CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE, MAYOR

PROPOSAL OPPORTUNITY FOR LEASE AND OPERATION OF SURFACE PARKING LOTS IN THE NORTHERN WATERFRONT

THE CITY AND COUNTY OF SAN FRANCISCO THROUGH THE SAN FRANCISCO PORT COMMISSION

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November 5, 2015
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## ATTACHMENTS

1. Proposal Template
2. Seawall Lot Map
3. Statement of Intention to Comply with City and Port Requirements
4. Leasing Application

## EXHIBITS

- Exhibit A: Form Lease
- Exhibit B: SWL 321 Power and Lighting Improvements
I. PROJECT OBJECTIVES

The Northern Waterfront parking lots serve a very diverse customer base such as visitors to the Exploratorium and Alcatraz Island, local merchant patrons including restaurants, shops and offices, general visitors to the Port, attendees of special events hosted on Port property such as at the James R. Herman Cruise Terminal and employees who work on Port property or in the northern waterfront. Due to the high volume of visitors coming to the Port the parking lots have transitioned from primarily a self-park operation, with few to no employees, to a robust visitor-serving operation with operator employees assisting visitors.

In order to reflect the Port as a world class destination, the Port now desires to have its parking operations realigned to better accommodate the increased user volume and offer a higher level of customer service to our clients and visitors. The Port has identified specific project objectives outlined below to achieve its objectives through this Request for Proposal (“RFP”) process for a tenant / parking lot operator:

- Improve the overall financial performance of the parking lots through a net increase in revenue by attracting new users, providing additional customer amenities, partnering with Port attractions and merchants on pre-sold tickets and potentially initiating demand-based pricing;
- Enhance the overall customer and visitor parking experience through appropriate staffing as demand dictates, designating customer waiting areas, installing highly visible easy to read signage, improving infrastructure such as lighting, paving and Americans with Disability Act (“ADA”) accessibility and installing convenient easy to use pay stations that comply with City-required revenue capture tracking;
- Expand the Port’s diversity in parking lot operators, through increased outreach to underserved communities to ensure that they are aware of the contracting opportunities through partnerships with prime parking operators; and
- Explore opportunities to expand the Port’s parking capacity.

In order to meet these objectives the Port proposes to select its tenant / parking lot operator (“Respondent”) through this RFP.

II. PROPOSAL OPPORTUNITY

The Port is seeking a tenant to Lease, operate and maintain a total of at least six (6) parking lots, including three (3) seawall surface lots and three (3) pier sheds, all located in the Northern Waterfront as depicted on the attached exhibits. Two of the seawall surface lots (“Term Lots”), identified as Parcel A – SWL 321 and Parcel B – SWL 323-324 will be operated on a fixed Lease term that will require a minimum monthly base rent. Monthly rent will be based on the greater of the minimum monthly base rent or 66% of the monthly gross revenue, net of parking tax.
The remaining four parcels ("Interim Lots") identified as Parcel C – SWL 322-1, Parcel D – Pier Shed 19½, Parcel E – Pier Shed 29½ and Parcel F – Pier Shed 33 will be leased on an interim basis and rent will be 66% of monthly gross revenue only, net of parking tax, as calculated for each lot with no minimum monthly rent. These interim parcels will be delivered on the Lease commencement date, but may on an individual basis, be withdrawn at any time during the Lease term at the Port’s option upon thirty (30) days’ prior written notice.

The Respondent will be required to operate and manage other parking parcels in the Northern Waterfront, known as “Expansion Sites,” that the Port may from time-to-time designate. The Expansion Sites may be existing parking lots or newly created. Rent for each Expansion Site will be 66% of the monthly gross revenue net of parking tax for that lot with no minimum monthly rent. These Expansion Sites may, on an individual basis, be withdrawn or added at any time during the Lease term at the Port’s option. The Port will provide a minimum of five (5) calendar days' written notice to add an Expansion Site.

The Respondent will be required to complete a power and lighting project in SWL 321 Parcel A per the attached specifications at its sole cost and expense; however, the Respondent shall be eligible to receive rent credits in an amount equal to the approved and documented cost of the improvements.

The Respondent will be selected through a RFP process as described more fully below.

**Term Lots**

- Parcel A - SWL 321 is approximately 53,199 square feet with approximately 300 valet parking stalls, bounded by the Embarcadero, Green and Front Streets. SWL 321 primarily services the Exploratorium to which, under the terms of the Port's Lease with the Exploratorium, the Port is required to provide certain parking rights as explained further below.

- Parcel B - Seawall Lots 323-324 is approximately 56,906 square feet combined, with approximately 227 self-park stalls, bounded by the Embarcadero, Broadway and Davis Streets. The Port reserves the right to up to 64 self-park stalls for its employees whose fees shall be excluded from the Gross revenue reported to the Port.

**Interim Lots**

- Parcel C - Seawall Lot 322-1 is approximately 37,810 square feet, with approximately 151 self-park stalls and approximately 200 valet parking stalls, bounded by Broadway, Vallejo and Front Streets.

- Parcel D - Pier 19½ Shed is approximately 37,500 square feet, with approximately 100 self-park stalls.

- Parcel E - Pier 29½ Shed is approximately 43,500 square feet, with approximately 75 self-park stalls.

- Parcel F - Pier 33 Shed consists of approximately 5,000 square feet, with approximately
25 self-park stalls (Tenant parking only, not a public facility).

