Parking Operations Consulting Report

Prepared for the Los Angeles County Department of Beaches and Harbors

February 2011

Prepared by

The Integrity Group

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Entrance to Zuma

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February 7, 2011

Mr. Brad Fleischer
Chief – Administrative Services Division
County of Los Angeles
Department of Beaches and Harbors
13837 Fiji Way
Marina del Rey, CA 90292

Dear Mr. Fleischer:

In accordance with the terms of Purchase Order # DPO-BH-11361-1260-1, we submit this report presenting our findings, analysis, and recommendations for the five tasks requested by the Department as well as related operational issues discussed during our initial meetings with Department representatives.

The Beach and Marina parking assets that are owned and/or managed by the County enable citizens and visitors to enjoy a cherished recreational asset of the region. Managing the Department's parking assets presents unique challenges due to their wide dispersion, the demand for diverse parking services requested by users, and the dependence upon weather conditions. Overall, the current use of a professional parking management firm to complement the oversight provided by Department employees is a practical and cost-efficient method of addressing those operational challenges.

There exists a mutual symbiotic relationship between the Department, the parking operator, and the parking lot customers. Each is dependent upon the other. The Department offers services to the customers and direction to the operator. The operator supports the mission of the Department and facilitates the use of the lots by customers. The customers pay the fees that support both the operator and the Department. Under ideal conditions, all three entities co-exist in harmony. Should one of the entities encounter some hindrance, however, the others also suffer some adverse consequence. If fees are too high, some customers will avoid parking. If the fee collection equipment malfunctions, a repair expense is created. If the staffing is inadequate, important revenue is lost.

While it is impossible to control all of the conditions (i.e. weather, traffic, etc.) that impact the relationship between the Department, the operator, and the customers, it is possible take steps that nourish that relationship. The overall appearance of the lots, the operability of the equipment utilized, the procedures employed, and the actual contract document that governs the operator actions are all conditions that can be modified to support the relationship. We commend both the current Operator and the Department staff for their on-going efforts to work together to enhance service delivery, increase net revenue, and/or safeguard parking funds. We offer our recommendations to further those endeavors.

Besides examining current conditions, we also looked forward into the near future. A Request For Proposals will be issued in 2011 for a parking management firm. We have made several recommendations in regards to the operator selection process and subsequent contract that will result. Our recommendations are intended to enrich service delivery and maximize revenue generation for the County.

Currently, parking fees are collected either by fare collection machines (known as Pay Stations) or by employees of the management firm. The Pay Stations are at the end of their useful life and must be replaced. We have provided product specifications for new units based upon the beach environment in which they will be installed and the desired features of the stakeholders. We have also provided options for the Department in regards to the acquisition of the new Pay Stations.

All of us at Integrity wish to acknowledge the support provided by the staff at Beaches and Harbors particularly Vivian Paquin-Sanner who served as liaison between the Department and Integrity. We also express our gratitude to the employees of the Department of Beaches and Harbors, Lifeguard Division of the Fire Department, and Parking Concepts Inc. who provided valuable input during the course of our work.

We trust our recommendations will serve as a useful resource for the Department. Should you have any questions, please do not hesitate to contact us.

Sincerely,

Integrity Parking Systems, LLC

Charles J. Cullen, CPP, CAPP
Senior Advisor

Executive Summary

This report responds to the five tasks requested by the Department of Beaches and Harbors of the County of Los Angeles. Each task is addressed in order.

Task 1 - Perform an environmental scan; review and analyze background information and data; and conduct focused meetings with critical stakeholders

For this task we:

- Visited each parking lot on several occasions
- Toured the lots with a maintenance staff member, enforcement personnel, and supervisory staff
- Met with representatives of the Department, Lifeguards, and current Operator
- Examined the location and condition of each Pay Station
- Observed customers using the Pay Stations
- Reviewed legal, financial, and operational documents related to the management of the parking lots

The stakeholder input provided us with valuable information that we used while evaluating the best equipment for the lots and advising the Department on operating issues.

We concur that the existing Pay Stations should be replaced. The exterior of many units have an unsightly appearance, their functionality is limited by today's standards, and the manufacturer will not guarantee the availability of parts after 2011.

Currently, credit card payments represent 50% of Pay Station transactions while currency (bills) represent 44% and coins represent 6%. Consequently, we recommend maintaining all three payment options (credit cards, bills, and coins) for the new Pay Stations. In addition, we sought equipment that would resist the harsh salt laden environment, be more user-friendly, and provide a web-based management for auditing, rate programming, and repair notification.

The parking lots generated over $9.6M in the last fiscal year. The summer months (June, July, and August) accounted for 46% ($4,444,800) of that total.

Approximately 11.8% ($1,133,734) of that total was collected by the Pay Stations.

A breakdown of gross revenue by lot is on the following page.

Lot	# Spaces	Total Revenue (July 09 – June 10)
Nicolas Canyon	151	$41,200
Zuma (Lots #1 - #12)	1,936	$1,083,700
Point Dume	375	$455,800
Surfrider (Malibu Lagoon)	90	$168,700
Topanga (East Lot only)	96	$68,700
Will Rogers (Lot #5)	21	$19,000
Will Rogers (Lots #3, #2W, #2E)	1,449	$976,100
Will Rogers (Lot #1)	95	$128,600
Rose Avenue – Venice	288	$723,100
Venice Blvd. - Venice	352	$1,457,400
Washington Blvd – Venice	380	$1,357,900
Dockweiler (62nd Avenue)	43	$31,600
Dockweiler (Lots #1 – 3 & RV)	1,360	$1,111,200
Dockweiler (Bluff)	583	$184,200
Dockweiler (Grand)	113	$107,400
Torrance (North & South)	334	$160,600
White Point/Royal Palms	191	$183,000
Beach Lots Total	*7,900*	*$8,258,200*
Fisherman's Village	500	$356,200
Fisherman's Village Overflow	254	$0
Lot #2 (Launch Ramp)	234	$142,800
Lot #4	152	$52,500
Lot #5	222	$29,800
Lot #6	111	$0
Lot #7	120	$50,900
Lot #8	183	$24,400
Lot #9	187	$51,100
Lot #10	211	$214,700
Lot #11	263	$163,700
Lot #12	206	$30,700
Lot #13	138	$90,200
Lot #15 (Parcel LLS)	8	$0
Lot #47 East	169	$10,500
Lot #77	70	$36,400
View Park (North Jetty)	58	$68,000
Burton Chace Park Lot	58	$32,100
Marina Total	*3,144*	*$1,354,400*
TOTAL	**11,044**	**$9,612,600**

Task 2 - Evaluate the use of Pay Stations vs. the use of parking lot staffing and examine the number and placement of the Pay Stations

The daily operation of the lots utilizes both Pay Stations and operator staff for the collection of parking fees. Factors that the Department must continually consider are the quantity and location of Pay Stations as well as the location, dates, and time for scheduling staffing. These factors are complicated by the weather and distance between Nicholas Canyon and White Point Lots.

Pay Stations offer an economical method for collecting parking fees. Unfortunately, they cannot provide the quality of service required at all lots at all times. Pay Stations are not as effective at collecting fees during peak periods. In addition, the Pay Stations do not provide directions and they cannot prevent unauthorized vehicles from parking in a lot. Consequently, staffing at some lots on some days remains a necessity.

The use of staffing is cost-effective. Our analysis indicates that for every $1 in expenses allocated to the Pay Station mode of operation, the County received $2.65 in gross revenue. That same $1, when paid to the current Operator, generated $5.97 in gross revenue. In terms of operating expenses, staffing the lots is more costly but in terms of net revenue, it is currently a more productive yield.

The Department relies upon years of accumulated experience by both the staff and its Operator to determine the best mode of operation for each lot. At low-volume lots and during non-peak periods at other lots, Pay Stations provide the most effective solution to fee collection. At high-volume lots and during peak periods at other lots, attendant(s) remain a more productive and cost-effective method of collecting parking fees. The number of Attendants, hours of staffing, locations of Pay Stations are not static. Changes in the operation are made after observing changes in parking habits. This approach is the best manner to manage the parking assets.

We examined each lot and studied:

- Total revenue
- Percent of revenue collected by Pay Stations and Operator
- Number of Pay Stations per spaces
- Estimated number of customers who will use a Pay Station on a peak day
- Configuration of the lot
- Known patronage characteristics (surfers, tourists, etc.)

Based upon our analysis, we recommended modifications to the quantity and location of Pay Stations as well as staffing levels. A summary of our additional Pay Station recommendations is on the following page.

In addition, we suggested purchasing shelters for the Pay Stations, replacing the KIS ticket devices, enhancing revenue control efforts, and improving signage.

Lot	Current Number of Pay Stations	Recommended Number of Pay Stations	Change
Nicolas Canyon	2	2	
Zuma (Lots #1 - #12)	2	2	
Point Dume	4	5	+1
Surfrider (Malibu Lagoon)	2	2	
Topanga (East Lot only)	2	2	
Will Rogers (Lot #5)	1	1	
Will Rogers (Lots #3, #2W, #2E)	2	2	
Will Rogers (Lot #1)	2	2	
Rose Avenue – Venice	1	1	
Venice Blvd. - Venice	1	1	
Washington Blvd – Venice	0	0	
Dockweiler (62nd Avenue)	2	2	
Dockweiler (Lots #1 - 3 & RV)	0	0	
Dockweiler (Bluff)	4	4	
Dockweiler (Grand)	2	2	
Torrance (North & South)	4	4	
White Point/Royal Palms	2	3	+1
Fisherman's Village	0	0	
Fisherman's Village Overflow	0	0	
Lot #2 (Launch Ramp)	2	2	
Lot #4	1	2	+1
Lot #5	2	2	
Lot #6	0	0	
Lot #7	1	2	+1
Lot #8	1	1	
Lot #9	1	2	+1
Lot #10	2	4	+2
Lot #11	1	2	+1
Lot #12	1	1	
Lot #13	1	2	+1
Lot #15 (Parcel LLS)	0	0	
Lot #47 East	0	0	
Lot #77	1	1	
View Park (North Jetty)	0	2	+2
Burton Chace Park	0	2	+2
TOTAL	**47**	**60**	**+13**

Task 3 - Evaluate the feasibility of including the Pay Stations as items that have to be provided and maintained by the future parking lot contractor

We examined three options.

Option 1 - Operator purchases and maintains the equipment

By having the operator purchase the Pay Stations, the Department can preserve or re-direct its capital funds and eliminate the administrative resources required to purchase the new units. The cost of the equipment will be part of the monthly payment to the operator, thus reducing revenues and the Department will have less control over the purchasing process. By maintaining the equipment, the Department is relieved of that responsibility but the operator could fail to maintain the units properly.

Option 2 - Department purchases and Operator maintains the equipment

The Department can control the acquisition of the new equipment but it will require an outlay of capital funds. Leasing is a possibility but the expenses associated with leasing will increase the overall cost of the Pay Stations. By having the operator maintain the equipment, the Department is relieved of that responsibility but the operator could fail to maintain the units properly.

Option 3 - Department purchases and Department maintains the equipment

The Department can control the acquisition of the new equipment but it will require an outlay of capital funds. The Department will also realize more revenue since no additional monthly payment would be required to be paid to the operator. If the Department maintains the equipment, it can have more control over that service but would realize no cost savings.

Our recommendation is to require the next operator to purchase the equipment. This option is deemed the most prudent in our evaluation of the conditions known to us. The improvements may include Pay Stations, shelters, handheld devices, etc. The operator will then retain revenue each month or invoice the Department as an expense at a pre-determined amount based upon the actual cost of the equipment requested by the Department. The payments would be spread out over the five year period. After the five years, the Department will have title to the equipment.

We also recommend that the entity purchasing the equipment (in this instance, the operator) maintain it. The new Pay Stations will generate alarms whenever there is jam, paper issue, full vault, etc. Those alarms are recorded and can be shown on a report. The Department will have the ability to monitor those activities as well as its field employees to ensure the operator is properly maintaining the Pay Stations. The new contract can have language that requires action within a specified number of hours of an alarm or call for service.

Task 4 - Evaluate currently available parking automation equipment considering the Department's needs and beach/marina environment and recommend the equipment best suited to provide for Department's future needs

We began by comparing the specifications of the equipment offered by 14 vendors to the features most mentioned by the stakeholders such as:

- Real-time reporting of events that require action (full canister, slot jam, low receipt paper, etc.)
- Web-based platform for data storage, rate programming, and report generation
- Rust-proof cabinet
- Self-contained electrical (solar powered) system
- Several internal communication modes in case one mode encounters reception difficulties
- Simple customer interface

After our initial review, we eliminated six vendors for not meeting the above requirements. We then explored the vendors for their established history of producing and servicing parking equipment. After this review, we eliminated three more firms.

Of the remaining five firms, we requested additional information from them regarding their product and services. Two firms did not respond to our inquiry so they were eliminated from further consideration.

That left three firms for a closer inspection of their Pay Station offering. For this final review, we selected criteria that related to the features most important to the stakeholders. After careful consideration of the environment in which the Pay Stations will be located, we gave a slight edge to the Cale model because:

1. Its solar panel is integrated into the roof. The panel is not seen by the customer or by a vandal. The other two models have solar panels that protrude from the top of the Pay Station. The visible panel becomes more of a potential target for vandalism.

2. It is rated to function properly under a higher level of humidity than the other two units. This is an important consideration considering the location of the Pay Stations.

Cale Pay Station

Task 5 - Evaluate document to be used to solicit new parking lot contractor and will make recommendations to improve it and provide a minimum of two incentive payment options to incentivize contractor to maximize revenue generation

After reviewing the 236 page document, we offered some suggestions to improve it. A few of those suggestions were:

- Extending the term from three years to five assuming the operator will purchase the new Pay Stations

- Verifying that the CPA hired to review the parking operation is familiar with parking procedures since CPA firms are usually very good at tracking the paper trail of revenue, but have little experience in confirming the amount of revenue that should have been collected.

- Modifying the proposal rating score

from	to
Proposal Price - 40%	Proposal Price – 25%
Experience and Resources - 25%	Organization – 5%
Desirable Experience - 5%	Qualifications of key personnel – 20%
Approach to Contract Requirements - 25%	Auditing and cash control – 10%
Living Wage Compliance — 5%	Operational plan for scheduling – 5%
	Methods for providing contract services – 10%
	Business and financial summary – 10%
	Quality control plan – 10%
	Green initiatives – 5%

We also offer five incentives including:

1. The Operator can be rewarded for on-time completion of required preventive maintenance and prompt repair of the Pay Stations.

2. The Operator could provide supplemental enforcement. The additional enforcement would encourage usage of the Pay Stations and/or generate additional fine revenue. The operator would receive a percentage (say 25%) of the fine revenue as an incentive.

3. The Department could use a modified concession agreement. With a concession agreement, the Operator retains a percentage of gross revenue and pays all expenses from that percentage. This type of agreement provides a powerful incentive for the operator to generate revenue and reduce costs particularly if the operator receives higher percentage of revenue after reaching established thresholds.

4. Even with the existing contract format, the proposed incentive to increase revenue could be enhanced by providing a sliding percentage instead of a fixed percentage. When the revenue from one month is greater than the average of the past three years for that month, the operator receives 5% of the increase unless the amount of increase exceeds 15% of the three-year average in which case the operator receives 12% of the increase.

5. The operator could devise a promotional program to bring more customers to the staffed lots on weekdays. Based upon the number of weekday KIS tickets issued from one month compared to the average number of weekday KIS tickets issued from the past three years for that month, the operator receives a bonus that would reflect the increased sales. Ad an example, if the number of weekday tickets exceeds the weekday average by 5%, the operator receives the 5% of additional revenue represented by the increase sales. A 20% increase in sales will earn the operator 20% of the new revenue and the Department 80% of new revenue.

Venice Beach Area Lot

Background Information

Separation of Operating Responsibilities

The County of Los Angeles has a coast line that stretches nearly 70 miles along the Pacific Ocean. The Department of Beaches and Harbors of the County is responsible for 25 miles of beach property and the harbor areas at Marina del Rey. Many of the beaches and the harbor locations provide adjacent public parking. The Administrative Services Division of the Department is responsible for the day-to-day oversight of the parking facilities under the jurisdiction of the Department. The Division implements Departmental policies, establishes operational procedures, provides parking enforcement services, maintains parking equipment, delivers general administrative services, and oversees the contract between the Department and a professional parking management firm (operator). That management firm collects, deposits, and reports parking fees either paid to its employees assigned to the lots or deposited in Pay Stations. Perhaps, more importantly, the employees of the management firm provide the "face" of the Department in its daily encounters with the public.

Parking Asset Inventory

The table below lists parking lots included in our analysis.

Parking Inventory (December, 2010)

Lot	# Spaces [1]	# Pay Stations	# Meters [2]
Nicolas Canyon (upper and lower)	151	2	0
Zuma (Lots #1 - #12)	1,936	2	3
Point Dume	375	4	0
Surfrider (aka Malibu Lagoon)	90	2	0
Topanga (East Lot only) [3]	96	2	0
Will Rogers (Lot #5)	21	1	0
Will Rogers (Lots #3, #2W, #2E)	1,449	2	3
Will Rogers (Lot #1)	95	2	0
Rose Avenue – Venice	288	1	0
Venice Blvd. - Venice	352	1	0
Washington Blvd – Venice [4]	380	0	0
Dockweiler (62nd Avenue)	43	2	0
Dockweiler (Lots #1, #2, #3)	1,360	0	0
Dockweiler (RV Lot)	117	0	0
Dockweiler (Bluff)	583	4	3
Dockweiler (Grand)	113	2	5
Torrance (North & South)	334	4	0
White Point/Royal Palms	191	2	17
Beach Lots Total	7,900	33	31

Lot	# Spaces [1]	# Pay Stations	# Meters [2]
Fisherman's Village [5]	500	0	0
Fisherman's Village Overflow [6]	254	0	0
Lot #2 (Launch Ramp) [7]	234	2	0
Burton Chace Park Lot [8]	58	0	29
Lot #77	70	1	0
Lot #47 East [9]	169	0	0
Lot #4	152	1	0
Lot #5	222	2	0
Lot #6 [10]	111	0	0
Lot #7	120	1	0
Lot #8	183	1	0
Lot #9	187	1	0
Lot #10	211	2	0
Lot #11	263	1	0
Lot #12	206	1	0
Lot #13	138	1	
View Park (North Jetty) [11]	58	0	29
Lot #15 (Parcel LLS) [12]	8	0	0
Marina Total	3,144	14	58
TOTAL	**11,044**	**47**	**89**

1. Includes all parking spaces
2. Some lots use single-space and/or dual-space meters to regulate short-term parking
3. The unpaved West section is not used at this time so it was not included in the inventory
4. Entire lot included even though a section of this lot was closed for nearby construction
5. This lot provides hourly parking
6. There is no fee for parking on this lot unless staffed
7. This lot imposes a flat fee for cars and another flat fee for vehicles with boat trailers
8. Fee is imposed only on weekends and holidays with two hour maximum time limit
9. No Pay Station on lot but fee is imposed on this lot when staffed. Some spaces reserved.
10. The lot is used by tenants and visitors of an adjacent building. Fee is posted but not imposed during our visits.
11. This metered on-street lot provides only short-term parking
12. Spaces on this lot are designated. No fee imposed.

Rates

All parking fee maximums are approved by the County's Board of Supervisors. The Department Director has the authority to charge a fee lower than the maximum. Generally, a fixed all-day fee is charged to all vehicles. The fee currently ranges from $3.00 to $15.00. The fee is based upon the:

- Time of customer entry (lower during early mornings and late afternoons)
- Season (winter rates are lower than summer rates)
- Day of the week (weekends are usually higher than weekdays)
- Location (high demand lots have a premium fee)

Some lots provide short-term parking. The rate is usually $1.00 per hour (Marina lots) or $1.50 per hour (beach lots). One lot (Dockweiler) offers parking for recreational vehicles. There are also senior passes and yearly permits, each with some restrictions. Vehicles displaying valid handicapped identification may park free on non-holiday weekdays. For film crews, an approved formula is applied for the rental of spaces approved for their use.

All-day parking fees were last adjusted in October, 2009.

As we were conducting our study, the rate at one Marina location (Lot #9) was modified to provide parking based upon 15 minute increments. We do not have an adequate transaction history to determine what impact this rate change may have on revenue and/or patronage. We predict it will result in more coins being used in the Pay Station and the need for additional enforcement.

Parking Revenue Data

In the latest completed fiscal year (July 2009 – June 2010), the lots generated $9,612,555.18 in gross parking revenue. Approximately 11.8% ($1,133,733.88) of that total was collected by the Pay Stations.

Of the amount collected by the Pay Stations, just over half (50.3% or $570,463) was by credit card. The balance (44% or $499,021) was in bills and coins (5.7% or $64,250).

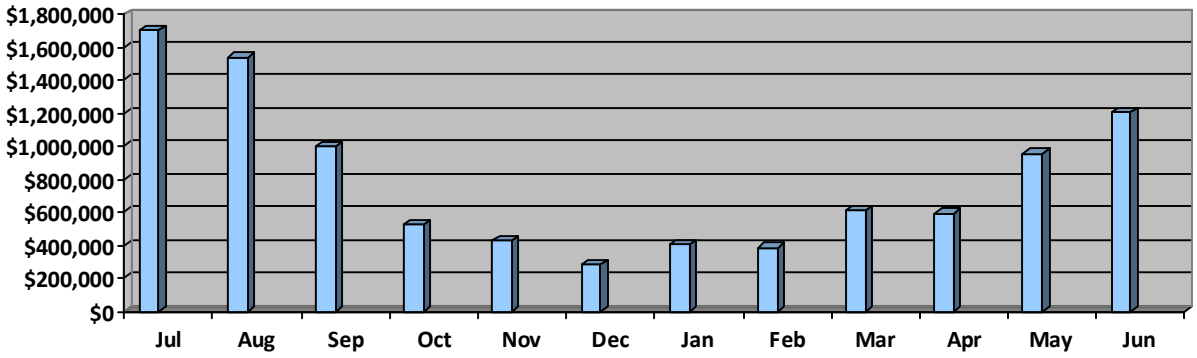
A month-by-month breakdown of the gross parking revenue is shown in the table and graph on the following page. The three summer months generate 46% of the yearly revenue.

Typical Pay Station

Gross Parking Revenue by Month (FY 2009-2010)

Month	Gross Parking Revenue
July 2009	$1,700,939
August 2009	$1,538,155
September 2009	$998,709
October 2009	$524,350
November 2009	$426,299
December 2009	$278,932
January 2010	$400,255
February 2010	$385,751
March 2010	$610,612
April 2010	$591,440
May 2010	$951,431
June 2010	$1,205,684
TOTAL	$9,612,555

Graph Depicting Monthly Gross Revenue



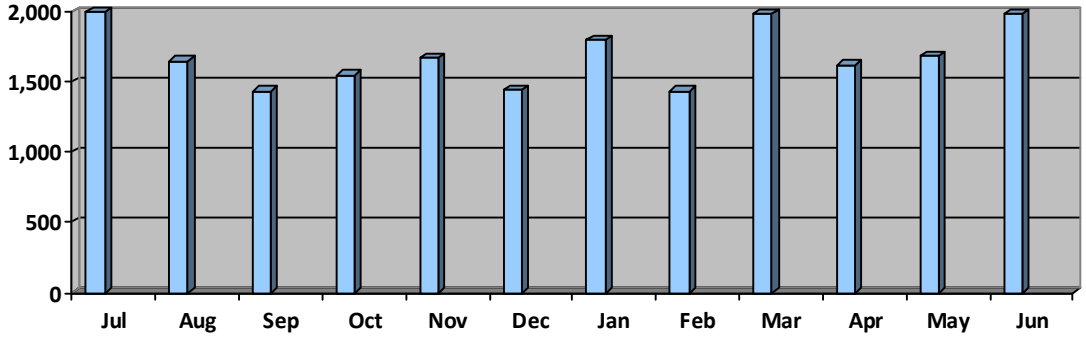
Enforcement Data

During that same fiscal year, the Department issued 20,238 citations for parking violations. The Department received 2,732 requests for appeals (13.5% of issuance). The net amount collected from citations during that year was $772,351.

