

Agreement for the Management and Operation of Tuolumne County Transit

This Agreement ("Agreement") is made and entered into this 13th day of May, 2015 by and between the Tuolumne County Transit Agency ("TCTA"), a California Joint Powers Authority, and Storer Transit Systems, a California corporation, ("Contractor").

1. Agreement Documents

The total agreement between the parties consists of this Agreement and the following additional documents, copies of which are attached hereto and incorporated herein by this reference:

- A. TCTA's Request for Proposals, dated December 18, 2014, including Addenda Nos. 1 and 2.
- B. TCTA-Provided Vehicles and Maintenance/Repair Requirements, attached hereto as Exhibit A.
- C. TCTA-Provided Equipment, attached hereto as Exhibit B.
- D. Performance Standards, Records and Reports, attached hereto as Exhibit C.
- E. Performance Bond, attached hereto as Exhibit D.
- F. FTA-DOT Required Provisions, attached hereto as Exhibit E.
- G. Debarment and Suspension Certification, attached hereto as Exhibit F.
- H. Lobbying Certification, attached hereto as Exhibit G.
- I. Contractor's Proposal, as accepted by the TCTA, attached hereto as Exhibit H.

In the event of a conflict or ambiguity arising between such documents or any term therein, the document executed later in time shall prevail over the document executed earlier in time. Notwithstanding the above, in the event of a conflict or ambiguity between the Contractor's Proposal and any other Agreement Document, the other Agreement Document will control.

2. Recitals

- 2.01** TCTA is the owner of Tuolumne County Transit and desires to enter into an agreement with the Contractor to provide professional services for the management and operation of Tuolumne County Transit; and
- 2.02** TCTA currently leases a facility located at 13033 Sanguinetti Road, Sonora CA, to house the management, operations and fleet maintenance of Tuolumne County Transit ("Transit Facility"); and
- 2.03** The TCTA has determined the management and operations of Tuolumne County Transit involves the performance of professional services; and

- 2.04** On December 18, 2014, the TCTA issued its “Request for Proposals” (“RFP”) to provide such services; and
- 2.05** Contractor has responded to the RFP by submitting a Proposal, dated February 14, 2015, (“Proposal”) to provide such services in the method and manner and at the costs set forth in the Proposal; and
- 2.06** Contractor hereby represents that it is in the business of, and fully qualified in the field of, managing and operating public transit services, and is fully willing and able to perform the work described in this Agreement, and with the level of service and operating quality specified herein. TCTA awarded this Agreement in reliance on such representations, and on Contractor’s particular skills, experience and abilities as represented by Contractor in its Proposal; and
- 2.07** The TCTA and Contractor intend to enter into an agreement for the furnishing of certain articles and services for consideration hereinafter set forth.

The TCTA and Contractor, for the consideration hereinafter described, mutually agree as follows:

3. General Terms

- 3.01** The Contractor agrees to manage, operate and maintain the Tuolumne County regional public transportation system, Tuolumne County Transit, to the TCTA’s satisfaction, as set forth in the covenants and conditions in the Agreement Documents. The TCTA agrees to compensate Contractor as specified hereinbelow and in accordance with the Request for Proposals, the Proposal and all such other documents referred to herein and made a part hereof by specific reference.
- 3.02 Agreement Term**
 - A. The Agreement term shall be for four years, and include an option for two additional one-year extensions, unless terminated as provided by Section 12 of this Agreement. Agreement Year 1 will begin July 1, 2015 and continue through June 30, 2016; Year 2 will be July 1, 2016 through June 30, 2017; Year 3 will be July 1, 2017 through June 30, 2018; Year 4 will be July 1, 2018 through June 30, 2019; option Year 5 will be July 1, 2019 through June 30, 2020; and option Year 6 will be July 1, 2020 through June 30, 2021.
 - B. The TCTA may exercise the option to extend this Agreement for Agreement Year 5 upon written notice to the Contractor no later than one hundred eighty (180) days prior to the expiration of Agreement Year 4. The TCTA may exercise the option to extend this Agreement for Agreement Year 6 upon written notice to the Contractor no later than one hundred eighty (180) days prior to the expiration of Agreement Year 5.
- 3.03 FTA-DOT Required Provisions**

The parties understand and acknowledge that a portion of the funding for the management and operation of Tuolumne County Transit is provided by the Federal Transit Administration (“FTA”)

through the California Department of Transportation (“DOT”). In exchange for these funds, specific provisions are required to be incorporated into this Agreement. These provisions are set forth in Exhibit E and incorporated herein.

The required provisions include, in part, certain Standard Terms and Conditions required by FTA and DOT, whether or not expressly set forth in Exhibit E. In addition, all contractual provisions required by DOT, as set forth in FTA Circular 4220.1F are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA and DOT mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. Contractor shall not perform any act, fail to perform any act, or refuse to comply with any TCTA requests which would cause TCTA to be in violation of the FTA-DOT terms and conditions.

- 3.04** The TCTA maintains the right to inspect, examine or test, at any reasonable time, any of the facilities, records (including, but not limited to, financial, personnel or maintenance) or equipment used in the performance of this Agreement, or otherwise monitor Contractor’s work in order to assure compliance with these specifications.

4. Responsibilities of Contractor

4.01 Time of Performance

The Contractor shall commence managing and operating Tuolumne County Transit on July 1, 2015.

4.02 Scope of Work

Contractor shall provide services as described and required hereinbelow and in accordance with the TCTA’s RFP, the Performance Standards, attached hereto as Exhibit C, the Contractor’s Proposal and all such other documents referred to herein and made a part hereof by specific reference.

4.03 Performance Criteria and Control

- A. All services to be rendered by Contractor under this Agreement shall meet the performance criteria as set by the TCTA. Contractor shall provide top management involvement when making suggestions on how to improve the system. Any decisions on how the system will be changed will rest with the TCTA.
- B. TCTA shall not interfere with the management of Contractor’s normal internal business affairs. TCTA may advise Contractor of any employee’s inadequate performance which has a negative effect on the service being provided, and Contractor shall take prompt action to remedy the situation. In extreme cases, TCTA may demand removal of a Contractor’s employee.
- C. The Executive Director or his/her designee may request changes in Contractor’s reporting requirements, training/safety program, preventive maintenance and repair program,

inventory requirements, testing procedures, and/or other operating details not resulting in changes in the number of vehicle service hours. If Contractor declines such requests, or such request would result in a material increase in Contractor's costs or in the time required for performance, Contractor shall notify TCTA within seven (7) days after receipt of such request and shall submit a claim detailing such objections and/or increases. The parties shall negotiate an equitable settlement of Contractor's claim, which reflects actual increases or decreases in Contractor's total costs to perform this Agreement caused by the change in question.

4.04 Management

- A. During the term of this Agreement, Contractor shall provide sufficient executive and administrative personnel specializing in transportation services as shall be necessary and required to perform its duties and obligations under the terms hereof. Contractor shall assess its responsibilities under this Agreement and independently determine the personnel levels needed to satisfactorily manage and operate Tuolumne County Transit.
- B. Contractor shall provide all management and personnel necessary to responsibly manage and operate the Tuolumne County Transit. Such responsibilities shall include employee recruitment, screening, selection, training, supervision, employee relations, evaluations, retraining and termination. Employees shall at all times be and remain the sole employees of Contractor, and Contractor shall be solely responsible for payment of all employees' wages and benefits. Contractor, without any cost or expense to TCTA, shall faithfully comply with the requirements of all applicable State and Federal enactments with respect to employees' liability, workers' compensation, unemployment insurance and other forms of Social Security and also with respect to withholding of income tax at its source from the wages of said employees and shall indemnify and hold harmless TCTA from and against any and all liability, damages, claims costs and expenses of whatever nature rising from alleged violation of such enactments or from any claims of subrogation provided for in such enactments or otherwise.
- C. Contractor shall use the best methods for recruitment, and shall not discriminate in its recruitment, hiring, promotion, demotion or termination practices on the basis of race, religion, creed, medical condition, color, marital status, ancestry, gender, age, national origin or physical or mental disability in the performance of any agreement with the TCTA. Contractor shall comply with the provisions of the State Fair Employment Practices Act, the Federal Civil Rights Act of 1964 and the Americans with Disabilities Act of 1990, and all amendments thereto.
- D. Contractor shall use appropriate employee screening and selection criteria. These criteria will include Department of Motor Vehicle license checks and physical examinations, including drug screening. All employees must pass a Department of Justice fingerprint screen as required for General Public Transit Vehicle certification.

- E. Contractor shall designate an agent authorized to bind the Contractor in all aspects of Contractor's performance of this Agreement, who shall be available at all times, either by phone or in person, to make decisions or provide coordination as necessary.

4.05 Professional Standards

Contractor warrants and guarantees that the work provided under this Agreement shall be performed in a professional manner. All services shall be performed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Contractor is engaged.

4.06 Medical Assistance to Passengers

Contractor's employees shall not be required to perform any medical or quasi-medical functions for passengers. In the event of illness onboard a vehicle, the driver shall advise the dispatcher by radio and follow the directions of emergency personnel.

4.07 Future Budgets

Contractor shall submit to the TCTA for review, no later than March 31 of each Agreement year, a proposed budget for the upcoming year. This budget submittal is for Agreement compliance analysis only and will not affect payment.

4.08 Qualification for Future Agreements

As a result of having entered into this Agreement, Contractor shall not be inhibited, penalized or disqualified from proposing subsequent transportation management and operation programs under the jurisdiction of TCTA.

4.09 Proprietary Rights

All inventions, improvements, discoveries, proprietary rights, patents and copyrights made by Contractor under this Agreement shall be made available to TCTA with no royalties, charges or other costs, but shall be owned by the Contractor. All manuals prepared by Contractor under this Agreement shall be made available to TCTA, at no charge, but shall be owned by Contractor and shall not be copied, disclosed or released by TCTA or TCTA's representative or participating organization without prior consent of Contractor, except as otherwise required by law. Reports are excluded from this provision, and shall be owned by TCTA. Contractor, however, shall have the right to print and issue copies of these reports. Contractor may make presentations and releases relating to this Agreement. Papers and other formal publications shall be approved by TCTA before they are released.

4.10 Emergency Procedure

In the event of a major emergency such as a natural disaster or man-made catastrophe, Contractor shall make transportation and communication resources available as required by the Tuolumne County Transportation Emergency Operations Plan. Within sixty (60) days of the

commencement of each Agreement Year, the TCTA and the Contractor will review the sufficiency of the Contractor's emergency operations plan and cost proposal and update as necessary.