The above number of stalls and square footage is an estimate only and could be more or less depending on lot configuration, self or operator parked or other factors. The successful Respondent shall be solely responsible for determining the number of parking stalls available to generate maximum revenue based on a physical inspection of each lot configuration. SWL 322-1 and the Pier Shed lots are considered interim use and could be subject to termination or alternative use at any period during the Lease term by Port in its sole discretion.

**Map of Parking Lots**

Maps of the lots are attached hereto as Attachment 2.

**III. MINIMUM RESPONDENT QUALIFICATIONS**

In order to be deemed responsive and therefore be considered for Lease award, a parking lot operator (“Respondent”) must meet the following minimum qualifications. Respondents that do not meet the minimum qualifications or materially misrepresent experience and qualifications will be deemed non-responsive and will not be considered for further evaluation and scoring. A Respondent is deemed to be comprised of all the entities collectively that will perform the required duties or obligations as outlined in this RFP. A Respondent may consist of separate partners that will perform and be responsible for specific duties but operate as a single entity.

1. The Respondent must be engaged primarily in the business of operating public parking lots and must be managing or have managed a combined total of not less than 1,000 parking spaces with combined annual gross revenues of at least $3,000,000 (including parking tax) for a minimum of thirty-six (36) consecutive months within the past five (5) years.

2. The Respondent must demonstrate: good financial standing, the ability to perform the financial obligations under the terms of the Lease such as providing pro-forma revenue and expense reports, a comprehensive business plan, capital and operating budgets and have a satisfactory record with other parking contracts and a demonstrated customer service record. Each Respondent must also meet the Port’s standard criteria for credit worthiness.

3. Each Respondent must partner with a Local Business Enterprise (LBE). For purposes of this RFP a partnership will be defined as a legal form of business operation between two or more individuals or companies that share management responsibilities and profits, have a system of shared decision making, shared power, and a plan that combines the capacity of both parties. The Port defines a LBE as a Contract Monitoring Division (CMD) certified LBE business certified to perform Parking Garage Management or a business:

   - whose primary place of business is a fixed address in San Francisco
   - in operation for a period of three years or more in San Francisco with a current business license
   - entity with average annual gross receipts from parking garage management
services under $7,000,000 over a period of three years directly preceding the date of the RFP (SBA definition)

Each partner must have sufficient organizational capacity to manage projects and budgets. The partnership must exhibit the ability collectively to develop manageable goals and objectives that will best ensure outcomes consistent with the project objectives outlined in the RFP.

4. The Respondent must have experience in the use of automated pay stations, automated parking access and revenue control equipment and software, including such functions as sophisticated spreadsheet and informational retrieval and report writing capability, etc.

5. The Respondent must have experience in managing at least ten (10) full-time employees responsible for the day-to-day operations at parking facilities that are staffed and open to the public at a minimum of twelve (12) hours per day, preferably on a twenty-four (24) hour basis and experience in daily valet parking operations and shuttle services from parking facility to event venues.

IV. SUBMISSION REQUIREMENTS AND EVALUATION PROCESS OF THE PROPOSALS

Port staff will screen all submitted proposals to determine if they are responsive to the RFP and meet minimum qualifications. Responsive packages will then be submitted to the selection review panel anticipated to be comprised of Port staff members and City staff members for evaluation and scoring.

In an effort to promote and broaden diversity among its parking lot operations each proposal will be evaluated, in part, on the strength of the partners, their individual and joint experience both as stand-alone operators and demonstrated experience working in partnerships. The panel will be judging the structure of the partnership to ensure that the “partnership” demonstrates a valid risk and profit sharing, and contains a plan that clearly outlines areas of responsibilities for all partners.

A selection review panel will review and score all responsive proposals based on the following categories:

1. Written Proposal
   A. Qualifications and experience 20
   B. Management approach/staffing/operational /marketing plan 25
   C. Strength and structure of partnership 25
   D. Innovation technology incorporated into operations 10
   E. Security and safety plan 10
   F. Accountability and clarity of proposal 10
   Total Written Points: 100

2. Oral interview/Presentation 25

Total Points 125
After evaluating the written proposals, the top three (3) highest scoring (minimum 70 points or higher out of 100 points) Respondents will be invited back for an oral interview with the selection review panel. These interviews will be included in the final scores. Port staff will evaluate the final selection review panel scores and will determine the most qualified Respondent(s). Port staff will notify all Respondent(s) via e-mail as to their status.

Port staff and the Port Commission reserve the right to accept or reject the selection review panel’s recommendations. Port staff may, in its sole discretion, independently investigate the qualifications of certain Respondents and/or conduct additional interviews with certain Respondents. The Port staff reserves the right to revise the evaluation process and to request clarification or additional information from any Respondent(s).

The Port Commission is the sole and final decision-maker regarding the award for this opportunity, and it reserves the right to reject any or all proposals or to terminate Lease negotiations at any time. The Port reserves the right to request that some or all Respondent(s) make presentations to Port staff, the Port Commission, community groups, or others as requested.

A. Qualifications and Experience:

- The description of the Respondent’s qualifications and experience must include the Respondent’s operation of parking facilities comparable to the Opportunity within the past three (3) to five (5) years, including any public agency contracts and use of central pay-on-foot equipment. The description should include staffing requirements, annual gross revenues, annual budget, successful programs that Respondent implemented, and a summary of the scope of responsibilities. The Respondent will be scored on experience in the parking operation and management field, and specifically in operations with similar financing, ownership and operational requirements.

