

Date: January 16, 2015

Ref. No.: 108461

**PURCHASING DEPARTMENT
101 EAST 11TH STREET
CITY HALL
SUITE G13
CHATTANOOGA, TENNESSEE
37402**

Request for Proposal (RFP) for the City of Chattanooga, Tennessee

*Proposals will be received at 101 East 11th Street, Suite G13,
Chattanooga, TN 37402 until 4:00 P.M., EST. on January 26, 2015*

Requisition No.: 108461

Ordering Dept.: General Service (CDRC)

Buyer & e-mail: Mark McKeel mckeel_m@chattanooga.gov

Items being Purchased: Parking Management Services

*****REQUEST FOR PROPOSALS MUST BE RECEIVED*****

4:00 P.M., EST on January 26, 2015

**The City of Chattanooga reserves the right to reject any and/or all proposals,
waive any informalities in the proposals received, and to accept any proposal
which in its opinion may be for the best interest of the City.**

**The City of Chattanooga will be non-discriminatory in the purchase of all goods and
services on the basis of race, color or national origin.**

The City's Standard Terms and Conditions may be found on website:

http://www.chattanooga.gov/Gen_Serv/4060_standardtermsandconditions.htm

Note: ALL PROPOSALS MUST BE SIGNED

All proposals received are subject to the terms and conditions contained herein and as listed in the above referenced website. The undersigned Offeror acknowledges having received, reviewed, and agrees to be bound to these terms and conditions, unless specific written exceptions are otherwise stated.

PLEASE PROVIDE THE FOLLOWING INFORMATION:

Company Name: _____

Mailing Address: _____

City & Zip Code: _____

Phone/Toll Free No.: _____

Fax No.: _____

E-Mail Address: _____

Contact Person: _____

Company Title: _____

Signature: _____

REQUEST FOR PROPOSAL
PARKING MANAGEMENT SERVICES
FOR THE
CHATTANOOGA DOWNTOWN REDEVELOPMENT CORPORATION
CHATTANOOGA, TENNESSEE

The Chattanooga Downtown Redevelopment Corporation, hereinafter called the "CDRC", is requesting qualified firm(s) to submit Formal Proposals for **PARKING MANAGEMENT SERVICES FOR THE CHATTANOOGA DOWNTOWN REDEVELOPMENT CORPORATION** as set forth in the Request for Proposal.

Proposals shall be submitted to Mark McKeel, City of Chattanooga, Purchasing Department, 101 East 11th Street, Suite G13, Chattanooga, Tennessee 37402, by no later than 4:00 p.m. EDT, on Monday, January 26, 2015.

Interested firms may obtain a copy of a detailed Request for Proposal for \$35.00 from:

City of Chattanooga
Mark McKeel
Purchasing Department
101 East 11th Street, Suite G13
Chattanooga, Tennessee 37402
Phone: (423) 643-5190

Requests for Proposals are available for pickup from 8:00 am until 4:30 pm, Monday through Friday, or can be viewed on the City of Chattanooga website, by visiting www.chattanooga.gov

City of Chattanooga
Mark McKeel, Buyer
Purchasing Department

REQUEST FOR PROPOSAL

PARKING MANAGEMENT SERVICES FOR THE CHATTANOOGA DOWNTOWN REDEVELOPMENT CORPORATION

Chattanooga, Tennessee

Bid Number _____



PURPOSE

The CDRC is requesting qualified firms to submit Formal Proposals to provide Parking Management Services for CDRC owned parking garages and lots as detailed below:

Southside Garage:

The Chattanooga Downtown Redevelopment Corporation ("CDRC") owns the Southside Garage, a multi-level parking garage on the western half of the block bounded by Broad, 12th, 13th, and Chestnut Streets. The parking garage contains 1,020 spaces and is used for parking for The Chattanooga hotel, the Tennessee Valley Authority (TVA) corporate headquarters, and general public parking.

The Chattanooga hotel amenities include 199 guestrooms or suites, three outstanding dining establishments; a relaxing day spa with a steam room, sauna, fitness center, indoor pool, whirlpool and patio overlooking the hotel's courtyard; a business center; and a 25,000 square-foot conference center with comprehensive meeting planning and audiovisual support services. This state-of-the-art hotel and conference facility is a AAA Four Diamond-rated full-service hotel. It is the intent of CDRC and the conference center operator to have seamless guest service between The Chattanooga hotel and the parking garage.

Of the garage's total capacity, approximately 350 spaces will be dedicated for use by The Chattanooga hotel, and approximately 200 spaces are reserved for use by TVA. The remaining spaces are open for public use. There will be overflow event parking from time to time from the operation of the nearby Chattanooga Convention Center with amenities including 100,000 square feet of column-free exhibit space, 21 meeting rooms and 19,000 square feet of space divisible on one level.

Financial reports for July 2013-June 2014 reflect income of \$788,859.67

River Pier Garage:

The CDRC also owns the River Pier Garage, a multi-level parking garage located at the corner of Chestnut Street and W Aquarium Way. The garage has approximately 368 parking spaces. This parking garage serves the residents of River Pier Landing condominiums, validated parking for Hennen's Restaurant and general public parking.

River Pier Garage is in close proximity to AT&T Field, the Tennessee Aquarium and Tennessee Aquarium IMAX 3D[®] Theater, the Children's Discovery Museum, Ross's Landing Park and other downtown amenities. There will be event parking from time to time.