Compensation for major emergency services will be paid separately and will not be included in the "Maximum Obligation" of this Agreement. Immediately after the emergency condition ceases, Contractor shall reinstate normal transportation services. Payment will be based on a written report showing services and cost breakdown related to emergency services.

In the event of minor emergencies, Contractor shall make transportation and communication resources available as directed by the TCTA Executive Director or his/her designee. Compensation for minor emergency services will be paid at the then-current VSH rate as set forth in Section 5.01 of this Agreement and shall be included in the "Maximum Obligation" of this Agreement.

4.11 Performance Bond

Contractor shall perform no services pursuant to this Agreement, nor be entitled to compensation, unless and until Contractor submits a performance bond in the form approved by the TCTA, payable to the *Tuolumne County Transit Agency*. Such bond executed by Contractor and surety company licensed to do business as such in the State of California, in an amount equal to the average total payments to Contractor under this Agreement for a 3-month period, renewable annually, shall, at all times, be kept in full force and effect. The condition of such bond shall be that the Contractor fully and faithfully performs all conditions and covenants of this Agreement or that the face amount of such bond shall be forfeited to TCTA. Provision of such bond or its equivalent, approved by TCTA, is a material covenant of the Agreement. TCTA shall not approve any security which is not in conformance with the Bond Form provided as Exhibit D of this Agreement.

4.12 Permits to Operate

At its sole cost and expense, Contractor shall obtain any and all permits, licenses, certificates or entitlement to operate as are now or hereafter required by any Federal, State and local laws and ordinances to enable Contractor to perform this Agreement, and shall provide copies of all such entitlement to TCTA when received by Contractor. The Contractor shall ensure the drivers of Tuolumne County Transit vehicles have all required permits and licenses.

4.13 Records and Reports

The Contractor shall maintain all records and submit all reports as detailed in Exhibit C of this Agreement.

4.14 Record Access

TCTA, other authorized governmental agency or any of their duly authorized representatives shall have access to any books, documents, papers and records of the Contractor which are

directly pertinent to this Agreement, for the purpose of making audit, examination, excerpts and transcriptions of Contractor's files. Contractor shall maintain all these records for a period of at least four (4) years following the expiration or termination of this Agreement.

4.15 Transfer of Title to Equipment

Upon prior written approval of the Executive Director, equipment and supplies purchased by Contractor as a direct charge item (i.e., items bought for Tuolumne County Transit by Contractor and paid for by TCTA by invoice separate from normal hourly compensation) in connection with the performance of this Agreement shall become the property of TCTA upon payment of invoice for that equipment and supplies submitted.

4.16 Confidentiality of Client Information

Any and all information regarding any individual served by the TCTA is strictly confidential. Information shall not be released to any party in any form without the authorization of the individual and/or the TCTA. All requests for information from the media about the TCTA's transit operations or administration should be immediately forwarded to the TCTA's administrative staff. Operational employees shall limit statements about the TCTA to information which is a matter of public record.

4.17 ADA Program

In providing Tuolumne County Transit services, the Contractor shall comply with the Americans with Disabilities Act (ADA) and Tuolumne County's ADA Paratransit Plan, as adopted by the County Board of Supervisors, TCTA and approved by the Federal Transit Administration. The Contractor shall be responsible to administer the TCTA's ADA Certification Program, as described in the Plan. The Contractor shall maintain a current list of ADA-certified Tuolumne County Transit patrons, and provide an updated list to the TCTA at least quarterly. The Contractor is also required to provide documentation of all applications for ADA certification as well as copies of approval or denial letters. All ADA certification documentation shall be provided to the TCTA within two (2) business days of receipt or issuance by the Contractor.

4.18 Indemnification and Hold Harmless

Contractor shall indemnify, defend, save, protect and hold harmless TCTA, its elected and appointed officials, officers, employees, agents, and volunteers (collectively, "TCTA") from any and all demands, losses, claims, costs, suits, liabilities and expenses for any damage, injury or death (collectively, "Liability") arising directly or indirectly from or connected with the services provided hereunder which is caused, or claimed or alleged to be caused, in whole or in part, by the negligence or willful misconduct of Contractor, its officers, employees, agents, subcontractors, consultants, or any person under its direction or control and will make good to and reimburse TCTA for any expenditures, including reasonable attorney's fees, the TCTA may make by reason of such matters and, if requested by TCTA, will defend any such suits at the sole cost and expense of Contractor. Contractor's obligations under this section shall exist regardless of concurrent negligence or willful misconduct on the part of the TCTA or any other person;

provided, however, that Contractor shall not be required to indemnify TCTA for the proportion of Liability a court determines is attributable to the active negligence or willful misconduct of the TCTA.

If such indemnification becomes necessary, the legal Counsel for the TCTA shall have the absolute right and discretion to approve or disapprove of any and all counsel employed to defend the TCTA. This indemnification clause shall survive the termination or expiration of this Agreement.

4.19 Insurance

The Contractor, at its own expense, shall procure, and maintain for the duration of the Agreement, the following insurance policies and endorsements with insurers licensed in the State of California possessing a Best's rating of no less than A:VII and shall provide evidence of such insurance to the TCTA as may be required by the Executive Director. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation or material change in the policy, notices of same shall be given to the Executive Director of the TCTA by registered mail, return receipt requested, for all of the following stated insurance policies:

- A. Worker's Compensation. Worker's Compensation Insurance and Employer's Liability Insurance for employees in accordance with the laws of the State of California (including requiring any authorized subcontractor to obtain such insurance for its employees).
- B. General Liability policy to provide not less than *Ten Million Dollars* (\$10,000,000) combined single limit bodily injury and property damage per occurrence. Said policy or policies shall include, but not be limited to, coverage for:
 - (1) commercial general liability including premises and operations, personal injury, blanket contractual, independent contractors, and
 - (2) commercial automobile liability including owned, hired or leased and non-owned automobiles; and
 - (3) comprehensive liability insurance insuring against loss or liability caused by or connected with Contractor's occupation and use of the Transit Facility, and
 - (4) a policy of fire and extended coverage insurance, including vandalism and malicious mischief endorsements, covering the full replacement value of the Transit Facility and all improvement thereon.

A combination of primary and umbrella excess policies may be utilized to provide the \$10,000,000 limit. In no case shall the umbrella excess policy coverage be more limited in scope than the primary policy(ies), the primary automobile policy shall be extended to provide uninsured and underinsured motorists coverage to the limits required by the State of California.

- C. Automobile Physical Damage coverage providing comprehensive and collision coverage for replacement cost with a maximum deductible of *Ten Thousand Dollars* (\$10,000) per occurrence.
- D. Policy Endorsements: Each general liability and automobile liability insurance policy shall be endorsed with the following specific provisions:
 - (1) The TCTA, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds (“TCTA additional insureds”).
 - (2) This policy shall be considered, and include a provision it is, primary as respects the TCTA additional insureds, and shall not include any special limitations to coverage provided to the TCTA additional insureds. Any insurance maintained by the TCTA, including any self-insured retention the TCTA may have, shall be considered excess insurance only and shall not contribute with it.
 - (3) This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
 - (4) The insurer waives all rights of subrogation against the TCTA additional insureds.
 - (5) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the TCTA additional insureds.
 - (6) The insurance policy and endorsements shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days’ written notice has been given to the Executive Director by registered mail, return receipt requested, at the TCTA Office, 2 South Green Street, Sonora, CA, 95370.
- E. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Director. At the TCTA’s options, the Contractor shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
- F. Evidence of Insurance. The Contractor shall provide policies and certificates of insurance with original endorsements or other evidence of insurance coverage as required by the Executive Director. Required evidence of insurance shall be filed with the Executive Director on or before commencement of performance of this Agreement. Current evidence of insurance shall be kept on file with the Executive Director at all times during the term of this Agreement.
- G. Unsatisfactory Policies. If at any time any of the policies or endorsements be unsatisfactory as to form or substance, or if an issuing company shall be unsatisfactory, to the Executive Director, a new policy or endorsement shall be promptly obtained and evidence submitted to the Executive Director for approval.

- H. Failure to Comply. Upon failure to comply with any of these insurance requirements, this Agreement may be forthwith declared suspended or terminated. Failure to obtain and/or maintain any required insurance shall not relieve any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the indemnification obligations.

4.20 Fidelity Bond

During the period of time this Agreement shall be in effect, Contractor shall cause its officers, agents and employees to be covered under an appropriate bond protecting TCTA from employee theft up to the amount of *Ten Thousand Dollars* (\$10,000) with respect to any one occurrence by Contractor employees.

Contractor may provide a policy of Employee Dishonesty Insurance in the same amount as the Employee Fidelity Bond protecting TCTA and Contractor against theft by Contractor's employees.

4.21 Notification of Actions

Contractor hereby covenants and agrees to notify TCTA of any and all actions filed against Contractor, for any agent, servant or employee of Contractor, for any cause whatsoever arising out of the operations to be conducted by Contractor pursuant to this Agreement; said notification should occur within 24 hours after notification to Contractor, but in no event shall exceed 72 hours.

4.22 Insurance Claims

Contractor shall pursue insurance claims at its own expense for TCTA-provided vehicles or equipment damaged or destroyed while in Contractor's possession. On its own behalf, Contractor may pursue any insurance claims which may exist by virtue of the damage or destruction for the full value of the loss, if no claim will be made against the TCTA.

4.23 Maintenance and Repair of Vehicles and Equipment

- A. Contractor shall be responsible for the maintenance of all vehicles and all other equipment, furnishings and accessories required in connection with its operation of Tuolumne County Transit in a clean, safe, sound and operable condition at all times, and fully in accord with any manufacturer's recommended maintenance procedures and specifications, as well as with the applicable requirements of any Federal or State statute, Exhibit A and the Preventive Maintenance/Inspection Program detailed in the Contractor's Proposal to the TCTA.
- B. Contractor agrees to fund one hundred percent (100%) of all maintenance and repair costs of vehicles and equipment, and shall be compensated by the TCTA as provided for in Section 5.01 of this Agreement. The Contractor agrees to maintain, repair and return such vehicles and equipment to the TCTA in the same condition as when provided by the TCTA, excepting

only reasonable wear and tear not attributable to Contractor's failure to perform its maintenance and repair requirements pursuant to this Agreement. Contractor shall provide enough substitute vehicles to meet all peak and off-peak hour requirements of this Agreement pending repair or replacement of any TCTA-provided vehicle or equipment damaged or destroyed while in Contractor's possession. If such vehicles or equipment are damaged or destroyed while in Contractor's possession, Contractor shall immediately obtain estimates and repair or replace vehicles. Repairs, including body, glass and all bus appurtenances, shall be made within thirty (30) days or less of the incident. All other repairs and replacement of vehicles shall occur within sixty (60) days of the incident. To the best extent practicable, use of damaged vehicles or equipment in service until they have been repaired or replaced shall be avoided. In no case shall the Contractor operate vehicles damaged in such a way that they are unsafe.

