice within 10 business days after delivery of any piece of EQUIPMENT, it will be conclusively presumed that such EQUIPMENT was delivered in good condition. THE EQUIPMENT AND ALL SERVICES ARE PROVIDED “AS IS.” CITY MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, AND EXPRESSLY DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT AND THE SERVICES, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATIONS OR WARRANTIES AS TO THE SUITABILITY OR FITNESS FOR ANY PURPOSE AND THE MERCHANTABILITY OF THE EQUIPMENT AND SERVICES. No employee or agent of CITY is authorized to modify the foregoing warranty or to make additional warranties that are binding on CITY.

E) RISK OF LOSS OR DAMAGE: CONSULTANT assumes all risk of loss or damage to the EQUIPMENT from any cause, including but not limited to fire, theft, water damage, accidental overturning, dropping or negligence and agrees to return the EQUIPMENT to CITY in the same condition as when received, normal wear and tear excepted. In the event of loss or damage to the EQUIPMENT due to any cause other than ordinary wear and tear, CONSULTANT will place the EQUIPMENT in good repair or pay CITY the replacement value of the EQUIPMENT.

F) CONSULTANT will furnish two (2) hybrid vehicles for parking enforcement services and will be responsible for all on-going operating expenses including insurance, fuel, maintenance, and repairs. The vehicles will be equipped with GPS tracking units and LPR technology as necessary. CONSULTANT’s vehicles shall be clearly identifiable as performing parking enforcement and parking meter maintenance and collection operations for the CITY. CONSULTANT’s staff shall operate all vehicles at all times in compliance with all state and local motor vehicle and emissions laws. Vehicles shall not have missing parts or dents, and the rear of all patrol vehicles shall have a sign warning of frequent vehicle stops. All vehicles used by CONSULTANT shall have blinking flasher lights installed on each vehicle's roof. CONSULTANT will obtain approval by the CITY Manager and the Chief Communications Officers or his/her designee prior to ordering decals for the marking of vehicles.

G) CONSULTANT will also provide staff with four (4) Trek Marlin 6 or equivalent bicycles, anticipating that some enforcement officers may be able to use this method of enforcement.

H) Due to the limited amount of space available for storage and work area, CONSULTATNT shall secure an offsite (non City-Hall) field office. CONSULTANT shall furnish and maintain a suitable work site for its staff working under this Agreement with proper storage conditions to store hardware, supplies, and documents, including secure storage of information protected by law or City policy.
I) CONSULTANT will provide a schedule of estimated patrol routes and frequency recommendations. The CITY seeks to ensure that coverage is adequate, fair, regular, and consistent, although it is also expected that CONSULTANT will alternate the patrol routes on a regular basis to eliminate predictability. CONSULTANT can propose changes to routes and schedules to the CITY as part of their performance reporting meetings and documentation.

J) CONSULTANT will be responsible for maintaining records of employment and, upon request, provide the CITY with personnel and training information for each employee.

K) CONSULTANT will require Parking Enforcement Officers to submit daily reports regarding issues such as:
   I. Missing or damaged or conflicting parking signs, or traffic control signs, or curb markings
   II. Obstructed parking signs, stop signs, yield signs or any safety hazard
   III. Parking abnormalities or abnormal parking patterns
   IV. Beat analysis and beat enforcement
   V. Incidents/accidents

L) CONSULTANT will update and meet with CITY’s staff regularly, including the following:
   I. Weekly status reports with Parking Operations Lead and other staff as necessary
   II. Monthly progress meetings
   III. Quarterly evaluation and status report
   IV. Annual performance review

M) CONSULTANT will seek CITY approval on operational changes including but not limited to:
   I. Schedules
   II. Routes
   III. Operations

**Task 5: RPP Districts**

The Residential Preferential Parking (RPP) Program is being introduced as part of a suite of parking management strategies aimed at improving parking and traffic conditions in Palo Alto. The program will restrict commuter parking during hours of operation, although limited numbers of commuter-employee permits will also be sold.

A) Downtown:
The RPP District includes a geographic area surrounding Palo Alto’s Downtown commercial zone and bounded by the City of Menlo Park to the Northwest. Currently, the only existing parking restrictions within this boundary include the Downtown Business District color zone and the SOFA business District:
I. The SOFA business district has 2-hour parking along streets which house mainly local businesses. Customers may re-park after two hours in any of the spaces.

II. The Downtown color zone has 2-hour parking which is limited to a specific color zone – Blue, Coral, Lime or Purple. Parking twice within the same color zone during the time period 8:00 to 5:00 is not permitted.

