



**Item:** Parking Enforcement Contract Renewal

**From:** Planning & Community Development Department

**Initiated By:** Planning & Community Development Department

**Presented By:** Craig Raymond, Director of Planning and Community Development

**Action Requested:** Renew the parking enforcement contract, as amended, with Standard Parking for three years

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (renew/not renew) the City’s parking enforcement contract, as provided for in the original contract of January 4, 2011, and with the “First Amendment” negotiated by staff with Standard Parking.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

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**Staff Recommendation:** Staff, with the support of the Parking Advisory Commission, recommends that the current parking enforcement contract with Standard Parking be renewed for three years. Staff further recommends that this contract be amended to shift more responsibility for the administration of routine operations, maintenance, and repairs to Standard Parking. This shift will streamline management of the parking system and allow the Planning and Community Development Department to more effectively manage its work load.

**Background:** This would be a straightforward request to renew a contract that has worked well for the City except that staff was asked to evaluate the alternative of the City assuming the functions that Standard Parking now performs. Staff has done so and find that there is no advantage, financial or in the quality of service provided, in switching to municipal operation of the parking system. The attached memo regarding Standard Parking Contract Renewal explains staff’s exploration of this question.

**Concurrences:** The Parking Advisory Commission (PAC) supports staff’s recommendation. Please see the PAC’s minutes for November 18, 2013.

**Fiscal Impact:** The anticipated amount committed by the proposed contract is \$337,303 in Year 1, \$348,422 in Year 2, and \$359,925 in Year 3. These numbers are for the extension of the services originally contracted for in 2011. The City will also reimburse Standard Parking for the

actual documented expenses involved in Standard's additional responsibilities defined by the amendment. This will not change the City's expenditures, as the City has been incurring these expenses all along. What changes with the amendment is the efficiency of parking management for both the City and Standard Parking. The renewed and amended contract will be funded from parking revenues, including parking meter collections, collections from the rental of spaces in the parking garages and surface lots, and parking fines. Projected revenues are sufficient to fulfill this contract renewal for its three-year term.

**Alternatives:**

- 1) While this is not an alternative per se, the Commission is reminded that the contract with Standard Parking provides that either party may opt out with 60 days notice.
- 2) The Commission could decide not to renew the contract. Parking enforcement, the flow of parking revenues, and the routine maintenance and operation of the parking system would cease on January 1, 2014.

**Attachments/Exhibits:**

- 1) PAC Minutes, November 18, 2013
- 2) Parking Enforcement Services Contract, January 4, 2011
- 3) PROPOSED First Amendment to Parking Services Contract
- 4) Memo: Re Standard Parking Contract Renewal

**GREAT FALLS PARKING ADVISORY COMMISSION**  
**Minutes of November 18, 2013**

The Parking Advisory Commission meeting was called to order by Darren Brown at 3:00 p.m. in the Rainbow Room of the Civic Center.

**Members Present:** Chuck Fulcher, Darren Brown, David Campbell

**Members Absent:** Heidi Propp

**Staff Present:** Craig Raymond, CBO, Director P&CD; Lee Nellis, FAICP, Deputy Director P&CD

**Others Present:** None

Mr. Raymond introduced Lee Nellis, the new Deputy Director of Planning & Community Development.

**Meeting Minutes:** Mr. Brown asked if there were any changes to the October 21, 2013 meeting minutes. There being none, Mr. Fulcher made a motion to approve the minutes. Mr. Campbell seconded, and all being in favor, the motion passed.

**OLD BUSINESS**

**Item 1. Capital Needs Assessment Update**

- a. North Garage Leak, Emergency Repair – Mr. Nellis said one of the first items he has dealt with for the Parking program was a leak in the North Garage in the electrical box area. Snow was melting, the seam above the box area was leaking, and water was pouring through the electrical boxes and also onto the floor in the breakroom. Public Works lifted out the sealer, which was no longer sealing. A time will be scheduled on a Saturday for a contractor to reseal the seam and the work should be done before Christmas. This is a temporary fix that will only last a year. The electricals are still working. This fix will cost about \$1,000.
  
- c. North Garage Maintenance, Will Go To Bid – Mr. Nellis said that a number of small projects for maintenance work on the North Garage add up to a cost of about \$200,000. Replacing the seal that caused the leak will be part of the repairs. There has been some vandalism in the garage, with trash thrown in the elevator and the certificate of safety being removed. Mr. Nellis said they will be going to bid this winter, and the projects can move forward. Mr. Brown asked if resealing was within the scope of work that was already going to be performed on the North Garage, and Mr. Nellis said it was. Mr. Brown said the work had been bid twice already, and neither contractor that accepted the bid ever came to do the work. Mr. Nellis said they will bid the North Garage after the first of the year, and if there is any money left, the locks will also be changed out. He has received informal quotes on locks that use the same key card that customers use to exit the garage. Mr. Brown asked if the elevator hydraulics were fixed, and Mr. Raymond said they were and there is a new motor. The elevator will need major repairs before long.

Mr. Campbell asked about the obsolete entrance/exit mechanisms, and Mr. Nellis said if bids are favorable, there will be some money for that item, but there may be another option, which he will discuss along with the Standard Parking contract.

- b. Pigeon Netting in South Garage, Quotes – Mr. Nellis said that the money budgeted for all the repairs to the North Garage should be sufficient to do both the North Garage repairs and the pigeon netting. He said he needs to renew quotes on the pigeon netting, and will wait until after the contract with Standard Parking is settled to request those and move forward on the netting. He said there are some areas that are hard to net, and we will try spikes also, but spikes are not as effective.

Mr. Brown said there is also a leak in the South Garage, and Mr. Raymond said they have not been able to establish where the leak in the office is coming from, as it has not happened again. They will look at the moisture in the display windows when the display change is made, but Mr. Raymond thinks it may be environmental and there might not be a fix.