4.24 No Conflicting Uses

Contractor shall not operate, lease or charter the TCTA-provided vehicles and equipment used for the Agreement for any purpose other than performance under the Agreement, unless specifically authorized in writing by the TCTA Executive Director.

4.25 Transfer of Agreement

This Agreement is made in reliance by TCTA upon the qualifications and responsibility of Contractor, the performance by Contractor of this Agreement may not be assigned, or in any way subcontracted on a continuing basis, except upon the prior written approval of the TCTA.

4.26 Transition to Future Transit Contractor

For up to fifteen (15) calendar days prior to the termination or expiration of, and for up to fifteen (15) days following the termination or expiration of this Agreement, Contractor shall provide to either the TCTA or any future contractor selected by the TCTA, Contractor's full cooperation in the transition to the successor contractor. This shall include, as a minimum, consultation regarding labor and management issues, providing access to non-confidential information and providing access to TCTA-provided vehicles and equipment as may be necessary to the successor contractor's start-up preparations. Contractor shall provide its best professional effort to assure a smooth transition from Contractor's service to the successor contractor's services and shall cooperate fully with the TCTA and with the successor operator to this end.

4.27 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the provisions of this Agreement, the TCTA shall impose such contract sanctions as it may determine to be appropriate, including, but not limited to:

- A. Withholding of payments due to the Contractor under this Agreement until the Contractor complies to the TCTA's satisfaction, and/or

- B. Cancellation, termination or suspension of this Agreement, in whole or in part.

5. TCTA Responsibilities

5.01 Basis of Compensation

- A. TCTA shall be responsible for the cost of fuel utilized in TCTA-provided vehicles by Contractor in the performance of its duties as required by this Agreement. Contractor shall obtain fuel for TCTA-provided vehicles using card-lock system and cards to be provided by TCTA. Contractor shall be responsible for managing appropriate use of fueling cards and proper fueling of TCTA-provided vehicles. Any misuse of the fueling system shall be the sole responsibility of the Contractor.
- B. TCTA agrees to compensate Contractor a fixed hourly rate per vehicle service hour (“VSH”) for the total number of vehicle service hours provided, which shall be full compensation as set forth in this Agreement. Compensation under this Agreement is calculated per actual vehicle service hours provided by Contractor. The price per VSH to be paid by the TCTA to the Contractor shall be \$65.96 for Agreement Year 1, \$67.28 for Agreement Year 2, \$68.62 for Agreement Year 3, \$69.99 for Agreement Year 4, \$71.39 for Optional Agreement Year 5, and \$72.82 for Optional Agreement Year 6 based on an estimated 23,500 vehicle service hours per year. This rate may be adjusted by Letter of Agreement between Contractor and TCTA to adjust for number of vehicles insured, verifiable cost increases to Contractor or substantial changes in operating service hours. “Substantial changes in operating service hours” means an increase or decrease of ten percent (10%) or more in vehicle service hours as compared to the base VSH provided in this Agreement. In the event that a modification to the price per VSH is effective during a billing period, the consideration shall be pro-rated on a daily basis.
- C. The billing period shall run from the first day of the calendar month through the last day of the calendar month. All invoices for services provided the previous month shall be submitted by the Contractor to the Executive Director by the 15th of the month following, along with sufficient documentation to support charges. Invoices shall be paid by the TCTA no later than thirty (30) calendar days from final approval of the invoice by the Executive Director. Invoices shall break out the total revenue service hours and total service hours (including deadhead) for each service, with sufficient back up documentation of actual service hours provided during the time period specified, and the associated cost for each transportation service.
- D. If the TCTA disputes any item on an invoice for a reasonable cause, TCTA may deduct that disputed item from payment, but shall not delay payment for the undisputed portion. The amounts and reasons for such deletion shall be documented and presented to the Contractor within thirty (30) calendar days of the receipt of the invoice. The parties shall then confer regarding the resolution of the dispute.

- E. VSH is defined as the total operating hours required to provide each service detailed as follows:
- (1) **Fixed Route and Flex Route Services:** The total VSH required to accomplish the scheduled service. The time begins when vehicle is in route service and ends when out of route service as identified in fixed route and flex route schedules included in the TCTA-approved Tuolumne County Transit Rider's Guide. VSH does not include vehicle check-in/check-out time, time required to travel to and from the Transit Facility, time needed for fueling the vehicles, time when a vehicle is inoperable on the road or schedule gaps of more than 20 minutes.
 - (2) **Demand Response Services, which may include, but not be limited to, Dial-A-Ride Services:** VSH shall begin when vehicle is in revenue service, including limited deadhead time, until the vehicle returns to the Transit Facility after dropping off the last client. For the purposes of this section, "deadhead" time shall be defined as the actual time required to travel directly from the Transit Facility to pick up the first revenue passenger and to travel directly to the Transit Facility after dropping off the last revenue passenger. However, reimbursement for "deadhead" time shall be limited to a monthly average per service day of 15 minutes each way for each vehicle. VSH does not include vehicle check-in/check-out time, time taken to fuel vehicles, time when vehicle is inoperable on the road or deadhead time in excess of a monthly average per day of 15 minutes each way for each vehicle.
 - (3) **Ski Bus Service:** The total VSH required to accomplish the scheduled service. The time begins when vehicle is in route service and ends when out of route service as identified in the applicable Dodge Ridge Ski Bus Schedule. This time does not include vehicle check-in/check-out time, time required to travel to and from the Transit Facility, time needed for fueling the vehicle, time when the vehicle is inoperable on the road or schedule gaps of more than 20 minutes. In addition, Contractor shall be reimbursed for driver layover time at Dodge Ridge Ski Resort between the morning route and return afternoon route. Contractor shall be reimbursed at the driver's current hourly rate of pay. Drivers shall not be allowed to ski or snowboard during their layover time.
 - (4) **Special Events Services:** The total VSH used to accomplish the special events service as approved by the Executive Director or his/her designee.
- F. Full compensation for furnishing all administration, management, facilities, services and items, including labor, materials, tools, equipment and incidentals as required by this Agreement shall be considered as included in the VSH rate and no additional compensation will be allowed therefor.

5.02 Maximum Obligation

The estimated service hours for the Agreement are 23,500 annually. Service hour increases or decreases exceeding 10% will result in renegotiated service hour rates considering all relevant

factors. The maximum TCTA agrees to pay Contractor in consideration for its services as described herein:

- A. Agreement Year 1: The maximum amount payable for this budget year, notwithstanding any other provision within this Agreement, shall be One Million Five Hundred Forty Nine Thousand Nine Hundred Ninety Two dollars (\$1,549,992).
- B. Agreement Year 2: The maximum amount payable for this budget year, notwithstanding any other provisions within this Agreement, shall be One Million Five Hundred Eighty Thousand Nine Hundred Ninety Two dollars (\$1,580,992).
- C. Agreement Year 3: The maximum amount payable for this budget year, notwithstanding any other provisions within this Agreement, shall be One Million Six Hundred Twelve Thousand Six Hundred Twelve dollars (\$1,612,612).
- D. Agreement Year 4: The maximum amount payable for this budget year, notwithstanding any other provisions within this Agreement, shall be One Million Six Hundred Forty Four Thousand Eight Hundred Sixty Four dollars (\$1,644,864).
- E. Optional Agreement Year 5: The maximum amount payable for this budget year, notwithstanding any other provisions within this Agreement, shall be One Million Six Hundred Seventy Seven Thousand Seven Hundred Sixty One dollars (\$1,677,761).
- F. Optional Agreement Year 6: The maximum amount payable for this budget year, notwithstanding any other provisions within this Agreement, shall be One Million Seven Hundred Eleven Thousand Three Hundred Sixteen dollars (\$1,711,316).

5.03 Farebox Revenues

All fares collected by the Contractor are the property of the TCTA. The TCTA reserves the right to set fare rates for passengers. Such rates may be revised from time to time by the TCTA, and set at such levels as may be determined to be in the best interest of the TCTA. The TCTA shall provide Contractor with written direction revising fare rates at least ten (10) calendar days before such rates are to become effective.

Fares shall be collected and processed by the Contractor as directed by the TCTA. The Contractor shall ensure that each transit patron pays the appropriate fare prior to being provided transportation. The Contractor shall, in accordance with a procedure specified by the TCTA, account for revenues collected on the TCTA's transit vehicles. The Contractor shall remove farebox vaults from the vehicles daily and the vault contents shall be kept separately under appropriate security. The Transit Manager shall be custodian of the vault key and responsible for counting the money. The Contractor shall count, process and deposit farebox, as directed by the TCTA, as soon as is reasonably possible after fares are received. Deposits of fares shall be made at least twice each week. Daily deposits are preferred. The TCTA reserves the right to oversee money counting activities, independently count revenues or otherwise verify the fares collected.

5.04 Planning Responsibilities

TCTA shall be responsible for all planning activities relative to Tuolumne County Transit routes, schedules, days and hours of operations, bus stop locations, location of street furnishings and other such activities relative to overall system administration.

5.05 Administration of Agreement

Contractor's compliance with this Agreement shall be supervised and administered by the TCTA Executive Director. During periods when the Executive Director is unavailable, the Senior Administrative Analyst or his/her designee shall administer this Agreement. This paragraph shall not relieve Contractor of any obligation or liability undertaken by virtue of this Agreement.

5.06 Prohibited Interest

No member, officer or employee of TCTA during his/her tenure or one year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

6. Notice of Deficiencies

The TCTA Executive Director may issue a Notice of Deficiencies to Contractor, specifying areas of unsatisfactory performance and specifying what improvements are necessary to correct the deficiency. Such notice shall specify the provision(s) of the Agreement documents that address the issue(s). Contractor shall correct the deficiency within the timeframe specified by the TCTA. If the Contractor fails to correct deficiencies in a reasonable time, as determined by the TCTA, the TCTA may deduct from the hourly rate of compensation amounts consistent with the cost of providing such service as provided for in Sections 10 and 12 of this Agreement. If the Contractor continues to not fully and faithfully perform all conditions and covenants of this Agreement, the TCTA may exercise its rights to demand forfeiture of performance bonds to the TCTA, as provided for in Section 4.11 of this Agreement.