Citation Issuance by Month (FY 2009-2010)

Month	# Parking Citations
July 2009	1,999
August 2009	1,645
September 2009	1,432
October 2009	1,548
November 2009	1,670
December 2009	1,445
January 2010	1,800
February 2010	1,431
March 2010	1,983
April 2010	1,621
May 2010	1,686
June 2010	1,978
TOTAL	20,238

Graph Depicting Monthly Citation Issuance (FY 2009-2010)



Task 1 - Conduct Research and Meetings Based on Available Data

Perform an environmental scan, review and analyze background information and data, and conduct focused meetings with critical stakeholders, such as Department management, Lifeguards, current parking contractor and various Divisions' staff to gather pertinent information. Conduct kick-off meetings and focused meetings with critical stakeholders, such as Department management, Lifeguards, current parking contractor and various Divisions' staff as follows:

- *Two Kick-off meetings (back to back); one with Department management and one with Parking management staff.*
- *Two Stakeholders' meetings; one with the Lifeguards at the Lifeguards' location and one with various Department Division management staff.*

To gather the necessary background information, members of the Consulting Team visited each parking facility on several occasions. In some instances, a representative of the County Department accompanied a Team Member. We spent time with a maintenance staff member, enforcement personnel, and supervisory staff while they performed their assigned duties. We examined the location of each Pay Station, the exterior condition of each Pay Station, the general condition of the lots, and signage on the lots. We also observed customers using the Pay Stations to determine their ability to follow the instructions and utilize the units.

Pay Station at White Point Lot

Our observations were conducted during the "winter" rate period, a time when the lots are often underutilized. As a result, we were not able to observe peak traffic ingress and egress and the prolonged Pay Station wait times reported during high parking demand periods in the summer months.

In addition to our on-site observation of the parking environment, we also requested a series of documents related to the parking operations. They included the current Operating Agreement, revenue data, expense records, and staffing information. The information provided assisted us in evaluating the efficiency of service delivery and the relationship between the County and its Operator.

The Consulting Team also met and/or conducted a phone conference with representatives of the County and the current Operator. These meetings and conversations allowed the stakeholder to provide valuable insights into the problems they encounter and offer possible solutions. Each idea presented was reviewed by the Consulting Team and considered in its evaluation of the parking operations.

In general, the suggestions we received focused on enhancing the customer experience. Most of the suggestions were directed towards features that any new Pay Stations units should possess plus customer safety. A few suggestions (on-street traffic management and crowd control) were outside of the scope of this evaluation.

The following are summations of comments/suggestions received from our meetings and conversations with stakeholders. Some suggestions were repeated at multiple meetings but have only been listed once.

- Look at increasing short-term parking in Marina and beach lots
- Current Pay Station equipment difficult to deal with
- Problems dealing with full lots
- There is a problem with traffic backups at the entrance to Zuma and Will Rogers
- Signage for the Pay Stations units needs to be improved
- The equipment should be more flexible
- Examine the potential of a debit card (refillable pre-paid card) option
- Lighting level at the exits with spikes should be increased
- The exit lane spikes should be painted for increased visibility
- Signage should be improved on the lots
- The yearly parking permit should be pro-rated during the year
- The entrance and exit at Will Rogers lot should be changed. Perhaps another exit added. Reports of 25 to 45 minutes to exit sometimes. Traffic signal is too short when there is a large crowd.
- Problems with crowds have been reported at the Torrance lot during July 4th
- Difficult for visitors and staff to get to the office at Venice Beach lot due to crowds
- Consider some type of covers for Pay Stations units

- More lighting is needed around Pay Stations units
- Areas around Pay Stations units should be safer (bollards to prevent cars from getting too close to users, particularly mothers with small children)
- Concern over impact of Proposition 21 (issue was defeated by voters)
- Exit spikes are a maintenance issue
- Communication with some Pay Stations units is not possible due to blocked reception
- OK to consider a longer term for next operator agreement
- Leasing of the new Pay Stations units is an option
- The ability to modify rates without the need to purchase chips is desirable
- Any new equipment should be vandal-proof
- The current Pay Stations units are outdated
- Common maintenance issues with the current Pay Stations units include
    - Printer jams
    - Canister alignment can be difficult
    - Must change printers, bill acceptors, credit card receivers, and main circuit boards
    - Locks often difficult to use due to rust
- New Pay Stations units should be:
    - ADA compliant
    - Able to provide bi-lingual instructions
    - Resistant to salt water and sand
    - More friendly to users
    - Easier to maintain
    - Easier to comprehend instructions
    - Equipment with larger display to assist elderly customers
- There should be a backup plan for when equipment fails
- Also look at the single space meters
- At Royal Palms, the Pay Stations unit is in the wrong location
- Another meter is needed in the Bluff area at Royal Palms

- If electrical service is required for any new equipment, the County should be responsible for arranging this service feature
- At Torrance, the Pay Stations unit is in the wrong location – causes traffic back-ups
- The Pay Stations unit at Torrance is hard to find and unsafe (for families using it)
- Another Pay Station unit may be needed at Dockweiler – 62nd Street
- The canister drops are hit by vehicles and should be removed or re-located
- Eliminate or at least reduce the number of gate arms at entrances except at the boat launch ramp lot at Marina del Rey
- Occasional problems reported with KIS units (ticket/receipt printing units used by Operator staff when collecting fees from customers)
- At Zuma, the Highway Patrol closes the entrances to the lot to reduce traffic problems but keeps the lot closed too long thus preventing customers access to the beach
- Move the Pay Stations unit away from the entrance at Nicolas Canyon lot
- Examine the possibility of eliminating coins from the Pay Stations units

Pay Station at Venice Blvd. Lot

Consultant Comments

We tested a representative sampling of the single/dual meters in use on some lots. We found an out-of-order rate of 1.12% with those meters. The out-of-order rate for the multi-space meters (Pay Stations) was 4.25%. (Of the 47 Pay Stations currently in operation, we observed no more than two units out of order at any one time.) The higher out-of-order rate for the Pay Stations is a concern since each unit monitors far more revenue-generating spaces than a single/dual meter. When a single/dual meter is not working, the County may not receive a few dollars in revenue. When a Pay Station is out of order, the County may not receive hundreds of dollars.

Out-of-Order notice posted on a Pay Station unit

Overall, the functionality of the internal components appears to be in good condition. The Department maintains a stock of parts to adequately maintain the units. The units are checked regularly and preventive maintenance is performed on the units. Not only does the maintenance staff check their operation, but the enforcement personnel also check for any signs of malfunction when they perform their duties.

During the course of our study, the manufacturer of the existing Pay Stations informed the Department that they will not assure the Department of parts availability as of January 1, 2012. The firm also indicated that the current method of collecting some data is already obsolete. In a recent e-mail message to the County, a representative of the company wrote:

> "As of January 1, 2012 there will be no guarantee of parts availability. At that time Parkeon will make its best effort to supply parts or rebuild defective parts.
>
> In terms of the CC processing the method used today in the offline mode is the ICS solution along with a "paddle" that captures the transaction data. As we discussed, Parkeon no longer has new paddles available and only has a few used ones at this time. In general the support for this solution is and has been terminated for some time. Over the past few months I realize Bob T. has tried to support these for you but that is only an unofficial process and could end at any point."

So while the Department maintains an adequate stock of parts now, it may not be able to do so in the future.

Credit card usage represents about half of all payments at the Pay Stations. Unfortunately, the use of a credit card in this particular Pay Station model is not intuitive to most customers. With most self-serve payment devices (ATM's, fuel pumps, etc.) the customer swipes his/her credit card or inserts it into a slot only to quickly remove it from the slot. At the Pay Stations units now in use, the credit card must be inserted and left in the slot while the customer presses a blue button on the front panel. Then, the customer must press the green button to obtain a receipt. The blue button, the one that first must be activated first, is beneath the green button, the one that must be activated second. We observed some customers having difficulty with using a credit card.

General instructions on a Pay Station unit

The exterior of the Pay Station units show varying amounts of iron oxides (rust). Whenever iron is exposed to water and oxygen, it will eventually be converted into rust. If salt is present, the process is accelerated since the salt will degrade any protective coating applied to the iron. Once the rusting process commences, it is difficult to completely eliminate it. The beach environment is very conducive to the formation of rust on iron surfaces. The staff has repainted some units but it is only a temporary cosmetic repair. So even though the units may be fully functional, their appearance detracts from the parking experience.

Considering the exterior condition, the difficulty many customers encounter with operating the units, and the fact that the manufacturer will discontinue its support of the units in a year, it is obvious that replacement Pay Stations are necessary.

At the time of their installation, the current Pay Stations represented the "state-of-the-art" in multi-space meter technology. Since that time, the market has become more competitive forcing manufacturers to improve their products. The models that are currently available can provide more information to better manage the lots. The user interfaces are also more intuitive. Moreover, the cabinets of the units can be ordered in metal that is resistant to rusting. A general set of specifications for these Pay Stations is contained within this document.

For the new Pay Stations, we recommend maintaining all three payment options (credit cards, bills, and coins). We realize that the bill acceptors often represent an on-going maintenance issue and the elimination of them would reduce the Department's maintenance expense. Nevertheless, the ability to provide all possible payment options to the public is very important to maintain maximum revenue generation at this time. Payment by bills represents 44% of all Pay Station transactions and 6% of transactions involve coins. A February 2010 survey indicated that up to 29% of adults do not have a credit card[1]. Given the range of parking fees and the high percentage of non-credit card transactions currently conducted, all forms of payment are necessary. In the future, as rates increase, we anticipate a greater use of credit cards. It may be possible to eliminate some bill acceptors at that time.

After observing the operations of the lots, listening to the input of the many stakeholders, and reviewing the documentation provided, we have developed a series of recommendations to enhance the delivery of service and/or increase net revenue. These recommendations are listed in the appropriate sections of this report.

In addition, we have reviewed the proposed RFP and Operating Agreement for the next operator and have explored changes to enhance the incentives currently offered to the operator.

Torrance Lot

[1] Poll conducted on behalf of by CredtiCards.com - February 2010

Task 2 - Evaluate the Operational Effectiveness and Efficiency of Current Operations

Consultant will evaluate the use of automated parking devices vs. the use of parking lot staffing (attendant and supervisor) and recommend changes, if necessary. Consultant will also determine the effectiveness and efficiency of the distribution (number and placement) of the automated parking devices.

Man and Machine

In the future, automobiles may be equipped with unique electronic (RFID) transponders that will be registered to a credit card or electronic purse to collect licenses, tolls, fines, and even parking fees whenever a chargeable event is encountered. It will be similar to the FasTrak system used in California or the EZ-Pass used along the East Coast. The only difference is that the transponder will be embedded into the vehicle, not mounted on the windshield. In that future, each time a vehicle enters a lot, the appropriate fee will be automatically transferred from the customer's account to the County. No cash. No Pay Stations. No Attendants. No collections. That future, however, is still at least a decade away so parking fee collection must still be made using man (Attendants) and machines (Pay Stations).

The parking industry is relying more and more on Pay Stations and related equipment for fee collection. At many locations, they offer the ideal solution to collecting fees with minimal operating expense. Pay Stations never take a vacation, are always honest, and they don't require a salary - only some receipt paper. In most locations, the parking facility owner/operator has a history of patronage. This history allows the owner/operator to install the appropriate number of Pay Stations at the ideal locations. In a downtown location, the operator is reasonably certain of the maximum number of cars for a typical weekday. Seasonal variations are minimal and many of the customers are regulars so they know the payment procedure. At an airport, the owner/operator is aware of the arrival and departure times of flights. Operators associated with major sporting events know what time the event will start and often know the number of tickets sold. Knowing how many customers to expect at peak times allows the operator to install a sufficient number of Pay Stations or arrange for adequate staffing.

With outdoor recreational venue parking, accurately predicting customer volume is more of an art than a science. Certain locations, seasons, events, and dates will historically produce a predictable demand for parking but that history can be deceived with the sudden arrival of a storm. Outdoor recreational venue parking is heavily dependent upon the weather and the behavior of people. These are two factors the Department cannot always forecast.

Even if the weather was more predictable and the Department knew how many customers would travel to a lot on a particular day, the reliance solely on Pay Stations would not be prudent. While Pay Stations offer many advantages, they are not ideal in every situation. The transaction time between a Pay Station and a first-time customer can be excessive, especially during high-

volume periods. In addition, the Pay Stations do not provide the same level of customer service and they cannot prevent unauthorized vehicles from parking in a lot. We generally encourage the use of automation whenever feasible but manual operations can be effective.

Our analysis indicates that for every $1 in expenses allocated to the Pay Station mode of operation, the County received $2.65 in gross revenue. That same $1, when paid to the contract Operator, generated $5.97 in gross revenue. See table below for details.

Revenue to Expense Ratio

The County collected $9,612,555 in gross parking revenue during the last fiscal year. Of that total, $1,133,734 was collected by the Pay Stations and $8,478,821 by the Operator.

Expenses associated with the Pay Stations included:

Expenses	Quantity	Cost Per Unit	Total
Sr. General Maintenance Workers [1]	2	$66,500	$133,000
Parking Control Officers [2]	4	$58,000	$232,000
Pay Station parts [3]	1	$177,000	$177,000
Pay Station processing fee [4]	47	$480	$ 22,560
Vehicles [5]	5	$2,400	$ 12,000
Pay Station Collection [6]	1	$40,000	$40,000
Miscellaneous (uniforms, supplies…)	6	$1,000	$ 6,000
TOTAL			$622,560

1. These employees maintain the Pay Stations.
2. These employees provide enforcement of lots using Pay Stations. We excluded the other 2 Officers since some enforcement would be required even without the Pay Stations. We also excluded other administrative staff since they would be required for oversight regardless of the type of operation.
3. Actual cost for parts, supplies, and software maintenance from manufacturer
4. Supplier charges $40 per month per Pay Station for "back office" processing
5. Estimated cost of vehicle usage including fuel, maintenance, etc.
6. The Pay Stations are collected by the Operator. This is an estimated expense.

Since we have included the expenses associated with four Parking Control Officers, we must include a pro-rated share (67%) of the fines that are associated with those employees. So to the $1,133,734 we add $517,457 (67% of $772,351) bringing the total revenue to $1,651,209. When we calculate the revenue to expense ratio, we arrive at 1:2.65.

The Operator was compensated $1,460,475 for that fiscal year. We subtracted $40,000 of that amount to account for the Pay Station collection expenses. This leaves a revised expense amount of $1,420,745. The revenue to expense ratio for this mode of operation was 1:5.97.

In terms of operating expenses, staffing the lots is more costly but in terms of net revenue, it is currently more productive under existing conditions.

The Department relies upon years of accumulated experience by both the staff and its Operator to determine the best mode of operation for each lot. At low-volume lots and during non-peak periods at other lots, Pay Stations provide the most effective solution to fee collection. At high-volume lots and during peak periods at other lots, attendant(s) remain a more productive and cost-effective method of collecting parking fees. The number of attendants, hours of staffing, locations of Pay Stations are not static. Changes in the operation are made after observing changes in parking habits. This approach (blend of man and machine) is the best manner to manage the Department's parking assets.

While the approach is appropriate for outdoor recreational venue parking, there are opportunities for improvement. To address Task #2 as requested by the County, we reviewed the operation of each lot, focusing our attention on the key indicators presented in the table below.

Key Indicators for Lot Operation

Key Indicator	Purpose of Key Indicator
Percentage of total gross parking revenue for all lots	Gauge of business volume – The lower the percentage the fewer customers park on the lot. This provides an insight into the staffing needs of the lot.
Percentage of revenue generated by each Pay Station compared to total for all Pay Stations on a lot	Effectiveness of Pay Station placement - Ideally, no one Pay Station should receive a significantly higher percentage of the revenue than the other Pay Stations.
Percentage of revenue generated by the Pay Stations compared to the revenue generated by Operator employees	Staffing guide – A high percentage of revenue generated by the Operator may indicate the need for staffing.
Number of Pay Stations per parking spaces	Measurement of Pay Station quantity
Estimated Peak Customers **To obtain this number, we performed a series of calculation for each lot. The data from Nicholas Canyon Lot is included to assist in the explanation of this measurement. See next page.**	Calculated estimate of the maximum number of people we would expect to use a Pay Station on a weekend day during a peak month. A high number may indicate the need for more staffing or more Pay Stations.

1. Look up the amount of gross revenue collected by the Pay Stations during the highest grossing month of the 2009-2010 fiscal year.	For Nicolas Canyon, that number was $8,000 August 2009
2. We estimate the mean fee paid by customers during that month.	$9.00
3. Divide those two numbers to determine the average number of customers who used the Pay Stations that month.	$8,000/$9 = $888
4. We then multiply the previous result by .8. The .8 represents the estimated percentage of customers (80%) who use the lots on weekends.	888 X .8 = 711
5. We next divide the previous result by the number of weekend days in that month. This provides us with an estimate of the number of customers who use a Pay Station during a weekend day.	$711/10 = 71
6. Finally, we multiply that number by the number that represents the highest grossing Pay Station.	In this example, Pay Station # 10202 collected 83% of the revenue 71 X .83 = 59
As a formula, it appears as: ((peak monthly revenue/median fee) X .8)/(# weekend days) X (percentage of highest producing Pay Station)	So for this lot, we estimate 59 customers will use one Pay Station on a weekend day during the peak month.

Besides the evaluation of Pay Station placement and staffing, we have included other recommendations related to the operations of the lots. These recommendations are based upon our years of experience in providing parking services. At first glance, some of our recommendations may be deemed undoable. There may indeed be legitimate reasons for not implementing a particular recommendation but we urge the Department consider them prior to making any decision on their implementation.

Nicholas Canyon Lot

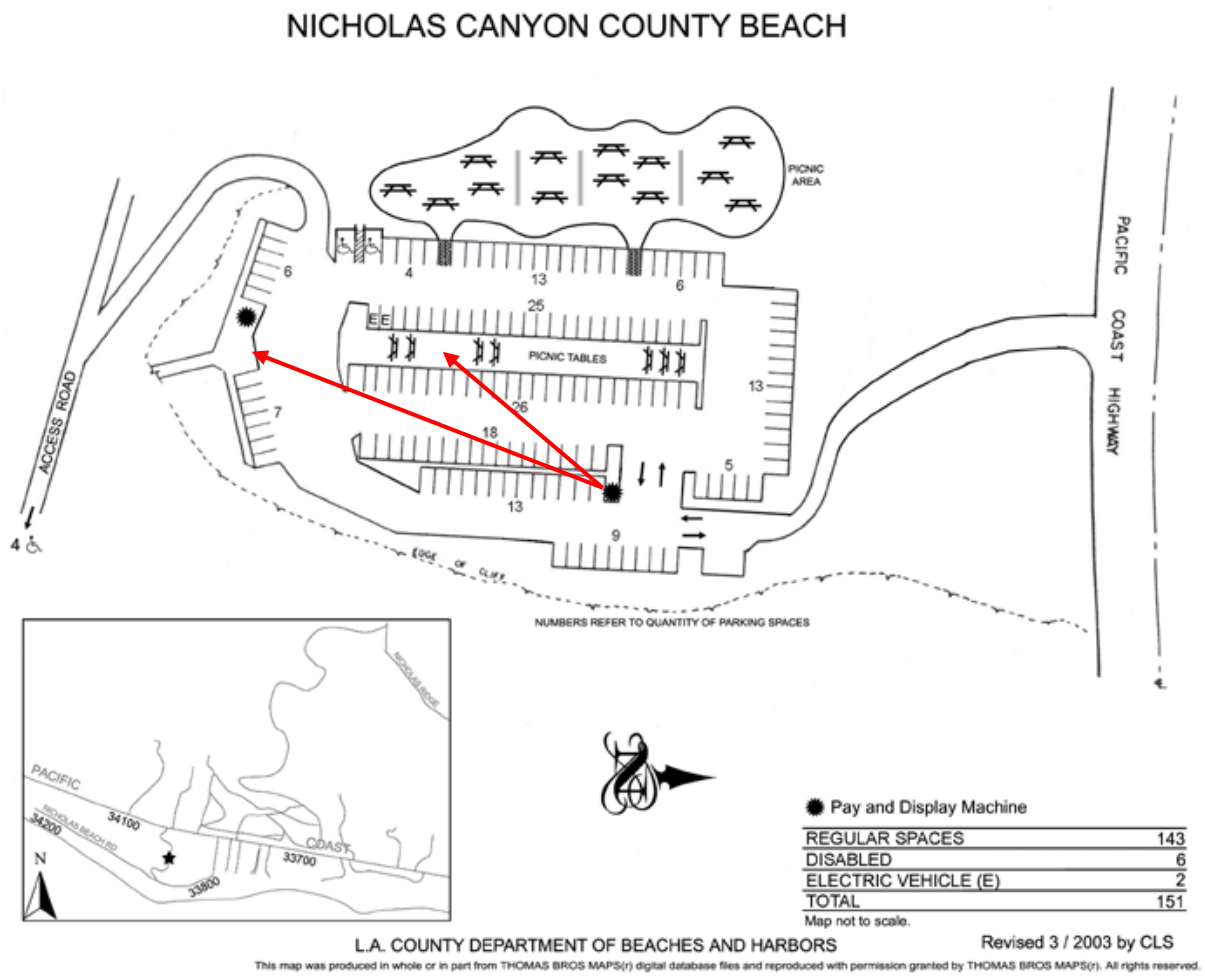
Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	151	
Revenue per Pay Station	#10201 $ 7,200 17% #10202 $34,500 83%	Uneven distribution of revenue
Total for All Pay Stations	$41,700	
Total Collected by Operator	$0	
% Collected by Pay Stations	100%	
% Collected by Operator	0%	
Total Lot Revenue [1]	$41,200	Low volume lot
% of Total Gross Revenue	0.4%	
# Pay Station/Space Ratio	1 per 75	Adequate for this lot
Pay Station Peak Revenue	$8,000 August	
Estimated Peak Customers	59	Two Pay Stations are adequate
Recommendations		

- The volume of business on this lot supports the current "no staffing" mode of operation. It should continue to be unstaffed unless a large event is scheduled for that lot.
- Pay Station #10201 should be re-located. Potential new sites shown on drawing on following page.
- Remove unused equipment from entrance.
- Reposition Pay Station locator signs to better direct customers to nearest Pay Station particularly if #10201 is moved.
- Improve signage at street entrance to inform drivers of lot location.

1) There is a $500 discrepancy between the revenue records for this lot.

Unused equipment at Nicholas Canyon Lot



Staffing

Our recommendations regarding staffing are based upon observed conditions and the records we reviewed. No staffing schedule should ever be considered permanent. Conditions will change over time and the scheduling of personnel must be analyzed regularly and adjusted accordingly. Based upon our assessment, the Department staff has been pro-active in basing the staffing schedule on current conditions and we encourage the Department to continue that practice.