Financial reports for July 2013-June 2014 reflect income of \$226,088.80 (Less \$76,088.00 in Ticket Validations)

Walnut Street Parking Lot:

The CDRC owns the Walnut Street Parking Lot, a small paved surface lot at E Aquarium Way and Walnut Street with accommodations for approximately 85 hourly fee parking spaces. This lot is used for general public parking and at times for event parking such as the Riverbend Festival, the Head of the Hooch and other events at Ross's Landing Park. Urban Renaissance Group ("URG") has an option to purchase this lot. When cost efficient, the proposer will be expected to operate this lot until CDRC provides sixty (60) days' written notice of URG's intention to exercise its option to purchase. Following the expiration of the notice period, the proposer and CDRC will amend the agreement to exclude management services for this lot.



Financial reports for July 2013-June 2014 reflect income of \$33,228.23

Other Facilities/Lots:

If the CDRC obtains other parking facilities or lots during the term of the Agreement, the Proposer will be expected to negotiate a reasonable change to the Agreement to incorporate these additional parking facilities/lots at similar terms and conditions as may be negotiated for the existing parking facilities and lots.

PROPOSAL INFORMATION

Proposals must include all **five (5) sections** listed below to be considered complete and evaluated. An officer of the company who is authorized to bind the company to the terms of the proposal shall sign its original proposal. In order to help review each submission, CDRC is asking that all Proposals be organized according to the following format:

1. Experience, References, and Resumes

This section of the proposal must contain the following and may contain additional information, as the proposer deems relevant:

- a. A listing of parking management contracts over the last **five (5) years**. Documentation should include a listing of parking facilities of similar size including the name of the facility, location, years operated, owner, contact person and telephone number, number of spaces, and gross revenues or a reasonable range if the information is proprietary.
- b. Proposers should provide information on one or more examples of similar facilities, particularly ones involving hotel occupancy and/or users requiring a large number of reserved spaces, to demonstrate the requisite management experience for this facility.
- c. **Three (3)** current references for parking that may be contacted. References should include a contact name, title, company, and telephone number.
- d. A banking reference including the name of an individual to contact and telephone number.
- e. A list of parking management accounts, over the last **five (5) years**, where the company's contracts have been terminated prior to the expiration date. Include the name of an individual to contact and their telephone number.
- f. Provide a detailed resume of the proposed on-site facility manager.
- g. Provide an organizational chart to include home office representative charged with the responsibility for management of the facility.

2. Operating Plans

- a. Southside Garage Operating Plan:
 - i. The proposer should include recommendations for management of the spaces dedicated to The Chattanooga hotel and those to TVA or other similar large multi-space user in the Southside Garage. The proposer should include a description of personnel training programs or management approaches that will be employed to insure a level of customer service commensurate with the type of hospitality facility represented by The Chattanooga hotel. Conference center guests will be charged a daily fee with charges billed directly to their hotel folio. Billing procedures will be worked out between the parking garage operator and conference center operator and billed on a monthly basis. The conference center guests will require 24 hour in-and-out access to the garage. The center's key card and token system for guest access to rooms and lobby entry will be available to interface with the garage operating system to provide such access.



- ii. A recommendation for operating hours for every day of the week with specific reference to the needs of The Chattanooga hotel. Please recognize the need for a high level of security, particularly during hours when patrons are likely to arrive at or depart from The Chattanooga hotel. Proposers should be aware that patrons of The Chattanooga hotel will not only be visitors from outside the Chattanooga community but will also include local residents attending day conferences or special functions. A critical element for the successful operation of the garage will be the interface between the parking management company and the conference center management team, particularly concerning valet parking services.
 - iii. Recommended parking rates for this facility.
- b. River Pier Garage Operating Plan:
- i. The proposer should include recommendations for management of the spaces utilized by residents of the River Pier Landing condominiums and validated parking for Hennen's Restaurant.
 - ii. A recommendation for operating hours for every day of the week with specific reference to the needs of the residents of the River Pier Landing condominiums and Hennen's Restaurant. Please address any security concerns.
 - iii. Recommended parking rates for this facility.
- c. Walnut Street Parking Lot and Other Facilities/Lots:
- i. The proposer shall include recommendations for hourly and event parking at the Walnut Street Parking Lot. The proposer shall acknowledge that it is willing for the CDRC to add additional facilities/lots during the term of the Agreement and shall be agreeable to negotiate similar terms and conditions as may be negotiated for the existing parking facilities/lots. The proposer shall also acknowledge that it is aware that URG has an option to purchase this lot and, if exercised by URG, proposer and CDRC will amend the agreement to exclude this lot from parking management services.
- d. Common Operating Requirements:
- i. A description of maintenance, custodial services and housekeeping services that proposer will supply, including a schedule of repetitive activities. Identify those types of repairs to be completed by operating personnel and those to be arranged through contracts with others. These services should include, but not be limited to, trash pick-up and removal, periodic cleaning of all surfaces, regular power sweeping of all floor areas, relamping of light fixtures and minor repairs.
 - ii. A detailed plan for maintaining a high level of security for the facilities and its patrons.
 - iii. Detailed accounting and reporting procedures to include draft monthly reports to CDRC. The proposed accounting procedures must be able to accommodate and integrate with the valet parking program of The Chattanooga hotel, the validated parking at the River Pier Garage for Hennen's Restaurant and parking for the residents of River Pier Landing condominiums.
 - iv. Proposed insurance coverage for the facilities.
 - v. A separate proposed pricing policy for each facility, including a proposed fee schedule for hourly, daily, monthly, and special events parking.
 - vi. Proposed accounting responsibilities including collecting, posting and depositing all fees; reviewing and approving of all invoices; and reports necessary to provide proper audit control of all cash handling.



