

**SECOND AMENDMENT TO THE AGREEMENT FOR AIRPORT  
PARKING GARAGE AND SURFACE LOT MANAGEMENT SERVICES  
BETWEEN  
THE CITY OF SAN JOSÉ AND SP PLUS CORPORATION**

This Second Amendment to the Agreement by and between the City of San José (hereinafter “City”), a municipal corporation, and SP Plus Corporation, a Delaware corporation registered to conduct business in the State of California, (hereinafter “Contractor”), is entered into on the date of execution by City (“Effective Date”). Each of City and Contractor are sometimes hereinafter referred to as a “Party” and collectively as the “Parties.”

***RECITALS***

**WHEREAS**, on October 29, 2019, the City Council authorized the City Manager to negotiate and execute an agreement with SP Plus Corporation for a two-year initial term with three (3) one-year options to extend; and

**WHEREAS**, on October 31, 2019, City and Contractor entered into an agreement entitled “Agreement for Airport Parking Garage and Surface Lot Management Services” (“Agreement”) with an Initial Term beginning December 1, 2019 through November 30, 2021; and

**WHEREAS**, on November 23, 2021, City and Contractor entered into the First Amendment to correct a typographical error on option dates in Section 2 and add additional provisions for counterparts, electronic signatures, and wage theft; and

**WHEREAS**, City and Contractor now wish to amend the Agreement to retroactively reflect rates paid to the Contractor during the Initial Term;

**NOW, THEREFORE**, the Parties agree to amend the Agreement as follows:

**SECTION 1.** Section 1 of the Agreement, entitled “Agreement Documents” is amended to add the following new exhibit:

**Exhibit L** Supplemental Work Order Form

**SECTION 2.** Exhibit B “Compensation and Payment Schedule” is hereby replaced in its entirety with Revised Exhibit B, which is attached hereto and incorporated herein.

**SECTION 3.** Exhibit L “Supplemental Work Order Form” is hereby added, which is attached hereto and incorporated herein.

**SECTION 4:** All terms and conditions of the Agreement not specifically modified by this Second Amendment shall remain in full force and effect.

WITNESS THE EXECUTION HEREOF on the day and year set forth beneath the respective name below.

**City of San José**

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By: Email: jennifer.cheng@sanjoseca.gov  
Jennifer Cheng  
Deputy Director of Finance

05/16/2022 GMT-07:00  
Date: \_\_\_\_\_



By: Email: diana.yuan@sanjoseca.gov  
Diana Yuan  
Deputy City Attorney

**SP Plus Corporation (“Contractor”)**

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By: Email: jfinch@spplus.com  
Jason Finch  
Senior Vice President

05/12/2022 GMT-07:00  
Date: \_\_\_\_\_



By: Email: jburdett@spplus.com  
James C. Burdett  
Assistant Secretary

05/12/2022 GMT-05:00  
Date: \_\_\_\_\_

**REVISED EXHIBIT B  
COMPENSATION AND PAYMENT SCHEDULE**

**1 MAXIMUM COMPENSATION**

The maximum amount of compensation to be paid to Contractor including payment for maintenance, operations and janitorial services, and reimbursable expenses shall not exceed **Eight Million Seven Hundred Eighty-Four Thousand Five Hundred Seventy-Six Dollars (\$8,784,576)** for the initial two-year term. Any additional services requested by the City that would exceed the preceding maximum amount shall require a contract amendment.

