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Addendum 2
Solicitation 26-AA17
RFP for Parking Assets Management Services

This addendum serves to notify all bidders of the following changes to the solicitation documents:

To clarify, this RFP is to secure an on-site parking manager/operator who will bring their own access and control system with them or who will work directly with a third party to do so. The only on-street parking is a collection of spaces that pay at T2 parking kiosks using a back-office support system (BOSS), access to which will be provided by the City to the awarded on-site parking manager/operator. We are not seeking any proposals or information for other on-street parking or payment services. Proposals which address only virtual payment options will not be reviewed. If a vendor provides only virtual payment options, they would need to collaborate with an on-site parking manager/operator who would submit a proposal for *all* services requested in this RFP.

Questions asked are answered *in italics* below.

1. The RFP provides for an initial five-year term plus two one-year extensions, while the sample agreement identifies only a five-year term ending September 30, 2031. Will the two renewal options be included in the final agreement. *The renewal option language will be included in the final agreement.*

2. Will the City or DEDA have the right to terminate the agreement for convenience? If so, what notice period and compensation would apply to the operator? *There is no termination for convenience language anticipated in the agreement.*

3. The agreement allows the City to be refunded by the operator's entire first twelve months of management fees if the City is dissatisfied in its sole discretion. Will this provision be removed or replaced with defined performance standards, notice, and a cure period? *The agreement will be updated to move this requirement to the default provision so that if default occurs in the first 12 months, then that would trigger the full reimbursement.*

4. The RFP describes the award as a fixed-fee agreement, while the sample agreement allows operating expenses to be reimbursed separately. Please provide a complete list of expenses included in the management fee and expenses reimbursable by the City. *Payments are comprised as follows:*

    - *City pays Operator a fixed management fee.*

- *Operator collects and submits parking revenues, less authorized operational costs (also referred to as "contract services"), to the City. The Operator is not being reimbursed for operational costs, but rather is retaining the revenues to cover the operational costs. Authorized operational costs include payroll, employee benefits, and payroll taxes; insurance; credit-card processing fees and chargebacks; technology and software; equipment replacement; vehicles and fuel; snow and ice removal; janitorial supplies; security services; advertising and marketing; office rent; telephone and internet service; website development and hosting; signage; uniforms and training.*

- *Operator bears all costs for non-operational costs such as corporate overhead, travel, lodging, meals, business memberships, and non-site corporate salaries referenced in Section 14(b).*

5. The agreement states that the City will pay operating shortfalls when expenses exceed revenue. Please confirm that the operator will not be required to absorb operating losses or fund operating expenses before reimbursement. *This is correct.*

6. The RFP states that the City is responsible for capital and structural repairs, while the agreement requires the Operator to perform or arrange for various maintenance services. Please provide a responsibility matrix identifying which maintenance services are included in the operator's scope and which are City expenses, including pothole repair, painting, glass replacement, light and ballast replacement, drain cleaning, pressure washing, snow removal, and other maintenance services requested by the City. *All maintenance services, including all of the items listed above, are the responsibility of the parking operator. Structural maintenance and facility capital improvements are the responsibility of the City.*

7. For snow and ice removal, please identify the expected response times, service levels, equipment requirements, and areas to be cleared. Please also clarify whether snow removal is an operator's expense, a reimbursable operating expense, or a City responsibility. *Response times to be determined but generally expected to be ongoing. The City owns certain snow removal equipment (snowblowers/brushes, etc.), but for plowing, this would be provided by the operator or a 3rd-party contractor. Snow removal expenses are included as operating expenses in the vendor's managed budget.*

8. The agreement allows the City to remove maintenance services from the operator's scope after the first anniversary. How would that change affect the management fee, staffing, equipment, and subcontractor commitments? *This language will be struck from the agreement.*