3. Budget and Fee Proposal

- a. CDRC desires to enter into a management agreement in substantially the form attached hereto as **“Attachment A”** that reimburses the parking management company for actual operating costs with a fixed management fee added to the total operating costs. CDRC anticipates negotiating a contract in substantially the form attached with this proposal. The initial term of the contract shall be **two (2) years** with annual renewals possible up to a term of **five (5) years** reserving the right to both parties to terminate the contract upon **sixty (60) days’** notice without cause.
 - b. CDRC requires a statement of the management fee, an estimate of operating expenses, and a budget for **five (5) years**.
 - c. The proposal should include a budget for personnel costs and expenses.
 - d. CDRC will consider alternate proposals that involve a mixture of fixed management fee and incentive fees for management. Any such alternate proposal must be submitted in sufficient detail to permit evaluation of probable fees that would be payable. Any such alternate proposal must be consistent with Internal Revenue Service guidelines for facilities built with tax-exempt bonds including Internal Revenue Service Revenue Procedure 97-13.
- 4. Affirmative Action Plan, “Attachment B”**
- 5. Model Affidavit, as required, “Attachment C”**

The CDRC will not bear liability for any costs incurred in the preparation and delivery of proposals, nor is the CDRC authorized to compensate firms submitting proposals for the Project.

REQUEST FOR PROPOSAL ADDENDUM

Requests for interpretation or clarification of information provided in the Request for Proposal shall be made, in writing, not less than **five (5) days** before the Submittal opening date. Any interpretations made to prospective Proposers will be expressed in the form of an Addendum to the Request for Proposal which, if issued, will be sent to all prospective Proposers no later than **three (3) days** before the Submittal Opening date set for opening of Proposals.

Receipt of all Addenda to this Request for Proposal, if any, must be acknowledged by attaching a signed copy of each Addendum to the RFP and listing each Addendum included in the Proposal on the Bid Form and attaching such to the front of the sealed RFP envelope. All Addenda shall become part of the requirements of this Request for Proposal as if originally included herein. Failure to acknowledge receipt of an Addendum both on the Bid Form and by attachment to the Proposal, as set forth herein, may result in rejection of the entire Proposal. All Addenda will be posted on the City of Chattanooga’s website and firms may obtain a copy of Addenda, at no charge, during the City business hours of 8:00 am until 4:30 pm, Monday through Friday from:

City of Chattanooga
Mark McKeel
Purchasing Department
101 East 11th Street, Suite G13
Chattanooga, Tennessee 37402
Phone: (423) 643-5190



NOTICE OF ACCEPTANCE

Following the review of all Proposals, and upon the recommendation of the Review Committee as designated by the CDRC, the CDRC may, at its sole option either reject all Proposals or issue a written Notice of Acceptance to the Successful Proposer and negotiate and enter into a contract therewith.

GENERAL CONDITIONS

Subject to State and City laws, and all rules, regulations and limitations imposed by legislation of the Federal Government, bids or proposals on all advertisements and invitations issued by the CDRC and the Office of the City Purchasing Agent will bind Proposers to all applicable conditions and requirements set forth herein, unless otherwise specified in this Request for Proposal.

1. Proposals shall be submitted only on the forms provided by the CDRC or the City of Chattanooga Purchasing Department. The Proposer shall submit **five (5) copies** signed and sealed, in the envelope provided for that purpose. In the event that the Proposal contains bulky subject material, the special mailing envelope must be firmly affixed to any other package being used and all information required by the Request for Proposal must be supplied to constitute a proper proposal.
2. **Proposals received after the specified time of the Submittal opening will not be accepted.**
3. A written request for the withdrawal of a proposal or any part thereof shall be granted if the request is received prior to the specified time of opening. Proposals submitted may not be amended or withdrawn after the specified time of the Submittal Opening.
4. Unless specified otherwise, all Formal Proposals submitted shall be binding for **forty-five (45) calendar days** following Submittal Opening date, unless the Proposer, upon request of the CDRC, agrees to an extension.
5. In evaluating Proposals, the CDRC may give preference to Proposals specifying materials, products, and labor produced locally and may use the following in determination of such:
 - a. Gross receipts taxes paid by Proposer
 - b. Home office location of Proposer
 - c. Place of Residence of direct employees of the Proposer, their subcontractors, consultants and resources.
6. No Proposal will be accepted from, or Contract awarded to, any person, firm or corporation that is in arrears or is in default to the CDRC or the City of Chattanooga upon any debt or Contract, or that is a defaulter, as surety or otherwise, upon any obligation to said CDRC or the City of Chattanooga, or had failed to perform faithfully any previous Contract with the CDRC or the City of Chattanooga.

The CDRC may, at their sole discretion and in writing, waive or modify one or more of these General Conditions and Instructions that are inapplicable or inappropriate for a particular contract or purchase.

RESERVATION OF RIGHTS

In connection with the Request for Proposal, the CDRC reserves all rights available to it under all applicable laws, including without limitation, and with or without cause, and with or without notice, the right to:

1. Reject any and all Proposals.
2. Reject any and all Proposals from any firm that is in arrears or is in default to the CDRC, or the City of Chattanooga upon any debt or Contract, or that is a defaulter, as surety or otherwise, upon any obligation to the CDRC or City of Chattanooga, or had failed to perform faithfully any previous Contract with the CDRC or City of Chattanooga and, if requested, must present within **forty-eight (48) hours** evidence satisfactory to the CDRC of



performance ability and possession of necessary facilities, pecuniary resources and adequate insurance to comply with the terms of the Request for Proposal.