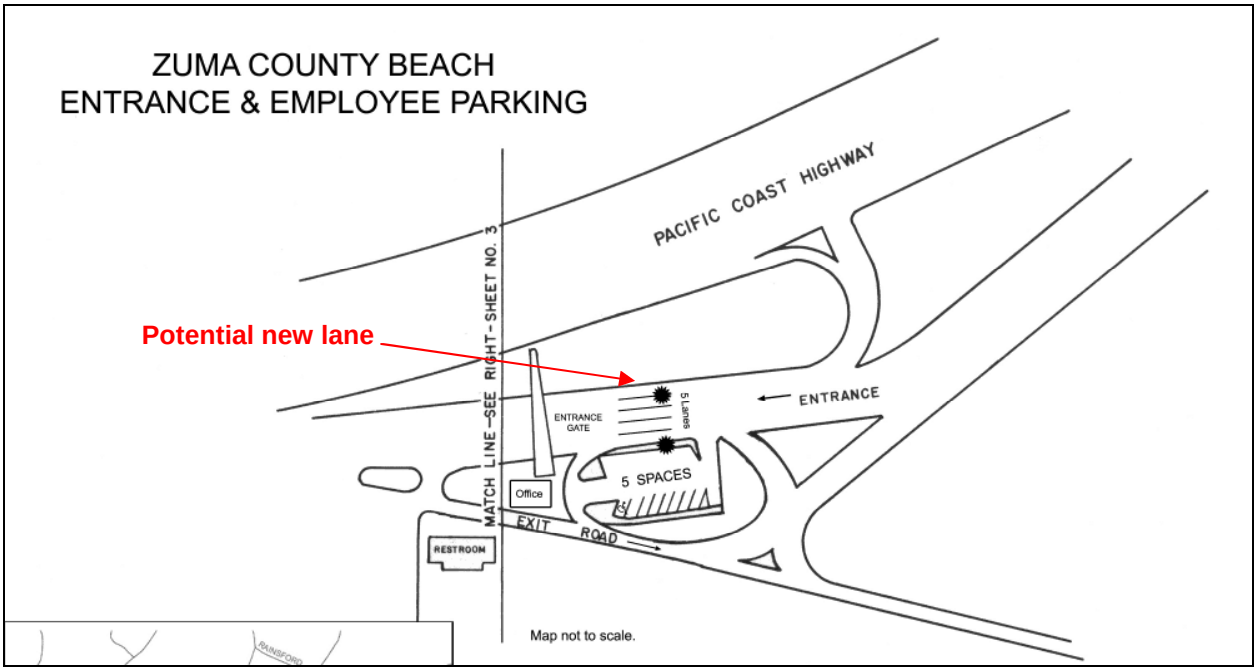
Zuma Lot

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	1,936	
Revenue per Pay Station	#10203 $8,600 58% #10204 $6,300 42%	
Total for All Pay Stations	$14,900	The Pay Stations are only used during early morning and late evening hours
Total Collected by Operator	$1,068,800	Staffing hours vary from 141 to 556 per month
% Collected by Pay Stations	1.4%	
% Collected by Operator	98.6%	We estimate that this lot can attract up to twice its capacity on a July weekend day.
Total Lot Revenue	$1,083,700	Very high volume lot
% of Total Gross Revenue	11.3%	
# Pay Station/Space Ratio	1 per 968	Adequate for this lot
Pay Station Peak Revenue	$2,000 August	
Estimated Peak Customers	10	Two Pay Stations are adequate
Recommendations		

- We recommend the continued use of Operator staff to collect fees during peak periods. To collect parking fees from 4,000 customers on this facility would require about 27 additional Pay Stations. While the Attendants could then be eliminated, staffing for traffic control, enforcement, collection, and equipment maintenance would still be required.
- Based upon our observations, it may be possible to start the staffing 30 minutes later and end the staffing 30 minutes earlier but only during December and January.
- The font size on the exit sign near the booth) is too small. See picture below.
- For those summer dates when capacity crowds are anticipated, schedule sworn Officers with police powers to regulate traffic flow at the entrance to the lot.
- It may be possible to add another lane to the entrance plaza to expedite traffic flow into the lot. See drawing on next page.
- Missing car stops along west side of lot should be replaced. See picture on next page.

Exit sign at Zuma



Missing car stops on Zuma

KIS Replacement

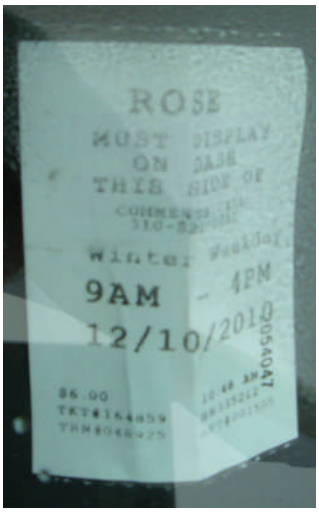
When an Attendant collects a fee, a ticket is generated from the KIS device. The ticket is given to the customer to display in the vehicle. The number of tickets issued is recorded by the unit. A report then can be generated at the end of the shift for revenue reconciliation. The KIS device is limited in its ability to store data.

We recommend testing a handheld computer. Such devices are used by utility companies to record usage data, car rental companies to process returns, car washes to collect fees, and even fast food restaurants to allow ordering at drive-thru lanes. Similar devices are used currently for citation issuance by Department staff. Two firms currently offer the handheld computers with software for parking applications that could be used at the Department's lots. These computers will allow data to be sent to a central computer or downloaded locally. They can also be equipped to accept credit cards, pre-paid permits, even season permits. Having the ability to accept credit cards will enhance revenue control. Being able to generate reports on demand by both the operator and the Department will improve the management of the lots.

Battery longevity in the field may be an issue on a busy day. Battery life will vary with the weather and duration of each transaction but three to six hours is average. Extra batteries can be charged, however, and ready to use if necessary. Processing time can be a few seconds longer for credit cards but the convenience of that service will justify the time.

Zuma would be an ideal testing location for these units.

(Continued on next page)



KIS receipt above

Handheld Computer with receipt printer below

We are aware of two parking equipment vendors that offer a potential hand-held solution for use on the Department lots – T2 Systems and Amano McGann. The descriptions below were taken from the web site of each company. Contact information is provided to assist in acquiring more information.

T2 Systems

"As part of T2 Flex, T2's "PermitNow" event parking solution is ideal for those responsible for managing, coordinating and providing parking for large events. With the event parking functionality, you can enforce staff accountability without sacrificing parker convenience. The easy-to-use handheld software interface requires little to no previous experience – attendances can issue permits and receipts in under eight seconds. And you can accept cash, check, credit and debit card payments. Its complete audit trail means you won't spend time reconciling revenue; you can track parking transactions from every event - minimizing "shrinkage" while increasing revenue."

Contact:
T2 Systems
Wade Bettisworth
317-524-2145
www.t2systems.com

Amano McGann

"*Now you can revolutionize and modernize a traditional cash business, replacing it with fast, efficient automation. The Amano McGann iParcProfessional Event System creates prepaid and credit card options that speed throughput and provide secure revenue management. Reducing cash handling will minimize financial loss and maximize profits. Amano McGann's real-time two-way communications provide the personal touch for processing presales, VIP's and keeping employees in the know. Amano McGann also offers an Internet parking ticket sales module and legacy ticketing system integration options. Gain control of your parking operations with Amano McGann Event today."*

Contact:
Amano McGann
Jeff Becker
314-426-7727 ext. 12
www.amanomcgann.com

Point Dume Lot

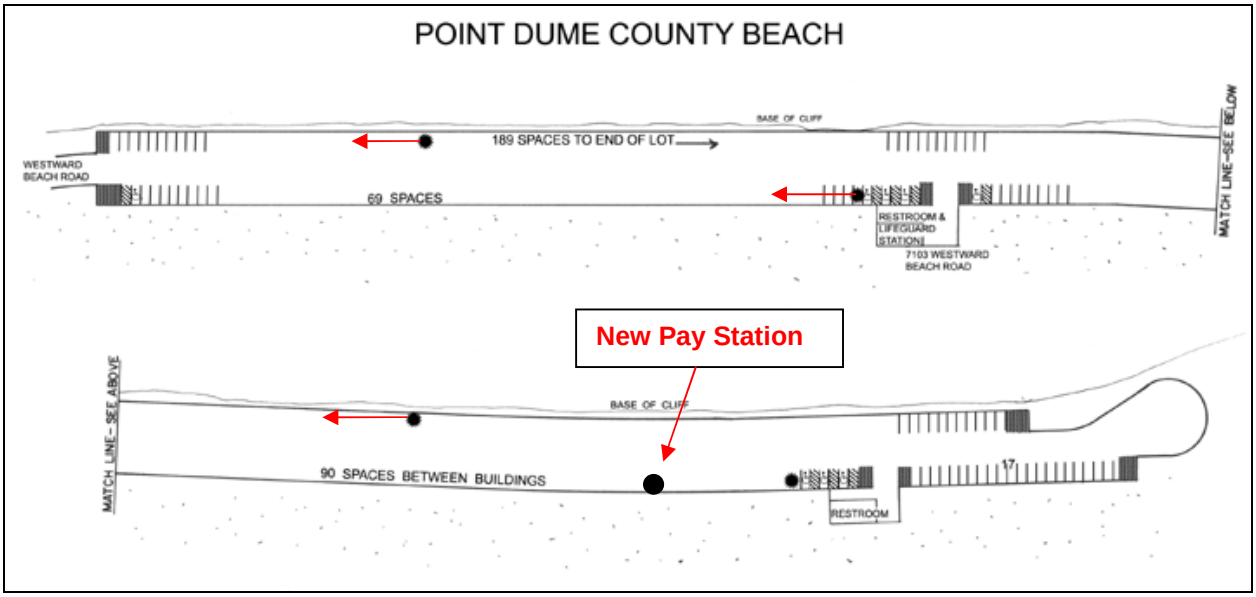
Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	375	
Revenue per Pay Station	#10205 $12,100 28% #10206 $ 6,000 14% #10207 $ 6,500 15% #10208 $18,900 43%	The uneven distribution of revenue is reflective of the demand for parking near each Pay Station.
Total for All Pay Stations	$43,500	
Total Collected by Operator	$412,300	Lot is staffed during peak periods
% Collected by Pay Stations	10%	
% Collected by Operator	90%	
Total Lot Revenue	$455,800	
% of Total Gross Revenue	4.7%	
# Pay Station/Space Ratio	1 per 94	Adequate for this lot
Peak Pay Station Revenue	$6,400 May	
Estimated Peak Customers	31	Four Pay Stations are adequate but five would provide better service by reducing walking distance to the units.

Recommendations

- Current staffing schedule needs no modifications at this time.
- We recommend the addition of 1 Pay Station to be located towards the far end of the lot. Potential site is noted on next page. Other Pay Stations are generally well-positioned for this lot but could be moved as illustrated on the next page if the additional Pay Station is added.
- Lot surface needs crack sealing.
- We experienced the loss of cell phone reception on areas of this lot.
- Examine possibility of eliminating parking along curb on street leading to the lot. Street is narrow and on-street parking creates a traffic issue.
- This lot would be an ideal location to test shelters for Pay Stations. See next page.

Point Dume Lot



Typical Pay Station Shelter

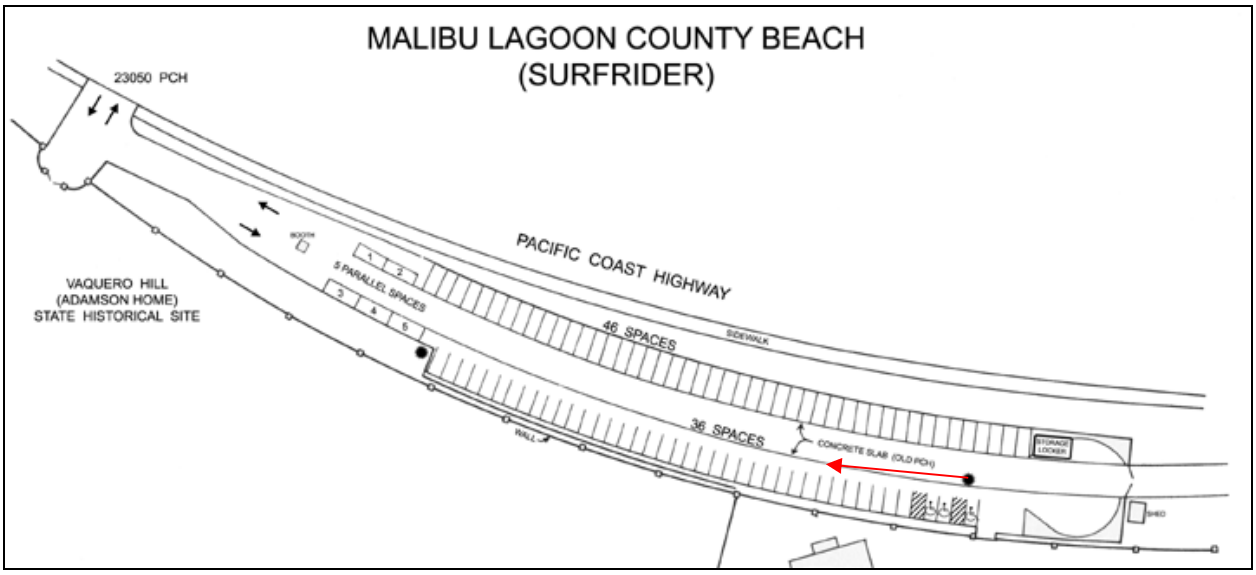
A Pay Station shelter is manufactured by several companies. The size can be made to accommodate the equipment purchase. The shelters provide some protection to the Pay Stations from the elements especially sand and rain. They also can also help identify the location of the Pay Stations and allow for placement of notices and/or instructions. For any shelter ordered by the Department, it is important to request a transparent dome so adequate sunlight will reach the solar panels on the Pay Stations. Since one side of the shelter is opened, there are no accessibility issues. Appendix A has a list of shelter manufacturers and some sample specifications.

Surfrider (Malibu Lagoon) Lot

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	90	
Revenue per Pay Station	#10209 $25,500 59% #10210 $17,500 41%	Revenue distribution is reasonable but may be improved by re-locating #10210. See drawing below.
Total for All Pay Stations	$43,000	
Total Collected by Operator	$125,700	Lot staffed primarily during peak months
% Collected by Pay Stations	25%	
% Collected by Operator	75%	
Total Lot Revenue	$168,700	
% of Total Gross Revenue	1.8%	
# Pay Station/Space Ratio	1 per 45 spaces	
Peak Pay Station Revenue	$9,400 July	
Estimated Peak Customers	50	No additional Pay Stations required
Recommendations		

- Staffing schedule is appropriate at this time.
- Move south Pay Station as shown below.
- Entrance could use better signage to identify parking availability. See Appendix B.



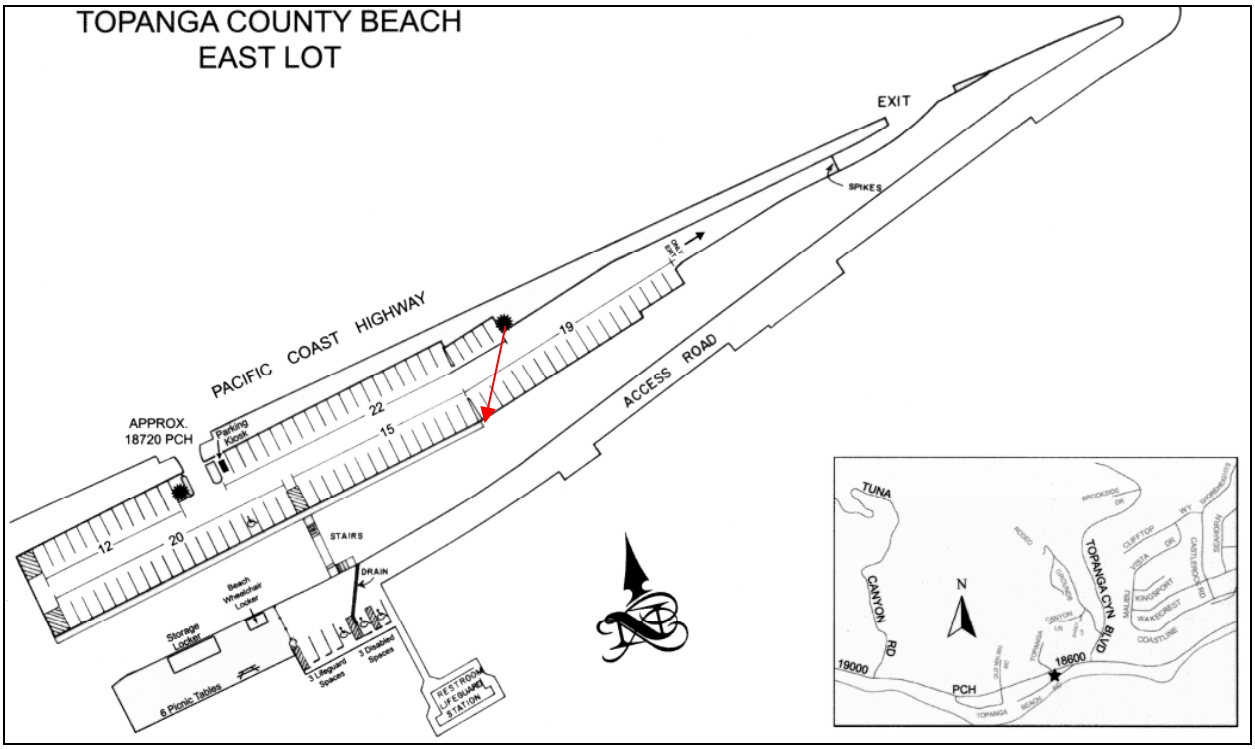
Topanga Beach Lot

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	96 (East section only)	West section not included
Revenue per Pay Station	#10211 $14,000 63% #10212 $ 8,200 37%	Uneven distribution of revenue collection
Total for All Pay Stations	$22,200	
Total Collected by Operator	$46,500	
% Collected by Pay Stations	32%	
% Collected by Operator	68%	Only staffed May-September
Total Lot Revenue	$68,700	
% of Total Gross Revenue	0.7%	
# Pay Station/Space Ratio	1 per 48 spaces	Adequate number of Pay Stations
Peak Pay Station Revenue	$3,500 July	
Estimated Peak Customers	20	
Recommendations		

- Pay Station # 10212 should be moved to encourage more use. See drawing on next page.
- On-street parking is a traffic hazard when leaving lot. Contact local authorities to eliminate parking near the exit.
- May be able to reduce staffing in last half of September.
- The location of Pay Stations creates an inconvenience for those who use the access drive to park at one of the three the ADA-compliant spaces at the bottom of the hill. Installing a Pay Station at that location would not be cost effective. We suggest either waiving the weekend/holiday fee at that location or installing a single space meter that accepts coins and credit cards to collect fees on weekends and holidays.

Topanga Beach Lot



Pay Station Relocation

At many lots, we recommend relocating a Pay Station. These recommendations are based upon the revenue records we reviewed, our observations, and their current location. By relocating the units, it is our goal to reduce walking time for the customers and better distribute the usage of the units. We realize that relocating may involve a cost and/or a loss of a parking space. We also acknowledge that our observations took place during the non-peak period so we did not see peak usage. Furthermore, we did not investigate the potential of an easement and/or underground condition that would prohibit the installation of a Pay Station at a particular location. Therefore, the relocation of the units should be re-examined by the Department prior to any implementation. Also, in most instances, we suggest waiting until the new Pay Stations are installed before relocating.

When the new Pay Stations are installed, it would be an ideal time to look at the safety of the area around the site. Protective bollards and/or guardrails may be necessary to protect customers while paying.

Parking Revenue Control

In our evaluation, revenue control can be improved. Our understanding is that the revenue collected by the attendants is reconciled to the number of tickets issued by the KIS unit. The revenue collected by the Pay Stations is compared to the reports generated by the units. The revenue is then deposited. The bank confirms the amount of the deposits and the Department verifies the deposit records to the bank statements. The Department also confirms the monthly reports generated by the operator. A weakness we observed is that the current revenue control process assumes the attendant reports each sale. Enforcement personnel patrolling the lots will issue a citation to a vehicle without a valid permit so attendants risk dismissal when they do not issue a KIS ticket. The patrols, however, are too infrequent for revenue control purposes and they do not prevent collusion. Without any verification of the number of vehicles that actually paid to park in a lot, the current process can be exploited. Furthermore, the revenue deposited by the operator may or may not reflect the amount turned in by the attendants.

Let us clearly state that we observed no evidence of any misappropriation by any person or entity. We only observed opportunities for revenue diversion.

Theft of parking revenue requires both motivation and opportunity. While the Department has few occasions to influence an employee's motivation to steal, it can take steps to reduce the opportunities. Here are some recommended steps:

- Repair and utilize the in-ground counters - Businesses check their inventory to verify sales. If a store places 10 items on the shelf for sale and the next inventory reveals four remaining, the sales records should reflect six transactions of that item. If the sales records show only five sales, it is an indication that one item may have been stolen. In the parking business, counters provide the inventory. The counter readings can be compared to the number of KIS tickets issued and entries on the sign-in log. "Using only the number of receipts issued to calculate revenue is NOT sufficient. Just because a Cashier issued 187 receipts does not indicate that only 187 vehicles entered that facility. Some other comparison must be made to verify the number of receipts."[2] It is critical to know how many vehicles entered a lot so the attendant can be held accountable for those vehicles. Counters provide a valuable indicator of potential revenue diversion. In-ground counters are not perfect. A 1% variance is normal even after the loops are adjusted to reduce counting items such as bicycles and strollers. Just knowing that someone is looking at the counter readings, however, provides an effective deterrent.

Continued on next page

[2] Parking Revenue Control and Auditing: A CAPP Perspective (2009 edition) Page 74

We recommend starting with two smaller lots. First, the loops should be tested for shorts and repaired if needed. The loop detectors should be tuned to count most cars and not bicycles, carts, etc. The counters should be non-resettable. Attendants should be instructed not to allow cars to wait on the loop while another vehicle pulls up over the loop at the same time. It may be necessary to test the counters by observing them as vehicles pass over the loop. Once operational, readings should be taken at the start and ending of every shift. The number of tickets combined with any vehicle listed on the sign-in list should be compared to the counter difference. If the counters are truly faulty, replace the counter system. Expand the checks to other lots.

- As an alternative to the counters, station a video recording device to capture the entry lane activity for an hour or two. Then conduct a spot audit on the attendant. This should be done randomly. When attendants know that audit procedures are in place, they are less likely to divert revenue for personal use.

- The Department can exercise its right to inspect KIS and Pay Station reports on occasions and compare them to the revenue reported.

- The use of credit cards should be encouraged. That is why we have recommended replacing some single and dual-space meters with Pay Stations and replacing the KIS units.

- Conduct spot inspections with operator supervisor.

Washington Blvd. Lot

Will Rogers Lot (Section #5)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	21	
Revenue per Pay Station	#10213 $18,700 100%	Only 1 Pay Station on this lot
Total for All Pay Stations	$18,700	
Total Collected by Operator	$0	No staffing for this lot
% Collected by Pay Stations	100%	
% Collected by Operator	0%	
Total Lot Revenue [1]	$19,000	
% of Total Gross Revenue	0.2%	
# Pay Station/Space Ratio	1 per 21	Adequate for this lot
Peak Pay Station Revenue	$4,900 August	
Estimated Peak Customers	37	
Recommendations		

- The Pay Station only mode is appropriate for nearly every day. Staffing is not required unless a major event is scheduled near the lot.
- Location of existing Pay Station is good.
- Remove unused parking equipment from entrance.
- Improved signage at entrance may increase patronage. See Appendix B.

1. There is a $300 discrepancy between Department records.

Will Rogers Lot #5

Will Rogers Lot (Sections #2W, #2E, & #3)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	1,449	
Revenue per Pay Station	#10214 $12,600 63% #10215 $ 7,300 37%	One unit receives twice the amount of the other but relocation is not appropriate at the entrance
Total for All Pay Stations	$19,900	Pay Stations only used during non-staffed hours
Total Collected by Operator	$956,200	Lot is staffed during peak periods
% Collected by Pay Stations	2%	
% Collected by Operator	98%	
Total Lot Revenue	$976,100	
% of Total Gross Revenue	10.2%	
# Pay Station/Space Ratio	1 per 725	Adequate for this lot
Peak Pay Station Revenue	$3,100 March	
Estimated Peak Customers	21	
Recommendations		

- Current staffing schedule needs no modifications.
- Posting a rate sign at the entrance near the street may reduce the number of vehicles that enter the entrance plaza and then exit as they approach the booth.
- Re-paint barrier poles along PCH. See picture below.
- Have a Traffic Engineer suggest ways to improve visibility of barrier cables along PCH in accordance with local standards.