- Respondent must describe its experience with the use of automated pay stations, automated parking access, and revenue control equipment and software, including sophisticated spreadsheet, revenue and data reporting, and information retrieval, internet reservations, cell phone reservations, parking guidance systems, variable parking options for, special event pricing, peak demand pricing and market based pricing to maintain target occupancy levels.

- The Respondent must provide copies of any notice of default or breach of contract received by the Respondent in connection with any garage management agreements, even if such default was cured at a later date. Respondent must explain how the matter was addressed or resolved. Respondent must also specify whether proposer or any predecessor in interest has had any contract for the operation and management of parking facilities due to breach or default.

- The Respondent must specify whether the Respondent (or any predecessor in interest) has been involved in any claims or litigation, within the last five years, involving any contract for the operation and management of parking facilities. Describe the nature of the litigation, the parties involved, and how the matter was resolved.

- Specify years of experience Respondent has been an operator in providing daily valet parking services.

- Respondent must meet the minimum qualifications as outlined in the preceding
section under Minimum Respondent Qualifications.

B. **Management Approach / Staffing / Operational / Marketing Plan:**

- Proposals must contain a narrative description of the services and activities to be provided to the Port through an Operations Plan, including, but not limited to, cash handling procedures, daily ticket and monthly access card auditing procedures, customer service assurance, data collection strategies and associated reports, employee training, and company policies. The selected operator will be subject to employee retention requirements pursuant to law. Each Respondent must state how it would staff the parking facilities given those restrictions.

- Respondent shall also explain in the Operation Plan how adequate employee coverage will be provided despite absenteeism, vacations, leaves or turnover of employees, as well as additional staff needed for special circumstances and or events. The Respondent shall describe in the Operation Plan how it will schedule facility managers to provide adequate management oversight during all days/hours of operation for all facilities within the group. The Respondent must describe how it will support its facility manager and assure the successful management of the parking facilities and implementation of its proposal. This section should also include the qualifications of each management staff person outside the direct parking facilities staff. Respondent should include a description of how each facility manager can enhance services or revenues at the parking facilities and how each facility manager will support and complement the current parking facilities staff.

- Operation Plan must describe the authority the facility manager will have as to vendor selection, shift scheduling, employee disciplinary actions, marketing, budgets, labor agreement issues, operational changes, compiling and safe keeping of records. The proposal must also list any subcontractors and explain their roles. The Operation Plan shall describe auditing and report procedures, employee training policies and procedures, and handling emergency situations (e.g. data recovery, robbery, theft, vandalism, natural disasters, etc.)

- Respondent must provide a maintenance plan that describes how it will monitor, inspect, maintain and clean the parking facilities. Maintenance of equipment recommendations and requirements must also be provided. Respondent should explain how it would schedule special cleaning when necessary and detail how it would perform special projects without negatively impacting revenue.

- Respondent must provide a marketing plan that will improve the overall financial performance of the parking lots through net increase in revenue by attracting new users, providing additional customer amenities, partnering with port attractions and merchants. The respondent must describe two (2) revenue generating projects that it implemented at other parking facilities that increased revenue without negatively impacting facility utilization or occupancy, including the Respondent’s role throughout the process.

- Respondent to prepare a pro forma of financial performance for the term of the Lease. Proposals must include an implementation plan for services and activities designed to optimize the overall performance, service and revenues at the parking lots.

- Respondent must provide the most recent available credit report and audited financial statements for the past three (3) years.

- Respondent must disclose how the entity will be capitalized.
• Respondent to provide its source of funds or financing for any improvements to be installed on the premises.

• Respondent must provide its source of working capital to cover operating costs and adequately maintain operations at the initial Lease term commencement and through seasonal variations in the revenue production.

• Respondent shall describe how any cost sharing or rent credits would be structured if Respondent proposes to offset the documented cost of equipment as provided for under Section V Paragraph 5 “Port’s Option to Expand Premises”. If Respondent proposes no cost sharing or rent credits for additional equipment or proposes a tiered approach depending on the cost of the equipment, please state so in the response.

• Respondent shall describe examples or expertise in performing significant capital improvements completed that improve power and lighting, life safety, operational or aesthetics aspects of its parking lots. Respondent shall provide cost estimates for the improvements required under Section V Paragraph 6 (a) “Improvements”.

• Respondent shall propose how it will undertake any additional capital improvements beyond what is required under Section V Paragraph 6 (b) “Improvements” and whether any cost sharing or rent credits are being proposed. If Respondent proposes no cost sharing or rent credits for additional improvements or proposes a tiered approach depending on the cost of the improvements, please state so in the response.

C. **Strength and Structure of Partnership**

• The proposal must clearly describe how the partners will be responsible for the overall project management, control, and compliance with the Lease and all rules and requirements of the Port and the City.

• Respondent must clearly describe the role of partner and how the partners will be sharing cost, risk, profits, and responsibilities. Any partner must be an active partner in the venture and perform work, manage the job and take financial risks in proportion to the required level of participation stated in the proposal, and must be responsible for a clearly defined portion of the work performed and share in the ownership, control, management responsibilities, risks and profits of the venture.

• Respondent should include in its proposal a plan for training and mentorship strategies that the partnership intends to implement in order to enhance and increase the operating capacity of future local business enterprise parking operators.

D. **Innovation Technology**

• Respondent must include any plan to incorporate new technology that will enhance the overall experience of the parking customer, improve the infrastructure, increase capacity, and make the overall operation more efficient.