9. Please provide the City's expected staffing model by facility, including required hours, positions, shifts, weekends, holidays, overnight coverage, event staffing, and maintenance staffing. How much

discretion will the operator have to adjust staffing based on occupancy, seasonality, events, weather, and operational demand? *The current operator's staffing schedule is attached as Exhibit A. We expect a similar one. Significant changes need to be approved by the City.*

10. Are any current employees, union agreements, wage rates, benefits, or other employment obligations required to be assumed by the successful operator? *No.*

11. Please provide facility-by-facility revenue and expense statements for the most recent completed fiscal year, including parking revenue, operating expenses, management fees, maintenance, staffing, technology, credit-card fees, snow removal, security, and other reimbursable costs. Please also provide available transaction, occupancy, maintenance, and staffing data. *See attached Exhibit B for transactions and Exhibit C for expenses.*

12. Will all 28 facilities be operated from the beginning of the contract? How will the City address facilities added to or removed from the agreement, including adjustments to the operator's management fee, staffing, equipment, and other commitments? *Yes, all sites will be operated from the beginning of the contract. Adjustments to the scope will be made via amendment to the agreement and signed by the parking operator and City Administrator.*

13. What existing equipment and technology will remain in place at the start of the contract, and what must the operator replace or provide? Please provide an inventory of existing LPR cameras, QR-payment equipment, kiosks, pay stations, networking equipment, software, signage, cameras, and related infrastructure, including age, condition, ownership, warranties, and maintenance history. *Operator must provide all equipment except cameras, on-street kiosks, and off-street kiosks.*

14. Does the City have an incumbent technology platform or required technology standards? Is the operator expected to fund or purchase the gateless revenue-control system? *The Operator is expected to provide the gateless revenue control system.*

15. Please clarify the expected payment portal uptime calculation, applicable service levels, and any remedies for failure to meet those requirements. *The City's intent is for the parking payment portal to maintain 99.99% availability, so customers can reliably access the portal and complete parking payments. A plan would identify dependencies on third-party services, payment processors, and explain how outages affecting those services are addressed or what alternative payment methods are available during outages. If there are expected or planned outages for payment processing, the plan should outline how those outages would be communicated to the City.*

16. Please describe the scope and frequency of required security patrols and clarify whether security services are included in the management fee or reimbursable separately. *24/7 hourly patrols in all ramps and at least one lot (varies based on need.) Security services are considered operational costs not part of the management fee.*

17. The agreement requires the operator to report incidents within 24 hours of actual knowledge. Does this requirement apply to every customer complaint, or only incidents involving injury, property damage, security concerns, or potential claims? *Only those involving injury, property damage, surety concerns, potential claims, etc.*

18. Are there any existing leases, exclusive-use rights, hotel arrangements, business validations, tenant agreements, or reserved parking commitments that the operator must honor? *Yes, many.*

19. Please clarify the required format for the separate Cost Submittal. *See attached Cost Proposal Template.*

20. The RFP requests three unbound copies of the Technical submittal. Please clarify how the City prefers the unbound pages to be organized and secured for delivery—for example, loose pages, binder clips, folders, or another format. Please also confirm whether tabs and section dividers may be included. *The City would prefer at least ONE paper copy of the technical submittal AND the copy of the cost submittal to be bound only with binder clips and without tabs or dividers for easy scanning. The cost submittal must be in an envelope sealed separately from the technical submittal. The additional paper copies may be bound however you choose.*

21. Section IV-2 states the current revenue control system is "proprietary" and the Proposer must provide "similar payment systems." Does this mean the incoming Operator is required to purchase and install new PARCS? *Yes*.

22. Appendix B, Section 15.d states that the Operator's first 12-month cumulative management fee is "refundable in whole to City if, in City's sole discretion, City is dissatisfied." Will the City consider tying this 100% refund clause to a failure to meet mutually agreed-upon, objective Key Performance Indicators (KPIs) rather than subjective "sole discretion," which presents an un-priceable financial risk? *No*.

