

APPENDIX A: SCOPE OF WORK

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APPENDIX A
SCOPE OF WORK

1. Tow Equipment Dispatch Requirements

1.1 Hours of Service

Contractor shall respond to all Tow Requests and shall intake and release towed vehicles twenty-four (24) hours per day, 365 days per year in accordance with the standards specified in this Agreement.

1.2 Central Dispatch

Contractor shall dispatch Tow Equipment from its Central Dispatch facility. Contractor shall provide dispatch staff to receive Tow Requests twenty-four (24) hours per day, 365 days per year. During Peak Towing Hours, a dispatch supervisor must be on duty to direct staff and address any issues or escalations raised by the City that relate to a Tow Request. At all times, Contractor must ensure that:

- (1) Tow Request phone calls must be answered within thirty seconds or less with no busy signal for 95% of the calls and within 90 seconds for the remaining 5% of the calls during a given calendar month; and
- (2) Tow Requests must be assigned to a subcontractor towing firm within five (5) minutes or directly to a Tow Car operator within ten (10) minutes.

1.3 Communications Equipment

(a) Equipment Requirements

Within thirty (30) days of the Effective Date of this Agreement, Contractor shall provide a dedicated telephone line to be used exclusively for communication between Central Dispatch and the City, and a minimum of two (2) two-way radios or equivalent equipment to be used as an alternative communications method.

(b) Audio Recordings

Contractor shall provide equipment that will create an audio recording with a time/date stamp of all Tow Requests communications by telephone between SFMTA and the Tow Desk and Contractor's Central Dispatch Facility. Contractor shall maintain such audio recordings for a minimum of 120 days. Upon City's request, Contractor shall provide City access to the audio recordings within twenty-four (24) hours for the purpose of reviewing or copying the recordings.

(c) Dispatch Tow Car Operators

Communication between Central Dispatch and towing subcontractors shall be by means of landline communications, radios, mobile telephones, or electronic two-way data terminals. Any other method of communication to be used between Central Dispatch and Tow Car operators must be approved by the City in writing.

2. Tow Request Response Time Requirements

2.1 Routine Requests

(a) Scheduled and Dispatch Tows

Upon receiving a Tow Request for a Scheduled Tow or Dispatch Tow Contractor shall be on site with the appropriate Tow Equipment for the vehicle type to be towed, or with Tow Equipment specifically requested by City in the Tow Request, within thirty-five (35) minutes of a Dispatch Tow Request during Peak Towing Hours and within twenty-five (25) minutes at all other times, or within ten (10) minutes of the time designated for initiation of a Scheduled Tow. Contractor may notify City that it is requesting an extension of time of up to fifteen (15) minutes to process a Scheduled or Dispatch Tow request for reasons beyond the Contractor's control, which are defined as traffic congestion or travel distance, and the City shall inform Contractor if the

request for extension of time is denied. Contractor shall respond within the applicable time limit for at least 94% of the Dispatch Tows performed in a given calendar month.

(b) Abandoned Vehicle Tows

Contractor must respond to each Abandoned Vehicle Tow Request within twenty-four (24) hours unless otherwise specified in the Tow Request.

2.2 Expedited Tow Response Time Requirement

City may specify that an Expedited Tow is required in the Tow Request. During Peak Towing Hours, Contractor shall respond to a Tow Request for an Expedited Tow within thirty (30) minutes of the Tow Request. Contractor may notify City that it is requesting an extension of time of up to fifteen (15) minutes to process an Expedited Tow request for reasons beyond the Contractor's control, which are defined as traffic congestion or travel distance, and the City shall inform Contractor if the request for extension of time shall be denied. Contractor shall respond within the applicable time limit for 100% of the Expedited Tows performed in a given calendar month.

2.3 Regional Sweeps

Contractor shall participate in Regional Sweeps requested by SFMTA or SFPD as a part of its regular towing services. SFMTA or SFPD shall notify Contractor at least forty-eight (48) hours in advance (with seventy-two (72) hours advance written notice provided when possible) of the date for a Regional Sweep, and shall inform Contractor of the number of Tow Cars required, the location, and the time that tows are to begin. City reserves the right to modify and/or expand Regional Sweep programs, and shall notify Contractor of these modifications and/or expansions no later than forty-eight (48) hours in advance of the date of a Regional Sweep. Regional Sweeps are subject to the performance standards of Scheduled Tows under this Agreement.

2.4 Courtesy Tows and Roadside Service

At the request of City, Contractor shall remove any disabled SFMTA or SFPD vehicle or render timely roadside assistance, including but not limited to starting vehicles, delivering gasoline and changing flat tires. These requests for towing or roadside assistance shall be provided within thirty-five (35) minutes of City's request. Contractor may notify City that it is requesting an extension of time of up to fifteen (15) minutes to process a Courtesy Tow request for reasons beyond the Contractor's control, which are defined as traffic congestion or travel distance, and the City shall inform Contractor if the request for extension of time shall be denied. The costs for these services shall not be charged to City, nor may Contractor pass the cost of these services to its subcontractors. Should Contractor fail to respond to a request in accordance with this Section, City may elect to acquire the services from another source and Contractor shall be responsible for City's direct and indirect costs in acquiring the requested services from another source.

2.5 Failure to Respond

In the event that Contractor fails to respond and/or fails to furnish necessary Tow Equipment at the designated point of tow within the time periods specified in this Agreement, the City shall have the right, by whatever means appropriate, to remove or cause the removal of the vehicle which was the subject of the Tow Request and transport it to the Contractor's storage facility, whereupon Contractor shall process and handle such vehicle in accordance with all requirements of this Agreement. In such event, Contractor shall be responsible for reimbursing City's direct and indirect costs for removing the vehicle, excluding subsequent damage caused by the alternate towing service provider.

2.6 Tow Service Plan

Contractor shall submit a Tow Service Plan to the City describing how it will deploy its subcontractors in sufficient detail to allow City to determine that Contractor will meet service requirements specified in this Agreement. This plan shall be approved and adopted as part of the Operations Plan, as provided in Section 14 of this Appendix A.

3. Vehicle Intake Requirements

3.1 Tow Data

Contractor shall ensure that a record of each Dispatch Tow is created in ADS by means of a Tow Car data terminal or by computer at Central Dispatch within five (5) minutes of receiving the tow request and the record must be created in TVMS within fifteen (15) minutes of completion of the tow. A record of each Scheduled Tow shall be created in TVMS within fifteen (15) minutes of completion of the tow. In addition, within fifteen (15) minutes of the initial arrival of a towed vehicle at a Designated Facility, Contractor shall record, at a minimum, the following data:

- (1) the time the initial call for service was requested
- (2) the time the Tow Car arrived on the scene of the tow
- (3) the time the Tow Car arrived at the vehicle intake facility.
- (4) Contractor shall meet these timing requirements in ninety percent (90%) of all tows within any reasonable audit period identified by City.

3.2 Valuation

Contractor shall have each impounded vehicle assigned a Lien Category (Lien 1, Lien 2 or Lien 3 Vehicle) by trained personnel as soon as possible during vehicle intake, but in no event later than seventy-two (72) hours after the vehicle's initial arrival at a Designated Facility. Contractor shall assign a value to each vehicle under penalty of perjury as required by California Vehicle Code Section 22670(b). After Contractor initiates the lien process for a vehicle with the DMV, Contractor's valuation and classification of the vehicle under this Section 3.2 shall be subject to later adjustment only as directed by, or with the approval of, the City's designated Contract Monitor in compliance with the Vehicle Valuation Standards Plan as defined in Section 8.8(b). In no event shall any impounded vehicle be pulled from a pending auction for the purpose of reclassifying the vehicle after the auction has begun.

3.3 Inspection

(a) VIN

Contractor shall visually inspect any vehicle for which a lien is requested to confirm and record the VIN of each vehicle, and include the VIN in its lien request to the DMV within seven (7) days. Contractor shall notify the SFPD within twenty-four (24) hours of becoming aware of any vehicle in its possession for which the license plate and the VIN do not match. Exceptions to the deadline for collecting the VIN include:

- (1) Vehicles subject to SFPD investigative holds.
- (2) Vehicles identified as NO ID vehicles pursuant to Section 4.5 of this Appendix A which require SFPD inspection.
- (3) Other cases of extenuating circumstances as approved by the City.

(b) Personal Property

During intake inspection, personal property in the vehicle of more than nominal value that is visible from the exterior without opening any locked compartment shall be inventoried, and as part of the inventory Contractor shall record whether or not the vehicle has a locked storage compartment. This information shall be recorded in the TVMS system and/or the vehicle inventory forms that are kept on file at the Primary Storage Facility. Contractor, SFMTA, DPH and SFPD shall endeavor to keep the vehicle locked to the maximum extent possible

during the towing and storage process. Contractor may remove and separately store personal property from the vehicle for security or other reasons as necessary.

3.4 Digital Photo Recording

Contractor shall have cameras at all vehicle intake facilities and shall take photos of all four (4) sides of the exterior of each vehicle the first time that it is brought into any Designated Facility, except for over-sized vehicles that cannot be brought into the Secondary Storage Facility through the main entrance and must enter the facility from the secondary entrance. These images shall be stored electronically and in a manner that allows prompt retrieval within one (1) working day of any City request. City agrees that the requirements of this Section 3.4 may be satisfied by extracting still images from continuous video footage.

4. Vehicle Handling Requirements

4.1 Improper Disposal of Vehicles

If, in violation of applicable law or this Agreement, Contractor releases, sells, disposes of, or otherwise loses possession of or is unable to locate within its possession any vehicle that it has towed or impounded under this Agreement, notwithstanding any other criminal or civil penalties levied by a court of law, Contractor shall have sixty (60) days to resolve any Claim filed by the vehicle owner, and must submit any proposed Claim settlement to City for approval prior to finalizing such Claim. If Contractor fails to satisfactorily resolve such Claim within sixty (60) days, City may require Contractor to pay to the vehicle owner the blue book value of the vehicle at the time of sale, destruction or loss of the vehicle as determined by the City. If City directs Contractor to resolve a Claim after sixty (60) days by paying the blue book value of a vehicle to the owner, City may assess liquidated damages against Contractor in accordance with Section 15 of this Appendix A. This contractual remedy shall not preclude the vehicle owner from taking any other appropriate legal action against the Contractor.

4.2 Vehicle Drop

The Tow Car operator shall release a vehicle without assessing any towing charges upon request of the SFMTA or SFPD officer or DPH employee present at the site of the tow. The City officer or employee may require release of the vehicle pursuant to this Section 4.2 when the owner or operator of the vehicle is present to claim the car before all of the following three (3) events occur:

- (1) The towing apparatus is completely attached to the vehicle in a manner consistent with the proper use of the Tow Car equipment and in accordance with industry standards, and
- (2) All required data has been collected, and
- (3) The Tow Car has been put in gear by the operator and has started to drive away.

The City may assess liquidated damages against Contractor pursuant to Section 15 of this Appendix A for failure to release a vehicle as required by this Section 4.2. In addition, the Contractor shall reimburse the owner or operator of the vehicle towed in violation of this Section all expenses incurred by the owner or operator to recover the vehicle plus \$100 per occurrence.

4.3 Personal Property Releases

(a) Standard for Release

Contractor shall only release personal property found within any vehicle in its custody when it is satisfied that the claimant is entitled to access the vehicle and its contents and the vehicle is not subject to a Police or Administrative Hold.

(b) Vehicles Subject to Hold

No person shall be allowed to retrieve personal property from a vehicle subject to an Investigative or Administrative Police Hold without the prior written authorization of the SFPD.

(c) ***Personal Property Release***

A personal property release allows the claimant to enter the vehicle, with the supervision of Contractor, to obtain property from the towed vehicle. Contractor's supervision shall include preparing a written inventory of the items removed by the claimant, but Contractor shall have no responsibility for assisting the claimant to remove personal property from the vehicle. Contractor shall require the claimant to sign the inventory statement listing the item(s) they removed from the vehicle, and shall file the personal property release data collected in the TVMS system or in a paper file with a file name cross referencing the Tow Request ID in the TVMS.

4.4 Retrieval Requirements from Secondary to Primary Storage Facility

If the Customer's vehicle is stored at the Secondary Storage Facility, Contractor shall provide either a free shuttle service enabling a Customer who appears at the Primary Storage Facility to retrieve a vehicle directly from the Secondary Storage Facility, one-way taxi fare for the Customer between the Primary Storage Facility and the Secondary Storage Facility, or free Tow Car service to tow the vehicle back to the Primary Storage Facility. In all cases, the vehicle must be released to the Customer within one (1) hour of the Customer's payment of fees at the Customer Service Center, with the exception of the categories of vehicles listed in Section 11.1(c)(ii).

4.5 No ID Vehicles

(a) ***NO ID Designation***

All vehicles with no visible VIN shall be impounded under a "NO ID" number and shall be designated as a vehicle subject to Investigative Police Hold and held for inspection by the SFPD Auto Detail regardless of which City agency initiated the Tow Request. NO ID vehicles shall be included in regular reports to the SFPD of Police Hold vehicles as specified in Sections 4.6(d) and 13 of this Appendix A. Contractor shall keep NO ID vehicles within the NO ID area (excluding oversized vehicles), with the exception that Contractor shall move a NO ID vehicle out of the NO ID area within twenty-four (24) hours of receiving a request to do so by the SFPD.

(b) ***NO ID Procedure***

If a VIN is found following inspection by the SFPD, Contractor shall follow applicable lien sale provisions of the Vehicle Code for processing that vehicle. Otherwise, Contractor shall designate the vehicle as an "Unable to Identify" or "UTID" vehicle and, after receipt of a written release by the SFPD (DMV Form 462, "Public Agency Authorization of Disposal of Vehicle" or successor form), such UTID vehicle shall be disposed of as required by the Vehicle Code and in accordance with instructions on DMV Form 462 or successor form.

(c) ***SFPD Access to NO ID Vehicles***

Contractor shall allow SFPD personnel with written authorization from the Chief of Police or an officer designated by the Chief of Police to remove parts from any NO ID vehicle, except as prohibited by Appendices B, C and D.

4.6 Procedures for Vehicles Impounded by the SFPD

(a) ***Investigative Police Hold Vehicles***

The SFPD may designate any vehicle for which it has made a Tow Request as an Investigative Police Hold vehicle. Investigative Police Hold vehicles shall be stored in a segregated, secure area, which may be located in a Designated Facility. Within ninety (90) days of the Effective Date of this Agreement, Contractor shall provide secured and fenced Investigative Police Hold storage locations at the Designated Facilities which shall include the following features:

- (1) A vehicle inspection area with six (6) indoor bays that contain car lifts, air compressors, and access to 220V electricity at the Primary Storage Facility.
- (2) An office area with two (2) phone lines dedicated for use by SFPD personnel (upon request of the SFPD) at the Primary Storage Facility.
- (3) Indoor space for at least twenty-five (25) NO ID vehicles; and

- (4) Secured indoor space for at least 100 Investigative Police Hold vehicles; and
- (5) Secured outdoor space for at least 175 Investigative Police Hold vehicles; and
- (6) Contractor shall provide a covered storage space that holds at least fifty (50) vehicles secured for SFPD investigations at the Primary Storage Facility that meets with the approval of the SFPD. The SFPD has approved the following arrangement: Storage space for twelve (12) vehicles is located behind a secure fence under the freeway between columns R58 and R56. Additional space that can accommodate at least 38 vehicles is provided by a secure fence that will run from in front of the 6 bays to the carwash building, and from the carwash building to the fence line across from R56. Any change to this configuration must be approved, in advance and in writing, by the SFPD.