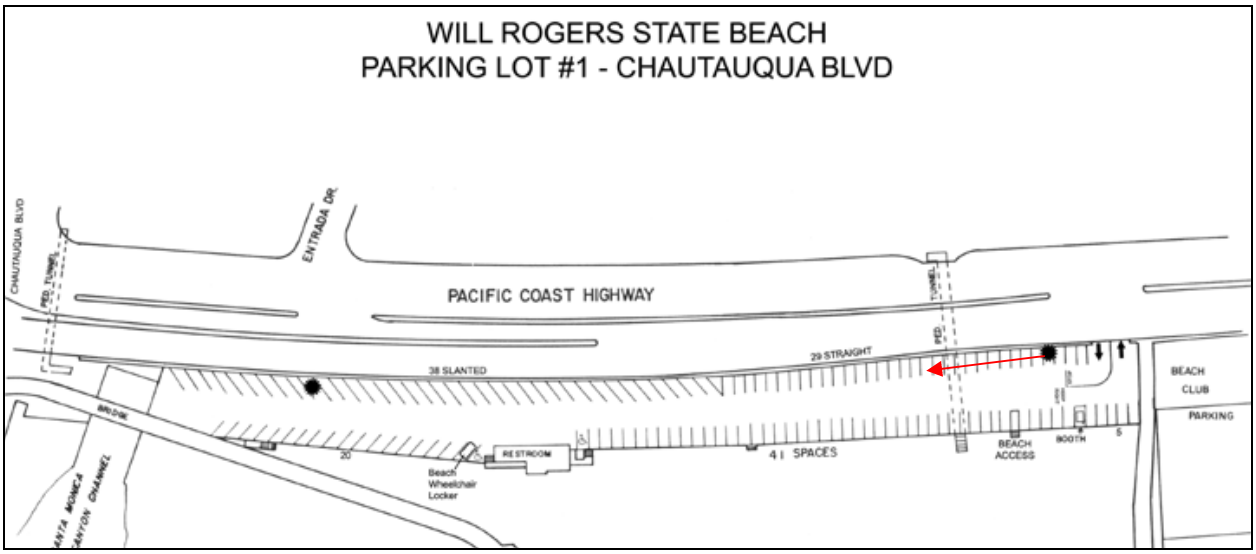
Will Rogers Lot

Will Rogers Lot (Section #1)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	95	
Revenue per Pay Station	#10216 $39,500 52% #10217 $35,400 48%	Collection almost even
Total for All Pay Stations	$74,900	
Total Collected by Operator	$53,700	
% Collected by Pay Stations	58%	Higher than many locations
% Collected by Operator	42%	
Total Lot Revenue	$128,600	
% of Total Gross Revenue	1.3%	
# Pay Station/Space Ratio	1 per 47 spaces	Adequate for now but may need another if patronage increases
Peak Pay Station Revenue	$12,400 August	
Estimated Peak Customers	47	
Recommendations		

- The low percentage of revenue collected by Operator (42%) may be an indicator that more staffing is required in peak months. The Pay Stations may be getting too much business so more staffing may be necessary. In many lots that are staffed as needed, the percentage of total revenue collected by the Operator is greater than the percentage collected by the Pay Stations. At Topanga, the Operator collects 68% and at Surfrider it is 75%. Utilization of Pay Stations should be monitored this summer and staffing adjustments made in future if warranted.
- For greater customer convenience, relocate Pay Station #10217 as shown on drawing on the following page.
- The cable barrier poles and cables are in better condition than in the previous lot but the cable is very difficult to see. See picture on following page. Have a Traffic Engineer suggest ways to improve visibility of barrier cables along PCH in accordance with local standards.



Picture showing near invisibility of barrier cable

Rose Avenue Lot (Venice Beach)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	288	
Revenue per Pay Station	#20118 $15,400 100%	Only 1 Pay Station at entrance
Total for All Pay Stations	$15,400	
Total Collected by Operator	$707,700	Cost-effective use of staffing
% Collected by Pay Stations	2%	
% Collected by Operator	98%	
Total Lot Revenue	$723,100	
% of Total Gross Revenue	7.6%	
# Pay Station/Space Ratio	1 per 288 spaces	Adequate for this location
Peak Pay Station Revenue	$3,400 April	Unusual month for peak user of Pay Station
Estimated Peak Customers	42	
Recommendations		

- There is little room to stop non-customers from entering. The rate sign is close to the booth and difficult to see with the sign clutter and pedestrian traffic. A larger rate sign closer to the sidewalk may reduce the number of turn-around vehicles.
- The high volume of customers and the unique personalities of many customers mandate staffing. The fact that April has the greatest use of the Pay Station may indicate a need to increase staffing during that month.

Employees

We encountered and/or observed a number of employees (Department and Operator) during our visits to the lots. Many of the Department employees were maintenance/cleaning personnel attending to the lots. They appeared to be performing their assigned duties and were not engaged in any non-productive activity. We also observed several encounters between customers and Parking Division staff members. In those instances, the staff members displayed a professional demeanor. The Operator employees were polite and responded to general informational questions. In nearly every instance, they followed normal procedures concerning entry of a non-paying customer. The only exception was the Operator employee on duty at Zuma on the morning of Saturday December 11th. That employee did deem it necessary for me to sign-in after he inspected my permit and I explained the nature of my visit.

Venice Blvd. Lot (Venice Beach)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	352	
Revenue per Pay Station	#20119 $9,400 100%	Only 1 Pay Station at entrance
Total for All Pay Stations	$9,400	
Total Collected by Operator	$1,448,000	Cost-effective use of staffing
% Collected by Pay Stations	0.6%	
% Collected by Operator	99.4%	
Total Lot Revenue	$1,457,400	
% of Total Gross Revenue	15.2%	
# Pay Station/Space Ratio	1 per 352 spaces	Adequate for this location
Peak Pay Station Revenue	$4,100 April	Unusual month for peak user of Pay Station. December generated less than $100
Estimated Peak Customers	51	
Recommendations		

- The booth where the Attendant is stationed is set back from the street requiring cars to enter the lot without a good option to turn around if driver does not intend to park. A larger rate sign closer to the sidewalk may reduce the number of turn-around vehicles.
- The high volume of customers and the unique personalities of many customers mandate staffing. The fact that April has the greatest use of the Pay Station may indicate a need to increase staffing during that month.

Entrance to Venice Blvd. Lot

Washington Blvd. Lot (Venice Beach)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	380	
Revenue per Pay Station	N/A	No Pay Station
Total for All Pay Stations	$0	
Total Collected by Operator	$1,357,900	
% Collected by Pay Stations	0%	
% Collected by Operator	100%	
Total Lot Revenue	$1,357,900	
% of Total Gross Revenue	14.2%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

- There is little room to stop non-customers from entering. A larger rate sign closer to the sidewalk may reduce the number of turn-around vehicles.
- The high volume of customers and the unique personalities of many customers mandate staffing. No changes in staffing level necessary.
- Remove gate and key entry pedestal at entrance to lot.

Adjudication

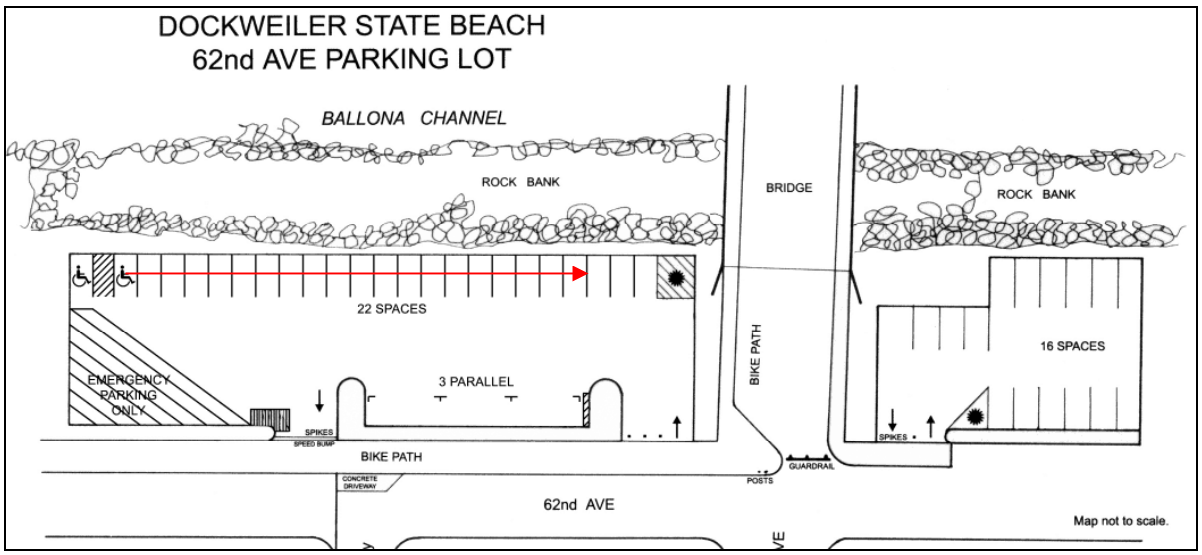
Last year, 2,732 citations (13.5% of total) were sent to the Department for appeal. The individual who determines the validity of those citations is the same individual responsible for the enforcement personnel. While this process is not a formal court hearing, some members of the public could perceive it as illegal or, at a minimum, lacking impartiality. We encourage the Department to review their adjudication process and determine if the current procedure is legal and fair to all parties.

Dockweiler (62nd Street Section)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	43	
Revenue per Pay Station	#30246 $26,500 83% #30247 $ 5,200 17%	One Pay Station in West area and one in East area. The East area is often closed during non-peak periods.
Total for All Pay Stations	$31,500	
Total Collected by Operator	$0	No staffing for this lot
% Collected by Pay Stations	100%	
% Collected by Operator	0%	
Total Lot Revenue [1]	$31,600	
% of Total Gross Revenue	0.3%	
# Pay Station/Space Ratio	1 per 22 spaces	Adequate
Peak Pay Station Revenue	$5,700 August	
Estimated Peak Customers	42	
Recommendations		

- No staffing required unless for special event.
- While the location of the Pay Stations appears to provide adequate service, the one in the West area is at the opposite end of the ADA-compliant parking spaces. Relocating the spaces adjacent to the Pay Stations may provide better accessibility. See drawing below.



Dockweiler Lot (Sections #1, #2, #3, RV Campground)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	1,360	Includes RV campground
Revenue per Pay Station	N/A	No Pay Stations
Total for All Pay Stations	$0	
Total Collected by Operator	$1,111,200	Part of this revenue is from RV's that park in a designated section of this lot.
% Collected by Pay Stations	0%	
% Collected by Operator	100%	
Total Lot Revenue	$1,111,200	During our observations, the number of RV's exceeded the number of automobiles.
% of Total Gross Revenue	11.6%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

- Staffing is very critical at this location. Vehicles must initially be sorted by type. RV's are directed to a designed lot where they are processed by other staff members. Automobiles are charged the appropriate fee and directed to other sections of the lot. We do not recommend any staffing modifications.

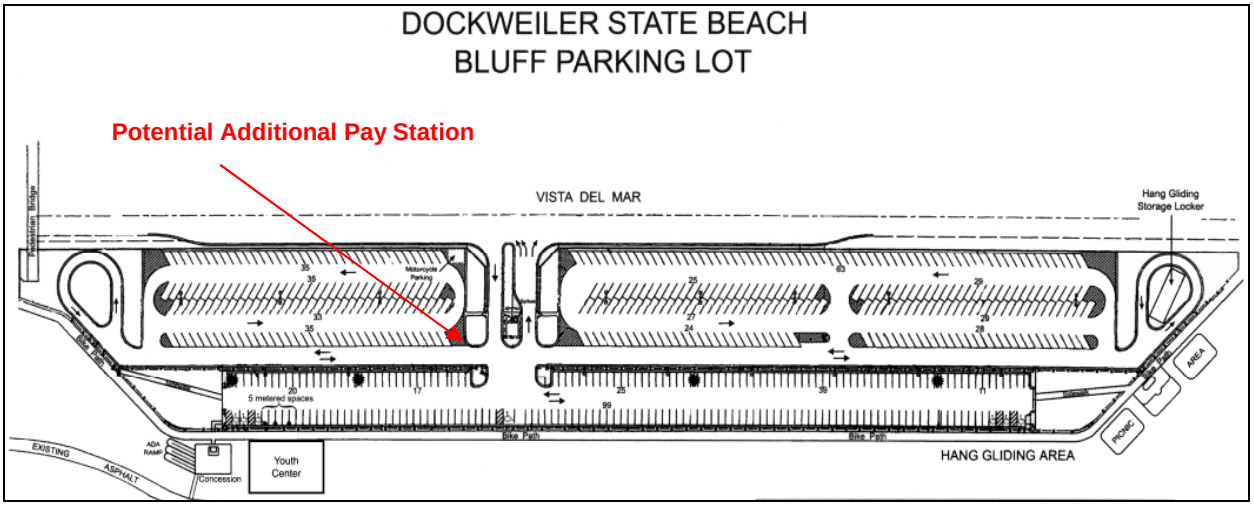
Main Entrance to Dockweiler Lot

Dockweiler (Bluff Section)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	583	
Revenue per Pay Station	#30421 $23,800 30% #30422 $30,000 38% #30423 $16,000 20% #30424 $ 9,400 12%	Pay Stations closest to Youth Center receive more revenue.
Total for All Pay Stations	$79,200	
Total Collected by Operator	$105,000	
% Collected by Pay Stations	43%	High percentage when compared to other facilities with peak-demand staffing
% Collected by Operator	57%	
Total Lot Revenue	$184,200	
% of Total Gross Revenue	1.9%	
# Pay Station/Space Ratio	1 per 146 spaces	
Peak Pay Station Revenue	$14,100 August	
Estimated Peak Customers	48	
Recommendations		

- This lot has a high ratio of Pay Stations to spaces but most of the parking activity is concentrated on the western section of the lot so no changes are needed at this time. The opening of the Youth Center has impacted usage of this lot. The Pay Stations closest to that building receive a larger percentage of revenue. This lot may need an additional Pay Station in the future if patronage increases. If one is installed in the future, a potential site is identified below.
- No changes in staffing needed.

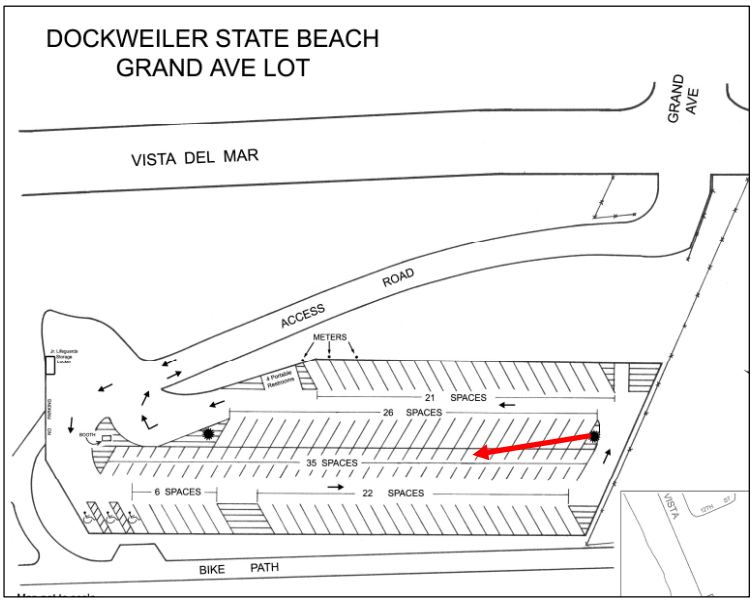


Dockweiler Lot (Grand Avenue Section)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	113	
Revenue per Pay Station	#30225 $41,000 63% #30226 $24,300 37%	Uneven collections
Total for All Pay Stations	$65,300	
Total Collected by Operator	$42,100	
% Collected by Pay Stations	61%	
% Collected by Operator	39%	
Total Lot Revenue	$107,400	
% of Total Gross Revenue	1.1%	
# Pay Station/Space Ratio	1 per 57 spaces	
Peak Pay Station Revenue	$10,900 August	
Estimated Peak Customers	61	
Recommendations		

- One Pay Station collects twice as much revenue as the other. We recommend moving the least used Pay Station closer to the center of the lot if a suitable location is available.
- No staffing changes are necessary.



Torrance Lot

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	334	
Revenue per Pay Station	#30427 $13,600 21% #30428 $19,300 30% #30429 $20,300 32% #30430 $10,800 17%	The three units in the North area have a good collection distribution
Total for All Pay Stations	$64,000	
Total Collected by Operator	$96,600	
% Collected by Pay Stations	40%	
% Collected by Operator	60%	
Total Lot Revenue	$160,600	
% of Total Gross Revenue	1.7%	
# Pay Station/Space Ratio	1 per 84 spaces	
Peak Pay Station Revenue	$14,500 August	
Estimated Peak Customers	62	
Recommendations		

- Location and quantity of Pay Stations good.
- No staffing changes are deemed necessary.

Pay Station Maintenance on Torrance Lot

White Point/Royal Palms Lot

Our analysis and recommendations for this lot are summarized below.

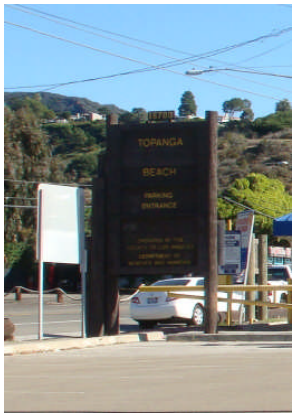
Lot Factors	Data	Comments
# Spaces	191	Includes 37 metered spaces in Bluff area
Revenue per Pay Station	#30231 $10,600 41% #30232 $15,400 59%	
Total for All Pay Stations	$26,000	This lot receives more coins than any other
Total Collected by Operator	$157,000	
% Collected by Pay Stations	14%	
% Collected by Operator	86%	
Total Lot Revenue	$183,000	
% of Total Gross Revenue	1.9%	
# Pay Station/Space Ratio	1 per 77 spaces	Lot is narrow and distance between Pay Stations is a concern
Peak Pay Station Revenue	$4,400 April	
Estimated Peak Customers	53	
Recommendations		

- Pay Stations at this lot are good candidates for testing shelters.
- Replace the single/dual meters with a Pay Station in the Bluff area.
- Add another Pay Station and relocate existing ones to reduce distance to unit for customers. See picture below. This may allow a slight reduction in staffing hours.

Overhead View of White Point/Royal Palms

Signage

Most of the lots within the Marina have similar signage. The beach lots do not have any uniformity in appearance. At some beach lots, there is little to alert customers of the entrance to the lot. At other lots, there is far too much information at the entrance. We realize that signs are necessary to inform customers of important rules and regulations but in many instances, the driver cannot read the message due to the font size or a lack of entry time. The current Pay Stations also have an excessive amount of signage. (We counted some units with 8 separate notices.). We recommend a review of the signage used on the lots. The beach lots should have an identifying theme (color, font, shape) that will be recognized by the customers. Language for notices should be identical whenever possible. Some suggestions for signs are on Appendix B.



Marina Lot #1 (Fisherman's Village)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	500	
Revenue per Pay Station	N/A	No Pay Stations – Hourly parking only with daily maximum
Total for All Pay Stations	$0	
Total Collected by Operator	$356,200	
% Collected by Pay Stations	0%	
% Collected by Operator	100%	
Total Lot Revenue	$356,200	
% of Total Gross Revenue	3.7%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

- This lot serves a retail/restaurant area of the Marina. The operation of the lot is unique for the Department. The rate structure is $3 per hour with a $10 maximum and uses pay-upon-exit with an attendant. This results in a high level of staffing. Based upon our winter season observations, it may be possible to install 8-9 Pay Stations and reduce the staffing during the winter weekday days. At this time, we offer this only as a concept that will require more study. The input of the tenants and more detail data regarding expenses related to this lot would be necessary prior to making any final decision.
- Consider accepting credit cards at this location to reduce the amount of cash.

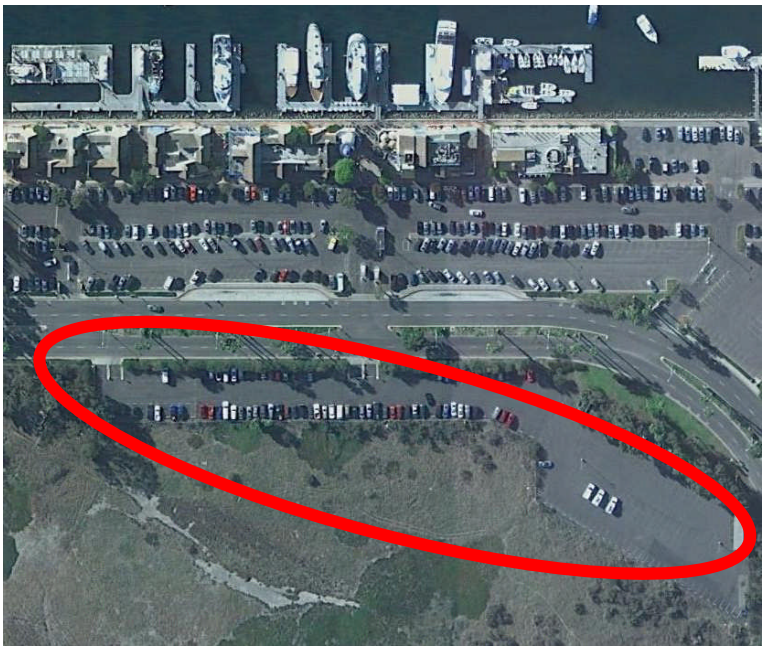
Marina Lot #1 Entrance

Marina Fisherman's Village Overflow Lot (Parcel 56)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	254	
Revenue per Pay Station	N/A	Lot offers parking with no fee to users
Total for All Pay Stations	$0	
Total Collected by Operator	$0	
% Collected by Pay Stations	0%	
% Collected by Operator	0%	
Total Lot Revenue	$0	
% of Total Gross Revenue	0%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

- Based upon our observations and the picture below, there is some demand for parking on this lot. Our understanding is that the lot cannot be used for daily paid parking. If the usage restrictions are removed in the future, the installation of two Pay Stations with a lower rate than Lot #1 could generate additional revenue for the Department.



Overhead View of Overflow Lot

Marina Lot #2 (Boat Launch)

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	234	Most spaces will accommodate cars with boat trailers
Revenue per Pay Station	#30233 $18,200 24% #30234 $67,500 76%	
Total for All Pay Stations	$75,300	
Total Collected by Operator	$67,500	
% Collected by Pay Stations	52%	
% Collected by Operator	48%	Staffing use only for peak periods
Total Lot Revenue	$142,800	
% of Total Gross Revenue	1.5%	
# Pay Station/Space Ratio	1 per 117 spaces	
Peak Pay Station Revenue	$7,000 October	Boat lane only
Estimated Peak Customers	80	Boat lane only
Recommendations		

- The signage directing customers to the correct lane has poor contrast. The yellow arrows are difficult to see on the light blue background. Also, a trash can prevents customers from reading some signage. See picture below.
- We recommend programming new Pay Stations with both rates all lanes can be used by any customer allowing for better input flow during peak periods.
- Staffing should continue to be used as currently scheduled.