23. Section IV-1 requires the "Issuance of City parking citations at all managed ramps and lots." What are the required enforcement hours, and roughly how many citations are issued annually? *Enforcement hours are 24/7/365. Total issued in 2025 was 5,732; so far in 2026 it's 3,356.*

24. Part II asks for proposed management fees for the first five years. How will the management fee be set for the two option years: by proposal now, by an agreed escalator, or by mutual agreement before each option year? *Management fees will not be escalated in the option years*.

25. Agreement Section 15(b)(iv) contains a blank table of monthly recoverable expenses (data processing, payroll processing, accounting and audit, payroll taxes, employee insurance and benefits, and insurance rate). Please confirm that proposers may propose fixed rates or percentages for these items, and that those amounts will be inserted in the final agreement and paid without further itemization. *This is acceptable.*

26. Are operator vehicles, enforcement vehicles, and snow removal and sweeping equipment Operating Expenses under the annual budget, or does the City expect them to be included in the management fee? *These are acceptable operating expenses independent of the management fees.*

27. May the operator offer optional mobile or online payment channels that carry a customer convenience fee, with that fee retained by the operator and excluded from Gross Revenue? Payment card processing fees would continue to pass through at actual cost. *This is acceptable.*

28. If the operator funds any equipment or installation, will the City reimburse the unamortized balance if the agreement ends early or a facility is withdrawn? *No.*

29. Agreement Section 13 provides that "The Software shall remain the property of the City upon termination of this Agreement." Please confirm that this applies to software the City pays for or licenses in its own name, and not to an operator's proprietary or third-party licensed platform, which the City would use during the term under license. *This is correct.*

30. Please identify the current operator and the go-live expectations for February 1, 2027. Will the City arrange transfer of current monthly parker accounts, permit records, validation accounts, and citation data? Will existing equipment remain in service during the transition period? *The current operator is Interstate Parking Company. The two operators will be expected to coordinate the transition without disruption in customer service.*

31. Please describe the current integration with Passport Parking for citations and on-street payments. Will citation revenue be collected through Passport or by the operator, and is it included in Gross Revenue? *There is no current integration with Passport Parking pertaining to the operator. It is preferable that the operator's system can integrate with such a system but not a requirement.*

32. RFP Section I-12 states a term beginning February 1, 2027, for five years with two one-year options. Agreement Section 5 states a term of October 1, 2026, through September 30, 2031. Please confirm the term will be February 1, 2027, through January 31, 2032, and that the option years require the mutual agreement of the City and the operator. *This is correct.*

33. Agreement Section 5 refers to the "ETOR Agreement." Please confirm this means the STAR Agreement for the Northwest Iron Lot. Does the City expect the STAR Agreement or the St. Croix Agreement to end during the term? *STAR is an updated name for ETOR. The City does not expect these agreements to end during the operator agreement term.*

34. Section IV-1 lists "management of security services," while Agreement Section 30 states that the operator's obligations do not include security services. Please confirm that the operator's role is limited to arranging City-funded third-party security patrols under Agreement Section 2(r) as requested by the City. *That is correct.*

35. Agreement Section 8 includes snow and ice removal on "sidewalks within and adjacent to the Facilities." Please identify the adjacent sidewalks included, the expected service standard, and whether the City or the operator is responsible for public sidewalks the City otherwise maintains. *Operator must perform snow and ice management on any adjacent public sidewalks.*

36. Duluth Transit Center is not listed on the RFP, but is listed on the Duluth Parking Site. Can you confirm whether that is under this agreement? *Duluth Transit Center is not part of this agreement.*

37. Can you share the current snow removal and security vendor? *It is a local vendor.*

38. Does the yearly maintenance budget proposal include elevator maintenance / repairs? *No – those are direct City expenses.*

39. Part II and Section IV-6 request the five-year management fees, the annual maintenance budget, and the first-year budget. Should all of these be placed in the sealed Cost Submittal, or should the budgets appear in the Technical Submittal? *The annual management fee which is good for each of the five years and two optional years should be included in the cost submittal using the attached cost proposal form. Budget numbers should be included in the technical proposal.*