## **Item 2. Monthly Revenue & Expense Reports**

Parking Advisory Commission (PAC) members reviewed financial reports for Standard Parking for October 2013. Mr. Campbell asked about the new Library pay station being removed, and Mr. Raymond said the Library did not want to pay for the new station. Mr. Campbell asked about any changes in revenue due to changing back to the old pay station and inquired about the status of Passport Parking. Mr. Raymond said he has sent a contract to the Passport Parking company and has not yet received it back. Mr. Campbell asked if people are using the program, and Mr. Nellis said it is receipting about \$50/month. He also said he could put together a report on the Library revenues.

Mr. Brown asked about the zero Daily Lot revenues on Lots 2 and 3. Mr. Nellis explained those lots are leased monthly.

## **NEW BUSINESS**

### **Item 1. Introduce Lee Nellis, FAICP (*Fellow of the American Institute of Certified Planners*)**

Mr. Nellis provided some information on his background. Among his many various experiences, he wrote the superfund site regulations for Anaconda and Deer Lodge in 1992-93, has worked in Gallatin County, and wrote a master plan for Red Lodge. PAC members welcomed him to Great Falls.

### **Item 2. Standard Parking Contract Renewal and Changes**

Mr. Nellis said the Standard Parking contract with the City will expire soon, and the current plan is to renew. He said the reality is that the current contract with Standard Parking is rather odd, especially compared to Standard's other clients. He has found that the City spends a lot of time managing what Standard does for many items, such as buying batteries and printing forms. The Standard representative has told Mr. Nellis that Great Falls is the only such contract left with them and that in all other jurisdictions, the contracts are all-inclusive. The term, "all-inclusive," however, can mean different things for different contract locations. He said that for Great Falls, for instance, it makes sense for Public Works to continue to make signs because they are quick, efficient and inexpensive. The Parking Program has a current three-year contract for snow removal, so that will remain as is for now. Mr. Nellis said he worked up a list for Standard Parking that includes landscaping and sprinklers, window cleaning, maintaining locks, doors, windows and revenue equipment, and printing, etc. Standard Parking proposes they can manage all the minor administration for an additional \$5,000 annually. PAC members agreed

that this a “no-brainer”. Mr. Nellis also said that under such a contract, Standard Parking would probably install new revenue control equipment because it makes their operation work better, although that is not a guarantee and may not happen immediately. He said the City will need to participate in purchasing new locks, but he will see how much money is left after the bid process for the North Garage repairs. He said Tena Grigsby is very capable parking manager, and under the current situation, in effect he is wasting her time by managing these items.

PAC members will get a copy of the new contract, which would be in effect for three years. The enforcement aspect of the contract will not change. Mr. Nellis said the City receives few complaints, and those are generally related to the appearance and locks for the North Garage. The contract would increase annually by 3%. The contract can be cancelled with 60 days notice by either party.

MOTION: That the Parking Advisory Commission support the changes proposed by Mr. Lee Nellis, Deputy Director of P&CD, to the 2014-2016 contract with Standard Parking.

Made by: Mr. Campbell  
Second: Mr. Fulcher

Vote: All being in favor, the motion passed.

### **Item 3. Big Picture, Revenue and Expense Projections**

Mr. Nellis presented a Great Falls Parking Finance graph and reviewed the information it provided. He said on average, the City should be spending \$95,000-\$100,000 on maintenance of the parking facilities per year. Mr. Brown asked if the deferred maintenance figure mattered for a government entity, and Mr. Nellis said it doesn't matter for the accounting books, but it does matter in that we are at the end of the useful life of the North Parking Garage in terms of depreciation and have been deferring maintenance. He said after the North Garage repairs are completed, there may be just enough in reserves to fix the elevator, and we should be accumulating more reserves. He estimates that parking rates should be raised by one-third to keep up with operations, and more to keep up with the backlog. A space selling for \$41 in one of the parking garages would now need to sell for \$55. That leap could be made in increments instead of all at once if it is addressed immediately. Mr. Nellis is also exploring ways to add to the revenue stream without changing rates. One way is to double the \$5 parking ticket. In October, \$10 tickets would have brought in an extra \$3,675, which is significant. Mr. Brown said PAC has wanted to have escalating fines for some time.

Mr. Nellis said he is looking at the Courtesy Parking program also. Currently, businesses pay \$240 annually as well as paying for the sign. The best meters downtown produce \$440 a year, and others produce over \$400 annually, so therefore the City is losing about \$200 annually on each courtesy parking space. Mr. Campbell said that assumes all the spaces are taken all the time. Mr. Nellis said his figures are not based on hypothetical situations but on actual meter collections. A modest increase in courtesy parking costs would help. Mr. Campbell said a few years ago, the cost of each space was \$30 per month and was lowered to \$20 per month. He would agree to \$25 per month.

Mr. Nellis said an option is to use tokens and eliminate courtesy parking spaces. The City could sell tokens to businesses at 75% of real value and come out ahead. Mr. Campbell said that would ensure that only his customers got the value of the parking space, which he likes. Mr. Brown brought up the price of tokens. Mr. Nellis said that the meters would also have to be recalibrated, and that might be an issue. He has no recommendations at the moment, but noted

that discussion about how to raise revenues, even in small ways, is important. Mr. Brown asked if the old style meters can be reprogrammed, and Mr. Nellis said they could not. However, he wanted to hear from PAC members what they thought about use of meters to keep business traffic moving in areas where those meters do not make money. Discussion followed about signage, 2 hour limits, and possible ways of raising revenues. Mr. Nellis said that previous projections about not renewing a contract with Standard Parking were based on hourly wages for the Parking Program that were off by \$4-\$5 per hour due to misinformation about prevailing wages. In addition, some of the positions were figured without benefits, which is not the real world. Standard Parking has a large insurance pool and in addition gets discounts on equipment purchases. Mr. Nellis said that he cannot see that the City can save money by managing the Parking Program.

### **OTHER BUSINESS**

Mr. Nellis said that by City ordinance, a member of a board or commission missing more than one-third of the meetings in a calendar year without reasonable excuse can be removed. He is sending a letter to Ms. Propp notifying her that she can be removed but is welcome to return. Mr. Nellis encouraged PAC members to help find members to fill the vacancies on the commission.