No person shall be allowed access to an Investigative Police Hold vehicle or retrieve personal property from such vehicle without written authorization from the SFPD. If the SFPD designates an Investigative Police Hold vehicle as an evidentiary vehicle at the time of the Tow Request, Contractor shall ensure that the towing and storage of the vehicle is conducted in accordance with any standards for handling and preservation of evidence provided to Contractor by the SFPD in writing. Contractor shall maintain the Investigative Police Hold areas in a manner which ensures its ability to locate vehicles requested by SFPD within one (1) hour of SFPD's request. Contractor may, from time to time, request training for Tow Car operators and Employees for the handling of evidentiary vehicles from the SFPD. Contractor shall submit Police Department Procedures to the City describing in detail how it will process Investigative Police Hold vehicles to meet service requirements specified in this Agreement. These procedures shall be approved and adopted as part of the Operations Plan, as provided in Section 14 of this Appendix A.

(b) Release

Contractor shall not release or allow parts to be removed from any vehicle towed by the SFPD without a written release authorization from the SFPD. The SFPD will provide to Contractor a standard form to be used for all written release authorizations and a list of individuals authorized to sign vehicle and personal property releases, including exemplars of those individuals' signatures. Contractor may not release an Investigative Police Hold vehicle without a release form signed by an authorized individual as designated by the SFPD. Contractor shall inform the Customer that release of a vehicle subject to Police Hold may only be obtained by going to a SFPD station to request that the vehicle be released.

(c) Recovery of Stolen Vehicles

Recovered stolen vehicles may only be released upon presentation of SFPD Form 425 or as otherwise specified by SFPD in writing. Contractor shall cooperate with City in the coordination of electronic information between DMV and City, between City agencies, and between Contractor and City for the purpose of early identification of stolen vehicles and prompt notification of the owner. Procedures for waiver and reimbursement of towing and storage charges for stolen vehicles are described in Section 12.2(a) of this Appendix A.

(d) Reporting

(i) Reports Required

Contractor shall submit to the SFPD a weekly report listing all Investigative Police Hold vehicles that are currently being stored by Contractor in accordance with the requirements of Section 13 of this Appendix A, delivered to the person designated by the SFPD as the inspector in charge of auto investigative holds. Contractor shall issue reports to SFPD personnel designated by the Chief of Police in writing, the Director of SFMTA or her or his designee, and the SFMTA Contract Administrator upon occurrence of the following events:

- (1) A "300 vehicle warning" notice on each day that the number of Investigative Police Hold vehicles stored by Contractor exceeds 300 vehicles; and

- (2) An inventory report of Investigative Police Hold vehicles on each day that the number of Investigative Police Hold vehicles stored by Contractor exceeds 325 vehicles.

(ii) ***Police Hold Storage Charges***

On each day or portion of a day that the Contractor has more than 350 Investigative Police Hold vehicles in storage, Contractor may charge the SFPD a daily Investigative Police Hold storage fee per vehicle, as further described in Section 12.2(b) of this Appendix A.

4.7 Administrative Hold Procedures

(a) ***Administrative Hold***

SFMTA or the SFPD may designate a vehicle as an Administrative Hold vehicle. Contractor shall identify and track Administrative Police Holds as either "STOP" holds or "Traffic Administration" holds. Vehicles subject to Administrative Hold by the SFPD or the SFMTA shall not be processed or otherwise treated as Investigative Police Hold vehicles.

(b) ***Release Restrictions***

Administrative Hold vehicles that are impounded in accordance with the provisions of the Vehicle Code, including Administrative Holds resulting from the SFPD's STOP Program, shall not be released until Contractor receives written authorization for the release by the SFPD. Contractor may proceed with the lien sale of the vehicle in accordance with all applicable lien sale requirements, without written SFPD release authorization. SFPD STOP Administrative Hold vehicles must be held for at least thirty (30) days prior to lien sale.

(c) ***Administrative Hold Reports***

Within twenty-four (24) hours of a request from SFMTA or SFPD, Contractor shall produce a report of SFMTA and SFPD Administrative Holds that lists the City employee and department requesting the hold for each vehicle subject to Administrative Hold.

5. Customer Service

Contractor shall interact with Customers who contact Contractor for the purpose of retrieving towed vehicles in person, by phone using an interactive telephone answering system ("IVR") and live operators, and by internet. When a Customer makes an inquiry of Contractor by any means of communication, Contractor shall provide the Customer with accurate and timely information regarding their rights with respect to the towed vehicle under this Agreement and all applicable federal, state and local laws and regulations. Contractor shall at a minimum implement the Customer service activities described in this Agreement. All materials created by Contractor which are intended for use by Customers, whether in written, electronic or audio format, shall be made available in Spanish, spoken Cantonese and written Chinese. Contractor shall also make best efforts to provide bilingual staff to assist Customers in the Mandarin, Russian and Vietnamese languages.

5.1 Customer Intake and Processing

(a) ***Telephone System***

Contractor shall establish and maintain one (1) customer service phone line that the City or the public may call for information regarding towed vehicles. This phone line shall be independent of the phone line used for requests for Dispatch Tows. Contractor shall make information available to City and Customers through both an automated IVR, as further described in Section 6.3 of this Appendix A, and through live operators as described in Section 5.1(b) below. The automated IVR and call distribution system to live operators must have sufficient lines, instruments, hardware, software, and overflow safeguards to meet the service requirements of this Agreement.

(b) ***Live Operators***

Contractor's telephone operators must be available to respond to calls from the public twenty-four (24) hours per day, 365 days per year. During each monthly reporting period, at least ninety-five percent (95%) of all customer service calls received during Peak Service Hours must reach a live operator within three (3) minutes of request; of the remaining five percent (5%) of Peak Service Hour customer service calls, at least four percent (4%) must reach a live operator within ten (10) minutes of request. At all other times, at least eighty percent (80%) of all

customer service calls must reach a live operator within three (3) minutes of request; of the remaining twenty percent (20%) of customer service calls, at least nineteen percent (19%) must reach a live operator within ten (10) minutes of request during the monthly reporting period.

(c) In-Person Customer Service

(i) Facility

Contractor shall operate a Customer Service Center that is open to the public twenty-four (24) hours a day, 365 day per year. The Customer Service Center shall have equipment that records the time that each Customer enters the waiting area and how long they wait for service at the service window. Contractor shall store this data and summarize it in the Customer Service reports required by subsection 5.1(c)(v). In all cases, a vehicle must be released to a Customer within one (1) hour of the Customer's completion of all payment and documentation requirements for vehicle release.

(ii) Staffing

During Peak Service Hours, Contractor shall maintain adequate and sufficiently trained staff to simultaneously serve six (6) Customers, including "quick service" window(s), in accordance with the standards set forth in this Agreement. Wait times for ninety-five percent (95%) of all customers served in person shall be no longer than ten (10) minutes.). Contractor shall cross-train all personnel so that window staff are trained to answer telephone calls if they are not assisting a Customer in person and call volumes require additional telephone operators. Telephone operators shall be trained to assist window staff when walk-in wait times exceed ten (10) minutes and windows are available. All Employees of Contractor who have regular, continuous contact with members of the public shall be neat in appearance and courteous to the public.

(iii) Customer Service Representative

Contractor shall provide a Customer Service Representative in addition to the regularly scheduled service window staff and telephone operators. An appropriately trained Customer Service Representative shall be on duty during the hours of 7:00 a.m. through 7:00 p.m., Monday through Friday, excluding City holidays, to assist Customers apart from normal window service, including but not limited to escalated service inquiries, suggestions, Complaints, assistance to disabled Customers and other out-of-the-ordinary Customer needs. The designated Customer Service Representative may assist Customers at a window or assist telephone callers while not occupied with escalated service inquiries, so long as service level requirements for phone and walk-in service as defined in this Section 5 are met.

(iv) Self-Service

Contractor shall provide Customers who use the self-service phone system and the self-service web site access to a special "quick service" window(s) or self-service kiosk(s) for expedited service.

(v) Reports

Contractor shall submit a monthly Customer Service Report that shows window staffing patterns, average wait times for Customers, and number of Customers served by hour.

(d) Customer Service via Internet

Contractor shall create and maintain an internet site that provides general information to the Customer, including the ability to ascertain the status of a specific towed vehicle and to make payments of Mandatory Fees with a credit card. Contractor's internet site shall generally be available twenty-four (24) hours a day, 365 days per year. Internet site maintenance and down-time should be scheduled between the hours of 12:00 a.m. and 6:00 a.m., except as otherwise necessary. City may assess liquidated damages pursuant to Section 15 of this Appendix A for failure to meet these standards; however Contractor may request a waiver of liquidated damages in advance of maintenance that must be performed outside the hours of 12:00 a.m. to 6:00 a.m.. Detailed specifications and requirements for the internet site are set forth in Section 6.4 of this Appendix A.

(e) Customer Service Manual

Within forty-five (45) days of the Effective Date of the Agreement, Contractor shall create a Customer Service Manual for Employees describing the policies and procedures for assisting Customers with vehicles towed under this Agreement. This manual shall be a reference for Contractor staff and subcontractors. The Customer Service Manual shall include, but is not limited to Employee training, guidelines for dissemination of information to the public, specifications for the Customer Service Center, cleanliness and safety standards for all facilities, and procedures for solicitation of feedback from Customers served. The Customer Service Manual shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

5.2 Complaints and Claims

(a) Claims Procedure

Contractor shall establish a procedure by which persons whose vehicles have been towed and/or stored ("Claimants") may file a Claim against Contractor. Contractor shall respond to all Claims within fourteen (14) days of receipt of Claim, either to accept, deny or request further information for investigation. Contractor shall endeavor to resolve each Claim within ninety (90) days of receipt from Claimant, and shall resolve all Claims within six (6) months unless (i) such Claim is abandoned by the Claimant's failure to respond to Contractor's communication for a period of thirty (30) days, or (ii) the Claim is filed in court. Contractor shall in all cases endeavor to resolve Claims fairly and expeditiously. Contractor shall designate a Claims Manager who shall supervise Contractor's Claims procedures and shall be available during regular business hours to discuss Claims with Claimants in person or by telephone. Contractor shall maintain records of all Claims filed and of all correspondence with Claimants, denials of Claims, settlement offers and amounts paid on Claims.

(b) Complaint Procedures

Contractor shall establish a procedure by which Customers ("Complainants") may submit Complaints about Contractor's performance of the services under this Agreement. Contractor shall make available to Customers a Complaint Form, which shall include a self-addressed pre-paid postage envelope. Contractor's Complaint procedure shall allow Complaints to be submitted by mail, fax or internet. Customers shall be able to request a Complaint Form by telephone, fax, in person or by email. Contractor shall record the name, telephone number, and address of each Complainant and the details of each Complaint. Contractor shall respond to all Complaints, regardless of origin of request for service (by mail, phone, in person or by internet) within seven (7) days of receipt of Complaint.

(c) Claims/Complaint Status Reports

Contractor shall submit a monthly Claims/Complaint Status Report that contains the following information:

- (1)** Claim/Complaint tracking number
- (2)** Name of Claimant/Complainant
- (3)** Date Claim/Complaint received
- (4)** Name of Employee who processed Claim/Complaint
- (5)** Brief description of Claim/Complaint
- (6)** Estimated value of Claim, when available
- (7)** Verified amount of Claim
- (8)** Status of Claim/Complaint
- (9)** Average Claim/Complaint resolution time
- (10)** Brief description of Claim/Complaint resolution
- (11)** Date of resolution of Claim/Complaint

Contractor shall deliver reports regarding Claims and Complaints to the City in accordance with the reporting requirements of Section 13 of this Appendix A. Contractor also shall retain any supporting documents submitted with a Claim or Complaint in accordance with Record retention requirements of this Agreement. Contractor shall respond to City requests to review Records related to Claims and Complaints within seven (7) days. Contractor shall track Complaints and Claims using both paper forms and electronic records. Using electronic records, Contractor shall provide the City with supplemental, specialized reports regarding any Complaint or Claim upon request within seven (7) days.

(d) Claims/Complaint Processing Plan

Contractor shall provide the City with its Claims/Complaint Processing Plan, along with the form of Complaint and Claim forms to be used under this Agreement, within forty-five (45) days of the Effective Date of this Agreement. This plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

5.3 Dissemination of Information to the Public

(a) Posted Information

The Contractor shall distribute the following information to its towing subcontractors and make available on its internet site and in the Customer Service Center, or in a different location as specified below, that are accessible to the public in a conspicuous location:

- (1)** Statement that a complete copy of this “Tow Agreement with the City and County of San Francisco” is available for review on the internet (including the URL for the internet site) or may be obtained at the same maximum per-page costs for copies which the City makes available to the public under the Sunshine Ordinance, San Francisco Administrative Code Chapter 67.
- (2)** A statement of the Customer's rights and obligations pursuant to Vehicle Code § 22852.
- (3)** Schedules of all current towing, storage and additional charges as established pursuant to this Agreement.
- (4)** Notice required by Vehicle Code § 22850.3 that any vehicle impounded pursuant to Vehicle Code § 22850 may only be released upon proof of current registration or upon issuance of a notice to appear with proof of correction of the registration violation, at the discretion of the impounding agency.
- (5)** Notice explaining the right to a post-storage hearing and the procedure by which a post-storage hearing may be requested from SFMTA, DPH or the SFPD.
- (6)** Procedures for filing a Claim for damages incurred to the vehicle or contents thereof as a result of the tow or while in storage, and associated Claim forms.
- (7)** Procedure by which all unclaimed vehicles are sold at public auction, including the location of such auctions, and a statement indicating that all in attendance at such auction shall have an equal opportunity to bid.
- (8)** List of publications in which such auctions are advertised.
- (9)** Instructions for bidders interested in attending the public vehicle auctions.
- (10)** At the Secondary Storage Facility, a preliminary list of all vehicles to be auctioned seven (7) days in advanced of the auction date.
- (11)** At the Secondary Storage Facility, results of the previous vehicle auction, which must include the list of vehicles by make, model and year and the final sale price.

- (12) A list of Tow Car firms that Contractor has evaluated for compliance with industry standards based on maintenance of insurance and permits which are not affiliated with Contractor, along with their contact information, that Customers may contact for towing services.

(b) ***Translation of Posted Information***

Except for items 5.3(a)(10) and 5.3(a)(11) above, information provided at the Customer Service Center shall be available to the public in English, Spanish, and Chinese and up to three other languages that may be designated by the City. For items 5.3(a)(10) and 5.3(a)(11) above, Contractor shall provide a summary sheet in Spanish and Chinese explaining how to read the lists of auctioned vehicles. Specifications for signage or documentation produced, including but not limited to multiple languages required, wording, size of letters, font used and methods of display shall be approved by the City in advance of posting or publication. Contractor shall publish all information listed above on its internet site and distribute it to all of its towing subcontractors.

6. Procedures for Vehicle Recovery

6.1 Form of Payment

(a) ***In-Person Payments***

At the time that a Customer contacts Contractor by telephone, internet or in person, Contractor shall communicate the amount of all Mandatory Fees and any other fees owing as of the date of the contact, and shall collect all Mandatory Fees owing prior to releasing the vehicle to the Customer. Customer Service Center staff shall be trained in procedures to accept payments when electronic cash registers or Contractor's computer systems are not operational. The following forms of payment shall be valid for Customers making payment in person at the Customer Service Center:

- (1) Cash;
- (2) Personal checks with valid ID card as proof of identity if verified through check verification service provided by Contractor; and
- (3) Credit card (MasterCard, VISA, American Express, and Novus/Discover Card) with a valid ID card as proof of identity; and
- (4) Debit/ATM card with a valid ID card as proof of identity.

(b) ***Phone and Internet Payments***

For payment over the phone or the internet, Contractor shall accept at a minimum:

- (1) Credit cards (Visa, Mastercard); and
- (2) Debit/ATM cards with credit card company affiliations suitable for internet payments.