40. Is there a page limit, required section order, or preferred format for the Technical Submittal? Would the City also like an electronic copy? *There is no specified page limit, required order or preferred format, but proposers should be succinct and provide relevant information, not marketing material. Do not include an electronic copy. Should the City request one, it would be after the deadline for submitting proposals.*

41. Will the December 4 interviews be in person or virtual, and will a technology demonstration be expected? *Interviews are anticipated to be virtual, with a technology demonstration likely required. Those selected for interview will be given more specific information.*

42. Given that a majority of the RFP response is going to depend on the answers provided by the City, would the City consider a one-week extension of the due date? *No.*

43. Section I-11 states the award will be a fixed-fee agreement. Will the City consider alternative or incentive-based fee structures submitted alongside the required fixed fee? *No.*

44. Will the City consider a Pass-through structure with a management fee instead of an all-inclusive fixed fee? *No.*

45. May proposers submit exceptions or proposed revisions to Appendix B with their proposal? If so, in what format? *No.*

46. Beyond Grandma's Marathon and the Christmas City of the North parade, what special events take place each year? Are event staffing costs treated as operating expenses? *4th of July, periodic Tall Ships events, and those listed are the main ones. Yes, event staffing is an operational expense.*

47. How many operator vehicles, and of what types, does the City anticipate? Are vehicle costs pass-through operating expenses? *We are open to proposal for number of vehicles. Vehicle costs are covered under operating expenses (refer to question #4 above.)*

48. Can the City please provide the number of ingress and egress lanes for each location, as well as street access points? *Recommend a vendor site visit.*

49. Confirm January installation feasibility and whether full coverage is live by February 1, 2027, or phased after go-live. *Operator is expected to have all systems in place and functional by February 1, 2027.*

50. Which hardware currently in place (i.e., cameras, LPR units, signage, pay stations) is City-owned and will remain, and which belongs to the current vendor and will be removed at transition? *Cameras, signage, and paystations will remain in place; operator provides LPR or other access/revenue control systems.*

51. Section 13 of Appendix B states that software installed at the Facilities remains City property. Please confirm this applies only to City-licensed software, and that an operator's proprietary platform remains Operator Property under Section 12. *This is correct.*

52. Is the new gateless off-street system expected at the operator's cost or the City's cost? How should any capital or installation cost be shown in the Cost Submittal? *Operator costs, since the operator owns the system.*

53. Addendum 1 confirms the City will keep its current on-street technology vendor. Please confirm:

    a. The operator's on-street role is limited to maintaining and collecting from the 40 pay stations. *Correct*.

    b. Which citation system will receive operator-issued off-street citations. *Only the operator's off-street system.*

    c. whether citation revenue counts toward Gross Revenue. *No*.

54. How does the City define and measure the 99.99% payment portal uptime requirement? *It is on the respondent to report their anticipated uptime. The City's intent is for the parking payment portal to maintain 99.99% availability, so customers can reliably access the portal and complete parking payments. A plan would identify dependencies on third-party services, payment processors, and explain how outages affecting those services are addressed or what alternative payment methods are available during outages. If there are expected or planned outages for payment processing, the plan*

should outline how those outages would be communicated to the City. Submissions may include breakdowns of planned and anticipated uptime with historical calculations on unplanned outages with payment processing vendors.