**Table B1: Summary of Costs**

	<b>Year 1 Not to Exceed Cost</b>	<b>Year 2 Not to Exceed Cost</b>
Management Fee	\$1,030,000	\$1,030,000
Reimbursable Expenses	\$3,262,288	\$3,262,288
Supplemental Services (See Revised Exhibit B, Section 8)*	\$100,000	\$100,000
Subtotal by Year	\$4,392,288	\$4,392,288
<b>MAXIMUM COMPENSATION – INITIAL 2-YEAR TERM</b>		<b>\$8,784,576</b>

\*Subject to City approval through signed Supplemental Work Order (Exhibit L)

**Table B2: Management Fees**

<b>Cost Element</b>	<b>Year 1 Not to Exceed Cost</b>	<b>Year 2 Not to Exceed Cost</b>
Management Fees	\$1,030,000	\$1,030,000
<b>MAXIMUM COMPENSATION – INITIAL 2-YEAR TERM</b>		<b>\$2,060,000</b>

**Table B3a: Reimbursable Expenses - Wages and Salaries (Original Agreement)**

<b>Job Classification</b>	<b>Hourly Rate</b>	<b>Salary</b>	<b>Hours Per Year</b>	<b>Pay Periods</b>	<b>Year 1 Cost</b>	<b>Year 2 Cost</b>
Facility Manager	-	\$125,000	2080	24	\$125,000	\$125,000*
Operations Manager	-	\$60,000	2080	24	60,000	60,000*
Operations Manager	-	\$60,000	2080	24	60,000	60,000*
Finance Manager	-	\$57,000	2080	24	57,000	57,000*
Administrative Clerk	-	\$50,000	2080	24	50,000	50,000*
Supervisor**	\$24.45	-	26936	26	658,585	658,585*
Auditor**	\$22.68	-	12480	26	283,046	283,046*
Maintenance Manager**	\$26.51	-	2080	26	55,140	55,140*
Porter**	\$22.92	-	8736	26	200,230	200,230*
<b>Subtotal (a)</b>					<b>\$1,549,001</b>	<b>\$1,549,001*</b>

<b>Job Classification</b>	<b>Hourly Rate</b>	<b>Salary</b>	<b>Hours Per Year</b>	<b>Pay Periods</b>	<b>Year 1 Cost</b>	<b>Year 2 Cost</b>
OT/Vacation/Sick/Holiday Pay					333,844	333,844*
Payroll Taxes					186,402	186,402*
Health and Welfare – Non-Union					134,141	134,141*
<b>Subtotal (b)</b>					<b>\$654,387</b>	<b>\$654,387*</b>
<b>Subtotal (a + b)</b>					<b>\$2,203,388</b>	<b>\$2,203,388*</b>
<b>MAXIMUM COST – INITIAL 2-YEAR TERM</b>						<b>\$4,406,776</b>

\*Subject to annual adjustment

\*\*Subject to City’s Living Wage Classification Determination (see Exhibit D-1.)

**Table B3b: Reimbursable Expenses - Wages and Salaries (Retroactive Reflection of Rates Paid – Second Amendment)**

<b>Job Classification</b>	<b>Rate Basis</b>	<b>Rate</b> 12/1/19 – 6/31/20	<b>Rate</b> 7/1/20 – 6/31/21	<b>Rate</b> 7/1/21 – 11/30/21
Facility Manager	Annual Salary	\$130,000	\$130,000	\$133,900
Operations Manager	Annual Salary	\$75,000	\$75,000	\$75,000
Operations Manager	Annual Salary	\$75,000	\$75,000	\$75,000
Finance Manager	Annual Salary	\$57,000	\$57,000	\$57,000
Administrative Clerk	Annual Salary	\$50,000	\$50,000	\$50,000
Supervisor*	Hourly	\$25.19	\$25.95	\$26.86
Auditor*	Hourly	\$22.68	\$23.36	\$24.18
Maintenance Manager*	Hourly	\$26.51	\$26.51	\$26.51
Porter*	Hourly	\$22.92	\$23.36	\$24.18

Note: Revised rates do not affect initial term maximum compensation due to reduced costs during Covid-19 pandemic.

\*Subject to City’s Living Wage Classification Determination (see Exhibit D-1.)