E. **Security and Safety Plan**

• Respondent must include a Security and Safety Plan for the customers, employees, vehicles, the parking facility equipment and all associated data collection, as well as the integrity of cash handling and ticket/access card auditing procedures. The proposal must address equipment and other technical recommendations or requirements, staffing and scheduling needs, emergency and crisis handling
procedures, surveillance methods and surveillance equipment, as well as a disaster planning procedure that includes a reporting protocol and communications plan, ensuring redundancy of all revenue and transaction-related data and process for recovery of data.

- Respondent must describe in its Security and Safety Plan how management and supervisory staff will monitor and inspect the parking facilities to assure the security and safety of the parking facility property, revenues, customer and employee safety. The proposal should describe how security can be improved, with emphasis on imposter parking attendants, customer safety, employee safety, reducing break-ins of vehicles, security of data and reports.

- Respondent must include contingency plans and staff for security matters, including civil disobedience, riots, and response to the effects of acts of terrorism. The proposal must submit a recommended Emergency Plan and a Disaster Recovery Plan and should also describe the specific training the company gives its employees regarding response to civil disobedience, armed robberies, riots, and the effects of acts of terrorism. Ingenuity and originality in developing methods that will increase overall security and safety, without compromising best practices is encouraged.

- The Security and Safety plan should also demonstrate an acute understanding of the needs of the customers and parking facilities, as well as flexibility in responding to new and unexpected situations, if and when they arise.

F. Accountability, Clarity and Creativity

- Responsive proposals will be evaluated on the Respondents understanding of the scope of work and tasks to be performed, as well as the completeness of the proposal, and the creativity of ideas included in the proposal.

V. MINIMUM LEASE TERMS AND CONDITIONS

The RFP outlines certain minimum Lease terms and conditions that will be the basis for the Lease agreement between the Port and the Respondent. Please note that the term Respondent and Tenant are interchangeable as the Respondent will ultimately be responsible for the Lease.

1. **Term:**
   Parcel A – SWL 321: Five (5) years.
   Parcel B – SWL 323-324: Three (3) years with two one (1) year options to renew, at the sole discretion of the Port.

2. **Interim Term:** All interim lots (Parcels C, D, E & F) shall be delivered on the Lease commencement date. Port has a unilateral right to terminate any interim lot upon thirty (30) days prior written notice.

3. **Minimum Acceptable Rent:** For Parcel A – SWL 321 and Parcel B – SWL 323-324, the greater of Minimum Monthly Base Rent or Percentage Rent of not less than 66% of gross receipts net of city parking tax per month. Outlined below are the Minimum Monthly Rent requirements for the initial year of the Lease:
- Parcel A SWL 321: $73,000 per month
- Parcel B: SWL 323-324: $78,000 per month
- Parcel C: SWL 322-1 Percentage Rent Only
- Parcel D: Pier 19½ Shed: Percentage Rent Only
- Parcel E: Pier 29½ Shed: Percentage Rent Only
- Parcel F: Pier 33 Shed: Percentage Rent Only

4. **Annual Minimum Rent Adjustment**: 3.5%

5. **Port’s Option to Expand Premises**: Should any opportunity for additional public parking in surface lots, sheds or on Port property become available or, required for parking use on an as-needed basis, the Port shall have the option to expand the Premises to certain sites contiguous or non-contiguous to the Premises but within Port jurisdiction ("Expansion Site") for the sole purpose of providing public parking. For operations of the Expansion Site(s), Tenant shall pay a minimum percentage rent to the Port of not less than 66% of gross receipts, net of parking taxes.

Port’s option(s) may be exercised by giving a Tenant a minimum of five (5) days prior written notice of its intent to exercise such expansion option(s). Said notice shall include the commencement and expected expiration date(s) of the expansion period ("Expansion Period"), the location of the Expansion Site(s) and the nature of operation of the Expansion Site(s) which may include but are not limited to valet parking, assigned-self parking or random self-parking. Tenant must agree to accept any such Expansion Site(s) for the respective Expansion Period(s), and to operate parking on the Expansion Site(s) in accordance with the nature of the operation as identified in Port’s notice and the terms and conditions of the Lease. Notwithstanding the expected expiration date, Port has a unilateral right to terminate any Expansion Site upon ten (10) days prior written notice.

Tenant must install required revenue control equipment and signage in each Expansion Site at its sole cost and expense. In its proposal, Respondent shall describe how any cost sharing or rent credits would be structured if Respondent proposes to offset the documented cost of the equipment. If Respondent proposes no cost sharing or rent credits for the cost of the equipment or proposes a tiered approach depending on the cost of the equipment, please state so in the proposal.