Mr. Nellis said that sometime in the future, the City Manager, staff and PAC members will be invited to tour the City parking facilities. There are no figures on the cost of maintaining the surface lots, and they will all need to be sealed at some point. Mr. Fulcher said he has requested better parking signage for five years. Mr. Campbell said Lot 4 especially has sign issues. Mr. Nellis said that he will not make any recommendations to the City Commission immediately, but will give them the Parking graph information. Discussion followed about signage; Mr. Raymond said a handicap sign installation costs about \$75, and a courtesy sign costs about \$30.

### **PUBLIC COMMENT**

There was no public comment.

### **ADJOURNMENT**

There being no further business, Mr. Brown adjourned the meeting at 3:58 p.m.

## PARKING ENFORCEMENT/SERVICES CONTRACT

This agreement made and entered in to this 4th day of January, 2011, by and between the CITY OF GREAT FALLS, Montana, a municipal corporation of the State of Montana, hereinafter referred to as "City", and STANDARD PARKING, hereinafter referred to as "Contractor";

WHEREAS, the City desires to contract for management of its Parking Program;

NOW THEREFORE, the parties hereto agree as follows:

The Contractor will be responsible for the complete operation, enforcement, management and revenue collection as follows:

### 1. ON-STREET ENFORCEMENT/COLLECTION

The Contractor shall provide an average of ninety-nine (99) hours per week of on-street parking regulation enforcement/collection. If enforcement/collection hours exceeding ninety-nine (99) hours per week are required by the City, the manpower cost of such additional hours will be charged to the City and paid by the City to the Contractor within thirty (30) days after the City's receipt of the Contractor's statement indicating the number of additional hours worked and the amount owed to the Contractor. Such work will be performed under the general supervision of the local manager. A routing schedule will be provided to the Contractor. Collections shall be made by two Contractor employees maintaining constant contact with each other. Enforcement responsibilities shall include:

A. At least one enforcement employee shall be motorized for enforcement of fringe areas and for collection of meter revenue. Repair and maintenance of these vehicles are the City's responsibility.

B. The Contractor shall collect all money from City's parking meters and deposit same in a bank to be designated by the City. The Contractor shall provide monthly, a revenue report for the parking meter collection areas detailing daily collection activity and a monthly summary report in a City approved format.

C. The Contractor shall maintain and repair all parking meters including the furnishing of repair parts. The City shall provide parts for any major meter modifications at City's expense.

D. The City shall provide the following at its expense:

1. Parking Citations
2. Collection of citation fines
3. Shop space for meter repair
4. Meter pole installation/straightening
5. Accounting of all revenues received
6. Authorization for the Contractor to enforce City parking regulations
7. One motorized vehicle for patrol of fringe areas
8. Office space for Contractor's local manager
9. Computer equipment necessary to perform the required services

2. OFF-STREET PARKING LOT ENFORCEMENT/COLLECTION - The following lots are to be patrolled, monitored, and collected by the Contractor with the minimum daily frequency listed at an

average of fifteen (15) hours per week. Checks will be as random as reasonable temporal spacing for even coverage allows.

Lot #2 - 39 stall lot located at 1st Ave S. & 2nd St. - check minimum of 3 times daily.

Lot #3 - 39 stall lot located at 2nd Ave S. & 4th St. - check minimum of 3 times daily.

Lot #4 - 139 stall lot located at 1st Ave N. & 6th St. - check minimum of 5 times daily.

Lot #6 - Library lot - 26 stall lot located on the East & North sides of library building - minimum of 5 times daily.

Lot #7 - 31 stall lot located at Park Dr & 1<sup>st</sup> Ave S - check minimum of 3 times daily.

Lot #8 - 60 stall lot located on 1<sup>st</sup> Ave N between 3<sup>rd</sup> & 4<sup>th</sup> St N - check minimum of 3 times daily.

A. The Contractor shall provide personnel on duty as shall be reasonably necessary to meet the minimum daily lot monitoring above. Such work shall be performed under the general supervision of the local manager.

B. The Contractor shall utilize a system without the use of parking meters to collect revenues from off-street lot parkers (honor boxes). The collection equipment used shall be provided by the City. The collection equipment shall provide maximum revenue security with minimum revenue exposure to the general enforcement personnel.

C. The Contractor shall collect and deposit all off-street lot transient revenues on a daily basis (Monday - Friday) to a bank designated by the City.

D. The Contractor shall control all off-street lot leases and deposit revenue from same on a daily basis (Monday - Friday) to a bank designated by the City.

E. The Contractor shall manage (selling/collecting/ accounting) the employer voucher, token, and daily use zone meter bag programs.

F. The Contractor shall provide the City monthly, a revenue report for each parking lot, validations, vouchers, meterbags, etc., detailing daily activities.

### 3. PARKING RAMP ENFORCEMENT/COLLECTION -

A. The Contractor shall provide the personnel (10.5 operating hours per day, 7:30 a.m. - 6:00 p.m., Monday - Friday) to man the City's Northside parking facility (498 stalls, 6 tier deck), for a total of 2,730 operating hours annually. The Contractor shall monitor the City's Southside parking facility (311 stalls, 4 tier deck), which will be designated for monthly parkers only, on a daily basis, Monday - Friday.

B. The Contractor shall provide personnel to monitor the monthly parking program at the City's Southside Parking Garage. Additional programs from time to time may be available to parking customers through the manned operation to the parking ramp. These additional duties shall correspond to the normal working hours of operation of the parking facility or be compensated as stated above.

C. The Contractor shall collect monthly lease and daily transient revenues and deposit the same daily (Monday - Friday) in a bank designated by the City.



D. The Contractor shall provide monthly, a revenue report which will delineate daily lease sales, transient ticket accounting, repair and condition report, etc.