**Table B4: Reimbursable Expenses**

<b>Cost Element</b>	<b>Year 1 Cost</b>	<b>Year 2 Cost</b>
Materials and Supplies	\$45,996	\$45,996*
Signage	504	504*
Repairs and Maintenance	20,004	20,004*
Miscellaneous Expenses (not specified)	396	396*
Office Supplies	9,996	9,996*
Forms and Printing	20,004	20,004*
Armored Courier Services	24,000	24,000*
Transaction Processing Fees	928,000	928,000*
Performance Bond**	10,000	10,000*
Subtotal	\$1,058,900	\$1,058,900
<b>MAXIMUM COST – INITIAL 2-YEAR TERM</b>		<b>\$2,117,800</b>

\*Subject to annual adjustment

\*\*Contractor must submit a Performance Bond executed by a surety naming the City of San José as beneficiary prior to the execution of this Agreement. The amount of the bond will not exceed \$2 million. The City reserves the right to negotiate the final bond amount.

**2 MANAGEMENT FEE**

The management fee shall include all costs to operate the Airport parking garages and lots as identified in this Agreement. These costs include all staffing expenses, overhead, vehicles, equipment, and non-reimbursable expenses. The Management Fee shall not include items identified below as reimbursable items.

**3 REIMBURSABLE EXPENSES**

These expenses shall only be reimbursable to the extent that Contractor submits sufficient and accurate documentation to the Airport’s satisfaction and approval, that the expenses were directly incurred in providing the required Airport parking operations and management services.

Reimbursable expenses are limited to the following:

3.1 Wages and Salaries

- 3.1.1 The Airport shall reimburse Contractor for the actual salary and hourly wage costs paid as compensation by Contractor to its employees performing the required parking services.
- 3.1.2 Additional services for unscheduled janitorial services, expenses related to special events and emergency actions, and other services as required by the Airport will be provided by Contractor at additional cost on a time and material basis and subject to the Supplemental Services provisions detailed in Section 8.
- 3.1.3 The Airport will not reimburse Contractor for overtime wage costs, unless (a) such costs were incurred in emergency situations, or (b) the Airport provided advance approval in writing of such costs.
- 3.1.4 All properly incurred wage costs shall be billed to the Airport based on actual hourly costs. The Airport shall only reimburse for salary and hourly wage costs incurred by

Contractor's employees for the time they are directly engaged in providing the services to the Airport.

3.1.5 Reimbursements of employee compensation shall be at the rates agreed to by the Airport in its approved operating budget.

3.1.6 Approved timesheets showing reconciliation and variance explanations for actual worked hours versus scheduled and/or budgeted hours shall be provided prior to approval of reimbursement.

### 3.2 Fringe Benefits

3.2.1 This section only applies to those employees whose wages or salaries are subject to reimbursement and only for the actual cost of the fringe benefits to its union employees in accordance with the applicable organized labor agreement.

3.2.2 The Airport shall reimburse for fringe benefits resulting from salaries and wages incurred by employees only for the time that employees are directly engaged in providing services to the Airport.

3.2.3 The Airport shall not reimburse the Contractor for any pension, welfare, annuity, or other benefit contributions payable or in connection with a labor agreement.

3.2.4 For those employees not covered by an organized labor agreement, the Airport shall reimburse Contractor its actual costs, which shall not exceed the Airport's approved operating budget, for the following fringe benefits: Health, Sick Leave, and Vacation.

3.2.5 The following limitations shall apply to the above items: 1) for health insurance, a maximum not to exceed what is covered by an organized labor agreement for the other employees utilized by Contractor under this agreement; and 2) for sick leave and vacation a combined maximum of fifteen (15) days per year for each full-time employee.

3.2.6 The Airport reserves the right to cap the maximum amount of expenses reimbursable under this Fringe Benefits section.

### 3.3 Payroll Taxes

Taxes paid by Contractor based on the employees' wages and salaries.