6. **Improvements**: Each lot will require a minimum level of improvements and maintenance during the Lease term that may require substantial capital to implement. The Tenant will accept each parking lot in its “AS IS” condition and will be responsible for all necessary improvements, maintenance and compliance with laws including ADA. Tenant will be required to maintain the surface lots including, utilities, lighting, revenue equipment, attendant booths, bollards, signage, striping and general appearance in a condition satisfactory to the Port. Tenant shall immediately repair any tripping hazards or unsafe conditions. Tenant will be responsible to secure any necessary permits from the Port for the improvements or from any other governmental agencies as required.

a) The Port will require the Respondent to perform a power and lighting project for SWL 321 as outlined on the plan presented in Exhibit B. The Port will provide power to the site in the location as shown on the plan. The Respondent shall competitively
bid the project and shall be subject to the Port’s pre-approval as to proposed costs, schedule and scope of work generally as submitted in the RFP. All work shall be performed per the terms and conditions of the Lease Section 13 “Improvements and Alterations”. The Respondent will be responsible to secure building permits as required from the Port and construct the improvements per the specifications on the attached plan and per the terms of the Lease. The Respondent shall be responsible for all costs of construction and the Respondent will be eligible for a credit in equal installments against monthly minimum rent or percentage rent, at the Port’s option. Rent credits shall be amortized in equal installments over the remaining term of the Lease from completion of the project. Any rent credits shall be subject to the work completed as evidenced by the Port Building Inspector and documented appropriately per the terms of the Lease. The Respondent agrees to commence construction no later than one (1) year from Lease commencement and complete the project no later than two (2) years from Lease commencement. Failure to complete the project shall be considered a material breach of the Lease and could result in termination.

b) The Port, in its sole discretion, may require the Tenant to perform additional improvements such as improved power and lighting for SWL 323-324 beyond its required maintenance and repair obligations throughout the Lease term. If additional improvements are considered capital improvements that will outlast the term of the Lease, correct any significant life safety issues or benefit the Port for financial reasons not anticipated at the time of the Lease, subject to the Port’s prior written approval as to the scope and cost of the improvements, Tenant shall propose in the RFP any cost sharing or rent credits for those additional improvements either against minimum rent or percentage rent. Any rent credits shall be subject to the work completed as evidenced by the Port Building Inspector and documented appropriately per the terms of the Lease. If Respondent proposes no cost sharing or rent credits for the cost of the improvements or proposes a tiered approach depending on the cost of the improvements, please state so in the proposal.

7. **Security Deposit:** Tenant shall deposit with the Port as security for the Lease an amount equal to three (3) times the total minimum monthly rent in year three (3) in cash or in an irrevocable Standby Letter of Credit in a form and from a financial institution acceptable to the Port.

8. **Performance Standards:** The Lease shall be subject to financial and operating performance standards such as consistency in meeting pro-forma revenue targets, maintaining improvements in the lots and providing a high level of customer service as provided for in the Operations Plan (see below). Failure to adhere to such standards will be the grounds for default and, if uncured, termination.

9. **Signage:** At no cost to the Port, Tenant will be required to provide all signage regarding rates, hours and any other conditions such as validation in a highly visible and professional manner which will be subject to the Port of San Francisco signage guidelines and permits. At no cost to the Port, Tenant shall co-brand the signage as a Port of San Francisco lot and display the Port logo on all entrances to the lots.

10. **Additional Port Requirements:** At no cost to the Port, the Port will have the right to
require the Tenant to provide space for the Car Share Program and space for electric vehicle charging stations and equipment for which customers shall pay the daily or monthly parking charge at the time.

11. **Termination and/or Recapture Rights:** The Port will have the right to terminate the Lease as to the entirety of Seawall Lot 321 and/or Seawall Lot 323-324 for any reason upon no less than One Hundred Eighty (180) days’ written notice. If the Lease for Seawall Lot 321 is terminated, approved and documented unamortized costs for the power and lighting improvements will be reimbursed at time of termination. The Port will have the right to temporarily or permanently recapture any portion of any lot without terminating the Lease at no cost to Port and without reducing Tenant’s Rent or other lease obligations (except as to a proportional decrease in base rent for Seawall Lots 321 and 323-324 if the recaptured portion of the lot is greater than 20% of the total spaces with no less than ten (10) days’ written notice.

12. **Prevailing Wages:** The Lease will include the City’s prevailing wages and displaced worker protection requirements for parking lots pursuant to Section 21C.3 of the City’s Administrative Code. In addition to complying with each and every other requirement of the Work Protection Ordinance, and subject to the terms of the ordinance, Tenant agrees to the following:

   1. Tenant shall pay employees working on the Premises not less than the Prevailing Rate of Wages, as defined in the Ordinance, including fringe benefits or the matching equivalents thereof, paid in private employment for similar work in the area where the work is being performed, and

   2. Tenant shall retain for a 90-day transition employment period, the Employees, as defined in the Ordinance, who have worked at least 15 hours per week and have been employed by any immediately preceding parking lot operator on the Premises or its subcontractors, if any, for the preceding twelve months or longer. Tenant may terminate any of the Employees before the transition period expires, provided just cause exists to terminate the Employee.

13. **Revenue Monitoring Equipment:** The Lease will require the Tenant to install and utilize revenue control equipment approved by the City and County of San Francisco in location(s) approved by the Port.

14. **Special Restrictions:** SWL 321: at SWL 321, the Port has entered into a Parking Agreement with the Exploratorium dated November 3, 2010. Pursuant to this Parking Agreement, the Exploratorium has the right to: (i) non-exclusive use of a maximum of 200 general parking (“General Parking”) spaces for hourly use; (ii) exclusive use of up to thirty (30) Employee parking (“Employee Parking”) spaces for monthly use; and (iii) non-exclusive use of up to twenty (20) Union Street Right of Way (“ROW”) parking spaces as outlined below.