6.2 Collection of Parking Citation Payments and Related Fees; Deposit

(a) ***Citation Payments***

Contractor shall accept payment of Citations from all Customers at its Customer Service Center, regardless of whether or not the Customer has had a vehicle towed. In order to allow Contractor to accept Citation payments, City shall give Contractor access to its CMS through the City's WAN and/or via the internet. If a Customer wishes to dispute any Citation, Contractor shall refer the Customer to the SFMTA Citation Division.

(b) ***Outstanding Fees***

At the time that a Customer contacts Contractor regarding payment of fees Contractor shall determine Customer's outstanding Citations and the amount due on each, using SFMTA's CMS. If Customer has five (5) or more Delinquent Citations, Customer must pay all Delinquent Citations before Contractor may release the

vehicle. If Customer has fewer than five (5) Delinquent Citations, Contractor must inform Customer of the amount of fees due for outstanding Citations and the option to pay outstanding Citation fees through Contractor. If any person wishes to pay outstanding Citation fees that are not yet Delinquent, the Contractor shall accept payment at its Customer Service Center, or by internet or telephone credit card payment. At the time of payment, Contractor shall record Citation payments online in real-time to the CMS twenty-four (24) hours per day, 365 days per year. Notwithstanding the requirements of this Section 6, Contractor shall not be required to provide information over the internet on outstanding Citation fees, nor shall Contractor be required to accept credit card payments over the internet until such time as Phase 3 of Contractor's internet site is implemented, as described in Section 6.4 herein. Contractor shall not accept payments for Citations that are marked in the CMS as being under Administrative Review, Hearing, or Project 20. Contractor shall also require payments for boot fees that may have been charged prior to the vehicle being towed and any insufficient funds fees that may have been assessed for prior Citation payments.

(c) Collection Fees for Non-Towed Vehicle Citations

The threshold amount of funds collected daily for Citations associated with vehicles that have not been towed, under which amount Contractor is required to collect Citation fees for non-towed vehicles without any reimbursement credit from City (the "Daily Collection Limit"), is currently set at \$5,952 per day, based on the current average parking fine payment of \$48.29 per Citation (the "Average Citation Amount"). Should the amount collected by Contractor exceed the Daily Collection Limit amount more than twice within a given calendar month, Contractor shall be entitled to a processing fee in the form of a credit in an amount equivalent to seven and a half percent (7.5%) of the amount received above the Daily Collection Limit, beginning on the third (3rd) day and continuing on each day within the calendar month that Citation fee collections exceed the Daily Collection Limit. Should the Average Citation Amount increase or decrease by more than one percent (1%), the Daily Collection Limit shall increase or decrease by the same percentage. The Average Citation Amount and the Daily Collection Limit amount shall be reviewed by City and recalculated as necessary at the beginning of each contract year.

6.3 Interactive Voice Response System

Within sixty (60) days of the Effective Date of the Agreement, Contractor shall provide an interactive voice response system ("IVR") that will answer incoming calls and offer callers a choice of menus with information on towing services. Contractor's proposed telephone answering system, its equipment, functionality and its message content shall be subject to review and approval by the City. At a minimum, the IVR must contain the following features:

- (1) Capability for users to obtain general information about the status and location of a vehicle, including Investigative and Administrative Police Hold information
- (2) Ability to hear a detailed listing and summarized total of all Mandatory Fees and other fees that have been applied to the vehicle (excluding Delinquent Citations)
- (3) Option to pay Mandatory Fees and other fees by credit card and receive instructions for the expedited release of the vehicle from a live operator (excluding Delinquent Citations)
- (4) Options for information on Contractor's locations and operating hours
- (5) Ability to listen to general information regarding Contractor and City policies and procedures
- (6) Information on the weekly lien sale auctions
- (7) Option to transfer to a live operator
- (8) The IVR must be functional ninety-seven percent (97%) of the time during the hours of 6:00 a.m. to 12:00 a.m. during a monthly reporting period.

Within 180 days of the date that the City provides an Application Programming Interface (“API”) that Contractor can use to integrate its TVMS with the City’s CMS, the Contractor’s IVR shall provide the following additional capabilities: Contractor’s IVR shall communicate in real-time with the TVMS to accept payments for any outstanding fees and optional services available to the public and with the City’s Citation processing system to pay any outstanding Citations. The IVR shall advise the Customer of the date range for which the stated fees are applicable, as well as a time limit within which the vehicle must be retrieved without incurring additional storage charges once the fees have been paid. The IVR shall ensure that all fees for five (5) or more Delinquent Citations, boot fees and insufficient funds fees shall be included in the Mandatory Fees required for release of the vehicle presented to the Customer for payment on the IVR. In addition, Contractor must advise the Customer of any other outstanding amount listed in the Citation processing system. Contractor’s IVR shall inform Customers of the payment of Mandatory Fees required for release of the vehicle, and shall separately advise of the amounts of any other outstanding fees that may be paid simultaneously through the IVR system. Following integration of the TVMS and CMS, Contractor shall provide Customers with the ability to make credit card payments for Mandatory Fees through its IVR system.

6.4 Internet Services

Within ninety (90) days of the Effective Date of this Agreement, Contractor shall design and implement an internet site that allows the Customer to access information on towed vehicles, not including outstanding Citation fees or the ability to make credit card payments over the internet (“Phase 2”). In Phase 2, a Customer shall be able to look up vehicle data on the internet site using a minimum of two (2) of the following data look-up fields:

- (1) License number
- (2) Make
- (3) Towed from location (by street name)
- (4) Tow date

Within 180 days of the date that the City provides an Application Programming Interface (“API”) that Contractor can use to integrate its TVMS with the CMS, Contractor shall provide the ability for the public to access all information regarding a towed vehicle and all related outstanding fees and charges (“Phase 3”). In Phase 3, Contractor shall provide the capacity on its internet site to make on-line, real-time payments of Mandatory Fees and any other fees for Citations, using a credit card with appropriate security restrictions for payment types accepted. The internet site shall advise the Customer of the date and time range for which the stated fees are applicable, as well as a time limit within which the vehicle must be retrieved once the fees have been paid without incurring additional storage charges. The internet site shall ensure that all fees for five (5) or more Delinquent Citations, boot fees, and insufficient funds fees shall be included in the Mandatory Fees required for release of the vehicle that are presented to the Customer for payment on the internet site. Contractor’s internet site shall inform Customers of the payment amount of Mandatory Fees required, and shall separately advise of the amounts of any other outstanding fees that may be voluntarily paid through the internet site. The internet site created to satisfy the requirements of this Section shall meet Department of Telecommunications and Information Services standards for accessibility.

6.5 Vehicle Recovery

(a) Vehicle Location

Contractor's staff in the Customer Service Center and vehicle storage facilities shall be able to identify and locate a towed vehicle in Contractor's possession by using the license number, the VIN, or three (3) or more of the following identifiers: vehicle make and model, vehicle color, date of tow, and location of tow. Contractor's Customer Service Center and vehicle storage facility staff shall use the TVMS to provide information regarding the tow, and shall also be trained in procedures for manual processing of vehicle pick-up requests during times that the TVMS is not operational.

(b) Vehicle Release Procedure

When appearing to recover a towed vehicle, the Customer shall be required to provide evidence that she/he is a person entitled to possession of the vehicle. This shall include, but is not limited to, a key to the vehicle, a letter authorizing the person to pick up the vehicle signed by the registered owner, or a valid photo identification establishing a person's right to claim the vehicle. When Contractor is satisfied that the Customer is entitled to possession of the vehicle, Contractor shall record the identity of the Customer and the number of the photo identification provided by the Customer into the TVMS. After obtaining payment of all fees owing, the Customer shall be issued a tow receipt, with a copy to be signed by the Customer and retained by Contractor, and shall be directed to the Designated Facility where the vehicle is located to meet a Customer service agent. This Customer service agent shall either assist the Customer with the physical retrieval of their vehicle, direct them to the Contractor-provided shuttle, or arrange a pre-paid, one-way taxi ride to the Secondary Storage Facility in order to retrieve their vehicle. Contractor shall require any person who claims the right to possession of a vehicle to show a valid driver's license or to identify a licensed driver before allowing the vehicle to be driven off of the Contractor's facilities and onto the public streets, except that Contractor may release a vehicle towed by SFPD to the person listed on the release issued by SFPD without requiring that person to show a valid driver's license.

(c) Vehicles Not Subject to Release

Contractor shall not release a vehicle that is subject to Police or Administrative Hold without a written authorization for release from the agency that impounded the vehicle. Contractor shall not release a vehicle unless Mandatory Fees have been paid or have been waived as provided in this Agreement. Contractor may not release any vehicle without proof of compliance with vehicle registration laws, which at the time of vehicle intake may be ascertained by visual inspection of registration tags on license plates. Contractor shall be liable for and hold City harmless from all claims arising out of the improper release of a vehicle, unless such release is caused solely by the negligence of SFMTA, SFPD, DPH or the DMV.

6.6 Form of Receipt

Contractor shall provide all Customers with a receipt for services rendered. The form of the receipt shall be subject to approval by City. All receipts shall include the following information:

A clear and succinct statement, in a legible text of at least 10-point type, informing the Customer that by law they may protest a vehicle tow, that a hearing to protest any tow must be requested within thirty (30) days from the date of tow, and setting forth current telephone numbers for SFMTA, DPH and the SFPD for the purpose of requesting a hearing. SFMTA may require changes to the language or form of such statement printed on Contractor's receipt. In addition, each Customer's receipt shall include the following information:

- (1) A complete, itemized schedule of fees and charges, and
- (2) Each individual Citation paid, listed by Citation number, the amount paid on that Citation, and the remaining balance due for any outstanding Citation.

6.7 Disclosure of Deficiency Claim at time of Vehicle Abandonment

Contractor shall provide written notice to Customers who abandon their vehicles at Contractor's facilities, informing the Customer that abandoning a vehicle is not sufficient to avoid towing and storage costs in excess of the vehicle's sale price, and that such towing and storage charges in excess of the vehicle's sale price may be subject to collection. Such notice shall include (1) the charges to date, and (2) the Lien Category expressed as the range of potential value of the vehicle. The form of such notice shall be subject to prior approval of the City. Contractor shall not provide such notice to owners of Lien 1 Vehicles, because Lien 1 Vehicles are not subject to deficiency claims.

6.8 Invalid Payments

Any costs incurred by or loss to Contractor resulting from the use of checks, counterfeit cash, credit cards, debit cards, or ATM cards, whether received in person, through the IVR or internet, shall be considered a business expense of Contractor and is not billable to the City under any circumstances.

7. Procedures for Lien Sales

7.1 Notification to Registered Owner

Contractor shall make a diligent effort to locate and contact the owner and any lienholder(s) for each impounded vehicle, in accordance with all state and local laws and regulations. Contractor shall request vehicle ownership information from the DMV for all vehicles stored at least seventy-two (72) hours, and shall, whenever ownership information is available, send lien notices to registered owners, lien holders and legal owners identified by the DMV between three (3) and seven (7) days from the date that the vehicle was towed. If Contractor is able to ascertain the identity of the owner of the vehicle and fails to send notice under this section within seven (7) days of the date that the vehicle was towed, Contractor shall waive storage fees for the vehicle for the eighth (8th) day of storage through the lien start date. Contractor shall use an electronic means of communicating its requests for vehicle license and ownership information to, and of receiving responsive information from the DMV. Exceptions to the deadlines for providing prompt notice of storage to vehicle owners pursuant to this Section 7.1 include:

- (1) Vehicles subject to Investigative Police Holds. Ownership information for these vehicles should be requested and notices sent within seven (7) days after the hold is released by the SFPD, and storage charges shall begin to accrue as of the date of the release of the hold.
- (2) Vehicles identified as NO ID vehicles pursuant to Section 4.5 of this Appendix A which require SFPD inspection. Ownership information for these vehicles should be requested and notices sent within seven (7) days after vehicle identification has been provided by SFPD.
- (3) Vehicles with out-of-state license plates for which the DMV does not have ownership information. Lien notices for these vehicles must be sent to DMV in accordance with the requirements of the Vehicle Code.
- (4) Other cases of extenuating circumstances as approved by the City.

The form of notice sent to registered owners and lien holders shall be subject to Vehicle Code, Civil Code, and DMV requirements and prior approval by City. Lien sale notices shall include a statement that failure to claim a vehicle is not sufficient to avoid towing and storage costs in excess of the vehicle's sale price, and that, with the exception of Lien 1 Vehicles, such towing and storage charges in excess of the vehicle's sale price may be subject to collection. Lien sale notices shall also be accompanied by the following notice:

If your vehicle is sold at auction, you may be entitled to any proceeds that exceed the amount of the AutoReturn lien, any applicable City fees, and the amount of any unpaid parking citations on the vehicle. AutoReturn is required to send the excess proceeds to the California Department of Motor Vehicles to be deposited in the Motor Vehicle Account in the State Transportation Fund. If you do not claim the excess proceeds within three years of the date that the money is deposited into the Motor Vehicle Account, you may forfeit your right to the money under California Civil Code Section 3073. In order to find out if your car sold for more than our lien amount, you may contact the Lien Sale Unit at the Department of Motor Vehicles at the following address: California Department of Motor Vehicles, Lien Sale Unit, P.O. Box 932317, Sacramento, CA 94232-3170. Or, you may call the Lien Sale Unit at the following telephone number: 916-657-7976.

7.2 Lien Sales

(a) *Lien Sale Procedures*

Contractor shall comply with all state and local laws and regulations applicable to notice and conduct of lien sales of vehicles, including, but not limited to California Civil Code §§ 3068-3074 and Division 11, Chapter 10, Article 2 of the Vehicle Code (§§ 22650 *et seq.*), and any successor statutes. Contractor shall track lien-related

dates, and process the official lien notification paperwork as required for lien sales in the state of California. Contractor's lien sale notice for Lien 2 and Lien 3 vehicles shall include the specific date that the vehicle is scheduled to be sold at auction, and Contractor may use this date to calculate the amount of storage charges due. Contractor shall not process the Bill of Sale and the Certificate of Lien Sale until the auction sale date and shall include on these forms the name of the buyer and the purchase price of the vehicle.

Unless City has given prior written approval to suspend a scheduled lien sale ("auction"), Contractor shall conduct lien sales at least weekly for vehicles that have been cleared for sale after the lien process is complete. The day of the week for these auctions is subject to approval by City. City hereby approves Wednesday as a regularly scheduled auction day. Contractor shall submit a Public Auction Plan for the City's review and approval upon the Effective Date of the Agreement. The Public Auction Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

(b) Pre-Registration

Contractor shall require all persons who desire to purchase vehicles at auction to pre-register. Contractor shall require all registrants to provide photo identification with current address. Contractor shall maintain records of each purchaser's name and address. Contractor may develop lists of auction participants who demonstrate a tendency to purchase and subsequently abandon vehicles purchased at auction, and may prohibit such persons and any other persons who are known to have engaged in illegal conduct or conduct prohibited by this Agreement before, during or after an auction from submitting bids.

7.3 Post-Lien Sale Procedures

(a) Driver's License and Vehicle Registration

Contractor shall require the purchaser of a vehicle or the purchaser's agent to show a valid driver's license before driving the vehicle off of any Designated Facility and onto the public streets. Contractor shall comply with applicable Vehicle Code requirements for the transfer of title, including but not limited to the requirement of filing a notice of transfer of title pursuant to Vehicle Code § 5900. Contractor shall cooperate with City in implementing any program to provide on-site vehicle registration during vehicle auctions.