E. The parking ramp operation shall be under the general supervision of the Contractor's local manager.

F. The Contractor shall manage monthly lease receipts, key card deposits, and the validation system (tokens).

## **INSURANCE & BONDING:**

1. Contractor agrees to obtain at its own expense and to keep in full force and effect during the term of this agreement the following insurance coverages. All policies shall be issued by companies licensed to do business in the State of Montana and having at least an "A-" rating in the current Best's Manual. All such policies of insurance shall be endorsed to be primary of all other valid and collectible coverages maintained by the Contractor with respect to the agreement. All applicable policies will be written on an occurrence basis. Claims made policies are not acceptable and do not constitute compliance with the contractor's obligation under this paragraph.

- *Workers' Compensation Insurance* – The Contractor shall comply with all requirements and conditions of the State of Montana Workers' Compensation Act, Title 39 Chapter 71, Montana Code Annotated; also with all rules, regulations and decisions made during duration of this agreement.

The Contractor shall carry workers' compensation insurance for all of its employees employed at the site of the project; the Contractor shall require its subcontractors similarly to provide workers' compensation insurance unless such employees are covered by the protection afforded by the Contractor. When appropriate an Exempt Form should be provided. Employer's liability shall carry the statutory limit pursuant to Montana's Workers' Compensation Act, Title 39, Chapter 71, Montana Code Annotated.

- *Comprehensive General Liability* – Said coverage shall have limits of not less than \$750,000 per claim, \$1,500,000 per occurrence, combined single limit for bodily injury and property damage.

The Contractor shall name, as additional insured, the City of Great Falls. The Contractor shall furnish to the City of Great Falls **prior to beginning work under the agreement**, a certificate of insurance including a copy of the Additional Insured Endorsement as evidence that the required coverages are in effect.

Should Contractor fail to provide such certificate(s) or make other insurance coverage arrangements as required by this agreement, the City of Great Falls may cancel the agreement.

2. The Contractor shall provide comprehensive crime insurance including employee theft, premise, transit and depositor's forgery coverage with limits as to any given occurrence of not less than \$1,000,000.

3. The Contractor shall provide a performance bond in the amount of one hundred percent (100%) of the annual contract price for each separate year of service. Such bond shall be increased in accordance with the annual increase in the contract price as awarded and hereinafter designated.

**INDEMNIFICATION:** Contractor agrees to indemnify, hold harmless and defend the City of Great Falls, its officers, directors, agents, servants, and employees (the Indemnitees") from and against all liabilities, damages, actions, cost, losses claims and expenses (including attorney's fees), on account of personal injury, death, or damage to or loss of property or profits (collectively, "Losses") arising out of or resulting, in whole or in part, from any act, omission, negligence or fault of the Contractor or its violation of any laws or ordinances, but the Contractor shall not be liable for any such Losses arising out of or in connection with any breach of this agreement or by reason of the negligence or willful misconduct of the Indemnitees.

**LICENSE & PERMITS:** The Contractor will obtain and maintain any and all necessary licenses and permits required by any governmental body or agency having jurisdiction in connection with any activities at or on the City's premises and will abide by the terms and provisions of any such licenses and permits. Any expense incurred by the Contractor to obtain such licenses and permits shall be treated as an operation expense of the Contractor's.

**PERSONNEL:**

1. The Contractor shall designate an experienced full-time local manager on-site to direct the Contractor's employees. In the absence of the local manager, his designated assistant shall carry on his duties. Any man hours expended by a designated assistant manager during the local manager's absence shall be in addition to those prescribed for garage, on-street meter, and off-street lot manning.
2. The Contractor shall select all on-site personnel, and will bear all expenses related to the hiring process of parking personnel who shall be paid complaint with State of Montana prevailing wage rates. For the purposes of the State of Montana prevailing wage rates the job descriptions will be classified as "Parking Enforcement Officers", "Counter Attendants" (Cashiers) and "Janitors and Cleaners" unless the Contractor can demonstrate alternate classifications are appropriate and allowed by the state.
3. The Contractor will utilize TDS Recon hand held ticket issuing devices, and the TickeTrak parking enforcement management software system supplied by the City. The Contractor will train parking personnel in the proper use of the hand held units.
4. The Contractor shall provide the City with any changes in the following information: name and qualifications of the individuals who will be responsible for administering the programs and name and qualifications of the local manager.
5. All Contractor employees must wear colored, coordinated uniforms provided by the Contractor.
6. The Contractor shall provide a training program relative to the public relations aspects of parking enforcement, procedures, local laws and ordinances. Such program shall be approved by the City.

**ACCOUNTING & REPORTING:**

1. Contractor will be responsible for collection, counting and depositing of revenue. All funds collected will be deposited daily (Monday – Saturday) in a bank designated by the City.

2. All monies collected by the Contractor shall be turned over to the City. The City's agent will issue a receipt and will maintain a cash receipt record. A mutually agreeable system of accounting and auditing will be established.
3. Monthly revenue reports will be provided to the City on or before the fifth of each month for the previous month and will include, but is not limited to the following: total revenue for each parking garage and city lot; total lease parkers by facility and surface lot; meter collections, meter bag, token, and transient revenue.
4. Books and accounts will be open to inspection by the City or its authorized representatives at all times.

**GENERAL CONDITIONS:**

1. The Contractor will operate an immobilization (booting) and towing program for the City based only on policies and procedures approved by the City.
2. The Contractor will provide a trained meter repair person(s) on staff from initial date of contract.
3. The Contractor shall provide approximately 30 man hours per week toward general janitorial, facility and turf maintenance services to the garages and off-street lots. These man hours are to be in addition to those specified for the garages, meters and lots. All supplies and equipment shall be furnished by the City. The Contractor will provide a maintenance person to conduct a daily walk through inspection for the garages and off-street lots and identify any immediate problems before any customers arrive. They shall inspect and empty all trash receptacles, blow and sweep built up dirt and leaves, and shall wash down all stairwells, booth areas and all other pedestrian walking areas. They will remove anything unsightly such as graffiti, cobwebs, bird droppings, etc.
4. The City reserves the right to approve all collection equipment used by the Contractor.
5. The City reserves the right to audit, amend and approve parking rates, hours of operation, operating standards, and monthly and transient mix.
6. The maintenance and repair obligations except as herein set forth shall be the obligation and expense of the City which shall include, but may not be limited to the following: light replacement, replacement of broken gate arms, and maintenance of equipment and improvements including elevators, mechanical, electrical, plumbing, fire prevention systems and parking control equipment.
7. The Contractor will be responsible for the repair and replacement of all handheld units if the need for repair or replacement is due to the negligence of the Contractor's personnel.
8. The Contractor shall not use, and shall make every reasonable effort to prevent any person from using, all or any part of the parking facilities for any use or purpose directly or indirectly forbidden by public law or which may be in violation of the laws of the United States, any State law, or any City ordinance, or which may be dangerous to life, limb or property.