   General Parking spaces available for the Exploratorium are reduced by a 1:1 ratio for each Employee Parking space used by the Exploratorium. During the Exploratorium’s opening hours, the General Parking and ROW spaces will be subject to the prevailing
hourly rate charged equivalent spaces in the lot. The Exploratorium pays for Employee Parking directly to the Port and these fees will be excluded from gross parking revenues. After the Exploratorium’s opening hours, Tenant may offer the General Parking spaces, ROW and Employee Parking spaces for use at the prevailing flat rate. The above rates may be increased upon thirty (30) days’ prior written notice to the Exploratorium. The Exploratorium may establish a discounted validated rate (“Validated Rate”) for museum visitors, guests and patrons (“Museum Invitees”). Museum Invitees shall be entitled to the Validated Rate for General Parking through a validation program. Tenant shall honor the Validated Rate. Additionally, the Exploratorium has an option to arrange for a valet program for Museum Invitees, but only if Tenant agrees to operate the valet program; and the Exploratorium, Port and Tenant agree on the fee and rate structure for the valet program.

SWL 323-324: This lot is designated for general public paid parking. The operator must provide 40 stalls within the lot and 24 spaces along Davis Street to Port of San Francisco employees, as designated from time to time by the Port. Port employees pay monthly parking fees directly to the Port and shall be excluded from the lot’s Gross Revenues.

15. Operations Plan: Tenant shall provide an Operations Plan that will outline policies and procedures for: customer service, proposed rates and potential increases, potential demand pricing, signage, minimum staffing levels for peak and non-peak periods, hours of operations, equipment, reporting, maintenance schedule, job descriptions, cleaning schedule, environmental compliance plan, storm water management plan and other performance standards as required in the Lease. Increases to the approved rates and special event pricing shall be subject to Port review and approval prior to implementation and shall be accompanied by market data supporting the proposed pricing.

The Operations Plan shall include proposed solutions to reduce negative environmental impacts of the lot operations. Areas to address are: environmentally responsible cleaning, reduction in Green House Gas (“GHG”) emissions, installation of electric vehicle charging stations, provision of car and bike share facilities, limits on idling vehicles and other such measures as prudently practical.

The Operations Plan shall include a security plan that will protect the public from imposter parking attendants, auto break-ins and overall protection for Port property and customer safety.

Non-compliance with the Operations Plan may be deemed a material breach of the Lease subject to termination if uncured.

16. Standard Port Lease Provisions: The Lease will contain standard insurance, indemnity, hazardous material, audit rights, security deposit, maintenance and repair provisions and all City and Port requirements. Subject to the City's Risk Manager’s approval, the Tenant must carry Garage Liability and Garage Keeper’s Insurance, Worker’s Compensation Insurance, Comprehensive General Liability Insurance, and Comprehensive Automobile Liability Insurance, each with limits not less than one million dollars ($1,000,000) and may be subject to limit increases during the term of the Lease.
VI. FUTURE DEVELOPMENT / REPAIR OF SEAWALL LOTS AND PIER SHEDS

SWL 322-1 – The Port has entered into a Memorandum of Understanding with the Mayor’s Office of Housing and Community Development for the development of an affordable housing project on this lot. Any development may require the Port to reduce, phase out or terminate this portion of the Lease.

SWL 323-324 – The Port is in active negotiations for a future development of the parking lot. Any development may require the Port to reduce, phase out or terminate this portion of the Lease during the term or any extension option period.

Pier 29½ – The Port is commencing a structural repair project for Pier 31 which may impact the parking in this shed. Any or all the shed may be required for contractor staging areas. Attached is the current schedule for the repair project.

Pier 19½ - The Port acknowledges that the roof for Pier 19½ is in need of repair and as a result, leaks when it rains.

VII. CITY AND PORT REQUIREMENTS

The Lease will require the Tenant to comply with all City and Port Requirements in effect, including without limitation:

1. Non-Discrimination in Contracts and Property Contracts (including providing equal benefits) (SF Admin. Code Section 12B and C);
2. Tropical Hardwood and Virgin Redwood Ban (SF Admin. Code Section 12I);
3. Health Care Accountability (SF Admin. Code Section 12Q);
4. MacBride Principles – Northern Ireland (SF Admin. Code Section 12F);
5. Tobacco Products Advertising Ban (SF Admin. Code Section 4.20);
6. San Francisco Integrated Pest Management Program (SF Admin. Code Section 39.1);
7. First Source Hiring (SF Admin. Code §83.1 et. sq.)
8. Prevailing Wages, Local Hire (San Francisco Admin. Code Section 6.22(e), (f) and (g);
9. Graffiti San Francisco Public Works Code Article 23); and
10. Criminal Background (San Francisco Admin. Code 12T)
11. Displaced Worker Protection Act (San Francisco Admin. Code 21(c)(3))
12. Revenue Monitoring (San Francisco Business and Tax Regulations Code Article 6, 9, 22)
13. Prohibition of Alcoholic Beverages Advertising (San Francisco Admin. Code Section 4.20)

The City and Port Requirements are described in more detail in the Form Lease, attached hereto as Exhibit A.

As part of the Proposal Package, all Respondents must submit a written acknowledgement, in the Statement of Intention to Comply with City and Port Requirements, attached hereto as Attachment 3, that it has reviewed, understands, and can comply with the City and Port Requirements.
Requirements set forth in Section 28 of the Form Lease, and other terms and conditions set forth in Section VII hereof.

VIII. OTHER TERMS AND CONDITIONS

- The Port will convey the Premises to the lessee in an “AS IS” condition. It shall be the sole responsibility of the Tenant to investigate and determine conditions of the Premises, including but not limited to existing and planned improvements, utility connections, and the suitability of the same for Tenant’s operations.