3. Cancel this Request for Proposal in whole or in part at any time prior to the execution of a contract by the CDRC, without incurring any cost obligations or liabilities.
4. Issue addenda, supplements, and modifications to this Request for Proposal and to revise and modify, at any time before the Submittal Opening Date, the factors and/or weights of factors, if applicable, the CDRC will consider in evaluating Proposals and to otherwise revise or expand its evaluation methodology as set forth herein.
5. Change the RFP Submittal Opening Date.
6. Investigate the qualifications of any firm and, if required, request additional information concerning contents of its Proposal, and additional evidence of qualifications.
7. Terminate evaluations of Proposals at any time.
8. Disclose information contained in a Proposal to the public as set forth herein.
9. Waive deficiencies in a Proposal, accept and review a nonconforming Proposal, or seek clarifications or supplements to a Proposal as permitted by law and according to City of Chattanooga purchasing practices and procedures.
10. Exercise any other right reserved or afforded to the CDRC under this Request for Proposal and to modify the Request for Proposal process in its sole discretion to address applicable laws, codes, or ordinances and to operate in the best interest of the CDRC.
11. In the event of default, the CDRC may award the contract to the next qualified proposer, if such proposer is willing to enter the contract.



ATTACHMENT A

AGREEMENT

This Agreement entered into by and between the CHATTANOOGA DOWNTOWN REDEVELOPMENT CORPORATION (hereinafter sometimes referred to as "Owner" and _____ (hereinafter sometimes referred to as "Manager").

WHEREAS, Owner has a multi-level public parking garage located on the western half of the block bounded by Broad, 12th, 13th, and Chestnut Streets in Chattanooga, Tennessee, ("Southside Garage") which is used for parking for The Chattanooga hotel ("The Chattanooga"), the Tennessee Valley Authority ("TVA") corporate headquarters, and the general public;

WHEREAS, Owner has a multi-level public parking garage located at the corner of Chestnut Street and W Aquarium Way ("River Pier Garage") that is used by residents of River Pier Landing, validated parking for Hennen's Restaurant and the general public;

WHEREAS, Owner has a small paved surface lot located at E Aquarium Way and Walnut Street that is used by the general public ("Walnut Street Parking Lot"); and

WHEREAS, Owner desires to hire and retain Manager to manage the Southside Garage, River Pier Garage and the Walnut Street Parking Lot (collectively, "The Parking Facilities") and Manager desires to manage The Parking Facilities, all subject to the terms and conditions herein contained.

NOW THEREFORE, in consideration of the premises and the mutual obligations herein assumed, Owner and Manager hereby agree as follows:

1. Appointment of Manager.

(a) Owner hereby retains Manager to manage and maintain The Parking Facilities, including all entrance and exit ramps, parking areas, entrance and exit gates, toll booths, and all machinery, equipment, and furnishings relating thereto, except as expressly herein excepted. Manager shall serve only in the capacity of an independent contractor, and shall have no right to incur any indebtedness or other obligations in behalf of Owner unless expressly authorized in this Agreement, or expressly authorized in writing signed by a duly authorized representative of Owner.

(b) Owner and Manager acknowledge that a portion of the Southside Garage has been dedicated by long-term agreement for use by TVA. Additionally, portions of the Southside Garage are dedicated for the primary use of The Chattanooga and other parties. Both acknowledge that portions of the River Pier Garage will be used for residents of the River Pier Landing condos and owners or tenants of the adjacent building including a validated parking arrangement with Hennen's Restaurant.

2. Services; Compliance with Equal Opportunity Laws.

(a) Manager hereby accepts the appointment to manage and maintain The Parking Facilities and agrees to manage and maintain the same in a first-class manner as parking facilities in accordance with the terms and conditions of this Agreement. Manager shall develop and recommend to Owner all necessary policies, procedures and operating methods, which shall be submitted in written form to Owner for its approval. Until such time as Owner shall accept any recommended changes, the Manager shall follow existing policies, procedures, and operating methods.

(b) Manager shall at all times use its best efforts to investigate, evaluate and recommend to Owner any additions to or changes in policies, procedures and operating methods which would improve the safety and security of The Parking Facilities, provide better conditions for the health and safety of patrons and employees, and further assure the general good reputation of The Parking Facilities.

(c) Without written consent of Owner, Manager shall not enter into any lease or make any rental concession or any license agreement of any nature concerning The Parking Facilities except with respect to the parking of automobiles in The Parking Facilities on terms approved by Owner.

(d) Manager shall promptly notify Owner of any unusual conditions that may develop in the course of the operation of The Parking Facilities, such as fire, flood, breakage, theft, casualty or other significant damage.

(e) Manager acknowledges that Owner has constructed the Southside Garage in part through the Convention Center and Tourism Development Financing Act of 1988 (T.C.A. § 7-88-101 *et seq.*). Pursuant to the terms of T.C.A. § 7-88-111, Owner is required to comply with Title VI of the Civil Rights Act of 1964, 42 U.S.C.A. § 2000d, *et seq.*, and Title 4, Chapter 21, Part 9 of the Tennessee Code Annotated concerning discrimination and equal opportunity. Manager shall operate both facilities in full compliance with said statutes.

3. Management Fee.

(a) During each year that this Agreement is in effect Owner shall pay to Manager for its services under this Agreement all of the reasonable Operating Expenses incurred by Manager in relation to The Parking Facilities (as such term is defined in Paragraph 8(b) hereof).

During each such year, the Owner shall pay to Manager for its services at the Southside Garage a base management fee equal to _____ Dollars (\$_____) per year, payable in equal monthly installments (subject to adjustment as provided in subparagraph 3(c) below). Additionally, Manager shall be eligible to receive an incentive management fee at the rate of ____ (____%) percent of all gross parking revenues in excess of \$_____ per year (January 1 to December 31); subject to a maximum incentive equal to the base management fee. In the event that this agreement is terminated during a calendar year, the Manager's eligibility for

the base management fee and the incentive shall be prorated based upon the number of complete months of operation.