7. Waiver

A waiver by the TCTA of a breach or failure to perform hereunder shall not constitute a waiver of any subsequent breach or failure. No failure on the part of the TCTA to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy TCTA may have hereunder.

8. Disputes

It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a court of competent jurisdiction in the County of Tuolumne, State of California. The prevailing party shall be entitled to its costs, including reasonable attorneys' fees, in any legal action to enforce the terms of this Agreement.

9. Material Breach

The TCTA reserves the right to terminate this Agreement immediately in the event of material breach by the Contractor. A “material breach” for this purpose shall include, but not be limited to, the following items:

- A. Repeated failure by Contractor to operate service on time or to complete trips per the published bus schedule requirements of these Agreement documents.
- B. Repeated failure by the Contractor to maintain a sufficient number of operable, clean and road-worthy buses to operate full service on all routes then in effect. “Road-worthy” for this purpose means buses which conform to all safety requirements of the California Highway Patrol and other applicable regulatory agencies, and which are fully operable.
- C. Failure by the Contractor to operate a safe service (e.g., less than one preventable vehicle accident per 30,000 vehicle service miles in two consecutive quarters).
- D. Failure by the Contractor to provide a preventive maintenance and repair program which in all respects conforms to the requirements of this Agreement, the California Highway Patrol and other applicable regulatory agencies, and results in an acceptable number of road calls.
- E. Invalidation or reduction of warranty coverage on TCTA-provided buses or equipment due to Contractor’s negligence in complying with warranty requirements.
- F. Failure by the Contractor to provide qualified personnel, training, facilities, tools, supplies or equipment required by this Agreement.
- G. Repeated failure by the Contractor to provide service to the public in a courteous and professional manner.
- H. Failure by the Contractor to make the corrections specified by the TCTA in Notices of Deficiencies by the time specified.
- I. Failure by the Contractor to submit required reports on time or in a truthful, accurate format.
- J. Failure by the Contractor to expeditiously repair or replace TCTA-provided vehicles or equipment damaged or destroyed while in Contractor’s possession.
- K. Contractor’s use of TCTA-provided vehicles or equipment for purposes other than those authorized by this Agreement.
- L. Failure by the Contractor to maintain required insurance.

Prior to termination of this Agreement for a material breach, TCTA shall provide Contractor with a written notice outlining the breach. TCTA shall provide Contractor with a period of fourteen (14) days to cure said breach prior to terminating this Agreement.

10. TCTA's Remedies on Breach

It is understood and agreed that in the event of failure by Contractor to perform services required by this Agreement, in addition to all other remedies, penalties and damages provided by law, the TCTA may provide such services, and deduct the cost of doing so from the amounts due or to become due to the Contractor. The costs to be deducted shall be the actual costs to the TCTA to provide such services, or the current VSH rate as provided in Section 5.01, whichever is greater. The TCTA may also, at its discretion, exercise the provisions for liquidated damages and incentives as specified in Exhibit C.

11. Suspension

In the event TCTA is delinquent in paying Contractor by more than thirty (30) calendar days and has received a statement by certified mail of the delinquency from Contractor, the Contractor may serve, by certified mail, a notice of its intent to suspend operations at least seven (7) calendar days subsequent to the receipt of notice by TCTA. If TCTA does not correct the delinquency or if the parties do not agree to negotiate the dispute under the provisions of this Agreement, then Contractor may suspend operations without further notice or penalty on the date indicated by the notice.

12. Termination of Agreement

12.01 Acts Constituting Termination: This Agreement shall commence on the date of execution and shall continue until the earlier of expiration or:

- A. The sale or transfer of title as owner of Tuolumne County Transit;
- B. Voluntary or involuntary transfer or assignment by either party hereto without the prior written consent of the other party of any rights, titles or obligations set forth in this Agreement;
- C. Mutual agreement of the parties hereto to terminate this Agreement;
- D. Any default or breach, as specified in Section 9 of this Agreement, by either party hereto which has not been cured as provided for in Section 6 of this Agreement.
- E. Termination as provided in this Article.

12.02 TCTA may terminate this Agreement upon ninety (90) calendar days' written notice to Contractor and shall be liable for costs and a proration of the fees due Contractor pursuant to Section 5.01 of this Agreement as of the date of termination and for other reasonable termination costs.

12.03 Contractor may terminate this Agreement upon ninety (90) calendar days' written notice to TCTA and shall forfeit Performance Bond to TCTA as provided for in Section 4.11 of this Agreement, and shall be liable for other reasonable termination costs.

12.04 In the event this Agreement is terminated, all pertinent data related to Tuolumne County Transit shall be made available to TCTA without additional cost.

13. TCTA-Provided Vehicles and Equipment

13.01 The TCTA agrees to provide the vehicles and equipment listed in Exhibit A, "TCTA-Provided Vehicles" and Exhibit B, "TCTA-Provided Equipment", to the Contractor for the performance of this Agreement.

13.02 Additions and Deletions from Exhibits A and B

Any vehicles and/or equipment added or deleted from Exhibit A, "TCTA-Provided Vehicles" and Exhibit B, "TCTA-Provided Equipment", of this Agreement, may be added to or deleted from the Agreement by a Letter of Agreement between Contractor and TCTA. The Executive Director, or his/her designee, is authorized to sign for the TCTA.

14. Lease of TCTA Vehicles and Equipment

The TCTA leases, for purposes of complying with requirements of this Agreement, the vehicles and equipment listed in Exhibit A, "TCTA-Provided Vehicles", and Exhibit B, "TCTA-Provided Equipment", to the Contractor for the term of the Agreement for a cost of \$1.00 per Agreement Year.

15. Miscellaneous

15.01 Interest of Members of, or Delegates To, Congress: No member of or delegate to the Congress of the United States shall be admitted to any share or part of the Agreement or to any benefit arising therefrom.

15.02 Non-Exclusivity of Agreement: It shall in no way be construed that this Agreement is, or shall be, the sole or exclusive contract for public transit into which the TCTA or Contractor may enter during the term of the Agreement.

15.03 Modification of Agreement: Any modifications to this Agreement that may become necessary during the term of the Agreement are to be accomplished by formal written amendment executed by both parties. No prior, current or post-award verbal conversations with any officer, agent or employee of TCTA shall affect or modify any terms or obligations of this Agreement. The validity in whole or in part of any provisions of the Agreement shall not affect validity of other provisions.

15.04 Independent Contractor: It is understood and acknowledged that this Agreement is not a contract of employment between TCTA and the Contractor or any agents, officers or employees of Contractor. Contractor is, and shall at all times be, deemed to be an independent contractor. Contractor is not authorized to bind the TCTA to any contracts or other obligations. Contractor is not an agent of TCTA, and shall at no time represent itself to be such agent or employee.

15.05 Severability: If any term, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

15.06 Headings and Subtitles: Headings and subtitles to the Articles and Sections of this Agreement are for convenience only and the words contained therein shall in no way be held to explain,

modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

15.07 Successors and Assigns

This Agreement is binding upon the TCTA and the Contractor and their successors. Except as otherwise provided herein, neither the TCTA nor the Contractor shall assign, sublet or transfer its respective interest in this Agreement or any part thereof without the prior written consent of the other.

15.08 Survivorship: Any responsibility of Contractor for warranties, insurance or indemnity with respect to this Agreement shall not be invalidated due to the expiration, termination or cancellation of this Agreement.

15.09 Third Party Beneficiary: Nothing in this Agreement is intended to, nor shall anything in this Agreement be construed to, benefit any third party.

15.10 Ambiguities: The parties have each carefully reviewed this Agreement and have agreed to each term of this Agreement. Both parties have had the opportunity to engage counsel and negotiated the terms of the Agreement. No ambiguity shall be presumed to be construed against either party.

15.11 Integration: The Agreement Documents embody the entire agreement of the parties in relation to the scope of services herein described, and no other understanding whether verbal, written or otherwise exists between the parties.

15.12 Relationship Between the Parties: Nothing in these Agreement Documents is intended to create, and nothing herein shall be considered as creating, any partnership, joint venture or agency relationship between the TCTA and Contractor.

15.13 Sole and Only Agreement: This instrument contains the sole and only agreement of the parties and correctly sets forth the rights, duties and obligations of each party to the other as of this date. Any prior agreements, policies, negotiations and/or representations are expressly set forth in this Agreement.

16. Written Notification

Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent prepaid, first class United States mail. Any such notice, demand, request, consent, approval or communication shall be addressed to the other party at the address set forth hereinbelow. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of depositing in the United States mailbox if mailed as provided in this section.

If to TCTA: Tuolumne County Transit Agency
Darin Grossi, Executive Director
2 South Green Street, Sonora, CA 95370

If to Contractor: Storer Transit Systems
Donald Storer, President/CEO
3519 McDonald Avenue
Modesto, CA 95358

17. Signature Authority

17.01 Contractor certifies that the following person(s) have authority to sign bonds, contract amendments and other documents related to this Agreement on behalf of Contractor. Written certification of the signatory authority of the following persons shall be provided by the Contractor to the TCTA prior to execution of this Agreement.

Donald Storer, President/CEO

17.02 The Executive Director shall have authority on behalf of the TCTA to sign amendments and other documents related to this Agreement.

18. Force Majeure

Contractor shall not be held responsible for losses, delays, failure to perform or excess costs caused by events beyond the control of Contractor. Such events may include, but are not restricted to, the following: Acts of God; fire, epidemics, earthquake, flood or other natural disasters or, acts of government; riots, strikes, war or civil disorder; or unavailability of fuel. Contractor shall not be entitled to compensation for any service, the performance of which is excused pursuant to this Article. In the event that Contractor is unable to provide the services indicated due to any cause, they shall make reasonable attempt to notify the public, including notification to local radio stations, local newspapers and television stations. Whenever Contractor has knowledge that any actual or potential force majeure may delay or prevent performance of the Agreement, Contractor, on a timely basis, shall notify TCTA of the fact, and thereafter shall report to TCTA all relevant information then known to Contractor, and shall continue to so report.

19. Acceptance of Agreement

The undersigned, having read the foregoing, accept and agree to the terms set forth therein.


[signatures on next page]

Tuolumne County Transit Agency
Management and Operations – Tuolumne County Transit

In witness hereof, the parties have caused their authorized representatives to execute this Agreement as of the date first written above.