- The information presented in this Request for Proposals and in any report or other information provided by the Port is provided solely for the convenience of the interested parties. It is the responsibility of interested parties to assure themselves that the information contained in this Request for Proposals or other documents is accurate and complete. The Port or its advisors provide no representations, assurances, or warranties pertaining to the accuracy of such information.

- The issuance of this RFP does not constitute an agreement by the Port that any contract will actually be entered into by the Port Commission. The Port expressly reserves the right at any time to:
  - Waive any defect or informality in any response, proposal, or proposal procedure;
  - Reject any or all proposals;
  - Suspend any and all aspects of the process indicated in this RFP;
  - Reissue a Request for Proposals;
  - Request some or all Respondents to submit revised or new proposals;
  - Select a tenant by any other means;
  - Extend deadlines for accepting proposals, or accept amendments to proposals after expiration of deadlines; or
  - Determine that no project will be pursued.

- The Port reserves the right to reject any or all proposals submitted and to waive any technical defect in a submittal which does not affect or alter the substantive provisions thereof. Failure by the Port to object to an error, omission, or deviation in any proposal will in no way modify this RFP or excuse Respondent from full compliance with the requirements of this RFP or the Lease.

- In awarding this opportunity and finalizing the Lease, the Port may modify, refine, and otherwise clarify the terms and conditions of the Lease and the selected proposal, including changing the mix of uses and improving the Port’s financial return and such other changes therein as may be desired by the Port and agreed upon by Respondent.

- The Port may modify, clarify, and change this RFP by issuing one or more written addenda. If requested, such addenda will be sent by email and will be posted on the Port website under Real Estate Parking Lot RFP. The Port will make reasonable efforts to notify Respondents in a timely manner of modifications to this RFP. Notwithstanding this provision, each Respondent assumes the risk of submitting its proposal on time consistent with any modifications and addenda.

- The Port's granting of an exclusive right to negotiate should not be construed as an approval of the proposed uses, configuration or design of the proposal.
• The Tenant shall be responsible for obtaining all government approvals required for the improvements on the Premises, and shall pay all permit and processing fees related to the improvements. Approvals for the improvements may be required from governmental agencies other than the Port. In issuing this Request for Proposals, the Port makes no representations or warranties about which government approvals will be required, or that the necessary governmental approvals can be obtained which will allow the improvements to the Premises in accordance with the guidelines set forth above. Respondents should understand that the Port is issuing this Request for Proposals in its capacity as a landowner with a proprietary interest in the Premises and not as a regulatory agency of the City with certain police powers. The Port’s status as an agency of the City shall in no way limit the obligation of the Tenant to obtain approvals from City departments, boards or commissions which have jurisdiction over the project.

• The Port will not pay a Finder’s or Broker’s Fee in connection with this Request for Proposals.

• In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractor’s bids, Leases, agreements, responses to RFPs and all other records of communications between the Port and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Each Respondent must clearly mark any of the financial materials it in good faith believes to be trade secrets or confidential proprietary information protected from disclosure under applicable law. To the extent permitted by law, the Port will attempt to maintain the confidentiality of marked financial materials, but potential Respondents are cautioned that, in accordance with the Sunshine Ordinance (Admin Code Section 67.24(e)), responses and other communications from interested parties must be open to inspection by the public upon request immediately after a contract is awarded. Except as limited by this paragraph, the Respondent’s proposal will become the property of the Port and may be used by the Port in any way deemed appropriate.

• The Port accepts no financial responsibility for any costs incurred by a Respondent in responding to this RFP.

IX. RESPONDENT INSTRUCTIONS

Please inspect your Proposal Package to ensure that it contains all of the attachments listed on the cover sheet. The Port assumes no liability for any material omitted from the Proposal Package. To receive omitted materials please email Bob Davis at Bob.Davis@sfport.com or Jay Edwards at Jay.Edwards@sfport.com.

All Proposals must include the following fully completed items:

1. Statement of Ability to Comply with City and Port Requirements and terms and conditions of this Proposal opportunity;
2. Statement of Awareness and Intention to Comply with Sections 21C.3 and 21.C.7 of the Administrative Code; and
3. Application for Lease; and
4. Attachment 1 Proposal Template.

A Proposal submitted with incomplete or missing forms, or received after December 17, 2015 at
5 p.m. PST will be deemed non-responsive and will be rejected. After a Proposal has been submitted, no modifications to the Proposal will be allowed. Proposals must be hand delivered in person and left with the Port receptionist during business days between the hours of 8:00 AM and 5:00 PM at the Port of San Francisco’s main reception area in Pier 1, no later than 5:00 P.M., PST, on December 17, 2015.

All Proposals must be delivered clearly marked "Proposal for Lease, Parking Lot Opportunity. Each Proposal must be accompanied by a Proposal Form Proposals sent by facsimile or electronic mail will not be accepted.

A voluntary Pre-Proposal Conference will be held on November 13, 2015 from 10 a.m. to 12 p.m. at the Port of San Francisco office located at Pier 1, Bayside One Conference Room, San Francisco, California 94111. Questions may be asked at the Pre-Proposal Conference or submitted in writing to Bob Davis or Jay Edwards, Port of San Francisco, Pier 1, San Francisco, California, 94111. A tour of the Proposal parking lots will be conducted at the end of the Pre-Proposal Conference.