9. City and Contractor shall release each other from any liability for any loss, destruction or damage resulting from fire or other casualty to property of either party and also release and discharge each other from any and all subrogation rights.
10. The Contractor shall indemnify and hold the City harmless against any and all claims, demands and liability for bodily injury and/or property damage caused by Contractor's acts or omissions in its performance of the services contracted.
11. The Contractor shall provide at Contractor's expense at least an annual audit of Contractor's services to the City. This audit must be performed by personnel other than local contractor employees/manager and must be conducted on an unannounced basis. This audit shall review all procedures, policies and revenue controls. The audit results shall be available to City Staff.
12. The Contractor shall pay all employees covered by this contract and working in Great Falls Montana to execute the terms of this contract according to Montana Prevailing Wage requirements.
13. In consideration of the enforcement and collection services to be rendered by the Contractor, the City shall compensate the Contractor in accordance with the following schedule on a monthly basis beginning on January 1, 2011, and on or before the tenth of each month thereafter.

**On-Street Enforcement/Collection Services**

Year 1(2011)	\$ 157,622
Year 2 (2012)	\$ 162,351
<u>Year 3 (2013)</u>	<u>\$ 167,222</u>
 Total Years 1-3	 \$ 487,195
 Year 4 (2014)	 \$ 172,238
Year 5 (2015)	\$ 177,405
<u>Year 6 (2016)</u>	<u>\$ 182,727</u>
 Total Years 4-6	 \$ 532,370

**Off-Street Lots Enforcement/Collection Services**

Year 1 (2011)	\$ 23,375
Year 2 (2012)	\$ 24,077
<u>Year 3 (2013)</u>	<u>\$ 24,799</u>

Total Years 1-3                   \$ 72,251

Year 4 (2014)	\$ 25,453
Year 5 (2015)	\$ 26,309
<u>Year 6 (2016)</u>	<u>\$ 27,099</u>

Total Years 4-6                   \$ 78,861

**Parking Garages Enforcement/Collection Services**

Year 1 (2011)	\$ 123,081
Year 2 (2012)	\$ 126,773
<u>Year 3 (2013)</u>	<u>\$ 130,576</u>

Total Years 1-3                   \$ 380,430

Year 4 (2014)	\$ 134,494
Year 5 (2015)	\$ 138,529
<u>Year 6 (2016)</u>	<u>\$ 142,684</u>

Total Years 4-6                   \$ 415,707

**CONTRACT TERM TO BE BASED ON PROPOSAL**

14. This agreement will be for a three year period commencing January 1, 2011, and ending December 31, 2013. It is the City's sole option to renew said agreement for an additional three years that would end on December 31, 2016. Said agreement may be canceled by the City at any time that it is determined that the required services are not being provided by giving the Contractor thirty (30) days prior written notice of cancellation of this agreement. In addition, either party may cancel this agreement, without cause, by giving written notice of cancellation at least sixty (60) days prior to June 30 of any given year.
15. Any notices or communications required to be given to or by or served upon the respective parties hereto may be so given or served by mailing the same, properly addressed and stamped, to such party or parties by United States registered or certified mail, return receipt requested. Until new addresses shall be given, the addresses of the respective parties for the purpose of such notices or communications and for any other purposes shall be:

As to City:


City of Great Falls Montana  
Planning and Community Development Department  
P.O. Box 5021  
Great Falls, MT 59403-5021

As to Contractor:


Standard Parking  
Attn: Legal Department  
900 N. Michigan, Suite 1600  
Chicago, IL 60611

16. The terms of this Agreement shall be binding upon the parties and their successors and assigns.

**CITY OF GREAT FALLS**

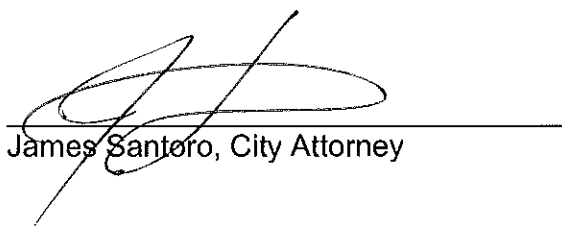
  
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Gregory T. Doyon, City Manager

ATTEST:

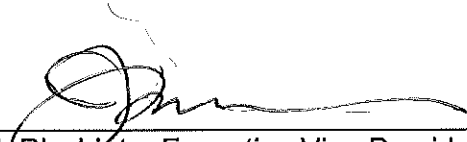
  
\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

  
\_\_\_\_\_  
James Santoro, City Attorney

**STANDARD PARKING**

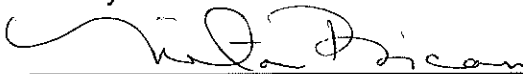


\_\_\_\_\_  
Jack Ricchiuto, Executive Vice President

State of Ohio            )  
                                  : ss.  
County of Cuyahoga)

On this 5th day of January, in the year A. D. two thousand and eleven, a Notary Public for the State of Ohio, personally appeared Jack Ricchiuto, known to me the undersigned to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Nita Bican (Name Printed)  
Notary Public for the State of Ohio  
  
\_\_\_\_\_  
Notary Public for the State of Ohio  
Residing at Cleveland, OH  
My Commission Expires Sept. 8, 20 14

NITA BICAN  
RESIDENT SUMMIT COUNTY  
NOTARY PUBLIC, STATE OF OHIO  
My Commission Expires 9.8.14

## FIRST AMENDMENT OF PARKING ENFORCEMENT/SERVICES CONTRACT

This First Amendment of Parking Enforcement / Services Agreement (this "First Amendment") made and entered in to effective as of January 1, 2014, by and between the CITY OF GREAT FALLS, Montana, a municipal corporation of the State of Montana, hereinafter referred to as "City", and SP PLUS CORPORATION, a Delaware corporation formerly known as STANDARD PARKING CORPORATION, hereinafter referred to as "Contractor";

### RECITALS

**DRAFT**

WHEREAS, the City and Contractor are parties to a certain Parking Enforcement / Services Agreement dated January 4, 2011 (the "Agreement") pursuant to which Contractor has managed the City's Parking Program, all as more fully set forth in the Agreement; and

WHEREAS, the City and Contractor desire to renew the term of the Agreement and to modify certain provisions therein, all upon the terms and conditions set forth in this Amendment.