55. Addendum 1 states the Proposer must meet the operator qualifications itself. Does the experience of a wholly owned subsidiary or affiliate under common ownership count as the Proposer's own experience? *No.*

56. Must the Minnesota Certificate of Authority be in place by the proposal deadline, or by contract execution? *By the proposal deadline.*

57. Section IV-3 C lists potential future integrations with City systems: financial, GIS, ERP, payment gateways, citation software, mobile applications, Open Data portal, the License Plate Reader platform, and Passport. Which of these must be operational at contract start, and which are expected later in the term? For each one, can the City identify the current system or vendor, and will the City provide API documentation or integration specifications? *Proposers are to identify any potential future integrations with these types of City systems.*

58. Does the City operate its own License Plate Reader platform separate from the current operator's proprietary system, and should the off-street system share data with it? Does the City consider plate data collected at off-street facilities subject to Minn. Stat. 13.824, and what retention period should the system apply? It is a separate system. *Automated license plate readers that do not compare collected data against existing law enforcement databases for investigative purposes fall outside the definition of Minn. Stat. 13.824. Parking records should be maintained until the first of the year following 2 years per the retention schedule.*

Please acknowledge receipt of this Addendum by initialing and dating Addendum 2 on Appendix A – Proposal Cover Sheet.

Posted: **November 4, 2026**

Attachments:

Cost Submittal Template

Exhibit A – Staffing

Exhibit B – Expenses and Snow Removal

Exhibit C – Monthly Accounts and Transactions

26-AA17 RFP for Parking Assets Management Services

Cost Proposal

	# of Stalls		Proposed Annual Management Fee (same fee is applicable to years 1-7)
HART Ramp	317		
Technology Village Ramp	595		
Medical District Lakeside Ramp	599		
Civic Center Ramp	510		
Medical District Ramp East	323		
Medical Distrcit Hillside Ramp	330		
City Municipal Lots	746		
DEDA Lots	496		
On-Street Kiosks	246		
TOTAL	**4162**		**$ -**

EXHIBIT A

Department	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Weekly Hours
Management	8a-4p	8a-4p	8a-4p	8a-4p	8a-4p	On Call	On Call	80
	8a-4p	8a-4p	8a-4p	8a-4p	8a-4p	On Call	On Call	
Maintenance/Cleaning	6a-2p	6a-2p	6a-2p	6a-2p	6a-2p	On Call	On Call	240
	6a-2p	6a-2p	6a-2p	6a-2p	6a-2p			
	7a-3p	7a-3p	7a-3p	7a-3p	7a-3p			
			9a-5p	2p-10p	2p-10p	9a-5p	9a-5p	
				6a-4p	6a-4p	6a-4p	6a-4p	
	2p-10p	2p-10p	2p-10p			2p-10p	2p-10p	
Patrol	5a-3p	5a-3p	5a-3p	5a-3p				160
	7a-5p	7a-5p	7a-5p	7a-5p				
				10a-8p	10a-8p	10a-8p	10a-8p	
				6a-4p	6a-4p	6a-4p	6a-4p	
Customer Service/Ambassador			9a-5p	9a-5p	9a-5p	9a-5p	9a-5p	80
	8a-4p	8a-4p	8a-4p	8a-4p	8a-4p			
Administrative	8a-4p	8a-4p	8a-4p	8a-4p	8a-4p			40

EXHIBIT B

Operating Expenses by Location

		2024	2025
	Open Library/Depot	$ 14,713	$ 16,821
	Upper Library	$ 35,677	$ 49,632
	Lower Library	$ 9,926	$ 12,553
	Lot A	$ 29,379	$ 35,143
	Lot B	$ 8,510	$ 9,590
	Lot C	$ 19,922	$ 22,699
	Lot D	$ 12,631	$ 14,352
	Viaduct	$ 3,432	$ 3,261
	Lincoln Lot	$ 13,190	$ 16,434
	Palmer House	$ 18,765	$ 23,794
	HART	$ 552,827	$ 264,928
	Lake Ave Alley	$ 2,880	$ 2,619
	Tech Village	$ 312,777	$ 309,534
	MDR Lakeside	$ 317,883	$ 314,841
	Pickwick	$ 9,344	$ 10,021
	Hartley	$ 3,840	$ 4,296
	Rose Garden	$ 12,175	$ 15,138
	Lake Place	$ 22,605	$ 28,795
	Lake City	$ 32,246	$ 38,625
	Lighthouse	$ 33,562	$ 39,649
	NW Iron	$ 66,157	$ 79,834
	Sculptured Wall	$ 6,577	$ 7,398
	Steam Plant	$ 19,567	$ 23,543
	Irvin	$ 14,221	$ 17,086
	Water Street	$ 12,851	$ 13,140
	Civic Center	$ 286,217	$ 236,178
Opened July 2024	**MDR East**	$ 52,079	$ 216,591
Opened Nov 2025	**MDR Hillside**	$ -	$ 34,519