During each such year, the Owner shall pay to Manager for its services at the River Pier Garage a base management fee equal to _____ Dollars (\$_____) per year, payable in equal monthly installments (subject to adjustment as provided in subparagraph 3(c) below). Additionally, Manager shall be eligible to receive an incentive management fee at the rate of ____ (____%) of all gross parking revenues in excess of \$_____ per year (January 1 to December 31); subject to a maximum incentive equal to the base management fee. In the event that this agreement is terminated during a fiscal year, the Manager's eligibility for the base management fee and the incentive shall be prorated based upon the number of complete months of operation

During each such year, the Owner shall pay to Manager for its services at the Surface Lot , _____ percent (____%) of gross revenues without any additional operation expenses.

In the event of an increase or a decrease in parking rates, the Manager shall not obtain a windfall by any increase and not be prejudiced by any decrease in parking rates during the term of this Agreement. In the event of either an increase or decrease in parking rates, the parties shall negotiate a change in the incentive fee so that it will be based upon the same relative effort by the Manager to increase the utilization of The Parking Facilities.

(b) Manager agrees that Owner shall have the right, in Owner's sole discretion, to grant free, discounted, or contract parking, on either a transient, monthly, or annual basis. The Manager shall be entitled to credit for any free parking or future grants by Owner of discounted contract parking as annual gross revenues for purposes of calculating the incentive management fee. Manager acknowledges Owner's existing contracts or arrangements for contract parking by TVA; and the valet parking and complete meeting package parking revenues for The Chattanooga, and validated parking arrangement for Hennen's Restaurant at River Pier Garage. Manager also acknowledges that up to sixty (60) spaces in the River Pier Garage are allocated to the residents of the adjacent River Pier Landing condominiums but that the rental therefore shall be at market rates.

(c) If Owner extends the initial term of this Agreement pursuant to the provisions of Paragraph 6 below, then the parties shall negotiate an adjustment in the management fee payable at the beginning of the third (3rd) year of this Agreement, on January 1, 2017, and again at the beginning of the fourth (4th) year, on January 1, 2018, and at the beginning of the fifth (5th) year, on January 1, 2019. The exact amount of the adjustment shall be reached by mutual agreement of Owner and Manager, but shall be consistent with the applicable Internal Revenue Service Revenue Procedure 97-13. Any increase in management fee other than inflationary increases as measured by the Consumer Price Index shall be based upon Manager's ability to increase the utilization of the garage. For the purposes of this Agreement, "Consumer Price Index" shall mean the Index published by the Bureau of Labor Statistics (or similar federal office), entitled "Consumer Price Index for All Urban Consumers (CPI-U): U.S. City Average, by expenditure category and commodity and service group" for "All items". Furthermore, any

increase in the Management Fee shall be consistent with management fees paid for comparable parking facilities in Chattanooga.

4. Staff.

Manager shall employ at The Parking Facilities, on Manager's payroll and for its own account, honest, competent and courteous personnel, adequate for and capable of managing and maintaining The Parking Facilities in accordance with the terms and conditions hereof. During working hours all personnel except the on-site supervisor employed by the Manager at The Parking Facilities shall wear neat and clean uniforms of Manager's standard design. Manager shall furnish satisfactory proof to Owner when required by it that Manager has complied with all requirements of the Tennessee Workmen's Compensation law.

5. Hours of Operation.

Manager will keep The Parking Facilities open for business on a schedule to be established by Manager and approved in writing by Owner, which schedule may be changed by Owner from time to time upon ten (10) days' prior written notice to the Manager.

6. Term.

The initial Term of this Agreement shall extend from _____, 2015 to _____, 2018. The initial term may be extended for two (2) additional terms of one (1) year each, commencing successively on each January 1, and each such extension shall occur automatically without notice, unless Owner elects not to extend the term by giving Manager written notice of Owner's decision to allow the Agreement to expire not less than sixty (60) days prior to _____ 1 of each following year for each such extension term as the parties are unable to agree on the Management Fee. In the event the parties have not reached agreement on the Management Fee at least sixty (60) days prior to the end of the applicable term, the term shall be extended during negotiations until one party shall give the other party at least sixty (60) days' notice of termination. At the end of the term of this Agreement, Manager shall turn the premises back over to Owner clean and in good condition, ordinary wear and tear excepted. If Manager fails or refuses to deliver possession at the end of such term, Manager shall be deemed to be occupying The Parking Facilities, as a tenant at will, and may be removed by Owner, at Manager's expense.

Notwithstanding anything contained in this Paragraph 6 to the contrary, Owner or Manager may terminate this Agreement without cause upon sixty (60) days' written notice.

7. Collection and Disbursal of Funds; Payment of Operating Expenses.

(a) Manager covenants that it will collect, or cause to be collected, all of the gross receipts from the operation and use of The Parking Facilities. Manager shall keep complete and detailed accounts of its transactions and shall furnish Owner, on or before the fifteenth (15th) day of each month, with a complete and detailed statement of Gross Revenues and Operating Expenses for the preceding month. Said statement shall show, in a form

satisfactory to Owner, Gross Revenue by source, and Operating Expenses by type, including, but not limited to, the cost of wages and salaries, payroll taxes and employee benefits, supplies, repairs and maintenance, insurance, sales and/or gross receipt taxes, license, permits, uniforms, and other such expenses as are customarily incurred in the operation of a commercial parking facility, provided, however, that Manager shall not incur or pay a single expense greater than Five Thousand Dollars (\$5,000.00) not included in the approved annual budget without the express written consent of Owner. When submitting said Statement, Manager shall forward to Owner the balance of the Gross Revenues collected after deducting Operating Expenses.