NOW THEREFORE, for good and valuable consideration received, the parties hereto agree as follows:

1. RECITALS. The above recitals are incorporated herein. The terms defined in the Agreement, when used herein, shall continue to have the meanings ascribed to such terms therein, unless expressly defined otherwise in this Amendment.
2. TERM. The City has exercised its right to renew the term for three (3) years under Section 14 of the Agreement and, therefore, the term is hereby extended from January 1, 2014 through and including December 31, 2016 (the "Extended Term"). The termination rights set forth in the Agreement shall continue in effect during the Extended Term including, without limitation, those termination rights set forth in said Section 14. In addition, the City at its sole option shall have the right to renew the Agreement for an additional three (3) years that would end on December 31, 2019.
3. INSURANCE AND BONDS. During the Extended Term Contractor shall continue to provide the insurance and bond coverages required pursuant to the Agreement except that the performance bond required during the Extended Term shall be in the amount of \$350,000.00 renewable annually.
4. SCOPE OF SERVICES. The Contractor's scope of services during the Extended Term shall consist of the following:
  - (a) All operation, enforcement, management and revenue collection duties as originally set forth in the Agreement;
  - (b) Those routine tasks noted as Standard Parking's responsibility in the document attached hereto and made a part hereof as Exhibit A; and
  - (c) Consistent with Exhibit A, any other tasks in the management and maintenance of the City's parking system, provided the compensation or reimbursements for each such additional task shall be separately negotiated and documented in writing by the parties.



To the extent that any of the routine tasks noted as Standard Parking's responsibility in Exhibit A are tasks delegated to the City under the terms of the original Agreement, the City shall be relieved of such responsibilities and the terms of Exhibit A shall govern.

5. CONTRACTOR'S COMPENSATION. Effective as of January 1, 2014, Section 13 of the Agreement is deleted and replaced in its entirety with the following during the duration of the Extended Term and any further renewal of the Agreement:

As compensation for Contractor's services, the City shall pay Contractor the total of the following:

(a) A fee (the "Management Fee") of \$50,000 during calendar year 2014, which shall be paid in equal monthly installments of \$4,166.67. On January 1, 2015 and each anniversary thereafter, for so long as the Agreement shall remain in effect (including any renewal beyond the Extended Term), the Management Fee shall increase by five percent (5%) over the Management Fee in effect during the preceding calendar year.

(b) Reimbursements and charges for certain payroll and other expenses incurred by Contractor in the provision of the services. The categories of expenses subject to reimbursement by the City are set forth in the pro forma of estimated expenses which is attached hereto and made a part hereof as Exhibit B.

(c) Fees or expense reimbursements which the parties may mutually agree upon as contemplated in Section 4(c) of this Amendment.

All expenses under the foregoing Subsections (b) and (c) shall be deemed "Operating Expenses".

To the extent that there is any conflict between this Section 5 and any terms in the original Agreement, the terms of this Section 5 shall prevail.

6. PAYMENT TERMS. Within 15 days after the end of each month, Contractor shall submit to the City a statement setting forth its Management Fee and Operating Expenses of the preceding month (the "Monthly Statement"). The Monthly Statement shall be supported by such commercially reasonable supporting documentation as the City may require. Within 10 days of receipt of the Monthly Statement, the City shall remit payment to Contractor.

If The City disputes any Operating Expense, The City shall give Contractor written notice specifying the item disputed and the reason therefor. Payment for any Operating Expense which is not disputed shall not be withheld. The parties shall, in good faith, diligently pursue resolution of any disputed item within thirty (30) days of said notice.

7. REPORTS AND RECORDS. In addition to any requirements under the original Agreement, Contractor shall keep complete and accurate reports and records (collectively, the "Records") of Operating Expenses relating to Contractor's services. Such Records shall be kept in accordance with good accounting practices. Contractor shall permit the City to inspect Contractor's Records at Contractor's offices during reasonable business hours and at the City's expense.

8. NOTICES. Section 15 of the Agreement is updated by substituting the following addresses for Contractor:

SP Plus Corporation  
Attn: Jack Ricchiuto, Executive Vice President  
1301 East 9<sup>th</sup> Street, Suite 1050  
Cleveland, OH 44114

With copy to:

SP Plus Corporation  
Attn: Legal Department  
200 East Randolph Street, Suite 7700  
Chicago, IL 60601

9. **NO OTHER CHANGES.** Except as expressly modified by this Amendment, the Agreement shall remain in full force and effect upon its original terms and conditions.