(b) Deficiency Claims

Following sale of any vehicle for which Contractor wishes to maintain a Deficiency Claim under California Civil Code § 3068.1, after the sale and before attempting collection of the Deficiency Claim Contractor shall send a notice to the registered owner of the amount of the Deficiency Claim, the basis of charges, including the dates and amounts of towing and storage fees, the make, model and license number of the vehicle that is the basis for the claim, and the amount of the debt, including the amount that is offset by money recovered from the sale or salvage of the vehicle. Documentation of any amounts received by Contractor for the sale or salvage of the vehicle shall be included with such notice. In the event that Contractor utilizes a third-party vendor to provide collection services for these Deficiency Claims, Contractor shall contractually require the third-party vendor to meet the notice requirements of this Section 7.3(b). The form of such notice, whether sent by Contractor or by a third-party vendor, shall be subject to prior approval by City. Contractor waives the right to collect any Deficiency Claim for which it has not complied with the notice requirement of this Section; however Contractor may pursue a Deficiency Claim in spite of a failure to provide adequate notice as required herein if it cures such failure by sending a notice that meets the requirements of this Section within ten (10) days of receiving a written request for documentation of the debt from the vehicle's legal owner, registered owner or the City. Contractor shall not maintain a Deficiency Claim for any Lien 1 Vehicle.

7.4 Disposal of Unsold Vehicles

Contractor shall ensure that Lien 1 and other vehicles not sold at auction are removed from the Secondary Storage Facility at least once per week.

8. Staffing Requirements

8.1 Adequate Staffing

Contractor shall employ adequate numbers of qualified personnel to perform the required services in accordance with the standards specified in this Agreement. The City may require Contractor to hire additional Employees if it reasonably determines that additional Employees are necessary to perform the services required under this Agreement to the specified standards. Criteria to be used in making this determination include but are not limited to any combination of the following:

- (1) Tow response times, or
- (2) Wait times for walk-in Customers at Customer Service Center, or
- (3) Vehicle delivery times to Customers, or
- (4) Live operator wait-times for phone Customers, or
- (5) Ten percent (10%) change in the number of Complaints, based on monthly Complaint report data, and at least ten (10) more Complaints than the prior month.

8.2 Subcontractors

(a) Subcontractor Designation

Contractor may subcontract with one or more towing service companies for the provision of towing services to Contractor in accordance with the standards of this Agreement. A list of the Contractor's pre-selected and pre-qualified subcontractors shall be submitted upon the Effective Date of this Agreement for City's approval. Consistent with the provisions of Sections 27 and 31 of the Agreement, Contractor shall notify the City in writing prior to deleting or adding any towing subcontractors. Contractor shall provide the City with copies of all subcontractor agreements within five (5) days of the Effective Date of this Agreement and required insurance certificates that identify the Contractor and City as co-insured parties for those subcontractors (not including Worker's Compensation Insurance). Contractor shall also provide copies of subsequent subcontract amendments within five (5) days of any such amendments to its subcontractor agreements.

(b) Subcontractor Compensation

Contractor shall not pay compensation to towing subcontractors based solely on a flat fee per tow. City may require Contractor to change any element of its compensation structure if it results in an undue number of subcontractor complaints or Customer service problems. Upon the Effective Date of this Agreement, Contractor shall submit a Subcontractor Compensation Plan to City for approval as part of the Operations Plan in accordance with the procedures set forth in Appendix A, Section 14.

(c) Subcontractor Performance Standards

Contractor shall define Subcontractor Performance Standards for all Tow Car operators. At a minimum, Performance Standards shall require compliance with all applicable Vehicle Code and San Francisco Police Code requirements for Tow Car operators and Tow Car firms. Subcontractor Performance Standards shall be provided to the City upon the Effective Date of this Agreement. The Subcontractor Performance Standards shall be approved and adopted as part of the Operations Plan as provided in Appendix A, Section 14. Contractor shall audit compliance with these standards quarterly, beginning on a date no later than one hundred and eighty (180) days from the Effective Date of this Agreement, and shall provide written audit results to the City. Contractor's quarterly audit shall, at a minimum, audit subcontractors for compliance with the requirement to maintain valid licenses and permits. The City reserves the right to require the Contractor to perform more frequent audits. Contractor is responsible for any and all claims arising out of the Contractor's failure to maintain current permits and licenses.

(d) Subcontractor Compliance with Licenses and Permits

Contractor shall maintain current and valid City licenses, permits and proof of insurance necessary to perform the services required for this Agreement. Contractor shall require in its subcontracting agreements that all subcontractors maintain current and valid City licenses, permits, and proof of insurance, including but not limited to Articles 30 (Permits for Tow Car Drivers) and 30.1 (Permits for Tow Car Firms) of the San Francisco

Police Code or successor Tow Car or Tow Car firm permitting ordinances, and shall require all subcontractors to demonstrate evidence of such licenses, permits and insurance at the time of executing the subcontracts.

(e) Subcontractor Identifying Equipment and Uniforms

All subcontractor personnel who have regular, continuous contact with members of the public shall be neat in appearance and courteous to the public. Contractor shall ensure that all Tow Cars used by its subcontractors for the provision of towing services shall bear a permanently attached sign stating Contractor's and subcontractor's trade name and telephone number in characters at least two inches high and an identifying number in characters at least three inches high on both sides of the vehicle. Detachable magnetic signs may not be used. Contractor shall include in subcontracts the following uniform requirements for subcontractors:

- (1) All Tow Car operators must display photo ID badges at all times when on duty. The form and design of the photo ID badges must be approved by the City.
- (2) All Tow Car operators must wear at all times a standard colored shirt with the name of the employee affixed to right or left side of the shirt. The Contractor or subcontractor's company name shall be displayed on the opposite side of the shirt and/or jacket.

8.3 Training

Contractor shall be responsible for all training costs for its Employees. City shall approve all training programs proposed by Contractor in advance of implementation. Contractor shall review the Employee Training Plan with the City annually. Contractor shall submit within ninety (90) days of the Effective Date of the Agreement an Employee Training Plan to the City for review and approval. The Employee Training Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A. In approving the Employee Training Plan, City shall give Contractor credit for training provided to Employees during the term of the Emergency Interim Agreement to the extent that it meets the requirements of this Section.

Within thirty (30) days after the Effective Date of the Agreement, Contractor shall have every Employee attend twenty-four (24) hours of professional job training, including customer service training. In addition, Contractor shall conduct a minimum of eight (8) hours of professional customer service training annually for all Employees who perform duties involving significant Customer contact. Contractor shall require certificates of completion for each Employee and shall file these in Employee personnel files with copies sent to the City within five (5) days of completion of training. Contractor shall require in its subcontractor agreements with Tow Car operators that all Tow Car operators performing services for Contractor shall participate in one four (4) hour customer service training session annually. Contractor must provide one such four (4) hour training session annually for towing subcontractors at its own expense; however, when additional training sessions for new subcontractor employees are required Contractor may pass the cost of such trainings on to the subcontractors.

8.4 Policy and Procedure Manual

Contractor shall submit within ninety (90) days of the Effective Date of the Agreement a Policy and Procedure Manual to the City for review and approval. The Policy and Procedures Manual shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A. Contractor shall require in its subcontracting agreements that all subcontractors shall adhere to Contractor's Policy and Procedures Manual. The Policy and Procedures Manual shall differentiate between the responsibilities of each subcontractor where necessary.

8.5 Staffing Plan

Within forty-five (45) days of the Effective Date of the Agreement, Contractor shall provide a Staffing Plan to meet all service and performance requirements of the Agreement. Contractor's Staffing Plan shall indicate the number of people and positions it will provide to perform the services required in this Agreement. The Plan shall provide the name, title and time allocation (percentage of dedication to the proposed Agreement) for each staff person. The Staffing Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

Contractor shall contract for the services of an independent auctioneer at Contractor's expense. Contractor shall replace a full-time auctioneer at least once per year except with the City's prior written approval. Upon Contractor's request, and with prior written approval by City, an individual who has served as a full-time auctioneer in the past, but not within the preceding year, may again act as a full-time auctioneer. A full-time auctioneer is defined as one who has performed more than 50% of the auctions within a given contract year. Within forty-five (45) days of the Effective Date of the Agreement, Contractor shall provide to City an Auctioneer Staffing Plan, which shall include the method for selection and screening of candidates for the position of auctioneer, the duties of the auctioneer, and the measures that Contractor shall take to ensure that no sales are made at auction in violation of Section 8.9(c) of this Agreement. The Auctioneer Staffing Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A.

(b) Information Provided to Auctioneer

Contractor shall notify the auctioneer of the day of regularly scheduled weekly auctions. Contractor also shall notify the auctioneer a minimum of three (3) days before any additional auctions will take place. Contractor shall provide the auctioneer a report of all vehicles being auctioned, which shall include at a minimum the vehicle makes, models, and the minimum asking price as determined by Contractor ("Auctioneer Report").

(c) Vehicle Sales to Certain Individuals Prohibited

Contractor shall not knowingly sell vehicles at auction to any individuals meeting the following criteria (collectively, "Restricted Auction Participants"):

- (1) The Contract Monitor and any Close Family Member of the Contract Monitor;
- (2) Contractor's employees and any Close Family Member of Contractor's employees;
- (3) Any individual designated to provide auditing services under the Agreement as described in Section 12.6; and
- (4) Any person who is acting or has acted within the previous five years as Contractor's vehicle auctioneer, and any Close Family Member of a person who is acting or has acted within the past five years as Contractor's vehicle auctioneer.

Any auctioneer who knowingly has accepted bids on lien sale vehicles in violation of this Agreement, or who conducts an auction that in any way benefits the auctioneer's own financial interests or the financial interests of any Close Family Member, shall be immediately disqualified from conducting any future auctions. The Contractor must act immediately to dismiss an auctioneer if it has actual knowledge of any conduct on the part of the auctioneer that is prohibited under this Section, and must immediately notify the City if it has actual knowledge or suspicion of any conduct on the part of the auctioneer that is prohibited under this Section.

Contractor shall not be responsible for screening auction participants for improper relationships, except that Contractor must obtain and verify a list of the Restricted Auction Participants at the time of any changes to the current employee list, the Contract Monitor, the Auctioneer and/or the individuals designated to provide auditing services under the Agreement. On at least a quarterly basis, Contractor must utilize the most current list of Restricted Auction participants and a random sample set of vehicles sold through the auction during the given evaluation period to determine if any vehicle sales within the sample are prohibited under this Section. The sample should contain no less than 1% of the vehicles sold for the evaluation period.

Contractor must establish a clear employment policy that prohibits employees and their Close Family Members from making purchases of vehicles at Contractor's auctions. The policy must be included in Contractor's employee policies manual that all new employees are required to review and acknowledge acceptance of at the time of employment. The Contractor must act immediately initiate termination proceedings for any employee found to have violated this policy and must immediately notify the City if it has actual knowledge or suspicion of any employee violating this policy.

For the purpose of this Section, the term "Close Family Member" shall mean an individual's spouse, child or parent.

9. Equipment and Information Services Requirements

9.1 Tow Cars

Contractor shall provide regular and heavy duty Tow Cars staffed with trained operators twenty-four (24) hours a day, 365 days per year, within response time requirements, to perform any type of vehicle removal that is the subject of a Tow Request from any public street or highway or private property within the City in accordance with the requirements of the Vehicle Code and the Traffic Code, including, but not limited to, the following types of tows:

- (1) Towing of large and oversize vehicles
- (2) Towing from off-road areas
- (3) Towing from low-clearance areas and underground garages
- (4) Towing of evidentiary vehicles
- (5) Towing vehicles involved in collisions
- (6) Towing of vehicles with anti-theft locking devices.

All Tow Cars used in the performance of tow services under this Agreement shall be in good mechanical and operating condition and clean on the interior and exterior. Contractor's agreements with subcontractors for towing services must require subcontractors to comply with maintenance and cleanliness standards for Tow Cars and auxiliary equipment set forth on the California Highway Patrol form number 234 "Annual Tow Car Inspection Report" or successor California Highway Patrol form. Contractor shall conduct random inspections of all Tow Cars and Tow Equipment provided by subcontractors at least quarterly, on an inspection schedule that ensures that the entire fleet and all operators are inspected over a twelve (12) month period. Contractor shall require compliance with such random inspections in its subcontracts for towing services. Contractor shall submit all inspection results to the City.

9.2 GPS Tracking Systems for Tow Cars

(a) GPS Equipment

Subcontracts for towing services shall require that all Tow Cars or Tow Car operators used to provide services under this Agreement be equipped with a global positioning tracking system ("GPS") within ninety (90) days of the Effective Date of this Agreement. The GPS device selected for use in the Tow Cars must allow City to accurately track the location of the Tow Car operator in accordance with the specifications set forth in Section 15.5(5) of this Appendix A while it is used to provide services under this Agreement. If the selected GPS device does not meet the City's reasonable expectations based on the GPS standards set forth in the RFP, the City reserves the right to require an alternate device be used, including one that is affixed to the Tow Car.

(b) GPS Software

Contractor shall acquire and maintain all necessary software licenses for this GPS tracking system. Contractor shall provide to City, at Contractor's sole cost, access to the GPS tracking system using an internet based interface or client-server application that can operate on the City's WAN. Contractor shall install and configure GPS software, provide training for the use of the software, and support all activities related to the City's use of the GPS tracking system.

9.3 Two-Way Radio Communications Equipment

On the Effective Date of this Agreement, Contractor shall issue a two-way radio to each Tow Car operator that shall be used when direct voice communication is required or as a backup communication method, and to enable digital, hands-free communication between Central Dispatch and the Tow Car. All radio communications

between Central Dispatch and a Tow Car shall be monitored by supervisory personnel and recorded (as described in Appendix A, Section 1.3). Contractor shall also issue a minimum of two (2) radios to SFMTA to be used as an alternative communications method between City dispatchers and Contractor dispatchers. Contractor shall be responsible for all costs associated with two-way radios that are issued to the City; however, Contractor may recover costs for radios distributed to subcontractors from those subcontractors.

9.4 Tow Car Data Terminal

Within 180 days of the Effective Date of this Agreement, Contractor shall send the initial basic information collected on every vehicle towed (field officer requested tows only) by each Tow Car in real-time to the TVMS using a data terminal or other device available in each Tow Car. Contractor shall train Employees and subcontractors on the manual procedure for inputting the initial basic information on towed vehicles if the Tow Car data terminals are not working. When Tow Car data terminals are not working, the information shall be communicated from the Tow Car operators in the field to Central Dispatch via two-way radio communications. This initial communication will create a new record indexed to the unique, system-generated field in the TVMS for every tow provided by Contractor, herein referred to as the "Tow Request ID" for the purpose of this Agreement only; Contractor may use any clearly defined field name in the TVMS. The basic information reported on every towed vehicle must at a minimum, include at least three (3) of any of the data elements from the following list; however City may, by written notice to Contractor, require that the vehicle license plate number be a mandatory data element for the purposes of this Section:

- (1) Vehicle license plate number
- (2) Vehicle make
- (3) Vehicle model
- (4) Vehicle color
- (5) Location of the tow (street and cross street)
- (6) Tow date and time.

9.5 Vehicle Tow Records and CMS

Within ninety (90) days of agreement by the parties on an interface design and joint project plan, Contractor shall create an interface between its TVMS and the City's CMS so that records on each towed vehicle are created in the City's CMS in real-time as the tows occur (field officer requested tows only). In addition, this interface must ensure that agreed-upon updates made by Contractor to a towed vehicle record in the TVMS are updated in the City's CMS in real-time for any data element that is shared by the CMS and the TVMS (both dispatch and field officer requested tows). Contractor must provide City with information to update the CMS with all intake information within one (1) hour of the intake of the vehicle. In any instance in which the CMS and TVMS have matching information for the vehicle, Contractor must enter all release information into the CMS within twenty-four (24) hours of release of the vehicle. If the vehicle's identifying information cannot be matched between the CMS and the TVMS, Contractor shall report the discrepancy to SFMTA within two (2) business days, excluding weekends and holidays. Contractor shall update the City's CMS via a "simple screen swipe" method, for the purposes of inserting new tow information (field officer requested tows only) through the interface; however, if Contractor identifies a more efficient, cost effective method which the City approves in writing, Contractor may implement such alternative method at its own cost.