III. The physical boundaries of the Downtown RPP District will not include the existing SOFA and Downtown commercial areas, which are currently enforced by the Palo Alto Police Department using mark-moding and chalking. The area within the dotted blue line will be included in the new parking District.
IV. Residential permits, Annual Guest Permits and Visitor permits will be valid anywhere within the District. Anyone without a valid permit will be allowed to park for two (2) hours, at which point they would need to move their car to a different parking space. The hours of enforcement of the program are Monday through Friday, 8:00am – 6:00pm.

B) **Evergreen Park – Mayfield:**
   The RPP District includes a geographic area surrounding Palo Alto’s California Avenue commercial zone. Currently, the only existing parking restrictions within this boundary include the California Avenue business district:

   I. The California Avenue zone has 2-hour parking. Parking twice within the same color zone during the time period 8:00 to 5:00 is not permitted.
   II. The physical boundaries of the Evergreen Park - Mayfield RPP District will not include the existing California Avenue commercial areas, which are currently enforced by the Palo Alto Police Department using mark-moding and chalking.
hours, at which point they would need to move their car to a different parking space. The hours of enforcement of the program are Monday through Friday, 8:00am – 6:00pm.

C) **Southgate**  
The RPP District includes a geographic area in the Southgate neighborhood. Currently, there are no existing parking restrictions within this district.
Currently, there are no existing parking restrictions within this district.

I. Residential permits, Annual Guest Permits and Visitor permits will be valid anywhere within the District. Anyone without a valid permit will be allowed to park for two (2) hours, at which point they would need to move their car to a different parking space. The hours of enforcement of the program are Monday through Friday, 8:00am – 5:00pm.

TASK 6: ADDITIONAL SERVICES

A) CONSULTANT will provide additional Parking Enforcement Officer to support enforcement of newly annexed streets and approved neighborhoods in the Residential Preferential Parking (RPP) program in accordance with this Agreement. CONSULTANT will begin enforcing street faces in yellow once signage is installed on those streets. CONSULTANT will not begin enforcing areas shown in blue until receiving further direction from the City. Once the City provides direction, CONSULTANT shall enforce newly annexed streets in accordance with the terms of this Contract. CONSULTANT will follow and be subject to all other protocols as listed previously in this exhibit.
EXHIBIT “B”
SCHEDULE OF PERFORMANCE

CONSULTANT shall do parking enforcement (Task 3) during the days and times described in each RPP district, as noted in Task 5 of Exhibit A.

CONSULTANT shall perform the other services as specified in EXHIBIT “A” SCOPE OF SERVICES as to be determined by CITY project manager.
EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services, additional services, and reimbursable expenses shall not exceed the amount(s) stated in Section 4 of this Agreement. CONSULTANT agrees to complete all Services and Additional Services, including reimbursable expenses, within this/these amount(s). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to the CITY.

Year One (3/1/2020 through 2/28/2021) Not to Exceed $748,672.00
Year Two (3/1/2021 through 2/28/2022) Not to Exceed $771,132.00
Year Three (3/1/2022 through 2/28/2023) Not to Exceed $802,481.00

Sub-total Basic Services for Three Year Term $2,322,285.00

Reimbursable Expenses None

Maxim Total Compensation $2,322,285.00

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are: None

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense shall be approved in advance by the CITY’s project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT’s proposed maximum compensation, including reimbursable expenses, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.
EXHIBIT “C-1”
SCHEDULE OF RATES

CONSULTANT shall be paid hourly for each officer and project manager that maintains a parking facility. The tables below include the payment compensation schedule for the program including pre-defined pricing for implementation of the program. The compensation tables shall remain fixed for term of the contract.

### Compensation Terms – Year 1

<table>
<thead>
<tr>
<th>Labor Categories</th>
<th>Est Hours</th>
<th>Hourly Rate</th>
<th>Extended Rate</th>
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<tr>
<td>Project Manager – Direct Labor Rate</td>
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<td>1,920</td>
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<td>Parking Enforcement Officers – Direct Labor Rate</td>
<td>15,360</td>
<td>$19.00</td>
<td>$291,840</td>
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<td>Overhead Rate (including Fringe, G&amp;A and Fee)</td>
<td>15,360</td>
<td>$14.70</td>
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<td>15,360</td>
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<td>ODCs and Materials (fully burdened)</td>
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<td>$748,672</td>
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### Compensation Terms – Year 2*