For the Contractor:

Storer Transit Systems
Legal Name of Firm


Signature

3519 McDonald Avenue
Street Address

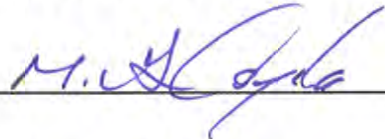
Donald Storer/President, CEO
Name and Title, typed

Modesto, CA 95358
City, State, Zip Code

Signature

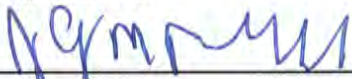
Name and Title, typed

TUOLUMNE COUNTY TRANSIT AGENCY


Chair

Date: 5-13-15

Approved as to Legal Form:
TCTA Legal Counsel

By: 

Date: 4-30-15

Approval Recommended:


Darin Grossi, Executive Director

Tuolumne County Transit Agency
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Exhibit A

TCTA-Provided Vehicles

In accordance with Section 13.01 of this Agreement, TCTA has agreed to provide Contractor with the list of vehicles contained in this Exhibit A. The TCTA will provide the following vehicles to the Contractor for the exclusive use of operating Tuolumne County Transit Services pursuant to this Agreement, and shall not be used for any other purpose.

Count	Fleet No.	Make	Body	Year	Vehicle Identification Number (VIN)	License Plate Number	Pass / WC Capacity	Fuel
1	38	Modified Van	Van	2005	1GBDV13E55D148343	1208788	3-0, 2-2	Gas
2	39	Ford, Tyle II	Starcraft	2006	1FDXE45P47DA1365	1285284	12-0	Diesel
3	40	Ford, Tyle II	Starcraft	2006	1FDXE45P87DA13641	1282405	12-0	Diesel
4	41	Ford, Type VIII	El Dorado	2006	4UZAACBV07CY80973	1258445	30-0, 26-2	Diesel
5	42	Ford, Type VIII	El Dorado	2006	4UZAACBV27CY80974	1258444	30-0, 26-3	Diesel
6	43	Ford, Type III	Starcraft	2008	1FD4E45S88DB29513	1323184	20-0, 16-2	Gas
7	44	MST Trolley	Freightliner	2010	4UZAACDU7ACAS4696	1302280	30-0, 26-3	Diesel
8	45	MST Trolley	Freightliner	2010	4UZAACDU5ACAS4695	1302279	30-0, 26-3	Diesel
9	46	MST Trolley	Freightliner	2011	4UZADEDU3BCAV2399	1330013	30-0, 26-3	Diesel
10	47	Type III/C	Glaval	2011	1FDE4FS9BDA43108	1346761	20-0, 16-2	Gas
11	48	Type III/C	Glaval	2011	1FDE4FS5BDA46250	1356115	20-0, 16-2	Gas
12	49	Allstar, E-450	Starcraft	2013	1FD4E4FS3DDA51028	1396982	18-2	Gas
13	50	Starlite, 31B	Starcraft	2013	1FD4E3FL3DDA50993	1396981	8-2	Gas
14	51	Allstar, E-450	Starcraft	2013	1FD4E4FS1DDA51030	1397030	18-2	Gas
15	52	MST Trolley	Freightliner	2013	4UZADEDU3DCFH5159	1355522	30-0, 26-2	Diesel
16	53	MST Trolley	Freightliner	2013	4UZADEDUXDCFH5160	1355521	30-0, 26-2	Diesel
17	54	Ford, Type E	Freightliner	2014	4UZADRDU6ECFT1413	1418980	30-0, 26-3	Diesel
18	55	Ford, Type C	Glaval	2014	1FD4E4FSXEDB10898	1397880	20-0, 16-2	Gas
19	56	Ford, Type C	Glaval	2014	1FD4E4FS1EDB10899	1397879	20-0, 16-2	Gas
20	57	Ford, Type C	Glaval	2014	1FD4E4FS4EDB10900	1420459	20-0, 16-2	Gas
21	58	Ford, Type C	Glaval	2014	1FD4E4FS8EDB10897	1397977	20-0, 16-2	Gas

TCTA and Contractor agree that vehicles will be delivered to Contractor in good condition and with each vehicle meeting or exceeding the following specifications, or as otherwise noted through an inspection report executed by the authorized representatives of the TCTA and Contractor, as identified in Article 17 of this Agreement, following a pre-startup inspection of the vehicles. Contractor shall return vehicles to TCTA

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Exhibit A

at the end of this Agreement in the same condition, normal wear and tear excepted. It is the responsibility of the Contractor to duly note to the TCTA any exceptions to the following specifications prior to startup of service:

1. Vehicle body and all attachments thereto will be free of dents and scratches in excess of 1" in length.
2. All body parts shall be properly attached to vehicle chassis and free of rust.
3. Exterior paint and decals shall be free from scrapes, scratches in excess of 1" in length, rust and tar. All decals shall be properly applied and free from peeling.
4. Vehicle tires shall be of proper load range for the vehicle and be of a type equivalent to that originally supplied by the manufacturer. All tires shall be free from side wall damage, shall have an average of 50% of tread life remaining and shall be free from damage due to improper alignment or balancing.
5. Vehicles shall contain a spare tire and wheel meeting the standards of paragraph "4" above if the vehicle was so equipped when purchased by TCTA.
6. Vehicle destination signs, if vehicles are so equipped, shall have all current route indicators and shall be in proper working order.
7. All vehicle lights shall be in working order.
8. All decals or painting identifying the vehicle with a prior contractor or other operator shall be removed prior to delivery and all paint damage from said removal shall be properly repaired.
9. All vehicle doors and windows shall be in proper operating condition and properly sealed against the entry of fumes or water.
10. All components of the emission control and exhaust system shall be free from leaks, rust and be in proper operating condition. Vehicles shall have current State emission certification, if so required.
11. Vehicle engine shall be in proper operating condition. Proper condition may be established through oil analysis and compression testing.
12. Vehicle transmission shall be in proper operating condition, free from leaks, bad gears or slippage.
13. Vehicle electrical system shall be in proper operating condition. Alternator shall be supplying specified output and battery(ies) shall fall within manufacturer's specifications for output and specific gravity. All vehicle wiring shall be free from fraying and shall be properly loomed and attached to the vehicle in such a way as to prevent fraying. Any alterations to wiring not completed by vehicle manufacturer shall be performed so as to not overload any circuit and not to cause any short circuit.

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14. All heaters and air conditioners shall be free from leaks and shall perform to the manufacturer's specifications.
15. All brake linings, drums and rotors shall meet manufacturer's specifications and shall have at least 50% life remaining. All wheel cylinders and brake lines shall be free from leaks. All brake parts shall be in proper repair.
16. Vehicle radios, antennas and all other communications devices shall be in proper working order and mounted so as to not constitute a safety hazard.
17. All vehicle fareboxes, if vehicles are so equipped, shall be in proper working order. There shall be one (1) farebox vault for each farebox. There shall be keys for all vaults and fareboxes.
18. The wheelchair lift shall meet all current State requirements and be in proper working condition. All wheelchair tiedowns and other securement equipment shall be in good condition and not be frayed or worn so as to constitute a safety hazard. Wheelchair lift interlocks, if so equipped, shall be in proper operating condition and meet Federal and State requirements.
19. Vehicles shall be equipped with a fire extinguisher with a current tag, a complete first aid kit, full and complete safety triangle kit and all other safety equipment required by law.
20. All passenger seats and all other interior surfaces shall be cleaned and free from stains, tears and graffiti. Seats shall be properly secured to the vehicle with the proper grade of securement device. Seat belts shall be in good condition and not be frayed or worn so as to constitute a safety hazard. Interior panel, stanchions, grabrails shall be properly secure and free of rattles.
21. Vehicles shall have a current preventive maintenance inspection, including oil and filter change, transmission service, etc., in accordance with the requirements of Contractor in this Agreement and State requirements.
22. Vehicles will have all current required State inspection and registration certificates, if required.
23. Vehicles will be cleaned to the standards of this Agreement and shall be completely fueled. All other fluid levels shall meet manufacturer's requirements.
24. All particulate matter filters on TCTA-owned vehicles shall be clean and in proper working condition, as well as filter cleaning equipment.
25. All vehicle repair and inspection records shall be delivered with the vehicles.
26. All glass shall be free from chips, scratches, graffiti and cracks.

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27. All other items not specifically listed herein shall be in serviceable condition meeting generally accepted standards and practices of the public transportation industry and meeting all requirements of the State and Federal government and all requirements contained in this Agreement.
28. Contractor shall be given copies of all vehicle and component warranties and Contractor shall have the sole right to claim moneys owed under the terms of the warranties, if any.

In order to ensure compliance with this Exhibit, the following procedures will be used by TCTA and Contractor:

1. At a place and time mutually agreed to by TCTA and Contractor, which shall occur approximately thirty (30) days prior to the start of service by Contractor under this Agreement, Contractor shall inspect, under the observation of the TCTA, the vehicles to be provided by TCTA to Contractor. During such inspection, defects to vehicles shall be jointly noted by the Contractor and TCTA.
2. After the initial inspection, TCTA shall ensure that all defects noted are repaired, or otherwise dealt with, prior to Contractor starting service under the terms of this Agreement. No documented deferred repairs shall become the responsibility of the Contractor.
3. Upon delivery of the vehicles to Contractor, TCTA and Contractor will conduct a final inspection of the vehicles to ensure that items noted in the preliminary inspection and new defects found in the final inspection were repaired and that all vehicles are in compliance with this Exhibit.
4. In the event the final inspection reveals defects in the vehicles as specified in this Exhibit, then TCTA will have these items repaired or authorize Contractor to repair the items at the rate of \$100.00 per hour labor plus Contractor's cost plus a 10% fee for all materials, subcontracting costs and supplies required to repair defects, subject to Contractor's availability of parts, labor and facilities.

TCTA reserves the right to delegate maintenance responsibilities to a firm other than the Contractor, subject to mutual agreement between Contractor and TCTA as to changes in terms and considerations.

Maintenance and Repair of TCTA-Provided Vehicles

During the term of this Agreement, Contractor shall perform all repairs, preventative maintenance and cleaning necessary to maintain all TCTA-provided vehicles in safest, most efficient working condition at all times.

Each vehicle shall meet all applicable laws and codes for operating on public streets in the State of California, all safety requirements as called for in California Administrative Code, Title 13, and conform to all California Highway Patrol regulations and orders. The Contractor shall provide the TCTA certificates and inspection reports issued by the California Highway Patrol.

All preventative maintenance, repairs and major component rebuilding/replacement shall be performed in accordance with these Specifications: The Original Equipment Manufacturer's (OEM) specifications and applicable warranty conditions, the Contractor's maintenance program as specified in its Proposal, and the best general practices of the transit industry.

