

ATTACHMENT B

May 5, 2022

James F. Russell
Director
George Mason University
Purchasing Department
4400 University Drive, Mailstop 3C5
Fairfax, Virginia 22030.

RE: Request for Proposals GMU-1788-22, Operational Management of Parking Services

Greetings Mr. Russell,

We are pleased to provide our best offer as requested. Over the course of the negotiations phase, SP+ has confirmed certain commitments in our partnership with George Mason University. These include:

- A. APO Accreditation. SP+ will not only cover the cost of the APO accreditation process, estimated at approximately \$15,000, we look forward to bringing our expertise to bear in guiding the University toward this achievement.
- B. In support of GMU's commitment to providing a trained workforce, SP+ will be responsible for up to \$10,000 of training costs per year. In addition to IPMI / T2 training, SP+ will actively seek out and work with the University to provide further training beyond our annual internal training programs. As an example, we may have a slot at Forbes service training available for a member of our team in 2022.
- C. SP+ will work with GMU to finance any equipment purchases in support of the University's goals to transform the efficiency of the parking program.

As reflected in our proposal and subsequent budgets provided through the negotiation phase, our proposed management fee in year one is comprised of a \$75,000 base fee with a \$75,000 incentive fee subject to performance against a basket of Key Performance Indicators to be agreed upon in each year's budget process. This fee reflects a reduction of approximately 20% over 2021. We have attached the most recently provided five-year budget again, here.

SP+ feels strongly about our ability to provide the best possible service and solutions to George Mason University, and that our offer reflects our commitment to our partnership and appreciation of the opportunity to serve George Mason University.

Thank you for your consideration!