### 3.4 Armored transport services

Armored transport services for daily cash collections. The schedule for transport of gross daily cash collections shall be subject to the approval of the Airport

### 3.5 Supplies / Signs

Reimbursable supplies and materials (such as tickets for use in PARCS equipment, signs, cones, mops, cleaning supplies, paint, etc.) shall be reimbursed based on Contractor's cost plus a not-to-exceed markup of 10%. Contractor shall procure reimbursable supplies and materials at competitive pricing.

### 3.6 Transaction Processing Fees

The Merchant of Record cost, or fees related to processing credit cards transactions, shall not exceed 2.9 % of the annual sales processed.

### 3.7 Miscellaneous Expenses

Contractor shall procure reimbursable items related to repairs, maintenance, forms, printing,

office supplies, and miscellaneous operational expenses at competitive pricing as set forth in table B4.

#### **4 NON-REIMBURSABLE EXPENSES**

The reimbursable expenses identified in Section 3, and any expenses otherwise approved by the Airport in writing, shall be the only expenses reimbursed by the Airport. The Airport will not reimburse Contractor for any other expenses, including, but not limited to, the following:

- 4.1 Job Classifications not specified in Section 1.
- 4.2 Employee recruitment.
- 4.3 Employee training or industry standard management certification.
- 4.4 Employees not identified in the Annual Staffing Plan.
- 4.5 Internal accounting services; payroll administration/processing; invoicing monthly statements; and related expenses.
- 4.6 In-house or external audits.
- 4.7 Interoffice correspondence.
- 4.8 Off-site supervision.
- 4.9 Cost of emergency actions caused by the negligence or willful misconduct of Contractor.
- 4.10 Cost of repairing parking access and/or revenue control equipment maintenance or other damage to the parking facilities resulting from Contractor's or Contractor's employees' willful, intentional or negligent acts.
- 4.11 Purchase, maintenance and fueling of vehicles required for the operation and management of the parking facilities.
- 4.12 Penalties or fees resulting from Contractor's late payments of fees or bills.
- 4.13 Overhead costs not directly attributable to operation of the parking facilities.
- 4.14 Attorney's fees or costs incurred in connection with any dispute with the City.
- 4.15 Bank charges related to any declined credit card transactions/authorizations or returned personal checks.
- 4.16 Cost of additional telephone or communication lines not identified on the Airport's equipment inventory list required by Contractor for the operation and management of the parking facilities.
- 4.17 Meals, mileage, gratuities, or gifts.
- 4.18 Other expenses not directly related to the day-to-day operations, as may be determined by the Airport.
- 4.19 Taxes due to city, county or other governmental entity required to operate the parking facilities.
- 4.20 Any fees or charges allocated at the corporate level unless it is clearly identified and explicitly approved by the Airport.

- 4.21 Undercharges or shortages.
- 4.22 Purchase, maintenance and fueling of vehicles required for the management and operations of the parking facilities.
- 4.23 Home, corporate office, or off-site expenses.
- 4.24 Procedural auditing by non-Airport assigned staff.
- 4.25 Legal or union representation expenses.
- 4.26 Late fees, interest, penalties, fines, or finance costs.
- 4.27 Promissory notes.
- 4.28 Computers and office equipment.
- 4.29 Uniforms and uniform cleaning expenses.
- 4.30 Replacement badge or permit fees.
- 4.31 Airport badging fees (see Exhibit B-2).
- 4.32 Retirement or pension plan expenses.
- 4.33 Insurance

## **5 MONTHLY INVOICE**

Contractor shall submit to City a monthly invoice within fifteen (15) working days of the last day of each month, in arrears, for payment for services performed pursuant to this Agreement. The monthly invoice shall include a statement of work performed during the month. City shall review the monthly invoice submitted by Contractor, and within ten (10) working days of receipt of the invoice, City shall notify Contractor of any discrepancies or deficiencies in said invoice.

## **6 PAYMENT TO CONTRACTOR**

Except as otherwise provided in this Agreement, City will make payments to Contractor within thirty (30) days after the date of approval of each invoice. Invoices must include a summary of reimbursable expenses and supporting receipts and documentation. City will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution. City will pay management fees and reimbursable costs of Contractor monthly when submitted in accordance with normal City business practices.