At any time during the Term of this Agreement, with the City's prior, written approval, and subject to all conditions contained in such approval, the parties may agree to eliminate the use of the City's CMS for entering and tracking towed and impounded vehicles. Should the parties agree to eliminate the data entry of new tow information into the CMS, the interface requirements of this Section 9.5 would not longer apply. Likewise, Contractor would no longer be required to update CMS when a vehicle is released or sold (removed from the impound facilities). Instead, the sole record of towed and impounded vehicles would be the Contractor's TVMS system, and the City would have the right to audit this data at any time using reasonable auditing methods. If a record of towed and impounded vehicles is no longer maintained in CMS, the Contractor would be required, on

a daily basis, to provide the City with a list, in an electronic format that is approved by the City, of all vehicles that are currently impounded.

9.6 Electronic Tow Inventory Slips

Within sixty (60) days of the Effective Date of this Agreement, Contractor shall provide electronic storage of all tow slip information in the TVMS system. The tow slips shall be processed and entered into the TVMS system as soon as the vehicle is delivered to one of the Designated Facilities, and never more than eight (8) hours after a vehicle is towed. Contractor shall ensure that City has remote electronic access to the tow inventory slip information at all times. Contractor shall also scan all manually written tow slips and store the tow slip as an electronically scanned image, cross-referenced to the tow record in the TVMS. Contractor shall provide a hotline for technical assistance related to electronic tow inventory slips Monday through Friday from 8:00 a.m. to 6:00 p.m., with pager or mobile phone access during all other hours.

10. Towed Vehicle Management System

Contractor shall maintain detailed electronic records of each tow in its TVMS. The TVMS shall assign a unique, system-generated Tow Request ID to each Tow Request made during the term of this Agreement. All information related to the towing, impoundment, and disposition of any vehicle currently impounded or previously released, sold or disposed of, including references to manually written (paper) tow slips, shall be searchable in the TVMS using the Tow Request ID. This system must be capable of providing to SFMTA a daily record containing information including the date of the Tow Request, the make, model, license plate number, and VIN of all towed vehicles and the current status of all towed vehicles. Towed vehicle information must be entered into the TVMS within three (3) days of the date of the tow.

For Dispatch Tows, information about vehicles that are dropped or not towed for some other reason shall be recorded in the Contractor's TVMS but Contractor shall not generate any record for the purpose of assessing charges for tows of such vehicles.

10.1 Computer Hardware and Software

Contractor shall use Microsoft Windows 2000 Server, or later version, VMware ESX Server 3.5, or later version, or CentOS 5.x, or later version, as the operating system of its servers. Contractor shall use Windows XP Professional, or later version, as the operating system for its desktop computer workstations. The location of the Contractor's data center in which information for the TVMS is hosted must be approved by the City. As of the Effective Date of the Agreement, City hereby approves the location of Contractor's data centers, at the following locations:

- (1) TVMS: SoftLayer Technologies, Inc., Seattle, Washington;
- (2) ADS: Evocative, Inc., Emeryville, California; and
- (3) Other Applications: the Evocative data center and the data center located at Contractor's Customer Service Center.

Contractor shall not under any circumstances maintain the TVMS using proprietary software that prevents data extraction and analyses into any general industry-wide database system protocol, such as Oracle or Microsoft SQL.

Contractor shall provide the following specified hardware for the City's use to connect the City network to the Contractor's network. All the equipment that is installed in the City's data center and required to terminate the secure, point-to-point connection between the City and Contractor networks shall become the property of the City at the expiration or termination of this Agreement. The requirement that Contractor provide this equipment is subject to the provisions of Section 10.2. If the City, in writing, removes the requirement for the T1 data line, the associated equipment will no longer be required.


(a) **Firewall Configuration**

Cisco (PIX-506E-BUN-K9)

Product	Description	Quantity
PIX-506E-BUN-K9	PIX 506E 3DES/AES Bundle (Chassis, SW, 2 FE Ports, 3DES/AES)	1
CAB-AC	Power Cord, 110V	1
SF-PIX-506-6.3	PIX v6.3 Software for the PIX 506E Chassis	1
PIX-506-SW-3DES	PIX 506E3DES/AES VPN/SSH/SSL encryption license	1
PIX-VPN-CLNT-K9	Cisco VPN Client Software (Windows, Linux, Solaris)	1
CON-OSP-PIX506BN	ONSITE 24x7x4 PIX 506E 3DES/AES Bundle (Chassis, SW, 2)	1

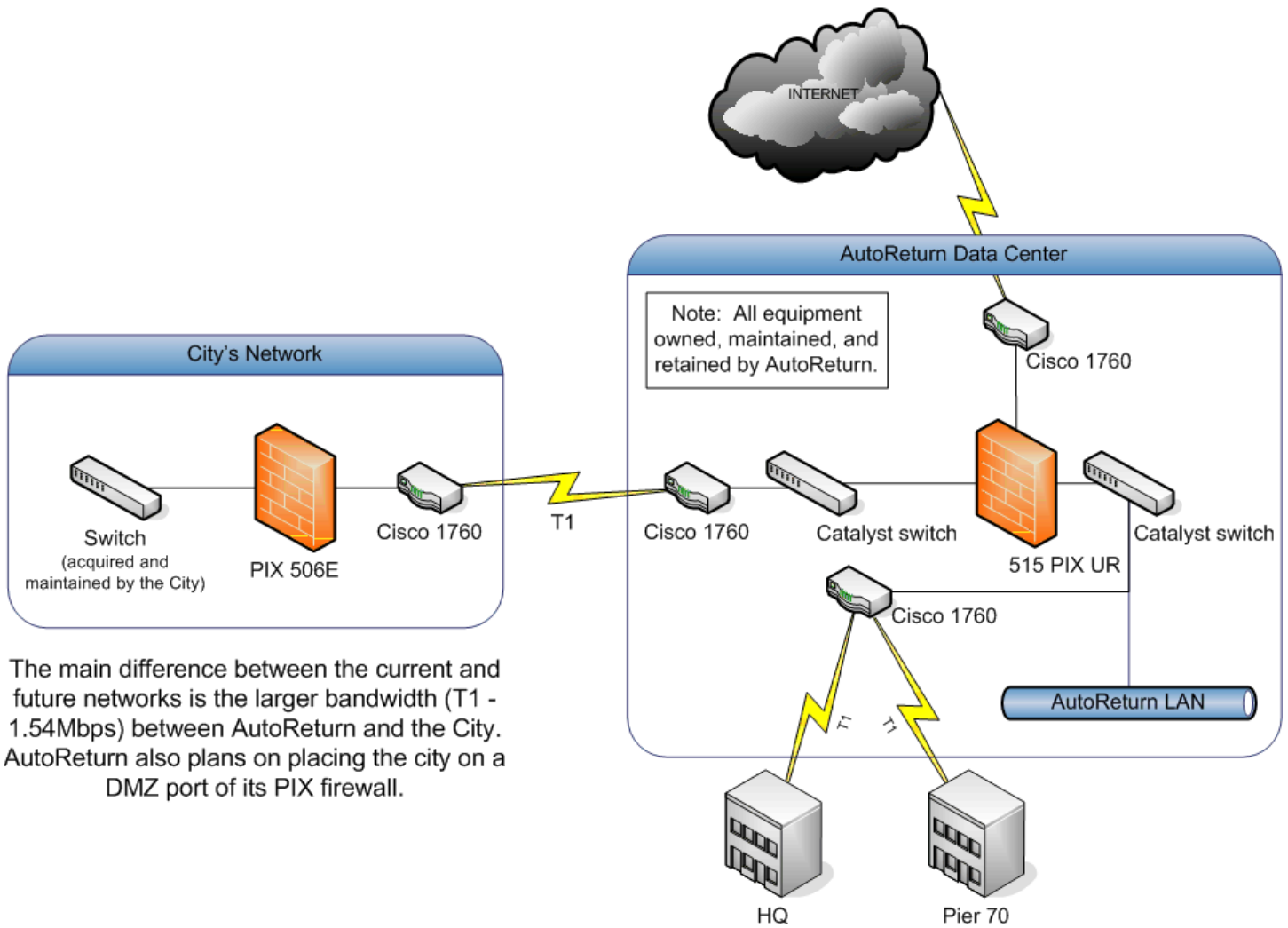
(b) **Router Configuration**

(CISCO 1760)

Product	Description	Quantity
CISCO1760	10/100 Modular Router w/ 4 slots, 19-in. Chassis, 32F/64D	1
S17B-12215T	Cisco 1700 IOS IP/IPX	1
WIC-1DSU-T1	1-Port T1/Fractional T1 DSU/CSU WAN Interface Card	1
CAB-AC	Power Cord, 110V	1
 ROUTER-SDM	Device manager for routers	1
CON-SOP-1760	24x7x4 Onsite Svc, 10/100 Modular Router w/ 2WIC/VIC, 2VICs	1

See Figure 1 for further configuration details.

Figure 1: Overview of Connectivity Between City and Contractor Networks



The main difference between the current and future networks is the larger bandwidth (T1 - 1.54Mbps) between AutoReturn and the City. AutoReturn also plans on placing the city on a DMZ port of its PIX firewall.

10.2 Network Connections

Within thirty (30) days of the Effective Date of the Agreement, or other date approved in writing by City, the Contractor shall provide data lines to connect the following locations to the Contractor's TVMS:

Contractor Division	Location
Customer Service Center	450 7th Street
Primary Storage Facility	450 7th Street
Secondary Storage Facility	Pier 70

Note: Alternate sites may be approved by the City.

Contractor shall provide T1 Internet data lines that connect the Customer Service Center and Primary Storage Facility to the Contractor's TVMS. Contractor shall provide data connections to the Primary and Secondary Storage Facilities using a T1 data line. Contractor shall install a firewall at all locations where there is a direct connect to the Internet to ensure the security of the data.

Within thirty (30) days of the Effective Date of this Agreement, or other date approved in writing by City, Contractor shall provide a T1 data line that connects the Customer Service Center with the SFMTA server headquarters at 1 South Van Ness Avenue. This connection will be used to provide a connection to the Contractor's TVMS for City staff and create a pathway for the Contractor's staff and systems to access the City's CMS. At any time during the Term of this Agreement, with the City's prior, written approval, and subject to all the conditions contained in such approval, the parties may agree to eliminate the requirement for the T1 data line that connects the networks of the City and Contractor. Because both the CMS and TVMS systems can now be accessed directly via the Internet, the parties may agree to eliminate the T1 data line to simplify the systems administration for the City and Contractor, and to eliminate the monthly costs of both the data connection and the associated networking equipment (see Section 10.1).

Contractor shall provide the following City locations with real-time access to the Contractor's TVMS within thirty (30) days of the Effective Date of this Agreement:

City Division	Location
SFMTA Enforcement	505 7th Street
SFMTA Citation Division	11 South Van Ness Avenue
SFMTA Hearing Division	11 South Van Ness Avenue
SFMTA Administration	1 South Van Ness Avenue, 8 th Floor
SFPD NOID Office	Pier 70
SFPD STOP Program	850 Bryant Street

For users located at the City locations listed above who cannot connect to the Contractor's system using either a direct connection to the Internet or the data line connecting the Customer Service Center to 1 South Van Ness Avenue, Contractor shall configure a single Virtual Private Network (VPN) utilizing 3DES encryption per location. Remote clients shall be able to connect to Contractor's network through remote VPN client software and DSL Internet connections. Contractor shall bear only the cost of the DSL Internet services and the corresponding DSL modems and/or routers. City shall identify and provide a computer (Windows XP, or later version) in each location on which the VPN client software will be installed, for which the DSL Internet service will be established, and for which the access to the Contractor's TVMS will be provided. The City shall also be responsible for any telecommunications cabling that is required for the DSL connections to be established in each location.

10.3 City Access to TVMS

Contractor shall provide the City with direct, real-time access to the TVMS. Access to the TVMS shall be controlled using sufficient security protocols and procedures to protect the security of the City's network.

Contractor shall issue user logins and passwords to authorized City staff members as needed and requested by the City. All costs associated with providing the City with access to the TVMS, including any required hardware and data lines (as described in Sections 10.1 and 10.2), shall be the sole responsibility of the Contractor (except as specified in Sections 10.1 and 10.2).

Contractor shall provide all associated hardware, software, data lines, and maintenance to ensure on-going City access to the TVMS at least ninety-nine percent (99%) of the time during a monthly reporting cycle and shall provide a hotline for technical assistance Monday through Friday from 8:00 a.m. to 6:00 p.m., with pager or mobile phone access during all other hours.

10.4 TVMS Functionality

Contractor shall provide the City with a proposed data model of the TVMS that shows all tables and fields for the City’s review and approval within thirty (30) days of the Effective Date of this Agreement. Contractor’s proposed data model for the TVMS shall include, at a minimum, the data fields listed in the table below.

Data Element	Required Field
Vehicle Information	Make
	Model
	Year
	Color
	Body style
	License number
	License state
	VIN
	Comments added by Customer service representatives from conversations with vehicle owner, lien holder, insurance agent, or any other applicable party
	Date of tow
	Time of tow
	Location of tow - street
	Location of tow - cross street
	Tow Equipment type
	Reason for tow
	Time of arrival at Primary Storage Facility
	Date relocated to Secondary Storage Facility
	Time relocated to Secondary Storage Facility
	Storage location
	Dispatcher ID
	Tow subcontractor ID
	Disposition type (released or sold)

Data Element	Required Field
	Date of disposition
	List of vehicle contents at time of tow
Photograph of Vehicle Condition	Digital photographs of vehicle condition at time of initial arrival at Designated Facility
Vehicle condition	Description of vehicle condition on arrival at Primary Storage Facility
Image of Vehicle Condition	Documentation of damage visible on vehicle at time of tow
Registered Owner Information	Name
	Address
Revenue	Sale revenue
	Salvage revenue
Fees Received	Tow fees
	SFMTA Administrative Fee
	Storage fees
	Transfer fees
	Lien fee
Lien Information	Date information sent to DMV
	Date of release (release date or sale date)
	Lien Category
	Sale price
	Purchaser name
	Purchaser address
	ID type provided
	ID information
City notification	Time of Tow Request
	Date of Tow Request
	Agency that initiated Tow Request
	Officer badge number, if applicable
Contractor notification	Time that Tow Request was received
	Time that Tow Car arrived on site
Hold information	Field indicating whether vehicle on Hold
	Name and/or badge number of officer who authorized the release for holds requiring written release authorization

APPENDIX A: SCOPE OF WORK

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Data Element	Required Field
	Date of release from hold for holds requiring written release authorization
	Time of release from hold for holds requiring written release authorization

Once City has reviewed the initial data model, it shall request Contractor in writing to make any modifications it considers vital to the system. Contractor shall incorporate the City's comments and resubmit the data model for the City's approval.

10.5 Handheld Devices

Within 180 days of the Effective Date of this Agreement, or other date approved in writing by City, Contractor shall provide handheld devices to be used by its Employees at its Primary and Secondary Storage Facilities. These devices shall provide real-time access to a limited number of specified fields in the TVMS in order to allow Contractor's Employees to real-time query data on impounded vehicles in accordance with the standards set forth in Section 15.5(11) of this Appendix A. The fields available for such queries shall include but are not limited to vehicle license number, VIN, date of tow, and the Tow Request ID. Contractor's handheld devices shall also be able to scan and read ID tags (bar-code, RFID, etc.) so that the devices can be used for inventory management of towed vehicles stored at the Secondary Storage Facility. Contractor shall propose its recommended handheld device to the City for approval prior to purchase.