**CITY OF GREAT FALLS**

\_\_\_\_\_  
Gregory T. Doyon, City Manager

ATTEST:

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

\_\_\_\_\_  
James Santoro, City Attorney

**SP PLUS CORPORATION**

\_\_\_\_\_  
Jack Ricchiuto, Executive Vice President

State of Ohio )  
 : ss.  
County of Cuyahoga)

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year A. D. two thousand and \_\_\_\_\_, a Notary Public for the State of Ohio, personally appeared Jack Ricchiuto, known to me the undersigned to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

\_\_\_\_\_(Name Printed)  
Notary Public for the State of Ohio

\_\_\_\_\_(Signature)  
Notary Public for the State of Ohio  
Residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_, 20\_\_\_\_\_

## Exhibit A

**Standard will continue routine tasks it currently performs.**

**Routine tasks Standard Parking would do that the City does now:**

- Maintain landscaping and sprinkler systems, where they exist, at surface lots and garages.
- Clean and maintain windows, including the display windows in the South Parking Garage. Replace doors and windows as needed, and change out locks as security requires.
- Acquire and replace bulbs and batteries and the other consumable products needed for the safe operation of the surface lots and garages and for revenue control and enforcement equipment.
- Maintain and repair other (Standard already maintains the meters) revenue control equipment including the pay boxes at the surface lots and gates in the garages. Standard may acquire and install replacement revenue control equipment, at the City's request.
- Upon expiration of the City's current contract for that purpose, maintain and repair the elevators in the parking garages.
- Order and accept delivery of all printed materials needed for parking administration, including delivery permits, residential parking tags, etc.
- Acquire and sell parking tokens if the City decides to renew its token program. The design and pricing of the tokens would first be approved by the City.

**Routine tasks that City would continue to do:**

- Snow removal is not on the above list at this time because the City contracts for snow removal from the garages and surface lots along with other facilities. That contract has been let for three years, so this function is covered for the duration of the proposed contract.
- Signs are not on the above list at this time because we have an efficient, affordable way of obtaining the signs that we need from time to time through Public Works. We can always add signs to Standard's responsibilities if necessary.

**Flexibility:**

The City may ask Standard to undertake other tasks in the management and maintenance of the parking system, each additional task to be separately negotiated.

Exhibit B

<b>Great Falls Garage and Meter Services</b>						
<b>OPERATING EXPENSES</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>Year 6</b>
				<i>Option</i>	<i>Option</i>	<i>Option</i>
<b>Management Fee</b>	<b>\$50,000</b>	<b>\$52,500</b>	<b>\$55,125</b>	<b>\$57,881</b>	<b>\$60,775</b>	<b>\$63,814</b>
Wages	\$ 184,123	\$ 189,647	\$ 195,336	\$ 201,196	\$ 201,196	\$ 207,232
Salaries	\$ 46,319	\$ 47,709	\$ 49,140	\$ 50,614	\$ 50,614	\$ 52,132
<b>Total Payroll</b>	<b>\$ 230,442</b>	<b>\$ 237,355</b>	<b>\$ 244,476</b>	<b>\$ 251,810</b>	<b>\$ 251,810</b>	<b>\$ 259,365</b>
P/R Tax - FICA	\$ 17,321	\$ 17,841	\$ 18,376	\$ 18,927	\$ 18,927	\$ 19,495
P/R Tax - SUTA	\$ 2,851	\$ 2,937	\$ 3,025	\$ 3,115	\$ 3,115	\$ 3,209
Life/Hospital Insurance	\$ 202	\$ 208	\$ 214	\$ 221	\$ 221	\$ 227
P/R Cost - Workers Comp	\$ 23,044	\$ 23,736	\$ 24,448	\$ 25,181	\$ 25,181	\$ 25,936
P/R Tax - FUTA	\$ 294	\$ 303	\$ 312	\$ 321	\$ 321	\$ 331
401K Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Taxes, Burden and Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Benefits</b>	<b>\$ 43,712</b>	<b>\$ 45,024</b>	<b>\$ 46,374</b>	<b>\$ 47,766</b>	<b>\$ 47,766</b>	<b>\$ 49,198</b>
<b>Total Comp &amp; Benefits</b>	<b>\$ 274,154</b>	<b>\$ 282,379</b>	<b>\$ 290,850</b>	<b>\$ 299,576</b>	<b>\$ 299,576</b>	<b>\$ 308,563</b>
Uniform Expense	\$ 600	\$ 618	\$ 637	\$ 656	\$ 656	\$ 675
Garage Supplies	\$ 600	\$ 618	\$ 637	\$ 656	\$ 656	\$ 675
Drinking Water	\$ 600	\$ 618	\$ 637	\$ 656	\$ 656	\$ 675
Ticket Expense	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,639	\$ 1,688
Stationary & Office Supplies	\$ 600	\$ 618	\$ 637	\$ 656	\$ 656	\$ 675
R & M Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	1,000	1,030	1,061	1,093	1,093	1,126
R & M Revenue Control	\$	\$	\$	\$	\$	\$
	1,000	1,030	1,061	1,093	1,093	1,126
Gas & Oil Company Vehicle	\$	\$	\$	\$	\$	\$
	1,125	1,159	1,194	1,229	1,229	1,266
Parking & Auto	\$	\$	\$	\$	\$	\$
	720	742	764	787	787	810
Rental Machinery & Equip.	\$	\$	\$	\$	\$	\$
	360	371	382	393	393	405
Utilities Expense	\$	\$	\$	\$	\$	\$
	2,000	2,060	2,122	2,185	2,185	2,251
Shopper Program	\$	\$	\$	\$	\$	\$
	200	206	212	219	219	225
Postage & Freight	\$	\$	\$	\$	\$	\$
	600	618	637	656	656	675
Telephone - Local	\$	\$	\$	\$	\$	\$
	1,200	1,236	1,273	1,311	1,311	1,351
Telephone -Long Distance	\$	\$	\$	\$	\$	\$
	144	148	153	157	157	162
Mobile Phone	\$	\$	\$	\$	\$	\$
	360	371	382	393	393	405
Recruiting Expense	\$	\$	\$	\$	\$	\$
	240	247	255	262	262	270
Miscellaneous Expense	\$	\$	\$	\$	\$	\$
	300	309	318	328	328	338
<b>Total Other Operating Expenses</b>	\$	\$	\$	\$	\$	\$
	<b>13,149</b>	<b>13,543</b>	<b>13,950</b>	<b>14,368</b>	<b>14,368</b>	<b>14,799</b>
<b>Total Expense*</b>	\$	\$	\$	\$	\$	\$
	<b>337,303</b>	<b>348,422</b>	<b>359,925</b>	<b>371,825</b>	<b>374,719</b>	<b>387,176</b>

**MEMO**

TO:

FROM: Lee Nellis, FAICP, Deputy Director of Planning & Community Development

DATE: December 4, 2013

**RE: Standard Parking Contract Renewal**

This memo presents staff's recommendation that the City of Great Falls renew its contract with Standard Parking, with an amendment. On our way to this recommendation, we were asked to assess the option of the City managing the parking system.