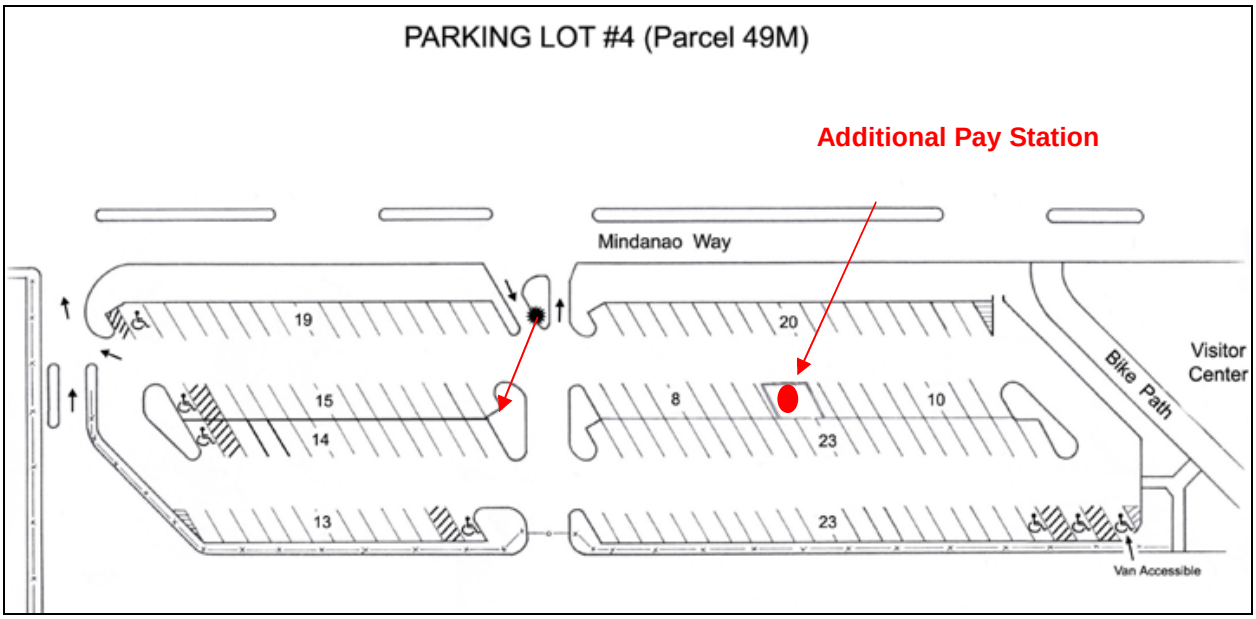
Entrance to Lot #2

Marina Lot #4

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	152	
Revenue per Pay Station	#40135 $34,500 100%	1 Pay Station at entrance
Total for All Pay Stations	$34,500	
Total Collected by Operator	$18,000	Staffing only used in peak summer months on limited days
% Collected by Pay Stations	66%	
% Collected by Operator	34%	
Total Lot Revenue	$52,500	
% of Total Gross Revenue	0.5%	
# Pay Station/Space Ratio	1 per 152 spaces	Ratio is a little high for this location
Peak Pay Station Revenue	$5,600 August	
Estimated Peak Customers	50	
Recommendations		

- Relocate Pay Station to lot interior and add another one. The amount of revenue collected by the one Pay Station and the high ratio of Pay Station to spaces justify the additional unit. See drawing below.
- Continue using operator staff for peak periods.
- Remove "Sorry Lot Full" sign adjacent to drive that abuts Lot #2.

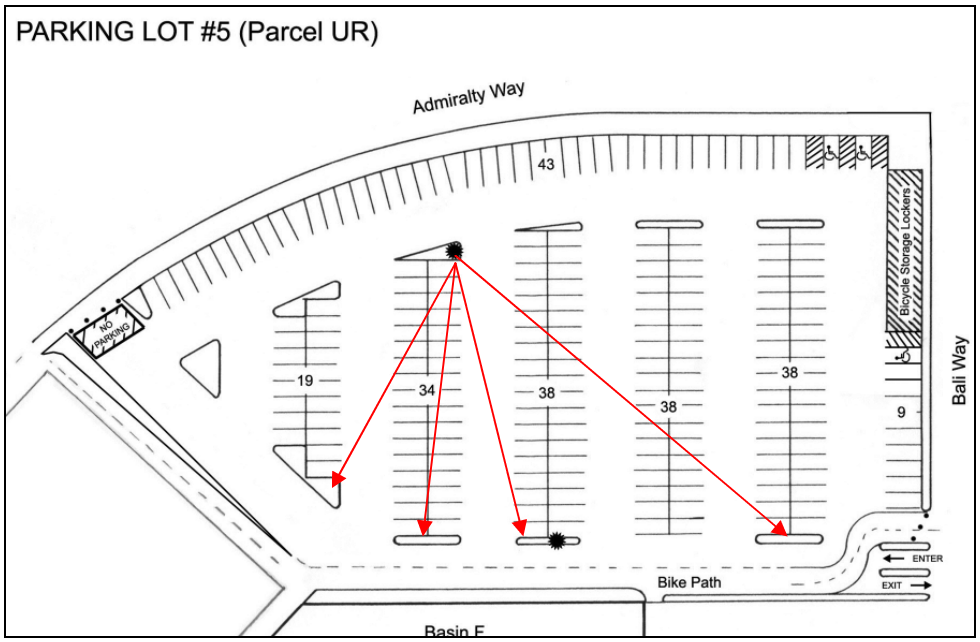


Marina Lot #5

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	222	
Revenue per Pay Station	#40236 $19,300 98% #40237 $ 300 2%	Uneven distribution of usage
Total for All Pay Stations	$19,600	
Total Collected by Operator	$10,200	
% Collected by Pay Stations	65%	
% Collected by Operator	35%	
Total Lot Revenue	$29,800	
% of Total Gross Revenue	0.3%	
# Pay Station/Space Ratio	1 per 111 spaces	Slightly higher ratio but total usage is too low to justify another unit
Peak Pay Station Revenue	$3,400 June	
Estimated Peak Customers	48	
Recommendations		

- Pay Station #40237 should be re-located. If usage does not increase, it should be removed. See drawing below for possible relocation positions.
- No changes to staffing required.

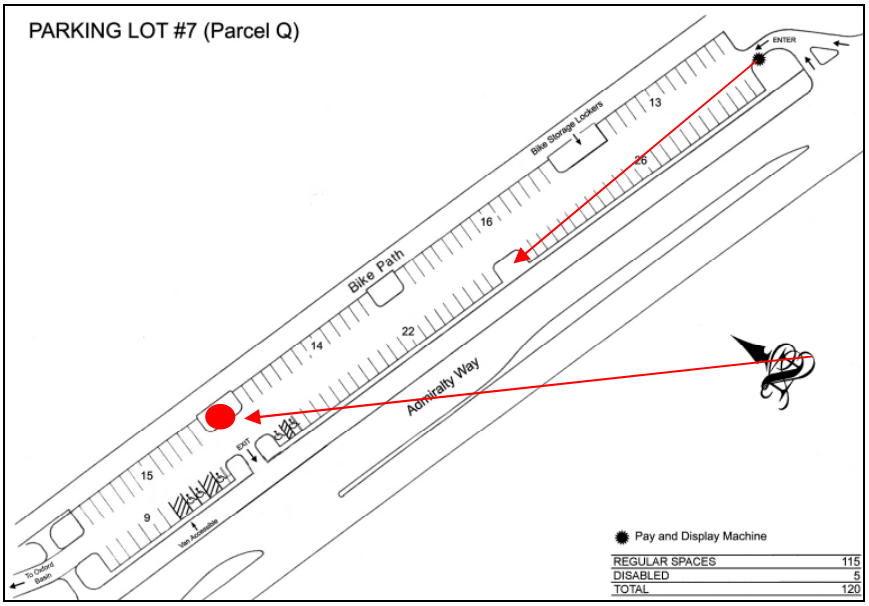


Marina Lot #7

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	120	
Revenue per Pay Station	#40138 $49,600 100%	1 Pay Station at entrance
Total for All Pay Stations	$49,600	
Total Collected by Operator	$1,300	
% Collected by Pay Stations	97%	
% Collected by Operator	3%	Very minimal staffing
Total Lot Revenue	$50,900	
% of Total Gross Revenue	0.5%	
# Pay Station/Space Ratio	1 per 120 spaces	
Peak Pay Station Revenue	$10,400 August	
Estimated Peak Customers	104	High number
Recommendations		

- Relocate Pay Station from entrance and add another Pay Station. The amount of revenue collected by the one Pay Station and the high ratio of Pay Station to spaces justify the additional unit. See drawing below.
- Remove gate from entrance
- Eliminate staffing unless necessary for a major event



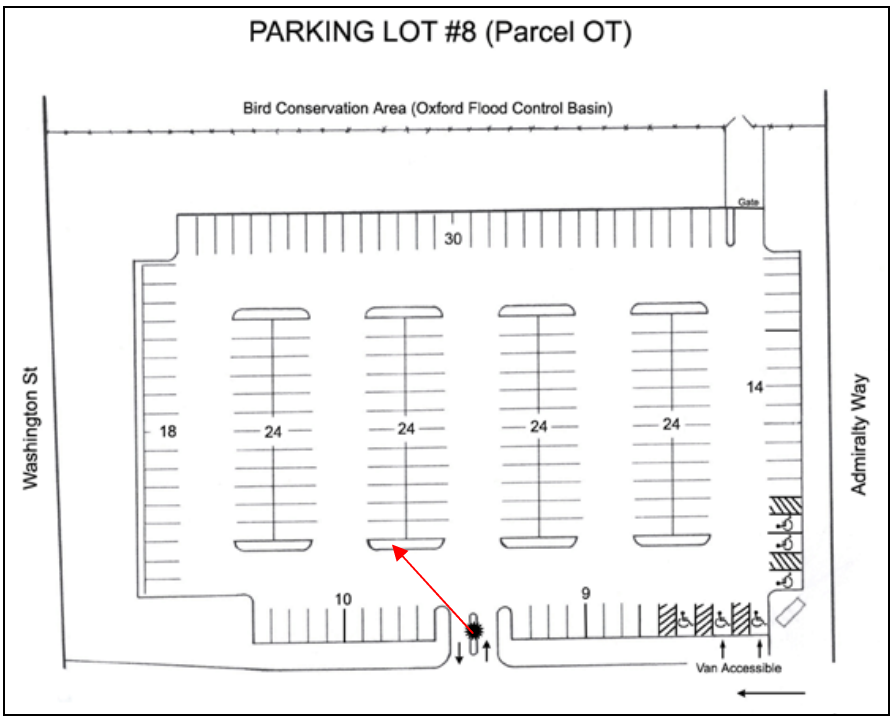
Additional Pay Station

Marina Lot # 8

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	183	
Revenue per Pay Station	#40139 $23,300 100%	1 Pay Station at entrance
Total for All Pay Stations	$23,300	
Total Collected by Operator	$1,100	
% Collected by Pay Stations	95%	
% Collected by Operator	5%	Minimum staffing
Total Lot Revenue	$24,400	
% of Total Gross Revenue	0.3%	
# Pay Station/Space Ratio	1 per 183 spaces	High ratio but lot has low volume
Peak Pay Station Revenue	$3,100 May	
Estimated Peak Customers	33	
Recommendations		

- Relocate Pay Station from entrance. See drawing below for suggested location.
- Eliminate staffing unless necessary for a major event

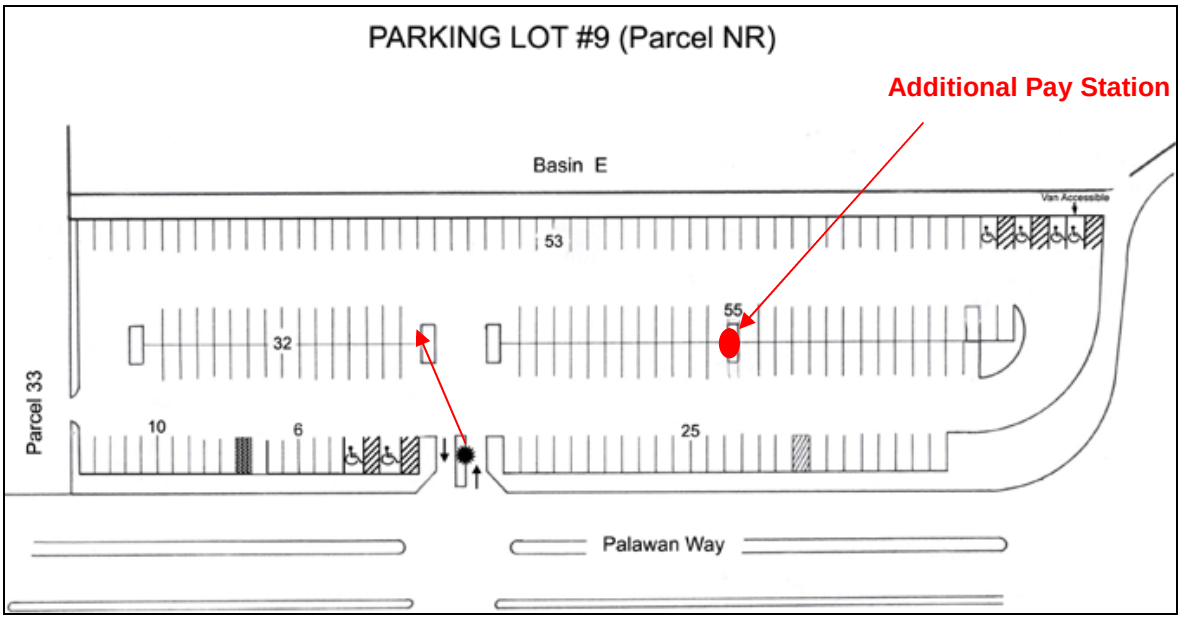


Marina Lot #9

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	187	
Revenue per Pay Station	#40140 $45,400 100%	
Total for All Pay Stations	$45,400	New short-term rates recently implemented
Total Collected by Operator	$5,700	
% Collected by Pay Stations	89%	
% Collected by Operator	11%	Little staffing scheduled
Total Lot Revenue	$51,100	
% of Total Gross Revenue	0.5%	
# Pay Station/Space Ratio	1 per 187 spaces	
Peak Pay Station Revenue	$6,900 August	
Estimated Peak Customers	79	Business could increase if adjacent restaurant re-opens
Recommendations		

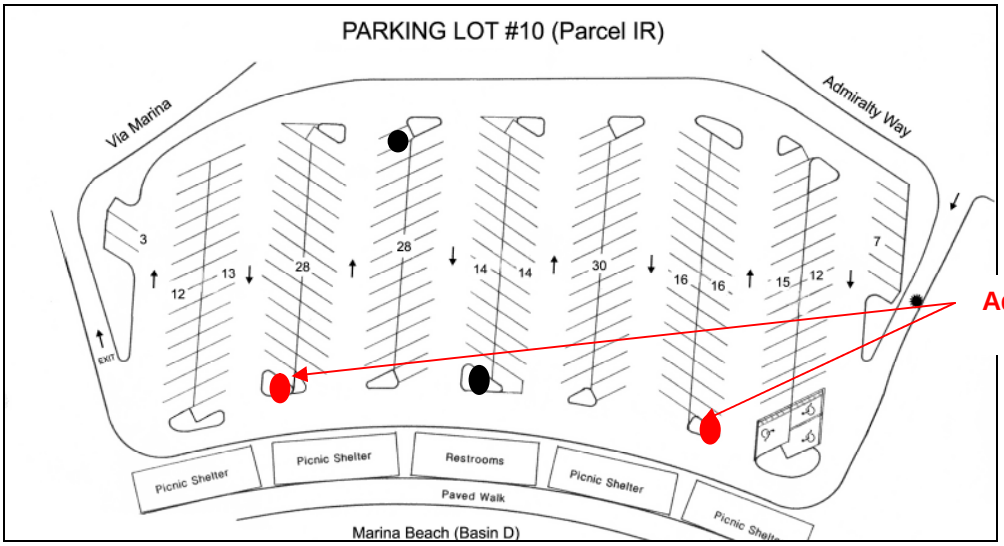
- Relocate Pay Station from entrance and add another Pay Station. The amount of revenue collected by the one Pay Station and the high ratio of Pay Station to spaces justify the additional unit. See drawing below.
- Remove gate from entrance.
- Eliminate staffing unless necessary for a major event.



Marina Lot #10

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	211	
Revenue per Pay Station	#40141 $86,300 60% #40237 $56,600 40%	
Total for All Pay Stations	$142,900	Strong customer base particularly in summer months
Total Collected by Operator	$71,800	Limited staffing in summer months
% Collected by Pay Stations	67%	
% Collected by Operator	33%	
Total Lot Revenue	$214,700	
% of Total Gross Revenue	2.3%	
# Pay Station/Space Ratio	1 per 106 spaces	
Peak Pay Station Revenue	$11,800 August	
Estimated Peak Customers	57	
Recommendations		
• Add 2 additional Pay Stations. See drawing below. The existing Pay Stations justifies the additional units.		The amount of revenue collected by the After installation, monitor their use for potential staffing reduction.

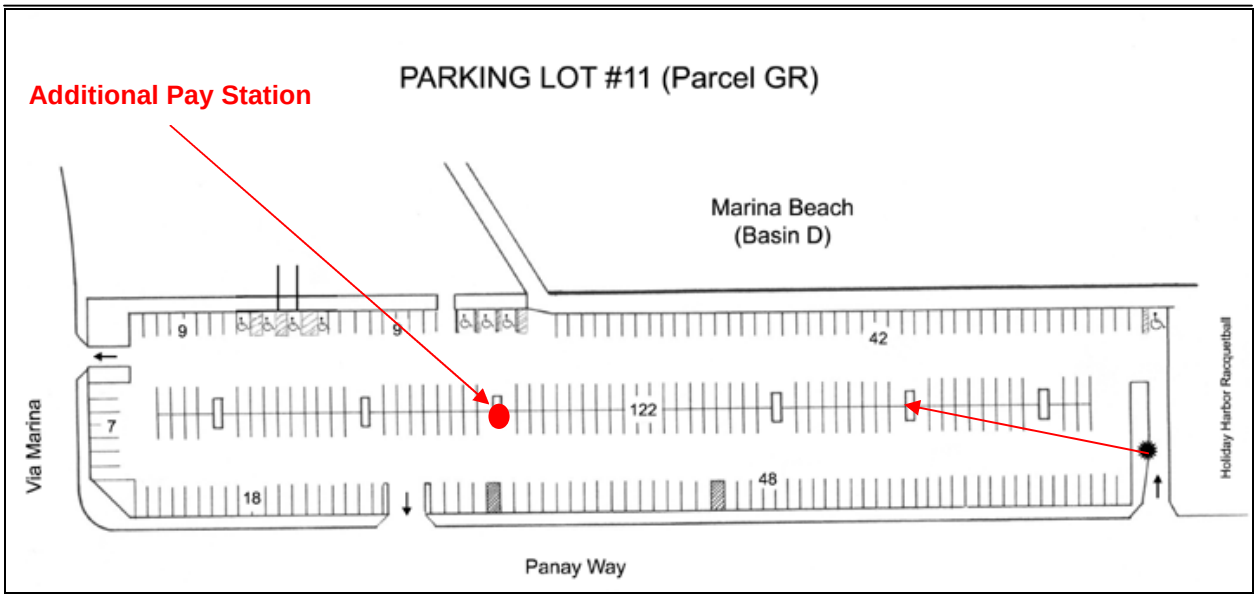


Marina Lot #11

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	263	
Revenue per Pay Station	#40142 $34,200 100%	1 Pay Station at entrance
Total for All Pay Stations	$34,200	
Total Collected by Valet	$129,500	Heavy summer use
% Collected by Pay Stations	21%	
% Collected by Operator	79%	
Total Lot Revenue	$163,700	
% of Total Gross Revenue	1.7%	
# Pay Station/Space Ratio	1 per 263 spaces	High ratio
Peak Pay Station Revenue	$4,200 July	
Estimated Peak Customers	60	
Recommendations		

- Relocate Pay Station from entrance and add 1 additional Pay Station. The amount of revenue collected by the one Pay Station and the high ratio of Pay Station to spaces justify the additional unit. See drawing below.
- Remove gate from entrance.

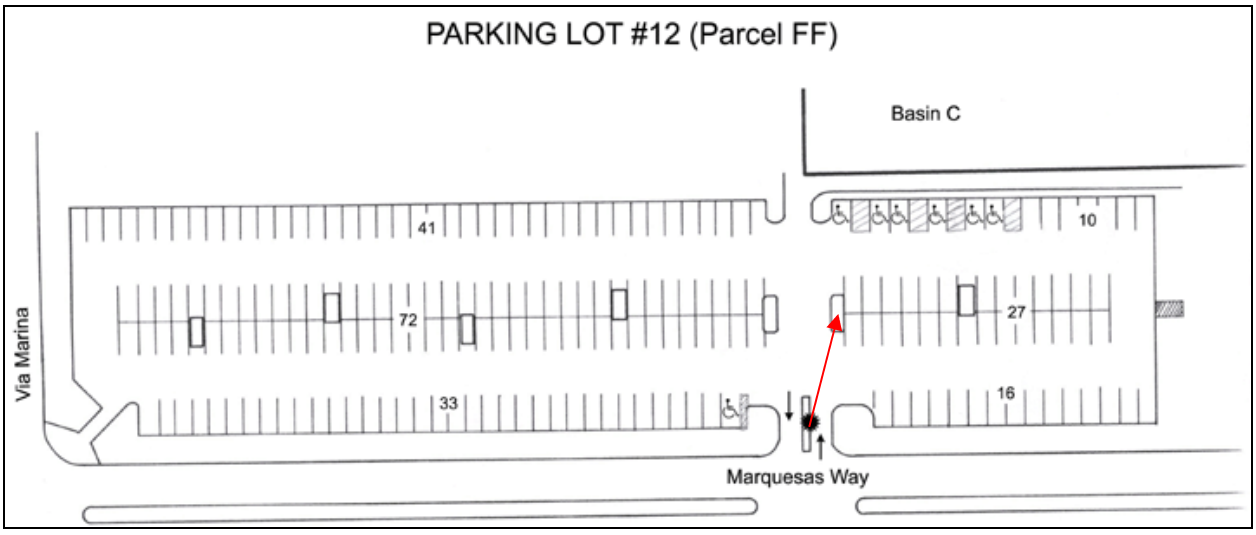


Marina Lot #12

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	206	
Revenue per Pay Station	#40143 $23,000 100%	1 Pay Station at entrance
Total for All Pay Stations	$23,000	
Total Collected by Operator	$7,700	Minimal staffing
% Collected by Pay Stations	75%	
% Collected by Operator	25%	
Total Lot Revenue	$30,700	
% of Total Gross Revenue	0.3%	
# Pay Station/Space Ratio	1 per 206 spaces	High ratio
Peak Pay Station Revenue	$4,400 September	
Estimated Peak Customers	88	High number
Recommendations		

- Relocate Pay Station from entrance. See drawing below.
- Continue minimal staffing level.