Contractor shall, at its sole expense, provide the City with up to three (3) handheld devices (as requested by the City) that are identical to the devices to be used by Contractor's Employees. Contractor shall be responsible for any ongoing license fees, airtime charges, or other related costs to use these devices.

11. Facilities Requirements

11.1 Designated Facilities

Contractor shall use the Designated Facilities for all service requirements of this Agreement, except as otherwise approved in advance in writing by City. The location or relocation of any Designated Facility shall be subject to prior written approval by City. City hereby approves the current location of all Designated Facilities. Contractor may use Designated Facilities for towing and storing vehicles that are not towed or stored at the request of the City with the prior written approval of City and subject to any conditions imposed in such approval. Contractor may allow Employee and vendor parking at Designated Facilities, subject to any limitations set forth in Appendix D, so long as it does not interfere with Contractor's performance of towing and impound services to all standards and requirements of this Agreement.

(a) Customer Service Center

The Customer Service Center shall provide a location for Customers recovering vehicles in person to pay for towing and storage charges, Citation fees and penalties, and other applicable fees, and/or to process any documentation required for vehicle release. The Customer Service Center shall be open to the public twenty-four (24) hours per day, 365 days per year. If the Customer Service Center is relocated outside of the Hall of Justice at 850 Bryant Street, Contractor shall provide a security guard in any area open to the public at all times that such facility is open to the public at its sole expense. The Customer Service Center must be located at or near the Primary Storage Facility.

(b) Primary Storage Facility

(i) Authorized Facility

City hereby approves the lot at 450 7th Street as a Primary Storage Facility.

(ii) Vehicle Storage and Retrieval

Contractor must provide a covered area at the Primary Storage Facility where Customers can wait while their vehicle is being retrieved. The Primary Storage Facility shall be open twenty-four (24) hours per day, 365 days per year.

(iii) Tows to Primary Storage

Contractor shall take all towed vehicles to the Primary Storage Facility for short-term storage if they are not subject to a Police Hold or are not taken directly to the Secondary Storage Facility. Contractor shall store all towed vehicles at the Primary Storage Facility for twenty-four (24) hours after being towed, unless vehicles are required by this Agreement to be directly towed to the Secondary Storage Facility. Vehicles stored at the Primary Storage Facility may be moved to the Secondary Storage Facility after the first twenty-four (24) hours. Contractor shall ensure that it transfers vehicles from Primary to Secondary Storage frequently enough to ensure that there is, at all times, sufficient space for newly-towed vehicles to be received at the Primary Storage Facility. Contractor shall not conduct any vehicle maintenance or vehicle parts sales at the Primary Storage Facility, except for maintenance of forklifts or other lot operations equipment.

(c) Secondary Storage Facility

(i) Authorized Facility

City hereby grants Contractor a license to occupy and use the Property at Pier 70 as a Secondary Storage Facility as of the Effective Date of the Agreement during the Term of and so long as the Contractor complies with the terms and conditions of Appendices C and D.

(ii) Vehicle Storage and Retrieval

Contractor shall use the Secondary Storage Facility to store vehicles, including vehicles towed directly to the Secondary Storage Facility and most vehicles which are not picked up by the public within twenty-four (24) hours. Contractor shall conduct vehicle lien sales at this location. This facility shall be open to the public from 8:00 a.m. to 6:00 p.m. Monday through Friday. Outside of operating hours, Contractor shall secure the Secondary Storage Facility using security personnel. All vehicles must be available for retrieval from the Secondary Storage Facility by Contractor's staff twenty-four (24) hours per day, 365 days per year, with the exception of the following categories of vehicles: (1) type II vehicles (more than 8,500 lbs. but less than 26,500 lbs., trucks, buses, and unattached trailers); (2) type V vehicles (more than 26,500 lbs., trucks, buses, and unattached trailers); (3) stolen recovery vehicles (vehicles stolen and recovered by SFMTA or SFPD); (4) hit and run vehicles (vehicles involved in hit and run accidents); (5) accident vehicles (vehicles involved in accidents and towed by the SFMTA or the SFPD); and (6) abandoned/missing parts vehicles (vehicles abandoned by owner/driver and missing parts).

(iii) Tows to Secondary Storage

Contractor shall tow all Scofflaw, arrest, accident, Abandoned, recovered stolen vehicles, oversized vehicles, SFPD STOP Administrative Police Hold vehicles, disabled vehicles, dilapidated vehicles and other vehicles as directed by the City directly to the Secondary Storage Facility. The specific policies for whether vehicles are towed to the Primary Storage Facility or directly to the Secondary Storage Facility may be changed at any time subject to City's prior written agreement.

(iv) Facility Management

Contractor agrees to assume all responsibilities for use of storage facilities at Pier 70 in accordance with the License Agreement attached hereto and incorporated by reference as Appendix D, and to be bound by all covenants, terms and conditions of the Port MOU, with the exception of SFMTA's obligations under Section 2 of the Port MOU, during the term of Appendix D.

Contractor shall manage the Secondary Storage Facilities to meet the following guidelines:

- (1)** Contractor shall remove vehicles that have been legally cleared for disposal on a weekly basis.
- (2)** Contractor shall, at a minimum, hold a vehicle lien sale auction once a week.

- (3) Vehicles shall be placed in such a way that no more than four (4) vehicles shall need to be moved to clear a passage for any vehicle.
- (4) Two (2) feet of clearance space shall be maintained between the sides of all vehicles.
- (5) The Secondary Storage Facility personnel shall comply with all municipal, state, and federal codes and safety regulations at all times.
- (6) The Secondary Storage Facility shall be clean and maintained at all times.
- (7) Facilities shall be screened from public view except for necessary gates, and except for, during the Term of Appendix D, the fence along the waterfront of Parcel B.
- (8) Gates shall be at least eight (8) feet high and maintained in good condition.
- (9) The parking and storage surface shall be maintained in accordance with all requirements of Appendices B, C and D.
- (10) Security systems, including ample lighting and a surveillance system, shall be in place and operational at all times for the entire occupied area.
- (11) Contractor shall not permit the public to walk through the lot unescorted by an employee of Contractor.

(d) ***Central Dispatch***

Contractor's Central Dispatch facility shall operate twenty-four (24) hours per day, 365 days per year. City hereby approves any location of Central Dispatch at the Primary Storage Facility or at Contractor's Headquarters Office, so long as Central Dispatch is located within the City and County of San Francisco.

(e) ***Changes in Facilities***

(i) ***Approval***

City may approve relocation of Designated Facilities, including shifting Contractor's operations between existing Designated Facilities, terminating the use of one or more Designated Facilities, or adding new Designated Facilities. Any such relocation or change to Designated Facilities shall require prior written approval of City.

(ii) ***Service Standards***

In the event that City approves the relocation of any Designated Facility, the parties acknowledge that certain response times and maximum charges contemplated by this Agreement may require modification to take into account the changed geographic circumstances of Contractor's operations. Any written approval of a change to the Designated Facilities listed in this Agreement shall include a revised schedule of fees and/or response times to which the parties have agreed as part of the relocation, if necessary.

(iii) ***Consolidation***

Contractor has relocated the Customer Service Center and Primary Storage Facility to a single location at the 450 7th Street site. Should City cease to use Contractor for towing services prior to February 28, 2015, the terms for City's continued use of the 450 7th Street property are set forth in Appendix G.

11.2 Property Maintenance Requirements

All costs associated with maintenance of Designated Facilities shall be the sole responsibility of the Contractor.

All open areas within the Designated Facilities used for vehicle storage shall be maintained in a clean, secure, neat, and visually presentable manner. Contractor shall not dismantle or crush vehicles or remove vehicle fluids on the any of the facilities to be used in the performance of this Agreement except in compliance with environmental regulations and the applicable requirements of Appendices B, C, and D. Any removal of fluids

from vehicles shall be conducted in a manner that complies with all requirements of this Agreement, and may only be performed by a licensed contractor, and into portable containers that are immediately removed from the facility.

11.3 Facility Security

Contractor shall store vehicles in such a manner as to prevent damage to vehicles and to vehicle contents. Contractor shall provide adequate security at the Designated Facilities to ensure that vehicles and vehicle contents are protected at all times. Upon the Effective Date of the Agreement, Contractor shall maintain a camera-based security system for Designated Facilities at its sole expense which, within ninety (90) days of the Effective Date, shall be viewable by management at SFMTA. Contractor shall provide to the City a proposed plan for security systems at all Designated Facilities within ninety (90) days of the Effective Date of this Agreement ("Security Plan"). The Security Plan shall be approved and adopted as part of the Operations Plan as provided in Section 14 of this Appendix A. All costs associated with security at Designated Facilities shall be the sole responsibility of Contractor.

11.4 Protection of Vehicle and Contents

Contractor shall provide secure storage for any personal property removed from a vehicle in its possession. Within ninety (90) days of the Effective Date of this Agreement, Contractor shall submit a plan to securely store all personal property in a vehicle, to inventory and secure personal property that is stored outside of the vehicle if it cannot be securely stored inside the vehicle, and to dispose of unclaimed personal property ("Personal Property Plan"). The Personal Property Plan shall be approved as part of the Operations Plan as provided in Section 14 of this Appendix A. Personal property not claimed by the time the associated vehicle is lien sold shall be properly disposed of by any legally authorized disposal method approved by the City. Contractor shall not be responsible for retaining personal property (for the purposes of personal property release as defined in Section 4.3) after the DMV-issued lien sale authorization date (lien sale "clear date").

11.5 Lien Vehicle Storage

All vehicles upon which Contractor issues lien holds shall be stored primarily at the Secondary Storage Facility. With the exception of Lien 3 Vehicles, which must be held for ten days after the actual date of sale pursuant to Civil Code Section 3071(k), all vehicles that are auctioned or sold for dismantling shall be removed from the Designated Facilities within one (1) week after the date of sale. Lien 3 Vehicles shall be removed from the Designated Facilities within 14 days of the date of sale.

11.6 Right to Inspect

Any authorized representative of the City has the right to inspect the Designated Facilities at all times for the purpose of evaluating Contractor's performance pursuant to this Agreement. City officials and inspectors shall have the right to conduct periodic site visits, during reasonable business hours, to inspect for permit compliance or to respond to citizens' complaints. City officials and representatives shall have unrestricted access to all of the Designated Facilities subject to permits or licenses to make whatever announced or unannounced visits they deem appropriate.

12. Fees, Payments and Credits

12.1 Payments Due to City

(a) Referral Fee

Contractor shall submit to the City a Referral Fee of \$20 per tow, excluding dropped tows as described in Appendix A, Section 4.2. The Referral Fee shall be the same for every type of vehicle, and shall increase each twelve (12) month period on each July 1st by the Consumer Price Index for the San Francisco Region as published by the United States Department of Labor, Bureau of Labor Statistics on January 1. Adjustments will be rounded to the nearest twenty-five cents (\$0.25). No Referral Fee shall be paid for:

- (1) Vehicles owned by the City under the jurisdiction of the SFMTA or the SFPD, or any other Courtesy Tow performed pursuant to Section 2.4 of this Appendix A, and
- (2) Vehicles for which a waiver of towing, storage, transfer and/or lien fees is issued by SFMTA, DPH or SFPD.

(b) ***Percentage Fee***

Contractor shall submit to the City a percentage fee of one percent (1%) on annual Gross Revenues from all money collected during the term of this Agreement. This fee shall be initially paid in the fifteenth (15th) month after the Agreement is signed, in the thirteenth (13th) month thereafter for the previous twelve (12) month term, and yearly thereafter.

(c) ***SFMTA Administrative Fees***

Prior to releasing the vehicle, Contractor shall collect a pass-through SFMTA Administrative Towing Fee for all vehicles recovered by the vehicle owner. The amount of the SFMTA Administrative Towing Fee is subject to change in accordance with the provisions of San Francisco Transportation Code § 305. In addition, prior to releasing the vehicle, Contractor shall collect a pass-through daily SFMTA Administrative Storage Fee for stored vehicles based upon the number of days the vehicle has been stored prior to recovery by the vehicle owner. No Administrative Fee shall be collected for:

- (1) Any vehicle owned by the City under the jurisdiction of the SFMTA or the SFPD, or any other Courtesy Tow performed pursuant to Section 2.4 of this Appendix A.
- (2) Any vehicle for which the Customer produces a written waiver of the SFMTA Administrative Fee issued by SFMTA, DPH or the SFPD.

(d) ***SFPD Traffic Offender Fee***

If applicable, when a vehicle is sold at a lien sale and there are funds to satisfy all other fees as defined in Section 12.3(c) of this Appendix A, then Contractor shall pay to the SFPD or into an account designated by the SFPD an SFPD Traffic Offender Fee in an amount set by the San Francisco Police Commission. City and Contractor may agree in writing to utilize a mechanism other than the process described in Section 12.1(g) for collection of the SFPD Traffic Offender Fee.

(e) ***Citation Fees***

Contractor shall collect payments of Citation fees from Customers with towed vehicles and from members of the public whose vehicles have not been towed, in accordance with all requirements set forth in this Agreement.

(f) ***Liquidated Damages and Fines***

Contractor shall pay to City the amounts of any liquidated damages or fines assessed pursuant to this Appendix A, Section 15 and Appendix D, Section 6.7.

(g) ***Deposit of Fees Due to City***

Except as otherwise specified herein, Contractor shall deposit all funds collected under this Section 12 within twenty-four (24) hours of receipt into an account specified by the City, Monday through Friday, not including weekends and holidays. Any funds with a deadline for deposit which falls on a weekend or a holiday shall be deposited no later than the next business day. All funds due to City under this Section shall be paid by Contractor without prior demand by the City and without any deduction, setoff, or counterclaim whatsoever, except as expressly provided herein. The parties may agree upon alternative procedures for Contractor's payment to City, but any such change must be approved in advance, by City, in writing.

(h) ***Payment Shortages***

If Contractor fails to collect all amounts due from a Customer, Contractor shall be responsible to reimburse the City for any amounts not collected as required herein, unless the failure is caused solely by the negligence of City or a failure of the CMS. Contractor shall follow any procedures required by the City to report overages or shortages.

12.2 Credits Due to Contractor

(a) City Waivers

In the event that (i) SFMTA, DPH or the SFPD determines pursuant to a post-storage hearing as required by Vehicle Code § 22852 that the towing, storage, transfer, lien and/or other fees shall be waived for a vehicle, or (ii) SFMTA, DPH or the SFPD waives the fees for the towing, storage, transfer and/or lien of a vehicle, or (iii) SFMTA or the SFPD waives the fees for the towing and storage of a vehicle for one of the reasons enumerated in §§ 10C.1, 10C.8 or 10C.8-1 of the San Francisco Administrative Code, then no such fees shall be charged by Contractor to the owner or operator of such vehicle. In the event that the owner or operator of a vehicle has paid Contractor for towing, storage, transfer, lien and/or other fees and the City subsequently waives the tow, storage, transfer, lien and/or other fees for that owner or operator, then Contractor shall directly reimburse the owner or operator in full the amounts previously paid to Contractor for such vehicle. When the City waives towing, storage, transfer and/or lien fees as provided for in this section, the City shall pay Contractor only the towing, storage, transfer and/or lien fees that would have been owed by the vehicle owner or operator, and such fees shall not include any SFMTA Administrative Fees as Contractor might otherwise charge. When the City waives storage fees as provided in this Section, the City shall pay Contractor storage fees for each such vehicle as set forth above for the first three (3) days of storage. There shall be no storage charge for the fourth (4th) through the ninth (9th) days of storage. For the tenth (10th) storage day and all days thereafter, City shall pay Contractor ten dollars (\$10.00) per day for the storage of such vehicles. Adjustments and credits and payments due to Contractor as a result of City waivers shall be calculated and submitted to the City through the City's claims process and are to be paid within one (1) month from the date of submission by the Contractor. There shall be no late payment charges or interest assessed against City for late payment.