***Should the City of Great Falls Manage its Parking System?***

This appears to be a fiscal question. Staff is not aware of significant concerns about the quality of the service Standard Parking (SP) provides. The Department of Planning and Community Development (PCD) has an effective working relationship with SP and our complaint file on the parking program is currently empty. The recent complaints to which staff has responded were not about SP or functions for which it is responsible. They were about the appearance and functionality of the North Parking Garage, an issue the City must address.

As staff understands it, the previous discussion of this question reflected a belief that there would be a cost savings if the City administered the parking program, specifically a savings in personnel costs. We have reexamined this question and report the following.

- The proposal that the City manage the parking system was never completed. Staff had only scattered notes and trial calculations as a starting point.
- The earlier analysis appears to have been based on a misreading of Montana's prevailing wage requirements. This misreading was discovered by SP's present manager in Great Falls and apparently will result in wage adjustments (some up, some down) for SP employees. Staff confirmed that a misreading had occurred in a telephone conversation and correspondence with the Montana Department of Labor. The table below shows City v. prevailing wages and benefits per hour as staff now understands them.

<i>position</i>	<i>City wage including benefits</i>	<i>SP wage including benefits</i>
Assistant Manager/Cashier	\$26.69	\$16.04
Parking Attendants	\$21.66	\$17.03
Maintenance Worker	\$17.21	\$21.21

- City wages and benefits for the employees who work the most hours (52.5 per week by cashiers and 99 by attendants) would be substantially higher than SP's. The City would pay less for maintenance services, but that position works the fewest hours (20 per week).
- The earlier analysis assumed that the Maintenance Worker would not receive City benefits due to the part-time nature of the position. Conversations with the City's Fiscal and Human Resources departments make that seem unlikely. Even if it is true, the reduction would not be enough to balance out the higher costs of the other personnel.
- The earlier analysis apparently did not consider the internal service charges that PCD would owe to Human Resources and Fiscal Services if parking management were to become a municipal function. Adding these charges adds roughly \$3700 for HR charges and \$ for Fiscal Services charges **AMOUNT, MELISSA?** Note also that the City's cost of recruiting parking personnel were not included for in the previous calculations.
- The previous analysis was also a proposal for changing the way the parking system operates. It replace the cashier at the North Parking Garage with a pay station. Staff believes this would diminish the level of personal service to patrons and reduce security (a pay station has no eyes, no ability to make a call). Also, while we accept that it would have cost less, staff cannot find where the cost of the pay station and its operation was factored into the previous calculations.
- Besides eliminating the cashier's position, the previous proposal reduced the number of hours devoted to enforcement without factoring in any loss of revenue that might result from reducing the time the parking attendants are on the street.
- Finally, the previous proposal added an Assistant Parking Garage Manager to the staff of PCD This accurately reflects the demand that parking management places on PCD, but is unnecessary, as will be explained below.

Once the correct prevailing wage rates are applied and the benefits and internal service charges that PCD would have to pay are included, it is clear that the City's personnel costs are higher than Standard Parking's.

Staff also points out that SP currently operates more than two million parking spaces. The City cannot match that experience or the buying power that comes with that scale of operations, As explained below, the City needs to take more advantage of SP's services, not less. Therefore:

**Staff recommends that the contract with Standard Parking be renewed for three years. Staff further recommends that the contract be amended, as presented, to improve both parking system management and the effectiveness of PCD, as explained below.**



### ***How the Parking Tail Wags the PCD Dog***

Parking theoretically occupies 1.1 FTE of PCD time. Because of the unusual way in which Great Falls currently manages its parking system, however, parking management requires substantially more effort on the part of both managers and administrative staff. You will recall from the discussion above that the previous staff thought it was necessary to add an entire FTE to parking management, nearly doubling the person power devoted to this function.

That is not necessary. The City can reduce PCD's over-commitment to parking simply by asking SP to do for Great Falls what they already do for hundreds of other clients. This would be an important insight under any circumstances, but is especially relevant at this time, when PCD has lost staff capacity for core functions (building safety, the administration of community development block grants, and historic preservation) while also experiencing substantial staff turnover.

It is easiest to illustrate the potential for more efficient parking system management with a tangible example. What happens when a light bulb goes out in a parking garage? In Great Falls, SP's manager reports the problem, the PCD parking manager figures out what type of bulb is needed and authorizes its procurement, the PCD administrative staff handles the paperwork, and the bulb eventually makes its way to the garage, where SP installs it. Everywhere else, SP simply changes the bulb and bills the client. If there is any difference in direct costs, it is because SP has superior purchasing power and gets bulbs for less. But there is a significant difference in the time entangled in the administration of the process. Here, the client (that's us) is constantly involved in minor maintenance and procurement decisions and a constant flow of paperwork. Elsewhere, SP manages routine operations, the client sees and pays one invoice.

SP is willing to amend its contract with the City of Great Falls to provide the services it provides in most other places for an additional \$5,000.00 per year. That is far less than the cost of an assistant parking manager and will produce the same or better results, while bringing the time PCD devotes to managing the parking nearer to the budgeted amount. This change is inexpensive because it will save SP's local manager vast amounts of time and reduce SP's liability in attending to repair and safety issues.

There are other advantages to the proposed contract amendment. Due to our unusual contract with SP, we actually have less accountability from them (that is we see less detail on our invoices) than do other clients. That will change with the contract amendment. Also, SP may act to upgrade revenue control equipment in its own interest, either at its own expense, or billing the City - without our agreement - for equipment purchased with its discounts.

### **Parking Advisory Commission Review**

The Parking Advisory Commission reviewed the initial draft of this recommendation at its November meeting and unanimously voted to support staff's recommendation.