The TCTA may authorize the occasional use of outside vendors for major or specialty work, however, it is the Contractor's duty and responsibility to maintain all vehicles and equipment. All outside vendors, such as machine shops, component rebuilders or accident repair shops shall be approved by the TCTA to make repairs and utilize only parts, materials, lubricants, fluids, oils and procedures that meet or exceed OEM specifications and requirements.

TCTA reserves the right to delegate maintenance responsibilities to a firm other than the Contractor, subject to mutual agreement between Contractor and TCTA as to changes in terms and considerations.

1) Preventative Maintenance and Repairs

Contractor shall perform all preventative maintenance and inspections required on all vehicles used in the provision of the service associated with this Agreement. Contractor shall adhere strictly to the preventative maintenance schedules in accordance with industry standards. This schedule shall be considered by Contractor to be the minimum requirement only, and shall not be regarded as reasonable cause for deferred maintenance in specific instances where Contractor employees observe that maintenance is needed in advance of schedule.

Contractor shall not defer maintenance for reasons of shortage of maintenance staff or operable buses, nor shall service be curtailed for the purpose of performing maintenance without prior consent of TCTA. Contractor shall meet all scheduled services and complete maintenance activities according to the established maintenance schedule. All maintenance procedures must meet or exceed manufacturer's recommendations and comply with all California Highway Patrol regulations.

Contractor's proposed Preventative Maintenance/Inspection Program must include, at minimum, but not be limited to, the following:

- Daily preventative maintenance and safety inspection checks by drivers.

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- All lubrication, oil and filter change intervals shall be performed in accordance with OEM specifications, requirements and the schedule provided in the Contractor's proposal to operate the TCTA Transit System. Modification of oil change intervals is subject to prior approval from TCTA. Such approvals shall not be issued unless Contractor presents written evidence that any warranty coverage will not be adversely impacted by modifying such change intervals.
- Brake inspections and adjustment shall be performed at intervals that insure the safe and efficient operation of the braking system.
- All components of the vehicle bodies, appurtenances and frames shall be maintained in a safe, sound and undamaged condition at all times. Repairs (including body, glass and all bus appurtenances) shall be made within thirty (30) days, or less, of date of occurrence.
- All mechanical, electrical, fluid, air and/or hydraulic systems shall be maintained in a safe and working condition at all times.
- The interior passenger compartment shall be free of exhaust fumes from the engine, engine compartment and exhaust system of the vehicle.
- Heating and air conditioning systems shall be maintained and used to insure that the passenger compartment is comfortably maintained on all in-service runs. Contractor shall maintain the heating and air conditioning systems in a state of operating condition throughout the entire year.
- Seats shall be maintained in proper operating condition at all times. All tears, gum, graffiti and other damage shall be repaired in a professional manner immediately upon their discovery. Contractor shall replace seat covers which are worn or cannot be professionally repaired, using materials which are identical in design and color as those materials being replaced.
- All wheelchair lift-related equipment shall be inspected, serviced and lubricated at intervals necessary to insure that the wheelchair lifts are fully operational whenever the vehicle is used in revenue service. All wheelchair lifts are to be cycled at least twice daily, once at each shift, a.m. and p.m.
- All vehicle safety equipment (including fire extinguisher and first aid kits) shall be inspected and maintained in good condition and working order at all times.

Contractor shall document the time and nature of repair work completed in response to identification of problems by staff or passengers.

2) Repairs

All repairs to vehicles shall be performed either by or under the direction of Contractor unless otherwise specified by the TCTA. Labor and material costs for repairs, including major repairs, necessitated by normal wear and tear will be the financial responsibility of Contractor. For

purposes of this Agreement, major repairs include: Rebuilding/replacement of engines, transmissions, running gears, lifts, suspension components and brake overhauls.

Major repairs may be accomplished by Contractor's personnel at their facility, and/or by outside specialty vendor, depending on the work to be done.

Repair work shall be conducted as soon as possible upon learning that such work is required. Contractor shall assure TCTA that required repairs shall not be deferred beyond a reasonable time.

3) Warranty Work

Any of the vehicles provided to Contractor which are under warranty are subject to warranty compliance by Contractor as follows:

- Contractor shall comply with all warranty specifications and requirements of the Original Equipment Manufacturer (OEM).
- The Contractor's repair and preventive maintenance program shall not invalidate or shorten warranty coverage provided by the OEM.
- Subject to prior written authorization from the OEM, Contractor may perform warranty work on TCTA-provided vehicles.
- Contractor shall be held financially liable to absorb expenses for all repairs which would have been covered under warranty, had it not been invalidated by Contractor's actions.
- Reimbursement revenue received for all authorized warranty work performed by Contractor shall become the property of the Contractor.
- The Contractor shall provide for transportation of vehicles under warranty to warranty service centers at the Contractor's own expense.

In addition, Contractor will assist TCTA, at no extra cost, in activities necessary to put new vehicles into service.

4) Cleaning

Contractor shall provide all labor and materials necessary to keep TCTA-provided vehicles detailed to industry standards. Contractor shall wash the exteriors of the vehicles at least two (2) times per week, including bus body, windows and wheels. The interiors of the vehicles shall be washed thoroughly at least once each week, including windows, seats, floor stanchions and grab rails. All foreign matter such as gum, grease and dirt shall be removed from interior surfaces during the interior cleaning process. Graffiti shall be cleaned from buses each evening and the TCTA shall be notified each time graffiti appears. The interior of all vehicles shall be swept and dusted daily and all trash and debris removed. Any damage to seat upholstery shall be repaired as soon as possible.

5) Maintenance Records and Inspections

Records of all maintenance and inspections shall be kept and copies submitted to the TCTA, to the California Highway Patrol (CHP) and/or other regulating agencies with jurisdiction when requested. TCTA maintains the right to inspect, examine and test, at any reasonable time, any equipment used in the performance of the work in order to insure compliance with this Agreement. Such TCTA inspections shall not relieve the Contractor of the obligation of continually monitoring the condition of such vehicles and to identify and correct all substandard or unsafe conditions immediately upon discovery. Contractor shall transport all such vehicles at Contractor's expense, to the TCTA's designated inspection facilities when requested by TCTA. In the event that Contractor is instructed by TCTA, the CHP or any other regulatory agency to remove any equipment from service due to mechanical and/or safety reasons, Contractor shall make any and all specified correction and repairs to the equipment and resubmit the equipment for inspection and testing before it is placed in service.

Exhibit B

TCTA-Provided Equipment

In accordance with Section 13.01 of this Agreement, TCTA has agreed to provide Contractor with the list of equipment contained in this Exhibit B. The TCTA will provide the following equipment to the Contractor for the exclusive use of managing and operating Tuolumne County Transit Services pursuant to this Agreement, and shall not be used for any other purpose. The TCTA shall not provide facilities or equipment for Contractor's use other than as stated in the Request for Proposals for this Agreement.

- **Radio Equipment**

TCTA shall provide and install, at TCTA's expense, a base radio and mobile radios installed in vehicles and one hand held radio. TCTA-provided radio equipment will be maintained by the TCTA. Contractor acknowledges that use of radio frequency is contingent upon the proper conduct being exercised by Contractor's employees in transmitting and receiving. Contractor is responsible for proper radio procedures and will be fully responsible for any action and/or fines imposed by the Federal Communications Commission (FCC) for improper use of the system.

- **Farebox Equipment**

- **Bicycle Racks**

- **Snows Chains**

- **Telephone Equipment**

- **Rotary Rolling Jack (15,000lb capacity), Rotary 4 Post Lift (30,000lb, Blue, 307" Wheelbase)**

- **Laptop computer for fleet maintenance for diagnostics**

- **Computer and Monitor for Vehicle Tracking System**

For purposes of this Agreement, the turnover of all TCTA-provided equipment and facilities from the present contractor to the Contractor shall be coordinated by the TCTA Executive Director, who will do all possible to ensure that the Contractor has sufficient advance access to TCTA-provided equipment and facilities for training and other startup preparations.

TCTA reserves the right to delegate maintenance responsibilities to a firm other than the Contractor, subject to mutual agreement between Contractor and TCTA as to changes in terms and considerations.

The TCTA is responsible for the placement and maintenance of all bus stops, including bus stop signs and/or shelters, where they exist.

Exhibit C
Performance Standards, Records and Reports

I. Performance Standards

In an effort to ensure that the Contractor provides the TCTA with acceptably high quality service throughout the Agreement term, the TCTA has established a set of minimum standards which the Contractor will be expected to meet, as set forth below. Should the Contractor's performance fall below established standards on any of these measures, the TCTA may, at its sole discretion, implement or discontinue all or part of the program of incentives and/or liquidated damages described below.

After sending the Contractor a letter documenting the specific standards which were not achieved, and notifying the Contractor that the incentive and/or liquidated damages program is being implemented, the TCTA may put the financial provisions of the program in place on the first day of the following month. Liquidated damages and incentives will be based on performance after this date and not be applied retroactively.

From the nature of the services to be rendered, it is extremely difficult to fix actual damages which may result from failure on the part of the Contractor to perform any of its obligations as outlined in this Exhibit C. The liquidated damages and/or incentives program will be invoked when, in the judgment of the TCTA, it is necessary to take action, short of terminating the Agreement, to correct inadequate performance by the Contractor. The intent of the Program's standards is to clearly communicate the TCTA's expectations to the Contractor. The program of liquidated damages is designed to fairly compensate the TCTA when the Contractor fails to provide service meeting minimum expectations. The incentives program is designed to reward the Contractor for delivering performance which demonstrates a commendable level of effort, care or skill. The incentives program is also intended to provide motivation for continuing improvement in the Contractor's service delivery if identified problems have been corrected.

Once invoked, the financial structure of the liquidated damages and incentives program will remain unchanged throughout the remainder of the Agreement, however, the standards which define acceptable limits are subject to annual revision by mutual consent of the TCTA and Contractor.

A. Vehicles and Maintenance

The standard for vehicles described below takes into consideration the overall mileage and age of the fleet. As the fleet ages and composition changes, standards may be revised accordingly.

- 1) *Miles between mechanical road calls which cause delays in excess of 5 minutes* shall not fall below 15,000 in-service miles for Tuolumne County Transit Services. A "mechanical road call" is defined as any occasion when a mechanical failure (including a malfunctioning wheelchair lift or securement device) on a bus requires technical or supervisory assistance and significantly delays or terminates a scheduled run. The TCTA may exempt road calls caused by manufacture defects or warranty items.

Standard: Fifteen to Thirty Thousand (15,000-30,000) in-service miles between road calls per month which cause delays in excess of 5 minutes.