(b) The Owner or its assign may audit all financial and related records (including digital) associated with the terms of the contract or agreement including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the Manager. The Owner may further audit any Manager's records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the contract or agreement) or to identify conflicts of interest. The Manager shall at all times during the term of the Acontract and for a period of seven years after the end of the Acontract, keep and maintain records of the work performed pursuant to this ContraAgreement. This shall include proper records of quotations, contracts, correspondence, invoices, vouchers, timesheets, and other documents that support actions taken by the Contractor. Documents shall be maintained by the Manger necessary to clearly reflect all work and actions taken. All such records shall be maintained in accordance with generally accepted accounting principles. The Manager shall at its own expense make such records available for inspection and audit (including copies and extracts of records as required) by the Owner at all reasonable times and without prior notice. The obligations of this Section shall be explicitly included in any subcontracts or agreements formed between the Manager and any subcontractors or suppliers of goods or services to the extent that those subcontracts or agreements relate to fulfilment of the Manager's obligations to the Owner. Costs of any audits conducted under the authority of this section and not addressed elsewhere will be borne by the Owner unless the audit identifies significant findings that would benefit the Owner. The Manager shall reimburse the Owner for the total costs of an audit that identifies significant findings that would benefit the Owner. This Section shall not be construed to limit, revoke, or abridge any other rights, powers, or obligations relating to audit which the Owner may have by Federal, State, or Municipal law, whether those rights, powers, or obligations are express or implied.

(c) Manager agrees to be responsible for the payment of all Operating Expenses, as defined in Paragraph 8(b) below. Manager agrees to indemnify and hold harmless Owner from and against any failure by Manager to pay all such Operating Expenses as required hereunder.

8. Gross Revenues, Operating Expenses and Operating Surplus Defined.

(a) "Gross Revenues" shall include all revenues received by Manager or Owner from the parking of vehicles in The Parking Facilities, as well as income from on-site vending machines, pay telephone commissions, and other income mutually agreed by Owner and Manager.

(b) "Operating Expenses" shall include all ordinary direct expenses of operating The Parking Facilities, other than those defined in Paragraph (c) herein, including, without restricting the generality of the foregoing.

- (1) Reasonable and necessary wages of supervisors, attendants, cashiers, security personnel, clerical and audit staff working at The Parking Facilities, including monetary fringe benefits such as workmen's compensation, unemployment insurance, hospital and sickness insurance and pension costs.
- (2) Local telephone service and long distance calls directly related to the operation of The Parking Facilities.
- (3) Business taxes directly related to operation of The Parking Facilities.
- (4) License and permits directly related to operation of The Parking Facilities.
- (5) Advertising and promotion costs approved by Owner.
- (6) Insurance directly related to operation of The Parking Facilities, to the extent required of Manager in this Agreement.
- (7) Sundry items such as uniforms, tickets and janitorial supplies directly related to operation of The Parking Facilities.
- (8) Normal and routine maintenance and repairs of equipment located upon and used in The Parking Facilities, and replacement of lighting lamps and tubes.
- (9) Charges for independent third-party audit work directly attributable to the operation of The Parking Facilities.
- (10) The costs of maintenance of landscaping for the Parking Facilities.
- (11) The costs for payment or reimbursement of repair or replacement of any lost or damaged item payable by Manager under Paragraph 12 hereof which is not otherwise covered by insurance, but not in excess of Two Thousand Five Hundred Dollars (\$2,500.00) per year.
- (12) Charges for any cleaning or janitorial services provided by Manager or procured from any third party outside the scope of routine clean up performed by the staff of Manager.

(c) Certain costs are specifically excluded from the definition of Operating Expenses for the purpose of the Agreement and shall be borne by the respective parties, independent of Manager's obligation to pay Operating Expenses as set forth herein. The excluded expenses of the Manager are those set forth in Exhibit "A" attached hereto and made a part hereof. The excluded expenses of the Owner are those shown in Exhibit "B" attached hereto and made a part hereof.

(d) Manager shall furnish to Owner, between September 1 and October 1 each year, a proposed budget for ensuing calendar year for Owner's review and approval, which shall include a detailed estimate of amounts and sources of revenues, and amounts and categories of expenses.

9. Maintenance and Repair; Ownership of Improvements; Protection Against Liens.

(a) Except as herein provided to the contrary, Manager will maintain and protect from harm and damage The Parking Facilities and all fixtures, trade fixtures, equipment, furniture, personalty and markings therein and thereon, in good order and repair, ordinary wear and tear excepted, and will repair and replace any and all such fixtures, trade fixtures, equipment, furniture, personalty and markings, and Manager will manage and maintain the garage area in a clean, neat, orderly, safe and sanitary condition, free of dirt, garbage, trash, rubbish and other refuse, and free of objectionable odors, all in such manner as Owner may request for the continued sound management of The Parking Facilities. In carrying out its responsibilities hereunder, Manager will primarily utilize its own employees, when available, and to the extent of their capabilities; otherwise Manger will utilize service contracts and service policies available from manufacturers or other service organizations approved by Owner. Manager will negotiate and prepare all contracts, purchase orders, and other documents relating to the management, operation and/or maintenance of The Parking Facilities in its own name and upon it own responsibility as an independent contractor and not as an agent of Owner. Payment made under this paragraph shall be included as Operating Expenses. If in Manager's reasonable discretion it is in the best interest of the management of the premises to enter into any type of service agreement or service contract with a term in excess of one (1) year, Manager shall notify Owner of such proposed contract or agreement, and will not enter into such contract or agreement without the prior written approval of Owner.

(b) Capital Repairs. Owner shall be responsible for all garage repairs of a structural or capital nature, including, but not limited to: electrical systems, plumbing, exterior paint of the structure, repairs to the walls and floors of garage, and maintenance of elevators.

(c) Title. Title to all improvements constructed in The Parking Facilities, and all equipment installed therein, shall vest and remain with Owner; provided, however, that all removable furniture and equipment placed in The Parking Facilities by Manager at Manager's expense (with no reimbursement by Owner) shall remain the property of Manager. Manager shall repair and replace any damage caused upon the termination of this lease by removal of its property from The Parking Facilities.