Snow Removal Expenses by Winter Season

	24-25	25-26
Open Library/Depot	$ 1,876	$ 3,651
Upper Library	$ 7,875	$ 23,094
Lower Library	$ 1,020	$ 624
Lot A	$ 3,458	$ 6,066
Lot B	$ 1,301	$ 2,807
Lot C	$ 2,455	$ 4,532
Lot D	$ 1,795	$ 3,345
Viaduct	$ 801	$ 2,495
Lincoln Lot	$ 2,624	$ 6,075
Palmer House	$ 2,790	$ 7,066
HART	$ 8,685	$ 4,966
Lake Ave Alley	$ 466	$ 1,326
Tech Village	$ 15,960	$ 8,434
Lakeside	$ 19,711	$ 27,959
Pickwick	$ 1,366	$ 3,066
Hartley	$ 861	$ 2,614
Rose Garden	$ 1,924	$ 4,325
Lake Place	$ 2,400	$ 4,927
Lake City	$ 2,989	$ 5,319
Lighthouse	$ 3,035	$ 5,347
NW Iron	$ 6,120	$ 9,278
Sculptured Wall	$ 1,106	$ 2,733
Steam Plant	$ 1,796	$ 3,400
Irvin	$ 1,393	$ 2,929
Water Street	$ 1,159	$ 707
Civic Center	$ 9,714	$ 5,939
East	$ 5,824	$ 19,998
Hillside	$ -	$ 20,744

	24-25	25-26
Muni. Total	$ 92,547	$ 161,418
DEDA Total	$ 17,957	$ 32,348
GRAND TOTAL	$ 110,504	$ 193,766

EXHIBIT C

Monthly Accounts by Location

Open Library/Depot	4
Upper Library	19
Lower Library	12
Lot A	31
Lot C	12
Viaduct	4
Lincoln Lot	17
Palmer House	22
HART	198
Lake Ave Alley	3
Tech Village	355
MDR Lakeside	168
Lake Place	14
Lake City	58
NW Iron	4
Sculptured Wall	0
Steam Plant	49
Irvin	34
Civic Center	545
MDR East	96
MDR Hillside	104
TOTAL	**1749**

Transactions by Location, 2025

Open Library/Depot	0	Contract Only
Upper Library	7,464	*T2 Data Only (Inflow added December 2025)
Lower Library	0	Contract Only
Lot A	7,914	*T2 Data Only (Inflow added December 2025)
Lot B	0	Coin Meters in 2025
Lot C	370	
Lot D	0	Contract Only
Viaduct	0	Contract Only
Lincoln Lot	0	Contract Only
Palmer House	2,441	*T2 Data Only (Inflow added December 2025)
HART	30,923	
Lake Ave Alley	0	Contract Only
Tech Village	17,340	
MDR Lakeside	71,457	
Pickwick	0	Coin Meters in 2025
Hartley	0	Coin Meters in 2025
Rose Garden	0	Free Lot
Lake Place	5,458	
Lake City	7,703	
Lighthouse	25,792	
NW Iron	56,528	
Sculptured Wall	0	Coin Meters in 2025
Steam Plant	3,090	
Irvin	2,406	
Water Street	0	Free Lot
Civic Center	8,099	
MDR East	13,566	
MDR Hillside	822	*Opened November 2025
TOTAL	**261,373**	