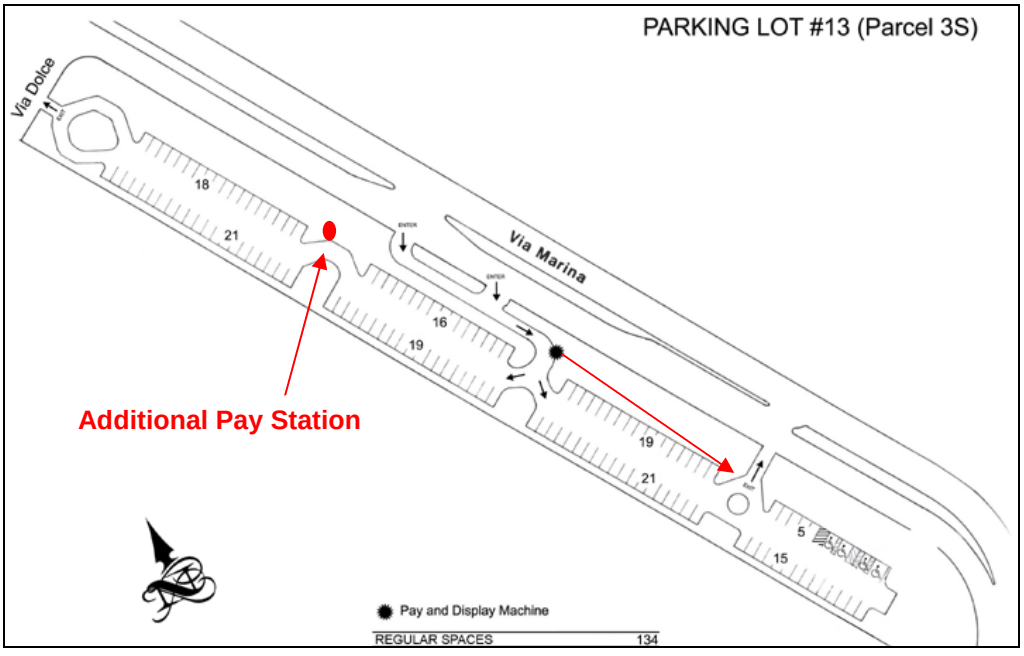


Marina Lot #13

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	138	
Revenue per Pay Station	#40144 $89,400 100%	1 Pay Station at entrance
Total for All Pay Stations	$89,400	
Total Collected by Operator	$800	
% Collected by Pay Stations	99%	
% Collected by Operator	1%	
Total Lot Revenue	$90,200	
% of Total Gross Revenue	0.9%	
# Pay Station/Space Ratio	1 per 138 spaces	
Peak Pay Station Revenue	$10,300 July	
Estimated Peak Customers	92	
Recommendations		

- Relocate Pay Station from entrance and add another Pay Station. The amount of revenue collected by the one Pay Station and the high ratio of Pay Station to spaces justify the additional unit. See drawing below.
- Remove embedded traffic control device at exit when Pay Station at entrance relocated.
- Remove gate from entrance.
- Eliminate staffing unless necessary for a major event.



Marina Lot #47 East

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	169	
Revenue per Pay Station	$0	No Pay Stations
Total for All Pay Stations	$0	
Total Collected by Operator	$10,500	Revenue collected only from 3 months (July-September). Business at 13535 is closed at this time.
% Collected by Pay Stations	0%	
% Collected by Operator	100%	
Total Lot Revenue	$10,500	Some spaces designated as reserved
% of Total Gross Revenue	0.1%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

- If business at 13535 re-opens, the installation of a Pay Station may be warranted.
- Staff only for major events.

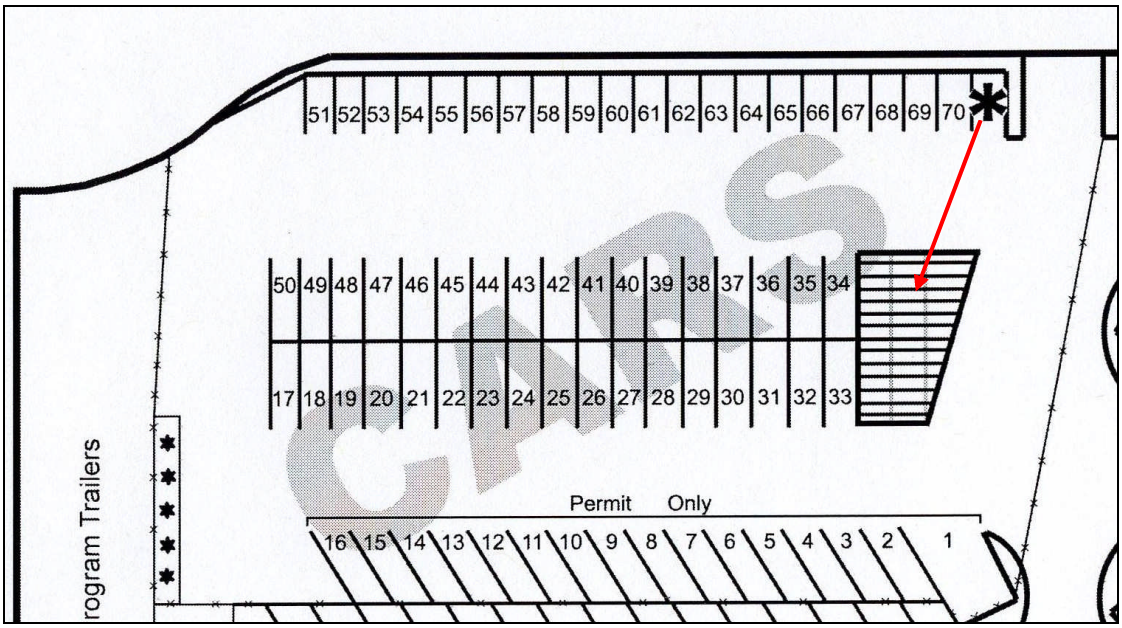
Marina Lot #47 East

Marina Lot #77

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	70	
Revenue per Pay Station	#40145 $26,400 100%	1 Pay Station located near entry
Total for All Pay Stations	$26,4000	
Total Collected by Operator	$10,000	16 spaces designated for permit parking. Observed several County vehicles in lot.
% Collected by Pay Stations	72%	
% Collected by Operator	18%	
Total Lot Revenue	$36,400	
% of Total Gross Revenue	0.3%	
# Pay Station/Space Ratio	1 per 70 spaces	Adequate
Peak Pay Station Revenue	$4,700 May	
Estimated Peak Customers	54	
Recommendations		

- Relocate Pay Station and convert current location into a parking space. See drawing below.

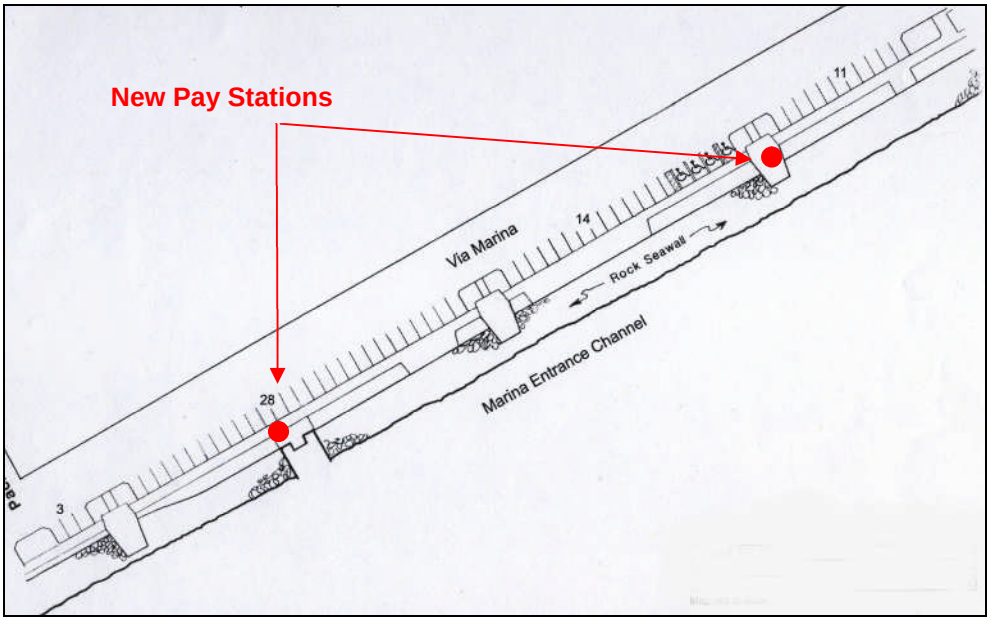


Marina View Park Lot

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	58	
Revenue per Pay Station	$0	No Pay Stations – only meters
Total for All Pay Stations	$0	
Total Collected by Operator	$68,000	No staffing, only collections by Operator staff
% Collected by Pay Stations	0%	
% Collected by Operator	100%	
Total Lot Revenue	$68,000	A lot of coins to sort, count, and deposit
% of Total Gross Revenue	0.7%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

- Meters should be replaced with 2 Pay Stations.

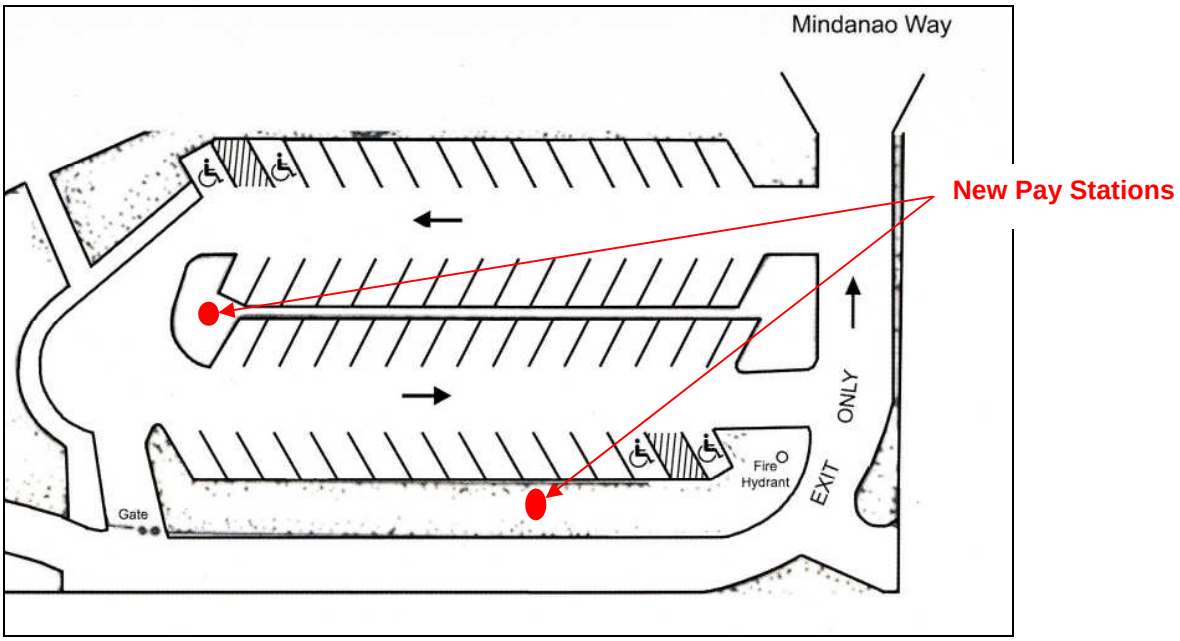


Marina Chace Park Lot

Our analysis and recommendations for this lot are summarized below.

Lot Factors	Data	Comments
# Spaces	58	No Pay Stations – only meters
Revenue per Pay Station	$0	
Total for All Pay Stations	$0	
Total Collected by Operator	$32,100	Fees only imposed on weekends
% Collected by Pay Stations	0%	
% Collected by Operator	100%	
Total Lot Revenue	$32,100	
% of Total Gross Revenue	0.3%	
# Pay Station/Space Ratio	N/A	
Peak Pay Station Revenue	N/A	
Estimated Peak Customers	N/A	
Recommendations		

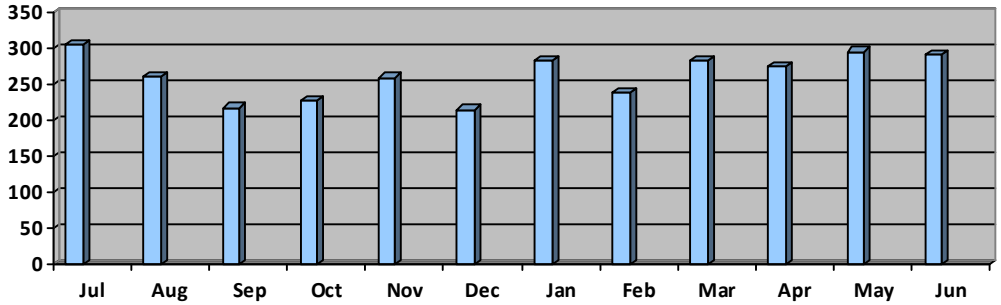
- Replace meters with 2 Pay Stations
- Charge for parking every day like most other lots in Marina



Enforcement

We examined the records of citations over the past two fiscal years. The number of citations has increased but so has the number of Officers issuing citations. As expected, the number of citations is higher in the summer months but not as much as we would anticipate based upon the greater volume of vehicles. After scrutinizing the records in more detail, we realized that there is less reliance on the Pay Stations in the summer. In addition, while the distance an Officer must travel between lots remains the same, the time to travel between lots is greater due to heavier traffic volume near the beach areas in the summer. We suspect there is more opportunity for enforcement action but a cost-effective manner to provide additional enforcement is necessary. Our recommendation regarding enforcement is found later in this report.

	# Citations 2008-2009	# Citations 2009-2010	24 Month Total	# Employees	Average per Employee
July	899	1,999	2,898	9.5	305
August	834	1,645	2,479	9.5	261
September	639	1,432	2,071	9.5	218
October	614	1,548	2,162	9.5	228
November	789	1,670	2,459	9.5	259
December	597	1,445	2,042	9.5	215
January	877	1,800	2,677	9.5	282
February	842	1,431	2,273	9.5	239
March	1,405	1,983	3,388	12	282
April	1,683	1,621	3,304	12	275
May	1,850	1,686	3,536	12	295
June	1,514	1,978	3,492	12	291
TOTAL	12,543	20,238	32,781	124	264



Task 3 - Determine Equipment Responsibility

Evaluate the feasibility of including the automated parking equipment as items that have to be provided and maintained by the future parking lot contractor. Consultant will evaluate the following options and identify the specific strengths and weaknesses of each approach for impact on revenue and contract cost:

- *Operator purchases and maintains the equipment*
- *Department purchases and Operator maintains the equipment*
- *Status quo (Department purchases and Department maintains the equipment)*

If the recommendation is that the parking lot contractor provide and maintain the parking automation equipment, develop and provide the Scope of Work with regard to equipment required, specifications and maintenance requirements. If the recommendation is that the Department provide the parking automation equipment, develop bid specifications for a solicitation document.

The current Pay Stations were purchased by the Department and it maintains them with its own personnel. The Department acquires the necessary parts for the Pay Stations and has a specially equipped truck that assists in the repairs. From our observations, the repairs and maintenance are performed satisfactorily. The supply of parts appears adequate. Our two concerns with the current arrangement are:

1. The inability, due to current work rules, of other staff members to make minor repairs when they observe a Pay Station malfunction.
2. The time sometimes required to make repairs during periods when a maintenance staff member is not available to respond to a service call.

For purposes of this Task, we will assume that the cost of replacing the Pay Stations will be $1M dollars. We anticipate the cost to be below that amount regardless of the entity who acquires the new Pay Stations.

Current Pay Station with Cabinet Door Open

Operator Purchases and Maintains the Equipment

Advantages	Disadvantages
Department can preserve its capital funds or re-direct them to other projects	The cost of the equipment will reduce monthly receipts to the Department but by extending the initial term of the operating agreement to five years and offering incentives to the operator to increase net revenue, that adverse impact can be minimized
Less administrative effort required since budgeting and purchasing processes would be eliminated	The Department will have less control over the equipment purchased but by requiring the operator to use the specifications in this document, the potential of having less-effective equipment installed will be reduced
Operator may be able to negotiate a lower price if it purchases additional units for other facilities under its management	Operator may fail to maintain equipment but this concern can be lessened by providing a financial incentive for the equipment to be maintained in accordance with the manufacturer guidelines
The responsibility of on-going maintenance, repairs, and software upgrades rest solely with the operator	Department must pay for the balance of the equipment cost should the County cancel the operating agreement for any reason within the first five years
Reduction in personnel expenses since equipment maintenance personnel will no longer be required	The operator must pay state sales tax unless it is able to use the County's tax exempt number
The Department will be able to get new equipment after five years	
With a requirement of purchasing new equipment, only financially strong firms will be able to bid on the new operating contract	

Department Purchases and Operator Maintains the Equipment

Advantages	Disadvantages
Department has more control over the acquisition of the equipment	It will be necessary for the Department to expend a considerable amount of funds for the equipment
The Department will realize more net revenue during the term of the operating agreement	Operator may fail to maintain equipment but this concern can be lessened by providing a financial incentive for the equipment to be maintained in accordance with the manufacturer guidelines
The responsibility of on-going maintenance, repairs, and software upgrades rest solely with the operator	There is greater likelihood of finger-pointing between the Department and the operator over responsibility of some repairs if the damage is potentially due to faulty installation
Reduction in personnel expenses since equipment maintenance personnel will no longer be required	The overall cost of the equipment may be greater for the Department since the vendor may need to factor in purchasing requirements during the RFP process
	More firms, some with weak financial status, may tender a proposal to manage the lots.

We also looked at the option of leasing new Pay Stations. This would eliminate the need for a large outlay of capital resources but would require annual allocation of funds to pay the monthly lease fee. Lease term is typically five years but can be for three or four years and almost always include a $1.00 buyout at the end of the lease. All of the major parking equipment vendors offer a leasing program. In addition, companies such as Atlantic Business Credit (www.atlanticbusinesscredit.com) will provide financing to government agencies to acquire parking equipment. The lease fee excludes monthly back office costs.

Over a five year period, this option will cost more money since the vendor will impose financing fees over the period. Current interest rates are about 4.5%. Often, additional service fees are also imposed for leases. For 60 Pay Stations, we estimate a capital cost of $720,000 ($12,000 per unit). With a lease, we estimate the total cost after five years to range between $820,000 and $870,000. At the end of the lease period, however, the Department would purchase the units for $1 each.

A redacted copy of an actual lease agreement is on the following page.

Lease Quotation November 29. 2010

Lessee(s): [redacted]

Attention:

Valid Until:

Equipment: **LUKE Parking Meters**

atticus financial group

Equipment Cost:		$61,350.95	-	-
Lease Term:		60	-	-
Purchase Option Month:		60	-	-
Purchase Option Price:	0%	1.00	-	-
Monthly Payment Amount		1,192.61	-	-
GST/HST	0.0%	0.00	-	-
Total Monthly Payment		**1,192.61**	-	-
Initial Payment Amount:				
First Payment		1,192.61	-	-
Documentation Fee		250.00	-	-
GST/HST	0.0%	0.00	-	-
Total Initial Payment:		**$ 2,635.22**	-	-
Cost Per Day/Machine:		**$5.60**		

NOTE: Payment amount calculated using equipment cost above. Actual payment amount may vary with changes in final equipment cost. All items quoted OAC and are subject to change until time of funding.

Please process my lease: X_____

PLEASE SIGN ABOVE TO INDICATE YOUR ACCEPTANCE AND RETURN VIA FAX TO 1-866-377-2946

Department Purchases and Maintains the Equipment

Advantages	Disadvantages
Department has more control over the acquisition of the equipment	The responsibility of on-going maintenance, repairs, and software upgrades rest solely with the Department
The Department will realize more net revenue during the term of the operating agreement	There will be no reduction in personnel expenses and depending upon the number of Pay Stations purchased as well as the need for repairs and maintenance, additional personnel may be required
	More firms, some with weak financial status, may tender a proposal to manage the lots.
	The overall cost of the equipment may be greater for the Department since the vendor may need to factor in purchasing requirements during the RFP process

Our recommendation is to require the next operator to set aside funds for capital improvements. This option is deemed the most prudent in our evaluation of conditions known to us. The improvements may include Pay Stations, shelters, handheld devices, etc. The operator will then retain revenue each month or invoice the Department as an expense at pre-determined amount based upon the actual cost of the equipment requested by the Department. The payments would be spread out over the five year period. After the five years, the Department will have title to the equipment. The Department may then keep the equipment, purchase new equipment, or have the operator purchase new equipment. Any cost associated with financing new equipment will be part of the operator's monthly management fee or included in the amount retained by the operator under a concession agreement.

We also recommend that the entity purchasing the equipment (in this instance, the operator) maintain it. The new Pay Stations will generate alarms whenever there is jam, paper issue, full vault, etc. Those alarms are recorded and can be shown on a report. The Department will have the ability to monitor those activities as well as its field employees to ensure the operator is properly maintaining the Pay Stations. The new contract can have language that requires action within a specified number of hours of an alarm or call for service.

Appendix C of this document is a set of specifications that can be given to the new operator. It is based upon our review of the environmental conditions in which the Pay Stations will be installed as well as the concerns expressed to us by the stakeholders. Using these specifications will help ensure the operator purchases the most appropriate equipment on behalf of the Department. If requested by the Department, we will provide an electronic version of the specifications (Word or PDF format) for your use.

We understand that the current equipment vendor will not guarantee parts for the current Pay Stations after January 1, 2012. We also understand that the time required to award a new operating contract can exceed six months. We recommend that the Department review the typical purchasing timeline to seek ways to reduce the duration. If that is not possible, then we recommend purchasing a sufficient supply of new parts through the vendor or even used parts from a third party.

In regards to preventive maintenance, the manufacturer of each Pay Station establishes those requirements. They often will recommend a list of parts to be kept on site for repairs. The Department will receive a copy of both publications so it will know what is to be done and when. Furthermore, the operator will be required to submit a statement every quarter informing the Department that it has performed the required maintenance. The Department may also inspect the parts inventory to verify compliance with the manufacturer's list.

Government agencies have relied on private operators to purchase and/or maintain parking equipment including Pay Stations in several locations.

Agency	Operator	
City of Indianapolis, IN	ACS/Dennison	Operator in process of replacing 3,600 meters with Pay Stations. Operator will maintain new equipment.
City of Chicago, IL	LAZ	Operator replaced 34,000 on-street spaces with Pay Stations. Operator maintains Pay Stations.
City of Galveston, TX	Ampco	Operator purchased 100 Pay Stations to monitor 900 spaces. Operator also maintains equipment and enforces parking regulations.
City of Charlotte, NC	Central	Operator provides meters for 1,100 spaces. Operator also provides maintenance and enforcement.
City of Akron, OH	Ampco	Operator purchased and maintains on-street parking program
New Orleans, LA	Standard	Operator purchased and maintains on-street parking program

Agency	Operator	
City of Kansas City, MO (airport)	TBD	New operating agreement to require operator purchase and maintain parking revenue equipment.
City of Providence, RI (airport)	Standard	Operator purchased parking equipment and maintains it.
City of Baton Rouge, LA (airport)	Standard	Operator purchased parking equipment and maintains it.

Department Enforcement Personnel Assisting Customer

Task 4 - Evaluate Existing Equipment

Evaluate currently available parking automation equipment considering the Department's needs and beach/marina environment and recommend the equipment best suited to provide for Department's future needs. The equipment evaluation must take into consideration the breadth of vendors' services and technology capabilities in order to satisfy the Department's financial, operational, and management reporting and tracking requirements, with emphasis on real-time reporting capabilities. The objective is to secure timely, relevant information that is useful for decision-making. To the extent possible, the recommended vendor and equipment must provide real-time relevant Parking equipment events (i.e., equipment malfunctions, equipment service warnings, actual collections, etc.) to be identified, measured, recorded, and reported electronically, with no paper documentation. A web-based platform is desirable. The recommendation must be accompanied by a matrix showing the strengths and weaknesses of equipment from various vendors and why the consultant recommends a particular vendor.

More and more government entities are converting to multi-space meters. With the increased demand for Pay Stations, manufacturers have been forced to provide more features to serve those customers. In addition, as the market has expanded, so has the number of manufacturers. Pricing has remained fairly competitive since both supply and demand have increased.