(d) Alterations and Improvements. Manager shall make no alterations or improvements to The Parking Facilities without the express written consent of Owner. Manager shall keep The Parking Facilities free and clear of any and all lien claims, which might arise against The Parking Facilities on account of work done by or for the account of Manager.

(e) Parking Rates. Manager will charge the rates as established by Manager and approved in writing by Owner. At the request of the Owner, Manager shall consult with Owner with respect to fixing parking rates in order to afford Owner the benefit of Manager's experience in connection therewith.

10. Insurance and Bonds.

Owner and Manager, respectively, shall obtain and maintain the following types of insurance in not less than the indicated amounts through companies approved by Owner.

(a) Manager shall obtain and maintain Workmen's Compensation insurance in statutory limits with respect to all persons employed by it at The Parking Facilities.

(b) Manager shall obtain and maintain public liability and property damage insurance naming Manager and Owner as insured in an amount and of a type sufficient to protect Manager and Owner against any claims, liabilities, losses or suits. Such insurance shall be in amounts not less than the respective coverages shown in Exhibit "C" which is attached and made a part of this Agreement. Such insurance shall be subject to a deductible amount not to exceed One Thousand Dollars (\$1,000.00) exposures specified in Exhibit "C". Manager shall also be responsible for its own property and equipment located within The Parking Facilities, and Owner shall bear no liability for any loss or damage to such property or equipment.

(c) Owner shall obtain and maintain fire and extended coverage insurance on the structures comprising The Parking Facilities and equipment contained therein (other than any equipment of Manager) including, without limitation, damage by vehicles, malicious mischief and vandalism.

(d) Manager shall furnish certificates evidencing all such insurance, and such certificates shall contain an endorsement requiring the insurance carrier to provide at least thirty (30) days' written notice to Owner and Manager in the event of cancellation or material change. Premiums with respect to such policies required to be carried by Manager will be paid by Manager and shall be payable as a portion of Operating Expenses for which Manager is responsible. Such policies shall be subject to the approval of Owner for adequacy and form of protection.

11. Breach of Agreement.

If either party shall default in the performance of its obligations under this Agreement, then the non-defaulting party shall notify the other party of such default in writing. The defaulting party shall have thirty (30) days within which to cure such default or, if such default cannot be cured within thirty (30) days, then the defaulting party shall commence

cure within such thirty (30) day period and diligently pursue cure to its completion, but in no event more than sixty (60) days in which to cure such default. If the defaulting party fails to cure such default within the appropriate time period, or if a substantially similar default occurs twice within any twelve (12) month period which is reasonably deemed to be material to the overall obligations of the parties under this Agreement, then the non-defaulting party shall have the right to terminate and cancel this Agreement by notice in writing to the defaulting party. Upon such termination, this Agreement shall be of no further force and effect. The non-defaulting party shall have the right to recover from the defaulting party all costs, losses, and damages, including reasonable attorney's fees, caused by such default.

12. Indemnities.

Manager shall defend, indemnify and hold Owner harmless from and against any and all actions, costs, claims, losses, expenses, including reasonable attorneys' fees, and/or damages sustained by Owner attributable to the failure by Manager to perform its obligations under this Agreement, or by the recklessness, carelessness or negligence of Manager or any of its agents, servants or employees from any cause, including, without limitation by specification, property damage (including loss by theft or vandalism), and/or injury or death to any person or persons. Manager's obligations in this paragraph shall remain in effect regardless of whether such obligations are covered by the insurance policies required to be maintained by Manager under this Agreement. Subject to the provisions of T.C.A. § 29-20-101, *et seq.*, Owner shall defend and, if found liable, be responsible for paying damages arising from third party claims, suits, liabilities, judgments for personal injuries or damage to property, caused by any activities conducted by Grantee in The Parking Facilities, excepting any such injury, damage or loss, in whole or in part, by the negligence of Manager. These indemnities shall survive the expiration or sooner termination of this Agreement.

13. Assignment.

Manager shall not assign its rights and obligations under this Agreement or delegate its duties hereunder without the prior written consent of the Owner, which shall not be unreasonably withheld. Owner shall have the right to assign its interest under this Agreement anytime. In the event of any assignment, the assignee shall succeed to all of the rights, interests and obligations of Owner contained herein.

14. Government Regulations.

Manager shall conform with all municipal and other governmental regulations applicable to the operation of parking garages and parking lots.

15. Addition or Subtraction of Parking Areas.

Owner shall have the right at any time during the term hereof to take possession and develop, for any use other than the parking of automobiles, any of the area within The

Parking Facilities. The repossession by Owner of any of these parking facilities for development does not affect the obligation of Manager under this Agreement with respect to any areas not repossessed by Owner for other purposes.

16. Notices.

Any notice, approval or other communication required hereunder shall be deemed given if mailed by registered mail or certified mail addressed to the proper addresses at their addresses set forth herein, or to such other address as last designated by such addressee in a notice. The address for each party at the commencement of this Agreement shall be as follows:

Chattanooga Downtown Redevelopment Corporation
c/o Daisy W. Madison
101 E. 11th Street
Chattanooga, TN 37402

With a copy to: City Attorney
100E. 11th Street, STE 200
Chattanooga, TN 37402

17. Modification.

This Agreement shall be modified only by a written modification agreement signed by Owner and Manager.

1. 18 Nondiscrimination. No person on the grounds of handicap, age, race, color, religion, sex, national origin, or any other classification protected by federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefit of, or be otherwise subjected to discrimination in the performance of this Agreement. The Manager, shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notices of non-discrimination; and

19. Inurement.

The terms and conditions hereof shall be binding upon and shall inure to the benefit of the Owner, Manager and their respective successors.