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<td>$291,840</td>
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<td>Overhead Rate (including Fringe, G&amp;A and Fee)</td>
<td>15,360</td>
<td>$14.70</td>
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<td>Parking Enforcement Officer (fully burdened)</td>
<td>15,360</td>
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*3% cost of living increase
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<th>Labor Categories</th>
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<td>$802,481</td>
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**3% cost of living increase**
EXHIBIT “D”
INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, AFFORDED BY COMPANIES WITH AM BEST’S KEY RATING OF A-:VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY’S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>TYPE OF COVERAGE</th>
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<th>MINIMUM LIMITS</th>
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<td>EMPLOYER’S LIABILITY</td>
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<td>YES</td>
<td>GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM</td>
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<td>PROPERTY DAMAGE</td>
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<td>YES</td>
<td>CONTRACTUAL, AND FIRE LEGAL LIABILITY</td>
<td>BODILY INJURY &amp; PROPERTY DAMAGE</td>
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<tr>
<td>YES</td>
<td>COMBINED.</td>
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<td>AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED</td>
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<td>- EACH OCCURRENCE</td>
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<td>YES</td>
<td>PROPERTY DAMAGE</td>
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<tr>
<td>YES</td>
<td>BODILY INJURY AND PROPERTY DAMAGE, COMBINED</td>
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<tr>
<td>YES</td>
<td>PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE</td>
<td>ALL DAMAGES</td>
<td>$1,000,000</td>
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THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS’ COMPENSATION, EMPLOYER’S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.

I. INSURANCE COVERAGE MUST INCLUDE:

A. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR’S AGREEMENT TO INDEMNIFY CITY.

II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE AT THE FOLLOWING URL: https://www.planetbids.com/portal/portal.cfm?CompanyID=25569.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO “ADDITIONAL INSUREDS”

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSUREDS.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSUREDS UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF
THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

VENDORS ARE REQUIRED TO FILE THEIR EVIDENCE OF INSURANCE AND ANY OTHER RELATED NOTICES WITH THE CITY OF PALO ALTO AT THE FOLLOWING URL:

HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569

OR

HTTP://WWW.CITYOFPALOALTO.ORG/GOV/DEPTS/ASD/PLANET_BIDS_HOW_TO.ASP
**Certificate Of Completion**

- **Envelope Id:** CE94D77EEDE84D3FA5F0FE24F9DD41BF
- **Status:** Completed
- **Subject:** Please DocuSign: C20176367 Serco - legal reviewedv.4.pdf

- **Document Pages:** 26
- **Signatures:** 2
- **AutoNav:** Enabled
- **Certificate Pages:** 2
- **Enveloped Id Stamping:** Enabled
- **Initials:** 0
- **Time Zone:** (UTC-08:00) Pacific Time (US & Canada)

**Record Tracking**

- **Holder:** Terry Loo
- **IP Address:** 199.33.32.254
- **Location:** DocuSign

**Signer Events**

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<tbody>
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<td>Chan Phuong <a href="mailto:Chan.Phuong@serco-na.com">Chan.Phuong@serco-na.com</a> Contracts Representative Security Level: Email, Account Authentication (None)</td>
<td>DocuSigned by: [Signature Image] 8C3E56FA21441E... 2/20/2020 7:37:45 AM Viewed: 2/20/2020 7:58:23 AM Signed: 2/20/2020 8:01:13 AM Signature Adoption: Pre-selected Style Using IP Address: 174.64.52.10</td>
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<tr>
<td>David Cornell <a href="mailto:David.Cornell@serco-na.com">David.Cornell@serco-na.com</a> Sr Manager Contracts Security Level: Email, Account Authentication (None)</td>
<td>DocuSigned by: [Signature Image] 701E1DF105E144C8... 2/20/2020 8:01:16 AM Viewed: 2/20/2020 8:03:55 AM Signed: 2/20/2020 8:04:35 AM Signature Adoption: Pre-selected Style Using IP Address: 204.188.186.6</td>
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**Electronic Record and Signature Disclosure:**
- Not Offered via DocuSign

**Electronic Record and Signature Disclosure:**
- Not Offered via DocuSign

**In Person Signer Events**

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<tr>
<td>Agent Delivery Events Status</td>
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<tr>
<td>Intermediary Delivery Events Status</td>
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<td>Certified Delivery Events Status</td>
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<tr>
<td>Carbon Copy Events Status</td>
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- **Carbon Copy Events**
  - **Status:** Sent
  - **IP Address:** 199.33.32.254

Electronic Record and Signature Disclosure:
- Not Offered via DocuSign
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<td>Sarah Wilson</td>
<td></td>
<td>Sent: 2/20/2020 8:04:38 AM</td>
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<tr>
<td><a href="mailto:Sarah.Wilson@CityofPaloAlto.org">Sarah.Wilson@CityofPaloAlto.org</a></td>
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<td></td>
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<tr>
<td>City of Palo Alto</td>
<td></td>
<td></td>
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<tr>
<td>Security Level: Email, Account Authentication (None)</td>
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<td>Electronic Record and Signature Disclosure: Not Offered via DocuSign</td>
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