We are aware of 14 vendors who manufacture and/or sell multi-space Pay Stations. The firms (in alphabetical order) are:

- ACS
- Ascom
- Cale
- Digital Payment
- Duncan Solutions
- Hamilton Manufacturing
- Hectronics
- MacKay
- Metric
- Modern Access Systems
- Parkeon
- Secom International
- Siemens
- Ventek

We began by comparing the specifications of the equipment offered by those vendors to the features most mentioned by the stakeholders:

- Real-time reporting of events that require action (full canister, jam, low receipt paper, etc.)
- Web-based platform for data storage, rate programming, and report generation
- Rust-proof cabinet
- Self-contained electrical (solar powered) system
- Several internal communication modes in case one mode encounters reception difficulties
- Simple customer interface

After our initial review we eliminated the following vendors:

- Duncan Solutions: no bill acceptor feature or option
- Hamilton Manufacturing: requires external power source
- Modern Access Systems: cabinet made from a metal that can rust
- Parkeon: cabinet made of a metal that can rust
- Secom International: not web-based platform
- Ventek: cabinet made of a metal that can rust

We then explored the vendors for their parking focus. We are concerned when a company provides many services other than parking equipment. Some of the firms listed provide healthcare and energy solutions, and even water technology. In our opinion, such a firm may not allocate adequate resources to address problems associated with their parking equipment. We prefer firms that have an established history of producing and servicing parking equipment. After this review, we eliminated three more firms:

- ACS: “a leader in BPO and IT Outsourcing across a variety of industries and the public sector” - part of the Xerox Corporation per their web site
- Ascom: “an international solution provider with comprehensive technological know-how in Mission-Critical Communication” per their web site
- Siemens: “global powerhouse in electronics and electrical engineering, and operates in the industry, energy and healthcare sectors” per their web site

Of the remaining five firms, we requested additional information from them regarding their product and services. Two firms (Hectronics and Metric) did not respond to our inquiry so they were eliminated from further consideration.

That left three firms for a closer inspection of their Pay Station offering. For this final review, we selected criteria that related to the features most important to the stakeholders. Our review of those three Pay Stations is on the following page.

Pay Station Comparison

Feature	Cale	Digital	MacKay
Model	MP 104	Luke [1]	Guardian Multi
Stainless steel cabinet	standard	optional	standard
Door locking mechanism	6 point	6 point	7 point
Solar powered	available	available	available
Operates up to	+140°F	+140°F	+122°F
Operates down to	-20°F	-40°F	-20°F
Maximum relative humidity	99.9%	85%	95%
Accepts coins	15 types	12 types	16 types
Currency acceptor	optional	optional	optional
Maximum number of bills [2]	1,000	1,000	600
Reads currency in any direction	yes	yes	yes
Credit card acceptor	optional	optional	optional
Swipe or insertion reader	either	insertion	insertion
Real-time credit card processing	yes	yes	yes
PCI compliant	yes	yes	yes
Stored value/ chip card acceptance	optional	optional	optional
Output for gate operation	yes	yes	yes
Bilingual prompts	yes	yes	yes
Web-based platform [3]	yes	yes	yes
Real-time reporting [4]	yes	yes	yes
Remote rate setting [5]	yes	yes	yes
Receipt printer type	thermal	thermal	thermal
Size of receipts (length x width)	2x3 or 3x4	any x 2¼	3x2¼ or 4x2¼
Display	LCD display with 2 lines of 20 characters	Color LCD with 640x480 resolution; 5″ viewing area	High contrast 320x240 LCD with 4¾″ viewing area
Several communication modes	yes	yes	yes
Customer service test [6]	pass	pass	pass

1. Digital also offers the Shelby model which performs the same functions but has a completely different exterior design. We selected the Luke model for our review primarily because of its exterior design. The Shelby does have an adjustable pedestal that may be better suited for Lot #2.
2. We have found that this number is usually difficult to replicate in the field. Expect less capacity.
3. This refers to the ability of the Pay Stations to communicate all data to a remote server. That server can then be accessed by authorized personnel (Department or operator) on a PC with a password. The functions available to each user are programmable so only certain personnel can perform certain tasks.
4. Pay Station activity is sent to the server and that data can be accessed on demand. Reports can then be generated. Collection data is also sent to the server. Should a warning be issued by the Pay Station (such as paper jam), that information is not only sent to the server, but is also instantly sent to a cell phone or pager for action.
5. Rates can be set by an authorized user on a PC connected to the remote server. The ability to modify rates, however, may require a higher level of computer skill.
6. To test their customer service, a phone call was placed to each company. The company representative was asked to respond to several questions regarding their product. In each instance, the company responded to our questions within a short period of time.

Other Features

Each of the Pay Stations offers some unique features that the vendor believes are beneficial to the customer. We reviewed those features and noted the ones that may be useful to the Department for their particular application along with pictures of each Pay Station.

Cale

- Exterior treated with anti-graffiti paint
- Unit has sensor that detects approaching customers and turns on lighting

Digital

- Has unique design that resembles a traditional parking meter
- Same unit can be configured for pay-by-space operation

MacKay

- Has stainless steel coin vault
- Receipts can be printed in different languages

Recommendation

All three units would provide good service to the Department. After careful consideration of the environment in which the Pay Stations will be located, we give a slight edge to the Cale model because:

3. Its solar panel is integrated into the roof. The panel is not seen by the customer or by a vandal. The other two models have solar panels that protrude from the top of the Pay Station. The visible panel becomes more of a potential target for vandalism.

4. It is rated to function properly under a higher level of humidity than the other two units. This is an important consideration considering the location of the Pay Stations.

Task 5 - Provide Solicitation Document Review

Consultant will evaluate document to be used to solicit new parking lot contractor and will make recommendations to improve it, including making recommendations to improve revenue control policies, contractor effectiveness, and cost savings opportunities. Also, consultant will provide a minimum of two incentive payment options that are currently used in the parking industry, or that the consultant recommends, to incentivize contractors to maximize revenue generation, which will be documented and summarized in a document identifying the pros and cons of each recommendation so that the Department can make a decision on which one to include in its final Parking Services contract.

We reviewed the draft RFP document. We focused our comments/suggestions on parking-related sections. In a previous task, we recommended the new operator purchase Pay Stations. Our comments assume that this will be included in the next contract. Also, we encourage the selection of the new operator by 1) ability to provide service and 2) the amount of net revenue to the County. Our comment/suggestions reflect that priority.

Document Topic	Comment/Suggestion
Introduction 1.0 The Operator will be required to provide personnel, supplies, signs, vehicles and uniforms to perform certain maintenance tasks. The Operator will be required to provide attendants to staff the lots to collect required parking fees as directed by the Department, as well as collect revenue from automated fee collection equipment. The Operator will also be required to promptly deposit all parking fees and taxes collected and to submit specified accounting records	The Operator shall: 1. Provide qualified personnel to perform all assigned parking-related tasks as outlined in this document 2. Provide supplies as specified in this document as well as all other supplies normally associated with operating first-class parking facilities 3. Purchase new Pay Stations on behalf of the County 4. Work with the County to ensure efficient parking management of the lots
PROPOSERS OR THEIR MANAGEMENT MUST HAVE A MINIMUM OF FIVE YEARS' EXPERIENCE IN PROVIDING PARKING LOT MANAGEMENT SERVICES OF MULTIPLE FACILITIES…	We recommend changing the word "LOT" to "FACILITIES" to reflect the same language used in other parts of the document.
1.4 The County is responsible only for that which is expressly stated in the solicitation document and any authorized written addenda thereto. Such addendum shall be made available to each person or organization which County records indicate has received this RFP.	Later in the document, the addendums are provided only to those who attend the mandatory Proposal Conference. The Department should decide who gets the addendums and modify the contract accordingly.

Document Topic	Comment/Suggestion
1.6 The contract term shall be for a period of three years with two one-year renewal options.	Since the Operator is purchasing the new Pay Stations, the term should be extended to minimize adverse revenue impact to the Department.
1.7 Operator shall be compensated in accordance with the Staffing Levels as provided by the Operator in Exhibit 1, Monthly Compensation for Standard Staffing Level, as well as the hourly rates proposed on Form P-1. The Operator's rate shall remain firm and fixed for the initial three years of the Contract and may be increased annually thereafter at the Operator's request.	Under the proposed RFP document, the Contractor is paid an hourly amount for each approved hour of work. The hourly amount includes salary, benefits, supplies, insurance, overhead, bookkeeping, profit, etc. We proposed breaking out those costs to better monitor the expenses and encourage savings. By lumping the salary and profit, there is less incentive for the Operator to reduce personnel. In fact, the Operator is more likely to want to increase personnel since more personnel means more profit. If the Operator receives a fixed monthly fee for every space it manages, there is no financial incentive for the Operator to object to personnel reductions or increases. The per space management fee also allows for changes in the number of spaces without complicated formulas in calculating the amount due the Operator. We suggest the following method for comparing the proposals and examining the cost of service: _____ per hour for Attendant (salary and employer-paid benefits) _____ per hour for Meter/Pay Station Collector (salary and employer-paid benefits) _____ per hour for Lot Supervisor (salary and employer-paid benefits) _____ per space for management fee (includes supplies, forms, tickets, insurance, uniforms, badges, background checks, bookkeeping, overhead, fuel, vehicles, profit, and all other costs not otherwise specified) In addition, the Operator shall be reimbursed for the cost of pre-approved sworn traffic control personnel and any pre-approved capital equipment acquired on behalf of the Department.
1.18 Background and security investigations of Operator's staff may be required at the discretion of the County as a condition of beginning and continuing work under any resulting Contract.	We suggest making the background checks mandatory. Change “may be” to “are”.
2.14.1 Cover Page Proposer shall identify the Request for Proposal by title, firm's name and address, and the name, telephone number, fax number, and e-mail address of the person authorized to make representations for the Proposer and commit the Proposer to a contract. Proposer shall also provide a broad understanding of the Proposer's approach, qualifications, experience and staffing.	That is a lot for a cover page. We suggest removing the last sentence and adding a brief letter of introduction in which that sentence could be part of that section of the Proposal.

Document Topic	Comment/Suggestion
3.6 Scoring will be based on information received from the Proposers. The Evaluation Committee will award the number of points it deems fair and appropriate within the range of possible scores for each scoring category and will assign a composite score to each qualifying Proposal based upon the following weighted criteria: Proposal Price — 40 percent Experience and Organizational Resources — 25 percent Desirable Experience — Five percent Approach to Contract Requirements — 25 percent Living Wage Compliance — Five percent	Scoring shall be based upon information contained within the Proposal and any subsequent investigation performed by or on behalf of the Evaluation Committee. The Evaluation Committee will award the number of points it deems fair and appropriate within the range of possible scores for each scoring category and will assign a composite score to each qualifying Proposal based upon the following weighted criteria: Proposal Price – 25% (Form P-1) Organization – 5% (Form P-2) Qualifications of key personnel – 20% (Form P-3) Auditing and cash control – 10% (Form P-3) Operational plan for scheduling – 5% (Form P-3) Methods for providing contact services – 10% (Form P-3) Business and financial summary – 10% (Form P-4) Quality control plan – 10% (Form P-5) Green initiatives – 5% (Form P-16) The Evaluation Committee may, at its sole option, interview those firms whose Proposals ranked highest. Firms interviewed shall receive up to 100 additional points based upon their interview. The Evaluation Committee and/or the Director may negotiate a “best and final” offer from the top-ranked firm. If the “best and final” offer from the top-ranked firm is not acceptable to the Evaluation Committee or Director, the Evaluation Committee or Director may attempt to negotiate with the next highest ranked firm. This process may continue until an agreement is reached.
Desirable Experience	Suggest providing points for firms that have Certified Parking Professionals (CPP) and/or Certified Administrator s of Parking (CAPP) on staff
Staffing	The CA and CR meet weekly. Sixty days prior to the start of a month, the CA submits a draft preliminary staffing schedule to the CR for review and input. At the next meeting, the CR may suggest changes to the draft preliminary schedule. By the next weekly meeting, the CA will present a revised preliminary staffing schedule to the CR. The revised preliminary schedule may or may not reflect the changes suggested by the CR. Each week, the CA and CR will review the schedule for the upcoming week and adjust it according to known factors.

Document Topic	Comment/Suggestion
	The Operator may increase or decrease the staffing level on a daily basis to meet sudden changes in the demand for parking. During the summer rate period, any increase in staffing cannot exceed 10% of the previously approved staffing schedule for a day. During other times, any increase may not exceed 5% of the previously approved staffing level.
Operator's employees are subject to reasonable dress codes when in County facilities. Heavy visible piercings, tattoos or baggy pants are strictly prohibited.	There is no restriction regarding the use of tobacco on County property. Many locations often do not allow the use of tobacco products at least not in public view. Are the Operator employees allowed to smoke or chew tobacco on County property?
The Operator is responsible for possessory interest tax.	Our understanding is that this tax is not applied to the lots at this time. If it is applied, it would place an excessive hardship on the Operator. Those submitting a proposal may elect to include the potential cost of the tax in its fee or they may elect to submit a lower fee hoping the tax is not applied. To compare bids fairly, the tax should not be a factor. If everyone includes the potential cost of the tax and it is not applied, the County will be paying a higher cost each month for parking services. We recommend the Operator be reimbursed for any possessory interest tax applied related to the management of the County's lots.
No personnel employed by the Operator and assigned to any County facility shall have a conviction of a serious non-traffic misdemeanor, theft or felonies.	You may want your Law Department to review this requirement. While you do not want the Operator to hire individuals have a conviction history of crimes that may jeopardize the safe operation of the lots (theft, dishonesty, fraud, assault, etc.), a blanket prohibition of hiring anyone with a felony may not be legal.
The Operator shall use electronic car counters where they are installed and shall record car count information on daily reports required in Section 11.0.	Our understanding is that the counters are not being used. They should be checked, repaired if needed, and utilized as intended.
The Operator shall use procedures recommended by the certified public accounting pursuant to Section 11.15 as directed in writing by the Director.	Make sure the CPA is familiar with parking operations. Those firms are usually very good at tracking the paper trail of revenue but have little experience in confirming the amount of revenue that should have been collected.
The Operator shall control and record the issuance of change funds, keys and canisters by parking supervisors to the parking attendants. The Operator's parking attendants shall return change funds, keys and logs to parking supervisors at the end of each shift.	In addition to the listed requirements, the Operator should deliver a quarterly report informing the County of the inventory status of all keys and canisters.

We offer five (5) incentive payment options for the County to consider.

1. The operator will be acquiring the new Pay Stations on behalf of the County and maintaining them. The continual operation of the Pay Stations is important to customer service and revenue. The operator can be rewarded for on-time completion of required preventive maintenance and prompt repair of the Pay Stations. The Department can monitor repair and maintenance activity to verify this work.

Pros	Cons
Provides motivation to maintain equipment	This work should be done as part of the operator's routine tasks, not a task to be rewarded

2. The Operator currently provides some assistance to Department enforcement personnel by informing them of violations when they patrol the lots. The distances between parking lots along the coast make multiple patrols of each lot difficult. On some days, lots may only receive one visit by enforcement personnel particularly when the Department does not have a full complement of enforcement personnel. The operator could provide supplemental enforcement. The additional enforcement would encourage usage of the Pay Stations and/or generate additional fine revenue. The operator would receive a percentage (say 25%) of the fine revenue as an incentive. The operator already has a staff that collects the meters and Pay Stations. Those employees could also patrol the lots for violators while on their route. The operator employees who issue citations would need to meet the same qualifications as Department enforcement personnel and would need to be trained.

   This additional enforcement could be used to provide extra patrols when the Department is shorthanded or to provide enforcement at remote lots with minimal usage such as Nicholas Canyon. This would also allow the Department to focus its enforcement personnel more efficiently by providing more patrols in the Marina area and on lots with a history of violations. For staffed lots like Zuma, the operator could dispatch its own enforcement personnel to issue a citation to a vehicle that entered without paying the fee. It would not be necessary to call the Department for an enforcement officer. Having the operator provide supplemental enforcement would enhance service and increase revenue.

Pros	Cons
Additional citations will increase fine revenue to Department	Could lead to abuse by issuing invalid citations in hopes of receiving additional revenue
Provide some enforcement action when Department enforcement personnel not on duty	Could cause perception of over enforcement by public

Pros	Cons
	Would require additional communication effort between Operator and Department over special enforcement situations

3. The proposed agreement between the County and the Operator is a type of Contract Agreement or Reverse Management Agreement. The Operator receives a fixed fee for every approved hour of staffing. In addition, the Operator may receive a 15% incentive (the percentage amount is under review by the Department) based upon revenue comparison from one month to the average of the past three years for that month. We suggest using a modified concession agreement. With a concession agreement, the Operator retains a percentage of gross revenue and pays all expenses from that percentage. This type of agreement provides a powerful incentive for the operator to generate revenue and reduce costs. We have been informed that such an agreement has been used in the past. Our modifications would include a sliding percentage and a minimum guarantee to the Department. The Department would still establish rates, hours, and operating policies.

   As an example, let's assume the lots will generate $10.0M after taxes are deducted. Under the proposed reverse management agreement, the operator may receive $2.0M. That $2.0M is based upon the number of approved hours worked by the operator. Part of that $2.0M represents profit. The more hours that are worked, the more profit the operator realizes. There is no incentive for the operator to reduce staffing costs and, depending upon the amount of any an incentive provision, there may be no inducement to increase revenue. With a concession agreement that incorporates a sliding percentage, there is an incentive to increase revenue and decrease costs. As reflected in the table below, for the first $10.0M, the operator receives 19% of the post-tax revenue. The operator must carefully monitor expenses. As revenue increases, the operator is rewarded by retaining a higher percentage of that revenue. The Department can still require a minimum amount of revenue (say $7.0M) during the year.

Revenue after Taxes	Percentage Retained By Operator
$0 to $10M	19%
$10.0M to 10.25M	21%
10.25M to 10.5M	23%
Over 10.5M	25%

Pros	Cons
Operator has an incentive to increase revenue	Department could receive less revenue if business is slow
The Department receives additional revenue whenever Operator increases sales	The possibility of a possessory interest tax is more likely

Pros	Cons
The expenses related to new equipment acquired on behalf of the Department could be included in the Operator's percentage	Less ability to determine the true cost of lot operations
The Department would not need to audit monthly expense records	

4. Even with the existing contract format, the incentive to increase revenue could be enhanced by providing a sliding percentage instead of a fixed percentage. When the revenue from one month is greater than the average of the past three years for that month, the operator receives 5% of the increase unless the amount of increase exceeds 15% of the three-year average in which case the operator receives 12% of the increase.

Pros	Cons
Operator has an incentive to increase revenue	Department would need to verify calculations of the increases
The Department could receive additional revenue if the Operator is able to increase business	Department would need to develop procedures to adjust calculations in case of rate adjustments and/or changes to parking inventory

5. Weekdays usually generate less business than weekends. The operator could devise a promotional program to bring more customers to the staffed lots on weekdays. Based upon the number of weekday KIS tickets issued from one month compared to the average number of weekday KIS tickets issued from the past three years for that month, the operator receives a bonus. The bonus would reflect the increased sales. If the number of weekday tickets exceeds the weekday average by 5%, the operator receives the 5% of additional revenue represented by the increased sales. A 20% increase in sales will earn the operator 20% of the new revenue.

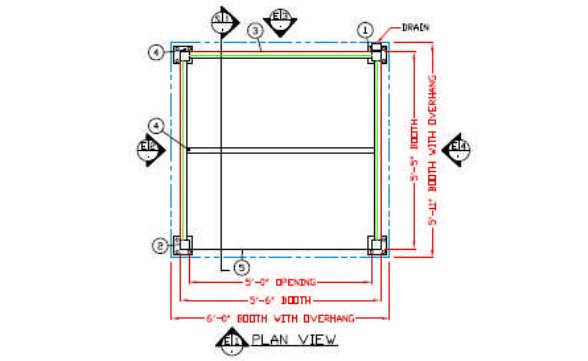
Pros	Cons
Operator has an incentive to increase revenue	Department would need to verify calculations of the increases
The Department could receive additional revenue if the Operator is able to increase business	

Appendix A – Pay Station Shelters

The following firms manufacture shelters for Pay Stations:

B.I.G. ENTERPRISES, INC. 9702 E. Rush Street South El Monte, CA 91733-1730 Tel: 626-448-1449 info@bigbooth.com www.bigbooth.com	LITTLE BUILDINGS, INC. 161 Shafer Drive Romeo, MI 48065 Tel: 888-55-BOOTH sales@littlebuildingsinc.com www.littlebuildingsinc.com
COLUMBIA EQUIPMENT CO., INC. 180-10 93rd Avenue Jamaica, NY 11433-1499 Tel: 800-742-1297 shelterpr@aol.com www.columbiaequipment.com	PAR-KUT 40961 Production Drive Harrison Township, MI 48045 Tel: 800-394-6599 sales@parkut.com www.parkut.com
KEYSTONE STRUCTURES, INC. 705 Terminal Way Kennett Square, PA 19348 Tel: 800-525-1567 michael.dougherty@keystonestructures.com www.keystonestructures.com	

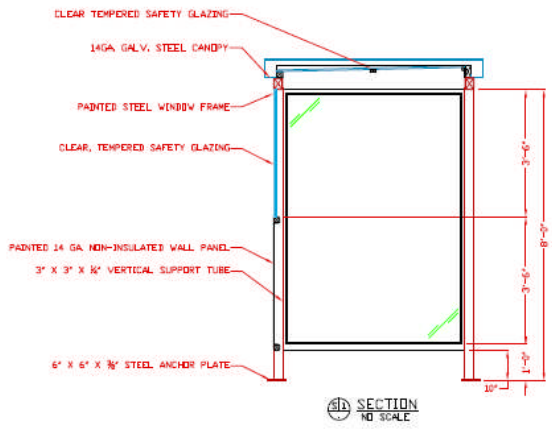
The following representative specifications are from a Par-Kut model.



1. 6" X 6" X ⅜" STEEL ANCHOR PLATE, 4-REQ'D, WITH 1" ANCHOR BOLT HOLES. ANCHOR SHELTER AFTER FINAL LOCATION. ANCHOR BOLTS NOT INCLUDED.
2. 3" X 3" X ¼" STEEL VERTICAL SUPPORT TUBES, 4-REQ'D.
3. 14GA. GALV. PAINTED STEEL PANEL WITH 18GA. INTERIOR STEEL PANEL. NOT INSULATED.
4. ¾" DIA. NIPPLE WITH CONDUIT TO ¾" NIPPLE OUT E-3 SIDE FOR FUTURE CUSTOMER USE
5. CLEAR TEMPERED GLAZING FOR SKY LIGHT TO COVER THE ENTIRE ROOF.

NOTE: PAR-KUT SHELTER IS OF SINGLE UNIT WELDED STEEL CONSTRUCTION, FACTORY ASSEMBLED AND DELIVERED SET UP. FAILURE TO SECURELY ANCHOR SHELTER MAY RESULT IN OVERTURNING OF UNIT.

A. GLAZING – CLEAR TEMPERED SAFETY GLAZING SET IN PAINTED STEEL WINDOW FRAMES. SKY LIGHT WILL BE CLEAR TEMPERED GLAZING SET ON STEEL TUBE FRAME.
B. PAINT – FINISH SHALL BE SINGLE COLOR OF CHOICE. DMRON POLYURETHANE HIGH GLOSS INDUSTRIAL COATING SHALL BE APPLIED TO ALL EXPOSED METAL SURFACES. THIS EXCLUDES FLOOR, ROOF SURFACE, ANODIZED ALUMINUM WINDOW FRAMES AND ANY STAINLESS STEEL COMPONENTS (IF USED).
C. ELECTRICAL – ALL WIRING BY PAR-UT TO BE #12(MIN) STRANDED COPPER, THHN ENCLOSED IN ½"(MIN) E.M.T. PER NATIONAL ELECTRIC CODE. FITTINGS, FIXTURES, AND DEVICES ARE UL LABELED. ALL WIRING TO TERMINATE AT C.B. PANEL. ALL CIRCUITS HAVE GREEN GROUND WIRE.
D. SHELTER WILL HAVE A 3" CANOPY OVERHANG ON ALL SIDES.
E. LIFTING RINGS(3) ARE PROVIDED ON ROOF.
F. NO ON SITE WORK BY PAR-KUT.