20. Entire Agreement.

This Agreement constitutes the entire agreement of the parties.

21. Governing Law.

The laws of the State of Tennessee shall govern this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate this _____ day of _____, 201_.

OWNER:
CHATTANOOGA DOWNTOWN
REDEVELOPMENT CORPORATION

BY: _____
DAISY W. MADISON *President*

MANAGER:

BY: _____

EXHIBIT "A"

EXPENSES OF MANAGER

1. Salaries, travel and accommodation expenses of all executive and supervisory personnel of Manager not stationed at The Parking Facilities.
2. Expenditures for any repair or replacement required primarily as a result of the recklessness, carelessness or negligence of an employee of Manager.
3. Salary or wages of any person employed in the main or any branch office of Manager.
4. General and administrative expenses of Manager not allocable directly to operations at The Parking Facilities.
5. Third-party legal or accounting fees incurred by Manager in relation to the performance of its obligations under this Agreement. This shall not exclude as an expense of the Owner the approved budgeted bookkeeping expenses (initially \$125 per month) directly related to the operation of the Parking Facilities.
6. Amounts expended by Manager for uninsured voluntary settlement of claims for vehicle damage or loss of contents, but only to the extent that such charges exceed Two Thousand, Five Hundred Dollars (\$2,500.00) per year.

EXHIBIT "B"

EXPENSES OF OWNER

1. Real and personal property taxes of Owner's property, if any.
2. Capital repairs caused or required by structural wear and tear, design deficiencies, or by improper work procured by Owner, including, without limitation, settlement, collapse or inadequacy of structure or equipment.
3. Debt service (if any) with respect to land, building, and equipment.
4. Costs of legal and auditing fees of Owner.
5. Salaries and wages of all employees of Owner.
6. Costs incurred by Owner in the supervision of obligations of Manager.
7. Costs of maintaining elevators and sprinkler systems, subject to reimbursing Manager for such expenses if Manager has a more cost efficient contract for such maintenance.
8. Capital expenditures, improvements, alterations, additions and all new equipment, including all architectural and engineering fees in connection therewith.
9. Cost of premiums for fire and extended coverage insurance procured by Owner pursuant to Paragraph 10 hereof.

EXHIBIT "C"

INSURANCE COVERAGE PROVIDED BY MANAGER

A. Comprehensive Liability Insurance

Policy Limits: \$1,000,000.00 combined single limit each occurrence for bodily injury and property damage. \$1,500,000.00 Excess Liability Umbrella Coverage.

B. Crime.

Policy Limits: \$10,000.00 Commercial Blanket Bond
\$10,000.00 Broad Form Money - Inside
\$10,000.00 Broad Form Money - Outside

C. Worker's Compensation.

Policy Limits: Coverage A - Statutory
Coverage B - \$100,000.00

This insurance, with the exception of Worker's Compensation Insurance, shall be subject to a deductible amount not to exceed \$1,000.00.

ATTACHMENT B

AFFIRMATIVE ACTION PLAN

For
Bid Number _____

(Name of Firm)

The above named Firm, herein after referred to as "Proposer", having prepared and hereby submitting a Proposal to the Chattanooga Downtown Redevelopment Corporation "CDRC" in response to an advertisement or Request for Proposal, hereby attests that they are an equal opportunity employer and has abided by the Affirmative Action Plan of the City of Chattanooga in the completion of all requirements of this Request for Proposal and preparation of this Proposal and if awarded a contract with the CDRC, hereby agrees to re-attest compliance for the duration of the Contract. The Affirmative Action Plan of the City of Chattanooga is as follows:

1. The Firm will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap. The Firm will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. The Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. The Firm will, in all solicitations or advertisements for employees placed by or on behalf of the Firm, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin, or handicap.
3. The Firm will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representatives of the Firm's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. During the term of this contract the following non-discriminatory hiring practices shall be employed to provide employment opportunities for minorities and women:
 - a. All help wanted ads placed in newspapers or other publications shall contain the phrase "Equal Employment Opportunity Employer".
 - b. Seek and maintain contracts with minority groups and human relations organizations as available.
 - c. Encourage present employees to refer qualified minority group female applicants for employment opportunities.
 - d. Use only recruitment sources which state in writing that they practice equal opportunity. Advise all recruitment sources that qualified minority group

members and women will be sought for consideration for all positions when vacancies occur.

5. Minority statistics are subject to audit by the CDRC, the City of Chattanooga or other governmental agency.
6. The Firm agrees to notify the CDRC of any claim or investigation by State or Federal agencies as to discrimination.

(Signature of Firm's Principal)

(Title and Name of Firm)

(Date)

ATTACHMENT C

MODEL AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF HAMILTON

DRUG-FREE WORKPLACE AFFIDAVIT
OF FIRM

NOW COMES AFFIANT, who being duly sworn, deposes and says:

1. He/She is the principal officer for [insert name and address of firm];
2. That the firm has submitted a statement of qualifications to the Chattanooga Downtown Redevelopment Corporation "CDRC" for services in connection with "**PARKING MANAGEMENT SERVICES FOR THE CHATTANOOGA DOWNTOWN REDEVELOPMENT CORPORATION, CHATTANOOGA, TENNESSEE, BID NUMBER _____**"
3. That the firm employs no less than **five (5)** employees;
4. That Affiant certifies that the firm has in effect, at the time of submission of its Proposal to perform the services referred to above, a drug-free workplace program that complies with §50-9-113, Tennessee Code Annotated.
5. That this affidavit is made on personal knowledge.

Further Affiant saith not.

AFFIANT

SUBSCRIBED AND SWORN TO before me this _____ day of _____ 20 ____ .

NOTARY PUBLIC

My commission expires: _____