X. OBJECTIONS TO THE RFP

Should a prospective Respondent object on any ground to any provision or legal requirement set forth in the RFP (including all Appendices and all Addenda), including but not limited to Objections based on allegations that: (i) the RFP is unlawful in whole or in part; (ii) one or more of the requirements of the RFP is onerous, unfair or unclear; (iii) the structure of the RFP does not provide a correct or optimal process for the solicitation of a tenant; (iv) the RFP contains one or more ambiguity, conflict, discrepancy or other error; or (v) the RFP unnecessarily precludes alternatives to the subject opportunity, the prospective Respondent must provide timely written notice of Objection as set forth below.

A. An Objection must be received in writing to the Port no later than 5:00 p.m. on the 14th calendar day after the RFP has been issued

B. The Objection shall state the basis for the Objection, refer to the specific requirement or portion of the RFP at issue, and shall describe the modification to the RFP sought by the prospective Respondent. The Objection shall also include the name, address, telephone number, and email address of the person representing the prospective Respondent.

C. The Port, at its discretion, may make a determination regarding an Objection without requesting further documents or information from the prospective Respondent who submitted the Objection. Accordingly, the initial Objection must include all grounds of objection and all supporting documentation or evidence reasonably available to the prospective Respondent at the time the Objection is submitted. If the prospective Respondent later raises new grounds or evidence that were not included in the initial Objection, but which could have been raised at that time, then the Port may not consider such new grounds or new evidence.

D. Upon receipt of a timely and proper Objection, the Port will review the Objection and
conduct an investigation as it deems appropriate. As part of its investigation, the Port may consider information provided by sources other than the prospective Respondent. At the completion of its investigation, the Port will provide a written determination to the prospective Respondent who submitted the Objection. If required, the Port may extend the proposal submittal deadline to allow sufficient time to review and investigate the Objection, and issue Addenda to incorporate any necessary changes to the RFP.

E. Objections not received within the time and manner specified will not be considered. A Respondent's failure to provide the Port with a written Objection as specified above on or before the time specified above shall constitute a complete and irrevocable waiver of the ground(s) of objection and forfeit the Respondent’s right to raise such ground(s) of objection later in the procurement process, in a Government Code Claim, or in other legal proceedings.

A Respondent may not rely on an Objection submitted by another Respondent, but must timely pursue its own Objection.

XI. PROTEST OF AWARD

Within five (5) working days of the Port’s notice of the most qualified Respondents which would be recommended to the Port Commission for award of a Lease(s), any Respondent who submitted a responsive proposal that was evaluated during the evaluation process and believes that the Port has unfairly selected another Respondent for award may submit a written notice of protest.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Respondent, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Respondent must specify facts and evidence sufficient for the Port to determine the validity of the protest. All protests must be received by the Port on or before the fifth (5th) working day following the Port’s notice. The Respondent submitting the protest must concurrently transmit a copy of the initial protest document and any attached documentation to all other Respondents who may be adversely affected by the outcome of the protest.

The Port will provide protested affected Respondents with five (5) working days from their receipt of the protest to submit a written response to the protest.

The Port, in its discretion, may make a determination regarding a protest without requesting further documents or information from the Respondent who submitted the protest. Accordingly, the initial protest must include all grounds of protest and all supporting documentation or evidence reasonably available to the prospective Respondent at the time the protest is submitted. If the Respondent later raises new grounds or evidence that were not included in the initial protest, but which could have been raised at that time, then the Port may not consider such new grounds or new evidence.
Upon receipt of a timely and proper protest, the Port will review the protest and conduct an investigation as it deems appropriate. As part of its investigation, the Port may consider information provided by sources other than the protesting and protested Respondents. The Port may also consider supplemental correspondence or other information relating to the original ground(s) of protest submitted by a protesting Respondent and/or a protested Respondent to the extent the Port determines that such information will assist it in resolving the protest. At the completion of its investigation, the Port will provide a written determination to the Respondent who submitted the protest, with a copy to the protested Respondent(s).

Protests not received within the time and manner specified will not be considered.

A Respondent may not rely on a protest submitted by another Respondent, but must timely pursue its own protest.

The procedures and time limits set forth in this section are mandatory and are a Respondent's sole and exclusive remedy in protesting a Lease award to another Respondent. Failure to comply with these protest procedures shall constitute a complete and irrevocable waiver of the ground(s) of protest and forfeit the Respondent's right to raise such ground(s) of protest later in the RFP process, in a Government Code Claim, or in other legal proceedings.

**Delivery of Objections and Protests**

If an objection, protest or response to a protest is mailed, the Respondent or protested Respondent bears the risk of non-delivery within the deadlines specified above. Objections, protests and responses to protests should be transmitted by a means that will objectively establish the date the Port received the objection, protest or response. Objections, protests, notice of protests, and responses to protests made orally (e.g., by telephone) will not be considered. Objections, protests and responses to protests must be delivered to:

Port of San Francisco  
Director of Real Estate  
Real Estate Division  
Pier 1, The Embarcadero  
San Francisco, CA 94111

**XII. AWARD OF LEASE**

After determining the highest scoring Respondent, the Port will verify Respondent requirements. The Lease will be recommended by staff to the Port Commission for award to the Respondent who is ranked the highest and meets the minimum qualifications as described in the RFP. If the successful proposal would result in anticipated revenues to the Port of more than $1 million during the Lease term, the Lease must also be approved by the Board of Supervisors as required by Section 9.118 of the City Charter.