Jon Kemp, CAPP
Regional Manager



Brett Munkel, CAPP
VP, University Services

Pro Forma FY 2023 - FY 2027
George Mason University

							Annual Escalation Factors				NOTE
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total	FY24	FY25	FY26	FY27	
Revenues											
Semester/Annual Permits	8,300,148	8,507,652	8,720,343	8,938,352	9,161,811	43,628,305	3.0%	3.0%	3.0%	3.0%	FY23 Revenue and escalations based on updated revenue estimate.
Daily Parking Meters	1,800,854	1,845,875	1,892,022	1,939,323	1,987,806	9,465,880	3.0%	3.0%	3.0%	3.0%	
Temp Permits (Daily, Weekly, Monthly)	611,960	627,259	642,940	659,014	675,489	3,216,663	3.0%	3.0%	3.0%	3.0%	
Citations	580,563	595,077	609,954	625,203	640,833	3,051,630	3.0%	3.0%	3.0%	3.0%	
Internal Events/Validataions	196,602	201,517	206,555	211,719	217,012	1,033,405	3.0%	3.0%	3.0%	3.0%	
External Events (Does not include EBA)	167,693	171,886	176,183	180,587	185,102	881,452	3.0%	3.0%	3.0%	3.0%	
Miscellaneous	(7,809)	(8,004)	(8,204)	(8,409)	(8,620)	(41,047)	3.0%	3.0%	3.0%	3.0%	
Gross Revenue	\$ 11,650,011	11,941,262	12,239,793	12,545,788	12,859,433	61,236,287	2.5%	2.5%	2.5%	2.5%	
Less Sales Tax	-	-	-	-	-	-	n/a	n/a	n/a	n/a	
Credit Card Fees	-	-	-	-	-	-	2.5%	2.5%	2.5%	2.5%	
Net Revenue	\$ 11,650,011	11,941,262	12,239,793	12,545,788	12,859,433	61,236,287	2.5%	2.5%	2.5%	2.5%	
Expenses											
Payroll & Benefits							2.5%	2.5%	2.5%	2.5%	
Salaries & Wages	1,225,019	1,255,645	1,287,036	1,319,212	1,352,192	6,439,104	2.5%	2.5%	2.5%	2.5%	LPR related headcount reduction (2 FTE) in FY24.
Payroll Taxes & Burden	126,137	129,291	132,523	135,836	139,232	663,020	2.5%	2.5%	2.5%	2.5%	
Health, Pension & 401(k)	163,816	167,911	172,109	176,412	180,822	861,071	2.5%	2.5%	2.5%	2.5%	
Workers Compensation	109,761	115,250	121,012	127,063	133,416	606,501	5.0%	5.0%	5.0%	5.0%	
Payroll & Benefit Expense	\$ 1,624,734	1,668,097	1,712,680	1,758,523	1,805,662	8,569,696	2.7%	2.7%	2.7%	2.7%	
Other Operating Expenses							2.5%	2.5%	2.5%	2.5%	
Sphere IQ Analytics	600	615	630	646	662	3,154	2.5%	2.5%	2.5%	2.5%	LPR related headcount reduction in FY24
Marketing Services	480	492	504	517	530	2,523	2.5%	2.5%	2.5%	2.5%	
Uniforms & Laundry	14,032	12,864	13,186	13,516	13,854	67,451	2.5%	2.5%	2.5%	2.5%	
Printing	101,290	33,433	34,269	35,126	36,004	240,121	2.5%	2.5%	2.5%	2.5%	LPR related headcount reduction in FY24
Amenities & Supplies	76,032	77,933	79,881	81,878	83,925	399,649	2.5%	2.5%	2.5%	2.5%	
Repairs & Maintenance	168,966	173,190	177,520	181,958	186,507	888,141	2.5%	2.5%	2.5%	2.5%	
Washing and Scrubbing	105,640	108,281	110,988	113,763	116,607	555,279	2.5%	2.5%	2.5%	2.5%	LPR related headcount reduction in FY24
Liability Insurance	108,819	107,875	113,269	118,932	124,879	573,773	5.0%	5.0%	5.0%	5.0%	
Rental Expense	452	464	475	487	499	2,378	2.5%	2.5%	2.5%	2.5%	
Advertising & Publicity	1,500	1,538	1,576	1,615	1,656	7,884	2.5%	2.5%	2.5%	2.5%	
Postage & Freight	240	246	252	258	265	1,262	2.5%	2.5%	2.5%	2.5%	
Telephone & Computer	39,480	40,467	41,479	42,516	43,579	207,520	2.5%	2.5%	2.5%	2.5%	
Mileage and Travel	14,400	14,760	15,129	15,507	15,895	75,691	2.5%	2.5%	2.5%	2.5%	
Data Processing	5,445	5,581	5,721	5,864	6,010	28,621	2.5%	2.5%	2.5%	2.5%	
Employee Processing	1,740	1,783	1,828	1,873	1,920	9,145	2.5%	2.5%	2.5%	2.5%	
General Expense	9,500	9,738	9,981	10,230	10,486	49,935	2.5%	2.5%	2.5%	2.5%	
Total Operating Expense	\$ 648,615	589,259	606,688	624,687	643,277	3,112,526	-9.2%	3.0%	3.0%	3.0%	
Management Fee											
Base Management Fee	75,000	77,250	79,568	81,955	84,413	398,185	3.0%	3.0%	3.0%	3.0%	
Incentive Management Fee	75,000	77,250	79,568	81,955	84,413	398,185	3.0%	3.0%	3.0%	3.0%	
Accounting / Bookkeeping Fee	-	-	-	-	-	-	n/a	n/a	n/a	n/a	
Total Management Fee	\$ 150,000	154,500	159,135	163,909	168,826	796,370	3.0%	3.0%	3.0%	3.0%	
Expense Total	\$ 2,423,350	2,411,856	2,478,503	2,547,118	2,617,766	12,478,592					
Net Operating Income	\$ 9,226,662	9,529,406	9,761,290	9,998,670	10,241,667	48,757,695	3.3%	2.4%	2.4%	2.4%	