If City makes any payments or incurs any costs for which City is entitled to reimbursement from any payment otherwise due to Contractor from City, City may deduct such reimbursement from any payment otherwise due to Contractor from City. City shall submit to Contractor written documentation in support of such deduction upon Contractor's request. In the event City does not deduct such reimbursement from Contractor's payment but submits to Contractor an invoice for reimbursement, Contractor shall reimburse City within thirty (30) days of receipt of such invoice. For work deemed by the City as not meeting the requirements of the specifications, the City shall withhold monthly payments or percentages thereof for work not completed, or until work is completed as per contract specifications. The City shall withhold monthly payments or percentages thereof for work that is not completed on schedule.

Any City facilities damaged by the Contractor shall be repaired at Contractor's cost. The City shall withhold monthly payments or percentages thereof until the damages are repaired to the City's



satisfaction.

## **7 RENEWAL PERIOD COMPENSATION**

7.1 After the Initial Term, the City reserves the right to extend the term of this Agreement pursuant to Section 2.2 (“Options to Extend”) for ongoing services at the same rates as the final year of the Initial Term unless otherwise requested and agreed to in writing by the Parties.

### 7.2 Price Renegotiation

Contractor may request compensation adjustments 60 days prior to an option term. Contractor shall provide information justifying reasons for any increase, and City shall not unreasonably withhold approval of any increase provided the renewal quote for ongoing services does not increase by more than the Consumer Price Index (CPI) for all items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted- CUURS49BSA0 (<https://data.bls.gov/timeseries/CUURS49BSA0>) and does not exceed 3% over the previous year’s fees, unless the City’s Living and/or Prevailing Wage, if applicable, increases by more than 3% or unless otherwise negotiated.

7.3 City shall provide Contractor prior written notice in the form of EXHIBIT F of its intention to exercise its option for the next term prior to the end of the then current term. The City’s Director of Finance or designee is authorized to exercise options on behalf of the City.

## **8 SUPPLEMENTAL SERVICES**

8.1 In the event the City requires supplemental services, Contractor shall provide a written quotation, at no cost to the City, of the type of Supplemental Service requested and the time required to complete requested work.

8.2 Supplemental services currently in scope include, but are not limited to:

- 8.2.1 Parking services — including the accompanying staff and signage — for special events,
- 8.2.2 Unscheduled janitorial services,
- 8.2.3 An increase in cashiered parking,
- 8.2.4 An increase in redundant credit-card verification, and
- 8.2.5 Shuttle/Courtesy cart services.

8.3 The City reserves the right to request a fixed-priced quote in lieu of a quote based on time and materials. Any fixed-price quotes shall be consistent with the agreed-upon rates, pertaining to reimbursable expenses, specified in Table B3 above and must be good for at least 90 days.

8.4 Quotes must be approved by the City through an executed Supplemental Work Order (Exhibit L) prior to any work being performed.

8.5 Any service deemed out of scope by the City shall be subject to a Change Order (Exhibit E).

## EXHIBIT L SUPPLEMENTAL WORK ORDER FORM

Date: \_\_\_\_\_

Date	Time: From/To	Hours	Hourly Pay Rate	Amount	Description of Work
<b>Total Amount Due</b>				\$	

<p>_____</p> <p><b>PROJECT MANAGER SIGNATURE (CONTRACTOR)</b></p> <p>NAME: _____</p> <p>DATE: _____</p>	<p><b>APPROVAL TO START WORK:</b></p> <p>_____</p> <p><b>PROJECT MANAGER SIGNATURE (CITY)</b></p> <p>NAME: _____</p> <p>DATE: _____</p>
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<p><b>ACCEPTANCE OF WORK:</b> _____</p> <p style="text-align: center;">CITY PROJECT MANAGER SIGNATURE</p>	<p><b>DATE:</b> _____</p>
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