GENERAL NOTES
PAINT COLOR:_____

Appendix B – Signage Suggestions

Concept for Street Sign

Concept for Entrance Sign

Concept for Notification Sign

Appendix C – Pay Station Specifications

SCOPE OF WORK

This document is requesting proposals from qualified firms to supply, install, and set-up multi-space parking meters (Pay Stations) designed to operate in a "pay & display" mode. In summary, the project shall consist of:

1. Disconnecting and removing existing Pay Stations (The Firm shall not be required to dispose of the old Pay Stations.)
2. Providing new multi-space "pay & display" Pay Stations, related supplies, and services as specified in this document
3. Delivering, uncrating, programming, and installing Pay Stations at multiple locations within Los Angeles County as specified by the purchaser (The Firm shall remove all packaging material from the installation site and dispose of it in a legal manner.)
4. Testing all installed Pay Stations by the Firm to ensure full compliance with the specifications
5. Providing all necessary "back office" hardware, software, and communications to deliver a web-based platform that will:
    i. Store all data generated by the Pay Stations
    ii. Authorize all credit/debit card transactions in real-time
    iii. Produce alerts whenever conditions exist that adversely impact the operation of one or more Pay Stations
    iv. Enable the purchaser and other entities authorized by the purchaser to monitor stored data, generate reports as specified in this document, program rates, and perform other related functions using a Purchaser-supplied PC with internet connection (Note: if any proprietary software is necessary to allow such functions, the firm shall supply and install such software at no additional cost to the Purchaser.)
6. Training Purchaser staff on operation, programming, and maintenance of Pay Stations
7. Providing warranty (one year) and support services

The Purchaser intends to purchase _____ Pay Stations initially with the option to purchase additional Pay Stations at the same unit cost for up to 365 days after award of a contract.

OPERATIONAL REVEIW

The Pay Stations shall be installed in parking lots owned and/or under the control of the County of Los Angeles, Department of Beaches and Harbors. In those locations, they are exposed to adverse weather conditions including high humidity, sand, and sea salt. They also encounter some vandalism. Some customers are very familiar with the use of Pay Stations while others are novices who require ample instructions on their use.

Usually, the customer enters the lot, parks his/her car, uses the Pay Station to pay the parking fee, and places the receipt in the car for enforcement personnel to observe. At most beach lots, the fee is a flat all-day price based upon the season and time of entry. Rates range from $3.00 to $15.00. At some lots in Marina del Rey, the customer may pay an all-day fee or an hourly fee. At one lot in the Marina (Lot #2), the Pay Stations are connected to a barrier gate. At this lot, the customer must pay an all-day fee ($7 for a car, $10 for a car with boat trailer) upon entry. Once payment is made, a receipt is issued and the Pay Station vends the gate.

The Pay Stations are replaced with Attendants during peak periods at some lots to handle the greater demand for parking.

PROJECT NOTES

The following conditions apply to the Scope of Services requested in this document:

1. Equipment shall be designed, fabricated, and installed to fully function with all environmental conditions (temperature variations, humidity, air quality, etc.,) typically present along the Pacific coast in Los Angeles County, California.

2. Firm shall deliver or have delivered all Pay Stations to the sites. The cost of delivery/shipping shall be included in the price. Purchaser shall not provide personnel for unloading, unpacking, or storing any equipment. The Firm assumes all responsibility for theft or damage to Pay Stations until installed. The Firm shall discard all packaging/shipping material off-site.

3. Firm shall provide auxiliary items required for the proper functioning of the Pay Stations, whether mentioned or not, including but not limited to: heaters, coolers, wiring, transformers, relays, software, pedestals, etc. It is the sole responsibility of the Firm to provide every component necessary for a complete functioning system.

4. The installation and programming of the Pay Stations and all required accessories shall be performed by individuals employed by the Firm or an entity contracted by the Firm to perform such installation work on a regular basis. Installation shall be by factory trained personnel experienced in installation of equipment of this type. Sub-contractors may be utilized to perform specialized work. Firm may sub-contract with another firm(s) to provide or assist with installation, training, warranty and/or support requirements. In all cases, however, the Firm shall be responsible for the work of any such sub-contracting firm(s).

5. The Firm shall install the Pay Stations in accordance with the manufacturer's specifications and guidelines. The Firm shall furnish all materials, equipment (all hardware and software), labor, and supervision necessary to install the Pay Stations. Included will be the disconnecting and removing of existing Pay Stations as well as the delivery, unloading, setting, anchoring, wiring, programming, of all new Pay Stations.

6. For each Pay Station, the firm shall supply all keys, a spare coin vault, a spare currency vault, and 12 full rolls of receipt paper. The purchaser shall supply any copy, logo, or design necessary for the receipt paper.

7. The firm shall supply at least three (3) maintenance manuals, four (4) operating manuals, two (2) programming manuals, and a list of recommended spare parts based upon the number of Pay Stations initially purchased.

8. Any MSDS sheets related to the Pay Station or products recommend by the Firm used on or in the Pay Stations shall also be supplied to the Purchaser.

9. The installation site for each Pay Station shall be determined by the Purchaser or an appointed representative of the Purchaser. At some sites, the new Pay Station will replace an existing Pay Station. At other sites, the new Pay Station will be at a new location. Regardless of location, the Firm shall be responsible for adequately mounting each Pay Station. If surface preparation and/or a mounting pad is required, the Firm shall perform all necessary surface preparation and/or supply, create, and/or install that pad. Should the Firm suspect or know that the installation of a Pay Station cannot or should not be performed at a location, the Firm shall notify the Purchaser. The Purchaser shall then discuss the issue with the Firm and decide on an alternative site or authorize the Firm to proceed at the original site.

10. Mounting hardware shall be stainless steel whenever possible or galvanized steel with no mounting bolts exposed.

11. Firm shall comply with all Federal, State, and Local regulations regarding the installation of the Pay Stations.

12. The establishment of any communication system related to the Pay Stations shall be the sole responsibility of the Firm. If the Firm cannot utilize its preferred method of communication at one or more sites, it shall acquire an alternative method of communication that can perform the same functions as the preferred method of communications at no additional cost to the Purchaser.

13. Upon award of a contract or Purchase Order, the Firm shall submit a proposed installation schedule to the Purchaser. The Purchaser shall review the schedule within ten business days and approve if acceptable. If unacceptable, the Purchaser and Firm shall discuss the schedule until an acceptable schedule is agreeable to both parties.

14. The firm shall coordinate its credit card processing in such a manner as to assure daily deposits of funds in a bank account to be provided by the Purchaser or its agent.

15. The Pay Stations shall be designed to provide reliable operations and a high level of maintainability. The Firm shall provide a full and complete warranty on the Pay Station, their installation, and all back office functionality. The warranty shall commence after all initially purchased Pay Stations are installed and all back office functions are fully operational. If the Purchaser delays the installation schedule for any reason, the warranty period shall commence on the date that all Pay Stations would have been installed according to the installation schedule. The warranty period shall conclude 365 days after the start date of the warranty period. The warranty and service provisions shall be assigned and automatically transferred to any entity acquiring ownership of the Firm.

16. The warranty shall include, at no additional cost to the Purchaser:
    a. Technical support (on-line or phone)
    b. Replacement of broken or failed parts
    c. Software or firmware patches to fix known issues
    d. All shipping/freight costs associated with any part sent from or to the Firm – The shipping of parts to the Purchaser shall be expedited with delivery no later than 72 hours after part request is received by the Firm.

17. The obligations imposed on the Firm for warranty service shall not apply to instances of damage caused by traffic accidents, thefts, attempted thefts, vandalism, floods, earthquakes, or other Acts of God as well as damage caused by intentional misuse or failure to follow maintenance guidelines.

18. The Firm agrees to provide on-site repair service if requested by the Purchaser. The cost of such on-site repair service (labor and travel expenses) shall fully be reimbursed to the Firm by the Purchaser.

19. The Purchaser shall hire or retain the services of a person(s) to maintain and make repairs on the Pay Station. The Firm agrees to train the designated person(s) prior to the completion of Pay Stations installation.

20. During the warranty period, the Firm shall provide an adequate supply of spare parts to the Purchaser to have on hand. The parts to be supplied by the Firm shall reflect the spare part list furnished to the Purchaser. The Purchaser shall use the spare parts on hand to make warranty repairs as necessary. Should a repair be the result of a non-warranty event, and the Purchaser use a spare part, the Firm may invoice the Purchaser for that part at its listed price. At the end of the warranty period, the Purchaser may purchase any parts on hand unless the status of the spare parts is part of any parts/service agreement.

21. Three months prior to the end of the warranty period, the Firm shall prepare and submit to the Purchaser a proposal for a parts/service agreement. The term of that agreement shall be for a minimum of one year. The Purchaser shall inform the Firm no later than thirty (30) days prior to the expiration of the warranty period of its decision to accept or reject the proposed parts/service agreement. If the Purchaser rejects the agreement, the Firm agrees to supply parts to the Purchaser at the prevailing list price for those parts.

22. The Firm shall provide the following training (8 to 16 hours) to the Purchaser staff. Exact dates and times shall be determined by mutual agreement of Firm and Purchaser. Training shall consist of Pay Station (operation, maintenance, safety, and repair) and back office operations (logging on, report generation, alarms, data searches, rate programming, password assignment, etc.)

PAY STATION SPECIFICATIONS

Specifications for the Pay Stations, related supplies, and services reflect the desired quantity and quality. Exceptions to the specifications will be considered if the proposing firm clearly notes the exception and provides an explanation of why the exception should be accepted. The Purchaser, however, is under no obligation to accept any exception to the requirements of this document.

Multi-space "Pay & Display" parking Pay Stations shall meet or exceed the following specifications.

A. Operating Environment

1) Fully operate in an environment with temperatures no greater than 120° F, no less than 0°F, and an average maximum relative humidity level of 95% (Morning relative humidity levels in the Los Angeles area range from 68% in December to 86% in July with an average of 79%. Levels are likely higher adjacent to the ocean.)
2) Fully operate in an environment constantly exposed to sea salt laden air
3) Pay Stations that utilize a motion sensor to activate lighting as a customer approaches are preferred

B. Pay Station Configuration

1) Operate in a Pay & Display mode
2) Accept coins, currency, credit cards, and stored-value cards for payment but provide no change
3) Comply with all applicable ADA and Californian accessibility standards including but not limited to:
    a. Controls not more than 48 inches above pedestrian access route
    b. Operable with one hand that doesn't require tight grasping, pinching, or twisting of wrist

C. Cabinet Exterior

1) Shall be constructed of stainless steel with a finish coat of powder-based enamel in a standard color used by the firm (Purchaser shall select a standard color.)
2) Shall have weather-resistant design with all access doors having a gasket with non-hardening material to provide a weather-resistant cabinet
3) All apertures shall be designed and/or shielded to discourage vandalism and insertion of foreign objects
4) Mounting holes/brackets shall not be exposed to customers
5) Access doors shall be tamper-resistant with multiple locking points
6) The opening of the cabinet shall require a key that will not open any internal component – Electronic locks preferred
7) Buttons or key pads shall be manufactured for outdoor environment

D. Power supply

1) Operate on a supplied battery with a solar charging system for the battery – Commercially available battery is preferred
2) Solar panel must be integrated into or attached directly to the Pay Station, not mounted on an adjacent post
3) Solar panel must supply adequate charge to battery using only ambient light
4) A voltage check system must be integrated into the Pay Station and the voltage of the battery must be determined in less than 5 seconds
5) Include a separate backup battery to sustain clock, calendar, transaction data, credit card data, audit information, and programing functions in the event of a system failure or during battery replacement

E. External Display Panel

1) Protected by windows of Lexan or equivalent material
2) Allow for adequate visibility by customers in various lighting conditions
3) Minimum of 2 lines of 18 roman characters per line – A larger display is preferred
4) Display various operating status messages to users and maintenance personnel
5) Display greeting and on-going customer transaction information to assist customer
6) Default on-screen displays will be in American English with the ability to display in Spanish if directed by the customer
7) Ability to display messages downloaded by back office

F. Internal Electronic components

1) Modular in design (plug-and-play) for major components, allowing removal and replacement with only the use of basic or no tools
2) Plugs for major internal components shall be designed to lock in place and not be reversible – one-plug/one-way per component – so it cannot be inadvertently connected incorrectly
3) All circuit boards shall be sealed for moisture and water resistance

G. Internal Components

1) Design shall prevent unauthorized personnel from accessing coin or currency vaults – routine maintenance functions shall be performed without the removal of vaults

H. Coin Validator

1) Must be housed inside cabinet
2) Single slot, mechanical system, not a free-fall or gravity-driven intake system
3) Contain an automatic shutter, which opens for coin insertion, but not for non-metal objects
4) Use both optical and magnetic detectors to determine if coin is valid
5) Designed to restrict the retrieval of deposited coins using an object inserted into the slot
6) Reject foreign coins and slugs and exit rejected coins through coin return
7) Include a coin escrow that allows for patrons to retrieve coins if transaction is cancelled
8) Shall accept the following US coinage: pennies, nickels, dimes, quarters, and post-1970 dollars
9) Shall also accept at least 5 other user-defined coins or tokens through software parameter change
10) If the coin slot is inoperable, Pay Station shall still accept currency and/or credit card payment
11) Inoperative coin validator shall immediately generate an alarm to the back-office system notifying personnel of the malfunction and inform users by some notice or indicator

I. Coin Canister

1) After a transaction is completed, all accepted coins shall be deposited into a metal coin vault that is locked into the cabinet
2) The coin vault shall be able to hold at least 500 quarters
3) A coin vault with a handle for easy handling is preferred
4) When the coin vault reaches a predetermined level prior to reaching its capacity, the Pay Stations shall create a notice and forward that notice to the back office via wireless two-way communication
5) The removal of the coin vault shall require a key that is different from the cabinet door key
6) Coin vault shall be equipped with self-locking mechanism that engages automatically when the vault is removed
7) Upon removal of the coin vault, Pay Station shall create a collection transaction and forward that report to the back office via wireless two-way communication
8) When replacement coin vault is inserted into Pay Station, the system shall verify the proper insertion
9) Opening of the coin vault shall require the use of a key that is different from both the key required for the vault removal and the key needed to open the cabinet

J. Currency (Bill) Acceptor

1) Must be housed inside cabinet
2) Shall electronically accept $1, $5, $10, $20 and $50 dollar bills or any combination thereof
3) The currency acceptor must be 4-way and accept bills in any direction (face up or face down)
4) All rejected currency must be returned
5) The currency acceptor must be programmable on site for any new bank notes issued by the U.S. Mint
6) Maintenance personnel must be able to clear currency jams without use of special tools and without accessing the bill stacker compartment
7) When the currency vault reaches a predetermined level prior to reaching its capacity, the Pay Stations shall create a notice and forward that notice to the back office via wireless two-way communication
8) If currency acceptor is inoperable, the machine must still accept credit card and/or coin payment
9) Inoperative currency acceptor shall immediately generate an alarm to the back-office system notifying personnel of the malfunction and inform users by some notice or indicator

K. Currency (Bill) Stacker

1) During a transaction, all accepted currency shall be deposited into a metal vault that is locked into the cabinet
2) The coin vault shall be able to hold at least 600 bills
3) Shall not rely on gravity feed to stack currency
4) The removal of the currency vault shall require a key that is different from the cabinet door key
5) Currency vault shall be equipped with self-locking mechanism that engages automatically when the vault is removed
6) Upon removal of the currency vault, Pay Station shall create a collection transaction and forward that report to the back office via wireless two-way communication
7) When replacement currency vault is inserted into Pay Station, the system shall verify the proper insertion

L. Card Reader

1) Must be housed inside cabinet
2) Single-slot insertion reader style allowing the customer to retain control of the card at all times
3) Dual magnetic stripe reader conforming to ISO 7810/11 with ability to read tracks 1,2, and 3 data and conforming to ISO 7816 with regards to reading microprocessor chip or “smart” cards
4) Shall accept and process either Visa or MasterCard cards

5) Credit card authorization shall be an on-line real-time process unless communications with the back office is not functioning in which case it shall use a batch process until communication is restored
6) Encryption (minimum 128-bit protocol) of data shall be performed by the card reader itself and not the CPU
7) Pay Station hardware that processes credit card data shall meet all current requirements (or be grand-fathered into a previous version) of the PCI Security Standards Council's Payment Application Data Security Standard (PA-DSS). Firm shall provide a letter from a Qualified Payment Application Security Professional or VISA confirming compliance with PCI standards and Firm's name shall appear on the VISA website as a validated Application Vendor.
8) If card reader is inoperable, the machine must still accept currency and/or coin payment
9) Inoperative card reader shall immediately generate an alarm to the back-office system notifying personnel of the malfunction and inform users by some notice or indicator

M. Printer

1) Must be housed inside cabinet
2) Thermal impression injection type where receipt is printed internally and ejected to customer
3) Self-sharpening blade
4) Self-cleaning printing head
5) Shall have ability to receive paper in roll form with a minimum of 4000 receipts, each with a length of 3"
6) Shall be capable of printing the following:
    a. Unique receipt number
    b. Transaction date (MM/DD/YYYY) and time (HH:MM PM/AM)
    c. Expiration time and date
    d. Amount paid
    e. Machine number
7) Receipt text shall be programmable
8) Receipt length shall be at least 3" in length, 4" preferable

N. Printer Paper

1) Capable of being pre-printed with customized text, logo, and or watermark on front of receipt
2) Shall be heat-resistant, fade-resistant, and curl-resistant

O. Central Processor Unit

1) Unit shall be able to fully operate in locations where installed
2) Contain sufficient memory to store up to 5,000 transactions should power be disrupted
3) Maintain a listing of up to 12,000 "bad" credit cards for off-line transactions when communications are temporarily not functioning
4) Auto-adjust to daylight savings time changes

K. Wireless two-way communications

1) Pay Station shall be equipped with modem, antenna, as well as all required hardware and software for wireless communications on a network that has been tested and proven to allow full functionality of the Pay Station at the installation site with the Firm-supplied back office
2) Any and all costs associated with the wireless communications shall be paid by the Firm to the wireless communication provider(s)

L. Back Office

1) Hardware and Software
   a. Firm shall supply any proprietary hardware or interface to allow for functionality of the back office
   b. Firm shall provide a listing of minimum specifications for a PC to operate with back office system
   c. Purchaser shall supply all PC's and internet access necessary to allow functionality of back office system
   d. Software shall be Firm-hosted and web-based
   e. Software shall be American English version
   f. All servers are required to be housed in a secured facility
   g. Software shall support:
      i. Configure up to 100 Pay Stations
      ii. Menu-driven method to perform all features
      iii. Strict security protocols limiting access with different passwords. Up to 20 users may have a valid password at any one time. The Purchaser may add, edit, or delete passwords.
      iv. At least 8 user levels – A user level is a user-defined set of software tasks that the Purchaser shall assign to each authorized user. One user level shall be a "master level" that will allow all software functions.
      v. Communication to and from each Pay Station
      vi. Collection of data from the Pay Stations
      vii. Transmission of data to the Pay Stations
      viii. Storage of data received from the Pay Station - Data shall be available at all times except for periods of occasional maintenance that shall be scheduled during the overnight period. Prior to any maintenance, the Firm shall provide advance notice to the Purchaser of the maintenance to be performed.
      ix. Establish rates
         1. Flat all-day based upon time of entry, day of week, and date
         2. Incremental rates (minimum of 5 minutes increments) with a daily maximum based upon time of day, day of week, and date
         3. Progressive and regressive rates
         4. Ability to include tax rate calculation
      x. Process credit card and smart card payments in real time– Back office credit card processing software shall meet all current requirements of a Service Provider as defined by the PCI. Firm shall provide a letter from a Qualified Payment Application Security Professional or VISA confirming compliance with PCI standards and Firm's name (or third party utilized to provide credit card processing) shall appear on the VISA website as both an approved Service Provider and validated Application Vendor.
      xi. Forward credit card data to Purchaser's payment gateway
      xii. Generation of alarms due to equipment malfunctions, jams, vault status, low receipt paper
      xiii. Creation of reports on-demand using stored data
      xiv. Exportation of stored data to a remote PC for use in a spreadsheet or database program
      xv. English and Spanish instructions/message to Pay Station display
      xvi. Programming new coins, tokens, credit cards, or currency
      xvii. Configuration of credit cards and smart cards to be accepted
      xviii. Programming receipt text

2) Remote Management
   a. Purchaser shall be able to perform all software functions at a remote site(s) using a PC with internet access

3) Events, Warnings and Alarms
   a. The Pay Station shall inform the Purchaser (via the back office system) of predetermined conditions related to the Pay Station (events); conditions that require attention in the near future (warnings); and conditions that require immediate attention (alarms)
   b. All events, warnings, and alarms shall be recorded
   c. All alarms shall generate a notice (phone and/or e-mail) to a designated recipient
   d. Pay Stations shall perform a self-diagnostic test at least every 10 minutes, determine the operational status of the units, and communicate any events, warnings, or alarms to the back-office system
   e. Warnings and alarms should be communicated from each Pay Station to the back-office system in real time
   f. Events, warnings, and alarms shall be generated 24 hours a day, 7 days a week, 365 days a year
   g. If a Pay Station issues no events, warnings, or alarms within a 24 hour period, it shall send a status report to the back office informing the Purchaser that all systems are functioning properly
   h. At a minimum, events shall include the following:
      i. Opening of cabinet door
      ii. Removal of coin or currency vault
      iii. Maintenance activity
   i. At a minimum, warnings shall include the following conditions:
      i. Low paper supply
      ii. Low battery voltage
      iii. Coin or currency vault reaching a predetermined level
   j. At a minimum, alarms shall include the following conditions:
      i. No receipt paper
      ii. Battery/electrical system failure
      iii. Coin jam
      iv. Card reader failure
      v. Currency acceptor failure
      vi. Communications failure
      vii. Shutdown mode

4) Reports
   a. The software shall automatically generate a reporting listing the amount of money in each coin or currency vault upon its removal from a Pay Station – That collection report shall contain at a minimum the Pay Station number, date and time of collection, amount of revenue
   b. The software shall produce the following standard reports upon demand or upon the selection of data criteria by the user:
      i. Parking activity: receipts issued per Pay Station within a user-defined period
      ii. Parking arrival: receipts issued in hourly increments within a user-specified day
      iii. Revenue activity: total revenue collected per Pay Station within a user-defined period
      iv. Payment Types: revenue by types (coin, currency, credit cards) per Pay Station within a user-defined period
      v. Credit Card Payment: amount collected for each type of credit card per Pay Station for a user-defend period
      vi. System Revenue: total revenue for all Pay Stations within a specified period
      vii. Lot Revenue: total revenue for all user-specified Pay Stations
      viii. Refund Report: total value of refund receipts issued for user-defined Pay Stations during a user-defined period
      ix. YTD: total tickets issued and revenue collected for user-specified Pay Stations during user-defined period
      x. Pay Station status
      xi. Cash in vault

xii. Maintenance status
xiii. Events, warnings, and alarms reported over a user-defined period
xiv. Programming history over a user-defined period
xv. Log-on history over a user-defined period

c. The data/reports shall be exportable into an Excel or Access program on a remote PC