When SFMTA or the SFPD orders Contractor to release a vehicle pursuant to Vehicle Code § 22654(e) relating to authorization for moving a vehicle otherwise lawfully parked, City shall pay the cost of the tow and storage charges for a period not to exceed seventy-two (72) hours.

(b) Police Investigative Hold Storage Fee

Contractor shall not charge or receive any fee or other reimbursement or credit from the City for the towing, storage, transfer or lien of any Police Investigative Hold vehicle, except when the number of Police Investigative Hold vehicles in storage on any day exceeds limit of 350 vehicles. SFPD shall pay Contractor a storage fee of ten dollars (\$10.00) per day per vehicle in excess of 350 Police Investigative Hold vehicles in storage at Contractor's facilities at any one time. The SFPD will be responsible for these fees and the Contractor shall not deduct any Police Hold storage fees due from any money owed to SFMTA under this contract. For the purposes of this Section 12.2(b), "Police Investigative Hold" vehicles shall not include NO ID vehicles described in this Appendix A, Section 4.5.

Notwithstanding the foregoing, in the event a vehicle is towed without a Police Investigative Hold and a Police Investigative Hold is subsequently placed on the vehicle, the SFPD shall immediately notify Contractor in writing of the Police Investigative Hold status change. The SFPD shall pay or require the owner or operator of the vehicle to pay the Contractor only the tow, transfer, lien and/or other fees accumulated from the date of tow to the date the Contractor is notified of the Police Investigative Hold by the SFPD and that would otherwise be owed by the vehicle owner or operator, and such fees shall not include any SFPD or SFMTA Administrative Fees. In addition, the SFPD shall pay or require the owner or operator to pay storage fees for any days from the tow date to the date Contractor is notified of the Police Investigative Hold by the SFPD. For storage amounts paid by the SFPD, storage charges shall be calculated for each such vehicle as set forth above for the first three (3) days of storage. There shall be no storage charge for the fourth (4th) through the ninth (9th) days of storage. For the tenth (10th) storage day and all days thereafter, the SFPD shall pay Contractor ten dollars (\$10.00) per day for the storage of such vehicles.

(c) Non-Towed Vehicle Citation Collection Fees

Contractor shall be entitled to a credit for any collection fees due pursuant to Section 6.2(c) of this Appendix A.

(d) Other Offset Allowances

At any time during the Term of this Agreement, City may elect to fund certain property maintenance, construction, improvements, systems development or staffing related to City towing and impoundment operations that are not the responsibility of Contractor under this Agreement (“Projects”). City may require Contractor to implement any such Project and offset actual costs of the Project against funds owed to the City. No Project may be implemented without the prior written approval of the City, and all Project implementation must be in accordance with specifications, maximum costs and all other requirements provided in writing by City. Contractor shall comply with City’s direction as to which category of funds collected pursuant to this Section 12 may be used to offset Project costs.

12.3 Charges to Customers

(a) Maximum Towing and Storage Charges

No lien for storage of a towed vehicle may exceed authorized charges for the maximum period of storage allowed by applicable laws, including but not limited to Vehicle Code §§ 22851.6, 22851.3, California Civil Code §§ 3067-3074 and any other applicable statutes enacted during the term of this Agreement. Contractor shall not charge any Customer amounts in excess of the amounts set forth in the rate schedule adopted pursuant to this Agreement and attached hereto as Appendix F without SFMTA's prior written approval of any change to existing rates and fees or the imposition of new fees. The rates and charges established by this Agreement shall apply to all vehicles handled by Contractor within the City, whether the vehicle is towed at the request of SFMTA, SFPD or DPH or is stored on any Designated Facility.

Towing and storage charges are subject to adjustment annually, on July 1, in direct proportion to the increase or decrease in the “Consumer Price Index for Urban Wage Earners and Clerical Workers”, unadjusted data for all items for the twelve (12) months ending April of the current year, as published by the United States Department of Labor, Bureau of Labor Statistics. Adjusted charges will be rounded to the nearest twenty-five cents (\$0.25).

In the event storage charges accrue on a vehicle because of Contractor’s failure to provide SFMTA or the SFPD, as applicable, with either an “Unreleased Vehicle Report” (as required in Appendix A, Section 13.2(a)(ii)), a vehicle description or a verification of the VIN, such charges shall be null and void and neither the City nor the owner of said vehicle shall be responsible for those charges.

(b) Vehicle Transfer Fee

If vehicle is not retrieved within twenty-four (24) hours of the tow, Contractor may charge a one-time vehicle transfer fee as set forth in Appendix F to move the vehicle between Designated Facilities. Contractor shall not assess a transfer fee for any vehicle that is towed directly to the Secondary Storage Facility.

(c) Application of Funds Collected

When vehicle title is transferred to the Contractor and the vehicle is subsequently sold, any funds collected from the sale of a vehicle shall be considered to have gone through the lien sale process using the average days from the tow date to lien sale date for the relevant vehicle classification (Lien 2 or 3) for the previous calendar year. The sale proceeds shall be applied first to paying storage, towing and legally authorized lien processing costs, and all remaining funds shall be applied toward payment of 1) Delinquent Citations, 2) the SFMTA Administrative Fee, and 3) the SFPD Traffic Offender Fee, in that order.

12.4 Additional Fees Proposed by Contractor

Except for periodic adjustments provided for in Section 12.3(a) above, Contractor must notify the City in advance of any proposed fee that relates to any services performed under this Agreement or services performed for owners of vehicles towed or buyers of vehicles sold pursuant to this Agreement. All Contractor fees must be approved by the City.

12.5 Account Reconciliation

Contractor shall monitor monthly any monies due to City and any monies due to Contractor and report such amounts on the Monthly Finance Report. At the end of each contract year, City and Contractor shall review all Monthly Finance Reports for the preceding year and conduct a formal reconciliation of payments,

reimbursements and credits due under this Agreement. Upon verification by SFMTA in the course of the formal reconciliation, the City shall reduce any payments owed by Contractor to City by the amount of any credits due to Contractor from City. If the payments due to the City are greater than any credit due to the Contractor, SFMTA shall bill the Contractor for the remaining payment balance owing. Contractor shall remit payment for the balance due within ten (10) days of the billing date. If the payments due to the City are less than the total credits due to the Contractor, City shall either, in City's sole discretion, pay the Contractor for the amount owed or hold over a credit to be applied against the next payment due to the Contractor. Any challenges to the amount owed by City must be memorialized in writing within 60 days of the resolution of the formal reconciliation process. Nothing in this Section 12 waives any rights of City under Section 7 of the Master Agreement.

12.6 Contractor Compliance Audit Fund

(a) Contractor Contribution

Within 30 days of the effective date of this Second Amendment, and within 30 days of each anniversary of that effective date during the Term of the Agreement (the "Anniversary Date"), the Contractor shall deposit money (the "Audit Payment") into a Contractor Compliance Audit Fund to be used by the SFMTA for the purposes of auditing the Contractor in areas to be determined by the SFMTA at the time of each audit. The initial Audit Payment shall be \$40,000.

(b) Contribution Adjustment

The Audit Payment shall be adjusted in direct proportion to the percentage increase in the current Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area ("CPI") for the month immediately preceding the applicable Anniversary Date ("Current Index") over the CPI for the month of June 2010 ("Base Index"). In no case shall the Audit Payment, as adjusted, be less than the Audit Payment for the previous year. If the Current Index has increased over the Base Index, the amount of the Audit Payment shall be determined by multiplying the amount of the initial Audit Payment by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, as follows:

Current Index

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{initial Audit Payment} = \text{Adjusted Audit Payment}$$

Any monies in the Contractor Compliance Audit Fund that are unused during the term of the Agreement shall be returned to the Contractor within 60 days of termination of this Agreement.

13. Reporting and Records Requirements

13.1 TVMS Records

(a) Records of Transaction

Contractor shall maintain consecutively numbered electronic records of each transaction involving the removal, impoundment, and disposition of all vehicles towed pursuant to this Agreement. Each electronic record shall contain the following information:

- (1) Date and time of Tow Request;
- (2) Date, time and location of tow and identity of Tow Car operator;
- (3) Make, model, year and VIN of vehicle towed;
- (4) Name and address of individual to whom vehicle is released or sold;
- (5) Inclusive dates of and charges for impoundment; and
- (6) Date and manner of vehicle disposition and income received.

(b) Weekly Management Report

Contractor shall provide a weekly Management Report to include the number of Tow Requests, number of Claims filed, number of vehicles sold at lien sales and the number of vehicles returned to the owner during the previous seven (7) day period.

(c) Monthly Management Reports

Contractor shall also provide a monthly Management Report in a form approved by the City. The approved format for each reporting item may include (but is not limited to), standardized reports (in paper or electronic format), utilities to query and download data on a variable periodic basis, or direct access the TVMS querying and reporting capabilities for ad hoc use by the City. Except as otherwise authorized, in writing, by City, Contractor shall provide the monthly Management Reports by the 10th of each month, or on the next business day if the 10th is a weekend or a holiday recognized by the City. The Reports shall include, but shall not be limited to, items such as:

- (1) Tow and service response times (Monthly Response Time Report)
- (2) Number and type of tows (Monthly Tow Summary Report)
- (3) Information on vehicles retrieved by date and time (Monthly Released Vehicles Report)
- (4) Information on vehicles awaiting lien clearance (Monthly Lien Status Report)
- (5) Information on vehicles lien sold by number of days in storage and Lien Category (Monthly Lien Sold Summary Report)
- (6) Information on vehicles sold to dismantlers (Monthly Lien Sold Buyer Report)
- (7) Information on vehicles purchased by the public (Monthly Lien Sold Buyer Info Report)
- (8) Number of vehicles in storage by reason category for tow, by department requesting tow, or by date towed (Monthly Storage Summary Report)
- (9) Monthly listing of all details in the TVMS system for every tow performed that month (Monthly Tow Detail Report)
- (10) Report of transfers of vehicles between Designated Facilities (Monthly Vehicle Transfer Report)

(d) Auction Report

Contractor shall provide a weekly Auction Report to the City that includes detailed information for all lien sold vehicles. For each vehicle, the Report must include the following information:

- (1) Vehicle Identification Number (VIN)
- (2) License plate number
- (3) Year
- (4) Model
- (5) Lien Category
- (6) Actual sale amount
- (7) Purchaser name and address
- (8) A detailed description of the distribution of proceeds from vehicle sale
- (9) Identify vehicles not sold that are held for future lien sale or for disposal

13.2 Minimum Required Reporting

- (a) **Daily Reports**
 - (1) Police Hold Report of Police Hold vehicles in excess of 325 vehicles (§ 4.6(d))
 - (2) Unreleased Vehicle Report
- (b) **Weekly Reports**
 - (1) Auctioneer Report (§ 8.9(b))
 - (2) Weekly Management Report (§ 13.1(b))
 - (3) Auction Report (§ 13.1(d))
 - (4) Police Hold Report (§ 4.6(d))
 - (5) Lien 1/Abandoned Vehicle Report
- (c) **Monthly Reports**
 - (1) Customer Service Report (§ 5.1(c)(v))
 - (2) Claim/Complaint Status Report (§5.2(c))
 - (3) Management Contact List (§ 8.7)
 - (4) Monthly Management Report (§ 13.1(c))
- (d) **Quarterly Reports**
 - (1) Subcontractor Performance Audit Report (§ 8.2(c))
- (e) **Additional Reports**

City may provide Contractor with a list of any additional required reports. Once the City submits its list of required reports to Contractor, Contractor shall have thirty (30) days to provide the requested reports to the City unless otherwise specified. The City reserves the right to request up to twenty (20) new reports or modifications to existing reports during the term of this Agreement.

13.3 Records Maintenance

This Section 13.3 shall survive termination of this Agreement. Contractor shall maintain digital photos that are not associated with any Claim for a period of two (2) years, except as otherwise agreed by City in writing. Digital photos related to a Claim shall be retained with the Claim file for a period of five (5) years. The retention of audio tapes is governed by Section 1.3(b) of this Appendix A. Contractor shall maintain all other Records generated pursuant to this Agreement for a period of five (5) years following expiration of this Agreement.

Contractor shall respond to requests from City for information regarding services provided under this Agreement within forty-eight (48) hours. If the Records requested are not capable of being produced within that time, the forty-eight (48) hour response shall indicate where the Records are located and when they can be made available for City's review, which shall in no event be longer than fourteen (14) days unless otherwise agreed. Contractor shall respond to requests for Records from City by providing Records in any format in which they are maintained, including but not limited to paper, audio and electronic formats.

14. Operations Plan

14.1 General Provisions

Contractor shall submit the elements of an Operations Plan as listed in Appendix B in accordance with the requirements of this Agreement. The final approved version of any Operations Plan element and any subsequent modifications approved in accordance with this Section shall define service standards for the performance of this Agreement, and are hereby incorporated into this Agreement as Appendix B as though fully set forth herein.

14.2 Approval Process

All elements of the Operations Plan shall be subject to City review and approval. All Operations Plan elements must be initially submitted no later than the deadlines set forth in Appendix B for each Operations Plan element. The deadline for any Operations Plan element described in the Agreement may be extended by written approval of SFMTA upon the request of and a showing of good cause by Contractor; however, the extension of any deadline for the Operation Plan elements designated in Appendix B as Pier 70 Operation Plan Elements also requires written approval of the Port during the term of Appendix D. City shall have sixty (60) days to review each element submitted, and either approve it as submitted or request revisions. Contractor shall respond to a request for revisions within twenty (20) days. City will have fifteen (15) days to either approve the revised Plan element or request further revisions. Contractor and City shall from this point on have five (5) days to either approve the revised Plan element as submitted, submit further requests for revisions or to respond to requests for revisions. Each revision must reflect tracking of document versions, including date and source of revisions, and each exchange of versions between the parties shall be accompanied by an executed document substantially in the form of Appendix B.

14.3 Line Item Approval

Pending the completion of the approval process of an entire Operations Plan element, Contractor may request line-item approval of certain portions of that Operations Plan element. If City does not respond to such request for line-item approval by Contractor within fourteen (14) days, the request for line-item approval shall be deemed denied.

14.4 Final Operations Plan

When an element of the Operations Plan is accepted by City, the final version of that element must be submitted to City in PDF format. Following City acceptance of Plan elements, the final Operations Plan and any subsequent modifications shall be distributed to all subcontractors.

14.5 Subsequent Modifications to Operations Plan

Contractor shall review the Operations Plan every six (6) months, and shall propose modifications as necessary to any element of the Operations Plan needed to improve service delivery. Modifications to the Operations Plan shall be approved through the process described in this Section 14. Each finally approved Operations Plan modification must identify the document version and date. Any subsequent modification of the Operations Plan shall supersede the prior version and be incorporated into this Agreement by reference when approved in accordance with this Section.

15. Liquidated Damages

15.1 Assessment of Liquidated Damages

Liquidated damages as described in this Section may be imposed by City for violations of the provisions of this Agreement. Failure by City to impose liquidated damages for specified violations shall not be a waiver of the right to enforce this Section, nor shall it constitute a waiver of any other right of City under this Agreement. No single act or omission by Contractor which incurs fines under Section 6.7 of Appendix D may be used as the basis for assessing any liquidated damages under this Section 15. The total amount of liquidated damages that City may collect under this Appendix A, Section 15 shall be limited to three hundred sixty thousand dollars (\$360,000) per year. For the purposes of this Section 15, written notice by City of a violation shall constitute enforcement even though the City may not assess liquidated damages at the time of such initial written notice of violation.