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Liquidated Damages/Incentive: Liquidated damages of Three Hundred (\$300) dollars for any month in which average miles between road calls falls below 15,000 miles may be assessed. A bonus of fifty (\$50) dollars may be granted if average miles between road calls exceeds 35,000 miles per month. Repeated failure of Contractor to provide a sufficient number of safe, operable, road-worthy buses to operate full service on all routes may result in termination of the Agreement.

Monitoring: Monthly report, dispatch logs and/or evaluation of bus maintenance records.

Note: This standard is subject to review as newer vehicles go into revenue service.

- 2) *Wheelchair Lift Failures.* Wheelchair lifts shall be cycled once each day prior to in-service use. Lift failures shall be reported to dispatch and reported to the TCTA in the following Monthly Management Report. Lift failures shall not delay a passenger's trip more than one hour. Manual operation of the lift is considered a failure.

Standard: Wheelchair lifts shall be cycled once each day prior to in-service use. Lift failures shall be reported to dispatch and reported to the TCTA in the following Monthly Management Report. Lift failures shall not delay a passenger's trip more than one hour. The Contractor shall examine service frequency to determine the most efficient and timely alternative transportation available to the passenger(s). Manual operation of lift is considered a failure and should also be reported to the TCTA.

Liquidated Damages: Five hundred (\$500) dollars in liquidated damages may be assessed if a lift failure occurs more than once on any one bus in service within a 30 day time period. Failure to provide a wheelchair passenger with an alternative means of transportation within one hour of failure may result in One Thousand (\$1,000) dollars in liquidated damages per incident.

Monitoring: The monthly management report shall list all in-service wheelchair lift failures that occur each month. All such failures shall be listed including date, time, route, vehicle and location. Detail shall be given on the alternative transportation provided to the passenger(s) and the length of time the passengers' transportation was delayed.

- 3) *Safety Inspection Reports.* Must achieve a satisfactory rating in all categories of annual California Highway Patrol (CHP) compliance report or spot check.

Standard: Must achieve a satisfactory rating in any category of the annual California Highway Patrol safety compliance report or any spot check. Copies of all CHP reports regarding TCTA transit vehicles must be provided to the TCTA Executive Director within 2 business days of Contractor's receipt of the report by the CHP.

Liquidated Damages: Liquidated damages may be assessed at the rate of Five Hundred (\$500) dollars per occurrence, per vehicle, if a satisfactory rating is not received. Liquidated damages may be assessed at the rate of fifty dollars (\$50) per occurrence if copies of CHP reports are not provided to the TCTA within the above time period.

Monitoring: CHP Compliance reports.

- 4) *Preventative Maintenance Inspections (PMI) - Fixed Route Services.* Ninety-five percent (95%) of preventative maintenance inspections of the fixed route fleet, measured quarterly, shall be completed within 500 miles of scheduled mileage. Vehicles are to be inspected at 4,000 mile intervals, or the manufacturer's suggested mileage, whichever is less.

Standard: Ninety percent (90%) of preventative maintenance inspections of fixed route fleet, measured quarterly, shall be completed within 500 miles of scheduled mileage. Fixed route vehicles are to be inspected at 4,000-mile intervals, or the manufacturer's suggested mileage, whichever is less.

Liquidated Damages: Liquidated damages of Five Hundred (\$500) dollars may be assessed for each quarter in which the 90% standard is not met. Failure by the Contractor to provide a preventative maintenance and repair program which in all respects conforms to the requirements of the Agreement, the California Highway Patrol and other applicable regulatory agencies may result in termination of the Agreement.

Monitoring: PMI record of all buses will be reviewed by Contractor and TCTA staff on an ongoing basis. CHP inspection reports will also be reviewed.

- 5) *Preventative Maintenance Inspections (PMI) - General Public Paratransit (GPP) Vehicles.* One Hundred percent (100%) of preventative maintenance inspections of GPP vehicles are to be completed prior to scheduled mileage. GPP vehicles are scheduled for preventative maintenance at 3,000-mile intervals.

Standard: One hundred percent (100%) of preventative maintenance inspections of GPP vehicles are to be completed prior to scheduled mileage. GPP vehicles are scheduled for preventative maintenance at 3,000 mile intervals.

Liquidated Damages: Liquidated damages of Five Hundred (\$500) dollars per infraction may be assessed for vehicles which exceed 3,000 miles without preventative maintenance being performed.

Monitoring: PMI records of all buses will be reviewed by Contractor and TCTA staff once per month. CHP inspection reports will also be reviewed.

B. On-Time Performance

- 6) *On-Time Departures.* It is the goal of the TCTA that buses shall depart no more than 5 minutes late from any scheduled stop or dial-a-ride pick up window time and shall not leave any point prior to the scheduled departure time. The Contractor shall strive to see that a minimum of 95% of all departures from published or scheduled time points meet this standard. Periods to be exempted from monitoring will be negotiated between the TCTA and the Contractor.

Standard: It is the goal of the TCTA that buses shall depart no more than five (5) minutes late from any scheduled stop or dial-a-ride pick up window time period and shall not leave any point prior to the scheduled departure time. The Contractor shall strive to see that a minimum of 95% of all departures from published or scheduled time points meet this standard. Periods to be exempted from monitoring, such as during severe winter storms, will be negotiated between the TCTA and the Contractor on an as needed basis.

Liquidated Damages/Incentives: If the average percentage of on-time departures falls at or below 90%, liquidated damages of Three Hundred (\$300) dollars per month may be assessed. If the monthly average falls below 85%, liquidated damages of One Thousand (\$1,000) may be assessed. If on-time performance is 99% or above for the combined service for three consecutive months, a bonus of One Hundred (\$100) dollars may be granted.

Monitoring: The TCTA will use monthly reports, vehicle tracking system, random field observations, radio checks and road supervision to monitor departures of scheduled trips.

- 7) *Operating Ahead of Schedule (HOT) - Fixed Route Services.* No bus shall leave a stop prior to its scheduled departure time.

Standard: No bus shall leave a stop prior to its scheduled departure time.

Liquidated Damages: Liquidated damages of Three Hundred (\$300) dollars per incident may be assessed when a vehicle in revenue service is determined by the TCTA to have left a scheduled time point prior to its scheduled departure time.

Monitoring: The TCTA will use the vehicle tracking system, random field observations as well as valid customer input to monitor HOT trips.

- 8) *Missed Trips.* The Contractor shall, at a minimum, complete 100% of all scheduled trips. In the event of an in-service breakdown, driver's absence or other related problem, the Contractor shall provide adequate means to dispatch vehicles in such a fashion as not to miss subsequently scheduled trips. Any fixed route trip operating 20 minutes or more behind the scheduled time shall be considered a *Missed Trip*. Any demand response vehicle that is more than 30 minutes late for a pickup period shall be considered a *Missed Trip*. Periods to be exempted from monitoring will be negotiated between the TCTA and Contractor.

Standard: The Contractor shall, at a minimum, complete 100% of all scheduled trips on a monthly basis. In the event of an in-service breakdown, driver's absence or other related problem, the Contractor shall provide adequate means to dispatch vehicles in such a fashion as not to miss subsequently scheduled trips. Any fixed route trip operating 20 minutes or more behind the scheduled time shall be considered a "missed trip". Any dial-a-ride vehicle which is more than 30 minutes late for a pickup period shall be considered a "missed trip". Periods to be exempted from monitoring will be negotiated between the TCTA and Contractor.

Liquidated Damages/Incentive: Three Hundred (\$300) dollars in liquidated damages plus non-payment for operation of the run, to a maximum of One Thousand (\$1,000) dollars, may be assessed for each Missed Trip.

Monitoring: The monthly management report, vehicle tracking system, dispatch records and the TCTA's random field observations will be used to monitor missed trips.

- 9) *Failure to pick-up a rider for any reserved Dial-a-Ride trip (unless failure is the fault of the rider)* Contractor shall not fail to pick-up any passenger once a pickup time has been scheduled for them (unless it is the fault of the rider).

Standard: Contractor shall not fail to pick-up any passenger once a pickup time has been scheduled for them (unless it is the fault of the rider).

Liquidated Damages: Liquidated damages of Five Hundred (\$500) dollars per occurrence may be levied for a passenger whom Contractor fails to pick up. All missed passengers are subject to discussion between the TCTA and Contractor.

Monitoring: Dispatch records, random field observations and valid customer complaints.

C. Productivity

- 10) *Dial-A-Ride Productivity* shall not fall below 3.5 passenger trips per service hour for two consecutive months, and shall not drop below 3.0 passenger trips in any single month. The Contractor is expected to maintain an overall average above 4.0 passengers per hour, and anything above 4.5 passengers per hour is considered a preferred level of productivity.

Standard: Dial-A-Ride productivity shall not fall below 3.5 passenger trips per service hour for two consecutive months, and shall not drop below 3.0 passengers in any single month. The Contractor is expected to maintain overall average above 4.0 passengers per hour, and anything above 4.5 passengers per hour is considered a preferred level of productivity.

Liquidated Damages/Incentives: Liquidated damages of Five Hundred (\$500) dollars per month may be levied if Dial-A-Ride productivity falls below 3.5 passenger trips per hour for two or more consecutive months, or 3.0 passengers per hour in a single month. A bonus of One Hundred (\$100) dollars per month may be given if productivity exceeds 4.5 passengers per hour in any single month or 4.2 passengers per hour for 2 consecutive months or more.

Monitoring: Contractor's monthly management reports.

D. Reporting Requirements

- 11) *Monthly Management Reports* shall be provided in accordance with this Exhibit C. All monthly reports and operating statistics from the Contractor shall be checked for accuracy before they are presented to the TCTA.

Standard: All monthly reports and operating statistics from the Contractor shall be submitted within fifteen (15) calendar days of the end of each month and checked for accuracy before they are presented to the TCTA.

Liquidated Damages: If reported operating statistics are found to be incorrect by the TCTA, liquidated damages of One Hundred (\$100) dollars may be assessed for each error, up to a maximum of One Thousand (\$1,000) dollars per month. If reported financial information is found to be incorrect by the TCTA, liquidated damages of Three Hundred (\$300) dollars may be assessed for each error, up to a maximum of Fifteen Hundred (\$1,500) dollars per month. If additional errors, missing information or backup documentation, other than those identified above, are found by the TCTA in the Contractor's Monthly Management Reports, liquidated damages of One Hundred (\$100) dollars may be assessed for each occurrence, up to a maximum of One Thousand (\$1,000) dollars per month.