15.2 Damages Calculation

All contract violations listed in this Section 15 are subject to the \$360,000 per year limit set forth above. In addition, each type of violation which is subject to liquidated damages under this Section 15 is followed by the

designation of one of the following categories: [A], [B], [C] or [D], and depending on the category shall be subject to the following definitions and limitations:

- [A]: The measure of liquidated damages in this category [A] shall be subject to no limitation other than the \$360,000 per year limitation stated above.
- [B]: Liquidated damages in this category [B] may only be enforced within forty-five (45) days of the act or omission which gave rise to the City's right to collect liquidated damages.
- [C]: Liquidated damages in this category [C] may be assessed for a period of no more than forty-five (45) days for continuing violations.
- [D]: Liquidated damages in this category [D] may only be assessed for the immediately preceding audit period and City must provide Contractor with notice of any violation within sixty (60) days of City's completion of the audit report pursuant to Appendix A, Section 12.6.

15.3 Staffing

If Contractor fails to comply with the following staffing requirements set out in the Agreement, excluding requirements related to subcontractors, City may collect damages of \$250 per occurrence, not to exceed \$1,000 per day for each day that the required staff is not on duty, and \$250 for each eight (8) hour training session per individual that is not provided as required by the Agreement. Requirements that are subject to this subsection include:

- (1) Failure to provide required staffing at Central Dispatch (§ 1.2) [B]
- (2) Failure to adhere to the window staffing requirements, except wait time requirement (§ 5.1(c)(ii)) [B]
- (3) Failure to have a Customer Service Representative on duty during designated hours (§ 5.1(c)(iii)) [B]
- (4) Failure to comply with the minimum training standards (§ 8.3) [D]
- (5) Failure of a manager to be available (§ 8.7) [B]

15.4 Subcontracting

If Contractor fails to comply with the following requirements for the use of subcontractors as set out in the Agreement, not including equipment and communication requirements related to subcontractors, City may collect damages in the amounts specified below:

- (1) Failure to include the requirement that subcontractors hold current Tow Car and Tow Firm permits in subcontracts and to check compliance at the time of executing the subcontract. (§ 8.2(d)): \$500 per occurrence [D]
- (2) Failure to perform quarterly audits of permits and license status of Tow Car operators (§ 8.2(c)): \$500 per occurrence [D]
- (3) Violation of the uniform requirements (§ 8. 2(e)): \$100 per occurrence [B]
- (4) Failure to replace the auctioneer annually without the City's prior, written approval (§8.9(a)): \$1000 per occurrence [B]

15.5 Equipment

If Contractor fails to comply with the following requirements for Tow Equipment set out in the Agreement, City may collect damages in the amounts specified below:

- (1) Failure to provide two (2) dedicated telephone lines for more than an hour in a twenty-four (24) hour period within thirty (30) days of Effective Date of Agreement and every day thereafter (§ 1.3(a)): \$500 per day [B]

- (2) Failure to provide functional recording system and to store recordings for 120 days or longer time as required by City (§ 1.3(b)): \$500 per day [C]
- (3) Failure to provide Tow Cars at site of tow with appropriate equipment (§9.1): \$250 per tow [B]
- (4) Failure to have GPS tracking system in place in accordance with specified time limits and with all required software licenses in place for required GPS functionality (§ 9.2): \$500 per day of delay [B]
- (5) Failure of the GPS to operate ninety-seven percent (97%) of the time during a monthly reporting period (§ 9.2): \$500 per occurrence [D]
- (6) Failure to provide radios (§ 9.3): \$150 per reported occurrence [B]
- (7) Failure to provide the required hardware, software, and data lines to create and store electronic tow inventory slips within ninety (90) days of the Effective Date (§ 9.6): \$500 per day for each day of delay [B]
- (8) Failure to maintain adequate security in accordance with the Security Plan (§ 11.3): \$250 per occurrence, as defined in the Security Plan [D]
- (9) Failure to maintain standards and connections required for computer hardware and software system within specified time limits (§ 10): \$500 per day delayed [B]
- (10) Failure to have handheld device solution in place as required (§ 10.5): \$500 per day of delay [B]
- (11) Failure of the handheld device solution to operate ninety-seven percent (97%) of the time during a monthly reporting period (§ 10.5): \$500 per occurrence [D]
- (12) Failure to have IVR Telephone system in place within sixty (60) days of Effective Date (§ 6.3): \$500 per day delay [B]

15.6 Response Times

If Contractor fails to comply with the following response times or deadlines set forth in the Agreement City may collect damages in the amounts specified below:

- (1) Failure to answer call within 30 seconds or less with no busy signal for 95% of the calls, and within 90 seconds for the remaining 5% of the calls, during a given month (§ 1.2): \$250 for each month in which Contractor fails to answer 95% of the calls within 30 seconds, and an additional \$100 for each percentage point by which contractor fails to meet the 95% requirement in a given month; \$250 for each month in which Contractor fails to answer the remaining 5% of the calls within 90 seconds [B]
- (2) Failure to enter data into tow database within specified time limits ninety percent (90%) of the time (§ 3.1): \$500 per audit period in which the ninety percent (90%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety (90%) percent goal [D]
- (3) Failure during any given month to respond to at least 94% of all Dispatch Tows within the designated time requirements (§ 2.1(a)), including any approved extension of time: \$500 for each month in which Contractor fails to timely respond 94% of the time, and an additional \$250 for each percentage point by which Contractor fails to meet the 94% requirement in a given month [D]

- (4) Failure to respond to an Expedited Tow request within the designated time requirements, including any City-approved time extension (§ 2.2): \$500 per calendar day. **[B]**
- (5) Failure to respond to a Scheduled Tow Request (§2.1) or a request for a Regional Sweep (§ 2.3) at the agreed upon start time and location: \$100 credit for each twenty (20) minute period or portion thereof, not to exceed \$500 per calendar day. **[B]**

15.7 Record Keeping and Reporting Requirements

If Contractor fails to meet reporting and record keeping requirements listed below, City may collect damages in the following amounts:

- (1) Failure to submit any report required by Section 13 or maintain any record required by this Agreement: \$50 per day for each day that the record is not provided or maintained or the required report is overdue, not to exceed \$250 per month per report. City agrees to notify Contractor if City becomes aware of any report required by Section 13 of this Appendix A that is overdue. **[B]**
- (2) Failure to provide audio records within twenty-four (24) hours of City's request (§ 1.3(b)): \$50 per day for each day that the record is not provided **[C]**
- (3) Failure to furnish audit or waiver (authorizing DMV to release audits of Contractor) to the City within specified time limits (§ 12.6): \$100 per day **[C]**
- (4) Failure to submit copies of subcontractor agreements with required proof of insurance documents within five (5) days of the Effective Date of Agreement, or failure to submit subcontract amendments within five (5) days of any such amendments (§ 8.2(a)): \$100 per day per subcontract, up to \$3,000 per month for all subcontracts **[D]**
- (5) Failure to notify the City prior to additions and deletions of towing subcontractor (§ 8.2(a)): \$500 per occurrence **[D]**
- (6) Failure to comply with notice requirements for any personnel changes within specified time limits (§ 8.6): \$100 per occurrence **[D]**
- (7) Failure to notify the Contract Monitor of an auction at least three (3) days prior to any auction, as specified, or to provide said Contract Monitor with the report information requested (§ 8.8(b)) \$100 per occurrence **[B]**
- (8) Failure to enter a towed vehicle record within three (3) days of the date of the tow (§ 10): \$100 per towed vehicle **[A]**
- (9) Failure to maintain the functionality of the TVMS ninety-nine percent (99%) of the time during a monthly reporting period as specified (§ 10.3): \$500 per monthly reporting period in which the ninety-nine percent (99%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety-nine (99%) percent goal **[B]**
- (10) Failure to print and distribute receipts and notices as required by the City or any local, state or federal laws (§§ 6.6, 7.3): \$250 per occurrence **[D]**

15.8 Plan Submittals

If Contractor fails to submit any element of the Operations Plan in accordance with the requirements of this Agreement and the deadlines for initial document submittals and revisions set forth in Section 14, Appendix A of this Agreement, City may collect damages of \$250 per day for each day that the Operations Plan element is overdue. **[B]**

15.9 Customer Service Standards

If Contractor fails to meet the following Customer service standards as defined in the Agreement City may collect damages in the amounts specified below:

- (1) Failure to have functional internet site elements implemented within specified time limits (§ 5.1(d), 6.4): \$500 per day delay [**B**]
- (2) Failure to keep internet site functional for public and City use at least ninety-seven percent (97%) of the time during a monthly reporting period between the hours of 6:00 a.m. and 12:00 a.m. (§§ 5.1(d), 6.4): \$250 per month in which the ninety-seven percent (97%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety-seven percent (97%) goal [**D**]
- (3) Failure to accept the specified forms of payment (§ 6.1): \$500 per occurrence [**D**]
- (4) Failure to accept a payment of Citation fees for vehicles that have not been towed (§ 6.2(c)): \$100 per transaction [**D**]
- (5) Failure to have information available to the public as required, or as required by any local, state or federal laws (§ 5.3): \$250 per posting requirement per day [**B**]
- (6) Failure to meet the standards for telephone operator response time for customer service calls (§ 5.1(b)): \$100 for each percentage point by which Contractor fails to meet any of the percentage level requirements in a given month [**B**]
- (7) Failure to meet the standards for "in person" customer service wait times (§5.1(c)(ii): \$100 for each percentage point by which Contractor fails to meet any of the percentage level requirements in a given month [**B**]
- (8) Failure to respond to a Customer Complaint within seven (7) days, or a Customer Claim within fourteen (14) days (§ 5.2): \$100 per day for each day delayed [**B**]
- (9) Failure to release a vehicle to Customer's possession within one (1) hour of a Customer's compliance with all requirements for vehicle release (§ 5.1(c)(i), 4.4): \$100 per occurrence, \$50 credit to Customer per hour/fraction of hour of delay, not to exceed \$45,000 per audit cycle [**D**]
- (10) Failure to provide free shuttle service, one-way taxi fare or vehicle retrieval service (§ 4.4): \$250 per occurrence, not to exceed \$45,000 per audit cycle [**D**]
- (11) Failure to provide hotline service for technical assistance to City. (§§ 9.6, 10.3): \$200 per day [**B**]
- (12) Failure to have remote electronic access tow inventory slip information available to City for more than one (1) day (§ 9.6): \$200 per day [**B**]
- (13) At any time following the implementation of the IVR system, failure of the IVR system to function three percent (3%) of the time from 6:00 a.m. to 12:00 a.m. during a monthly reporting period (§ 6.3): \$250 per occurrence \$250 per month in which the ninety-seven percent (97%) goal is not met, plus \$250 for each additional percentage point by which Contractor fails to meet the ninety-seven percent (97%) goal [**D**]

15.10 Vehicle Handling Requirements

If Contractor fails to meet the following vehicle intake or handling requirements set forth in the Agreement City may collect damages in the amounts specified below:

- (1) Contractor's failure to drop a vehicle when instructed to do so by the City officer present at the scene of the tow (§ 4.2): \$500 per occurrence [**B**]
- (2) Failure to provide Courtesy Tow or roadside assistance services to SFMTA or SFPD vehicles (§ 2.4): \$100 per occurrence plus reimbursement of any expense associated

with City's procurement of towing or roadside assistance services for vehicles subject to Courtesy Tows **[B]**

- (3) Failure to hold a vehicle with Delinquent Citations that have been assessed penalties (§ 6.2(b)): an amount equal to the total amount of Delinquent Citations owed but not collected, plus \$100 **[D]**
- (4) Failure to visually inspect impounded vehicles and collect or confirm VIN within specified deadlines (§ 3.3(a)): \$500 per occurrence, not to exceed \$45,000 per audit cycle **[D]**
- (5) Failure to notify the SFPD within specified time limits of any impounded vehicles in its possession where the license plate and the VIN do not match (§ 3.3(a)): \$500 per occurrence **[D]**
- (6) Failure to hold weekly lien sale auctions (§ 7.2): \$1,000 per occurrence **[B]**
- (7) If Contractor releases, sells or disposes of any vehicle in violation of the requirements of the Vehicle Code, or otherwise loses possession of or is unable to locate within its possession a vehicle that it has towed under this Agreement and if City directs Contractor to resolve a Claim after sixty (60) days by paying blue book value of the vehicle to the owner (§ 4.1): \$1,000 per occurrence **[A]**
- (8) Failure to provide City with information to update CMS with information on intake or release of vehicles within specified time limits (§9.5): \$150 per day that release information is not provided, and \$20 for each one (1) hour period that intake information is not provided, not to exceed \$100 per towed vehicle, not to exceed \$45,000 per year **[B]**
- (9) Failure to maintain accurate personal property inventory in accordance with Personal Property Plan (§ 11.4): \$250 per occurrence as defined in the Personal Property Plan, not to exceed \$45,000 per audit cycle **[D]**
- (10) Failure to provide adequate security for personal property removed from towed vehicle (§ 11.4): \$500 per occurrence as defined in the Personal Property Plan **[D]**
- (11) Failure to provide secured Police Hold storage facility as specified (§ 4.6(a)): \$1000 per day **[A]**
- (12) Failure to remove vehicle from Secondary Storage Facility within one (1) week of sale (§ 11.5): current daily storage fee per vehicle per day **[B]**
- (13) Contractor's sale of a vehicle at an auction conducted under the Agreement to a Restricted Auction Participant in conjunction with Contractor's violation of the provisions of Section 8.9(c): \$1,000 per prescribed sale or the blue book value of the vehicle sold, whichever is greater, plus all outstanding administrative fees and citations, if any, on the vehicle. **[A]**

15.11 Financial Obligations

If Contractor fails to meet the following financial obligations set forth in the Agreement City may collect damages in the amounts specified below:

- (1) Failure to reimburse the City within five (5) days of the due date for the cost of the Contract Monitor (§ 8.8): \$50 per day **[B]**
- (2) Failure to reimburse the City within five (5) days of the due date for the cost of a City-appointed vehicle auctioneer (§ 8.9): \$50 per day **[B]**

- (3) Failure to deposit Referral Fee within specified time limits (§ 12.1(a), § 12.1(g)): \$100 per day of delay in depositing fee **[B]**
- (4) Failure to deposit percentage fee within specified time limits (§ 12.1(b)): \$100 per day of delay in depositing fee, beginning on the fifteenth (15th) month after the Effective Date of the Agreement **[B]**
- (5) Failure to deposit SFMTA Administrative Fees within specified time limits (§ 12.1(c), § 12.1(g)): \$100 per day of delay in depositing fee **[B]**
- (6) Failure to pay balance due within ten (10) days of receiving bill from City (§ 12.5): \$100 for each day of delay in paying billed amount **[B]**
- (7) Failure to collect any Mandatory Fee due to internet site or IVR system errors (§§ 6.3, 6.4): amount of uncollected Mandatory Fees due to the City which have not been assessed as liquidated damages pursuant to another subsection of this Section 15 **[D]**
- (8) Failure to deposit all or any part of collected funds not identified in any other paragraph of this Section 15.11 within specified time limits (§12.1(g)): \$500 per day delayed **[B]**
- (9) Failure to maintain minimum balance in Claims Fund (Master Agreement § 12.4): \$500 per day that balance is below minimum requirement **[D]**
- (10) Failure to maintain minimum balance in Maintenance Deposit (Master Agreement § 12.3): ten percent (10%) APR or the maximum allowed by California law, whichever is greater, per day that balance is below minimum requirement, paid on the deficiency **[D]**
- (11) Failure to timely make the annual payment to reimburse the City for the cost of the Contract Monitor (§ 8.9(a)): \$100 per day for each day that payment is delayed **[B]**
- (12) Failure to make timely annual payment into the Contractor Compliance Audit Fund (§12.6): \$100 per day for each day that payment is delayed **[B]**