If staff time, over and above what the TCTA determines is reasonable, is required to review Contractor reports due to excessive inaccuracies and errors, Contractor may be required to reimburse TCTA for staff hours, at the full weighted rate of the employee.

If the monthly management report is submitted in excess of thirty (30) calendar days after the end of each month, the TCTA may deduct 1% of the invoiced amount for each day after thirty (30) days.

Monitoring: TCTA staff will perform checks of monthly reports. Statistics on missed trips, "HOT" routes, late trips and other route related problems will be checked by random field observations.

Note: In the event of omissions from, or falsification of operating statistics used to monitor standards used in the liquidated damages/incentives program, this Agreement is subject to immediate termination.

- 12) *Accident & Incident Reporting.* In addition to the reports mentioned in Section 11 above, Contractor shall develop, implement and maintain procedures to respond to emergencies and routine problems which from time to time occur in the course of providing transit service. The TCTA will be immediately notified, whenever practical, any time an emergency situation occurs. Such occurrences to be addressed include; passenger disturbances, passenger injuries and vehicle accidents. Contractor shall interview the driver involved to ensure the clarity, accuracy and comprehensiveness of the report. The Contractor shall provide copies of all incident and accident reports to the TCTA within three business days of the occurrence.

Standard: In addition to the above mentioned reports, the Contractor shall develop, implement and maintain formal procedures to respond to emergencies and routine problems which from time to time occur in the course of providing transit service. The TCTA will be immediately notified, whenever practical, any time an emergency situation occurs. Such occurrences to be addressed include, but are not limited to; passenger disturbances, passenger injuries and vehicle accidents. The Contractor shall interview the driver involved to ensure the clarity, accuracy and

comprehensiveness of the report. The Contractor shall provide copies of all incident and accident reports to the TCTA within three business days of the occurrence.

Liquidated Damages: Liquidated damages of Three Hundred (\$300) dollars may be assessed per occurrence of failure to notify the TCTA of injury accidents within 24 hours or property damage and disturbances within 48 hours of occurrence.

E. Accidents

- 13) *Preventable Accidents (Systemwide).* The total vehicle miles between preventable accidents shall be greater than 50,000 miles. This standard shall be measured quarterly.

Standard: The total vehicle miles between preventable accidents shall be greater than 50,000 miles. This standard shall be measured quarterly.

Liquidated Damages/Incentive: If total vehicle miles between preventable accidents falls below 50,000 in one quarter, or 100,000 miles in 2 consecutive quarters, liquidated damages of Fifteen Hundred (\$1,500) dollars per quarter may be assessed. If Contractor averages more than 150,000 miles between preventable accidents, in two or more consecutive quarters, a bonus of Two Hundred (\$200) dollars may be given per quarter.

Monitoring: Monthly Reports, accident reports and information from the Department of Motor Vehicles.

F. Farebox Recovery Ratio

- 14) The farebox recovery ratio shall not fall below 10% for any single month and shall not fall below 12% for two consecutive months for either fixed route or dial-a-ride services. The Contractor is expected to maintain at least 15% combined farebox recovery ratio and anything above a 25% combined farebox ratio is considered exceptional.

Standard: The farebox recovery ratio shall not fall below 10% for any single month and shall not fall below 12% for two consecutive months for either Fixed Route or Dial-A-Ride services. The Contractor is expected to maintain at least 15% combined farebox recovery ratio and anything above a 25% combined farebox ratio is considered exceptional.

Liquidated Damages/Incentive: Liquidated damages in the amount of Fifteen Hundred (\$1,500) dollars may be assessed if the farebox recovery ratio falls below 10% in any single month or 12% for 2 consecutive months. If the combined farebox recovery ratio exceeds 25% for any single month or 22% for 2 consecutive months, a Two Hundred (\$200) dollar bonus may be given.

II. Records and Reports

A. Records

Financial and accounting records shall be prepared and maintained in a complete, detailed and accurate manner, in accordance with generally accepted accounting principles, pursuant to the requirements of any applicable State or Federal statute or regulation regarding accounting and financial reporting for publicly financed transit systems, including but not limited to Level R or the Uniform Financial and Reporting Elements as required under Section 15 of the Federal Transit Act of 1964, and Section 99243 of the California Public Utilities Code, as each of the foregoing are now in force or may hereafter be amended. Such records shall fairly and clearly disclose all of Contractor's costs incurred by virtue of its operation of Tuolumne County Transit, including but not limited to, pay and employee benefits, materials and supplies, utilities, maintenance, contractual services and all the related operating costs.

Contractor's records shall be kept with sufficient detail to constitute an audit trail to verify that all costs charged to TCTA by virtue of this Agreement are due to the operation of Tuolumne County Transit only and are not due to the operation of any other service by Contractor.

Contractor's records shall be provided to TCTA, or TCTA's representative, upon request for purposes of complying with Federal, State and local reporting requirements.

1) General

Contractor shall be responsible for collection and maintenance of data pertaining to all phases of the transit system operation, as specified hereunder, and/or as necessary for the preparation of required reports.

Contractor shall gather, maintain, prepare and submit to TCTA such operating information, records and reports as TCTA may reasonably require to allow TCTA to evaluate and analyze the type and quality of the services provided pursuant to this Agreement. Such information shall include, but not be limited to: passenger boardings by service, route and fare category; revenue and total (including deadhead) vehicle service hours by service and route; required ADA information; farebox revenues received; revenue and total (including deadhead) vehicle service miles; employee hours by service; fuel consumption and tire usage; accident and road call information; service quality information, including late and missed trips, on-time performance, wait times, service complaints and unfulfilled service requests; staffing and training information; and maintenance activity by vehicle, including wheelchair lift and air conditioning availability.

A monthly activity report including the above and any other pertinent information shall be submitted to TCTA by the 15th day of the month following the reporting period. The report shall highlight any problems encountered along with suggested solutions.

2) Financial Records

Contractor shall maintain accurate and complete books, records, data and documents in conformance with generally accepted accounting principles and in such detail and form so as to meet applicable local, State and Federal requirements.

A complete and separate set of books, accounts and/or records shall be maintained by Contractor, records shall show details of transactions pertaining to the management, maintenance and operation of only this system under the terms of this Agreement. System transactions shall not be co-mingled with Contractor's other operations, if any. The Contractor's records shall be kept with sufficient detail to constitute an audit trail which verifies that any and all costs charged to the system are, in fact, due to operations pursuant to this Agreement, and not due to separate operations by Contractor.

3) Vehicle Records

Contractor shall keep and maintain (separate by vehicle) all work orders, warranty dockets and maintenance records on TCTA-provided vehicles and equipment for as long as TCTA owns such, or until this Agreement ends. Contractor shall cooperate in good faith in turning over said vehicle records to any successor contractor.

B. Reports

All reports shall be submitted in a format approved by TCTA.

1) Reports Due on a Monthly Basis

Contractor shall collect all required data on a daily basis and submit monthly summary reports to the TCTA Executive Director, along with invoices, by the 15th of the following month. The period of the reports shall begin on the first day of the calendar month and end on the last day of the calendar month. The December Report shall include a year-to-date summary for the first six months of the fiscal year in all categories and the June Report shall include a year-end summary in all categories covering July 1st through June 30th of the full fiscal year. The required reports include, but may not be limited to:

- a) Cover letter from manager including general comments relating any operational problems/concerns/issues, events, promotional activities, evaluations, solutions, etc.
- b) Ridership Report shall show the following:

Ridership for each route and type of service on a daily, weekly, monthly and year-to-date basis.

Breakdown of ridership by service, route and fare category showing number and percentage of total ridership for regular, senior, disabled, college, youth (2-18 years of age), child, wheelchair, transfers, companions and free rides on a daily, weekly, monthly and year-to-

date basis. Additionally, the average number of riders per service hour per service shall be reported.

c) Vehicle Service Hours Report shall show the following:

The total number of revenue service hours required for each route and service shall be shown on a daily, weekly, monthly and year-to-date basis.

The number of total service hours, including deadhead hours, that each vehicle is operated for each route and service on a daily, weekly, monthly and year-to-date basis.

d) Vehicle Service Miles Report shall show the following:

The total number of revenue service miles required for each route and service shall be shown on a daily, weekly, monthly and year-to-date basis.

The number of total service miles, including deadhead miles, that each vehicle is operated for each route and service on a daily, weekly, monthly and year-to-date basis.

e) Operating Days Report shall show the following:

Total number of operating days for each transportation service on a monthly and year-to-date basis.

f) Farebox Report shall show:

Total farebox received for each route and type of service, along with a total farebox received for all services combined on a daily, monthly and year-to-date basis.

The farebox for each route and service shall be broken down to show the total cash, ticket and pass fares collected for each fare category. In addition, tickets and passes received on buses shall be shown separately from cash received and attributed to the route and service for which the ticket or pass was used.

g) Dispatch Report shall show the following for all demand response services:

- 1) The time each request is received and estimated time of pick up.
- 2) The location of client to be picked up.
- 3) The purpose of each client's trip (if known), the destination and estimated time of arrival.
- 4) The actual time client is picked up.
- 5) The actual time client is delivered to destination.
- 6) The number of trip cancellations.
- 7) The number of "no shows."

- h) Service Record shall report breakdowns, road calls, missed trips or scheduled routes with any delays over fifteen (15) minutes.
- i) Complaint Report shall provide all pertinent information including; time, date, name, address, phone and accurate account of complaint expressed by client. The Contractor shall also comment on action that was or needs to be taken.
- j) An Accident or Incident Report shall be provided for any accident or incident involving the transit system and passengers.
- k) Vehicle Report shall provide the following information for each vehicle:
 - 1) The mileage shown on odometer on the last day of the month and mileage traveled per month and year-to-date for each vehicle.
 - 2) The fuel usage rate shown as number of gallons used per vehicle on a monthly and year-to-date basis.
 - 3) Any accident or damage repairs that occurred.
 - 4) Any breakdowns or malfunction of vehicle which occurred during previous month.
 - 5) The miles between breakdown or malfunction of vehicle and equipment.
 - 6) The time, date and record of preventative maintenance inspection.
 - 7) Specific notice of and major component repair or replacement.
 - 8) Cleaning schedule (exterior and interior) for each vehicle.
- l) Time, date, number of hours devoted to employee operating and safety training programs, as well as training session agendas and attendance records.
- m) Equipment Status Report commenting on condition of any TCTA-provided equipment other than vehicles.
- n) Monthly Report showing any termination and hiring of employees.

2) Accident/Incident Reports

Accident reports are to be submitted to TCTA within one (1) business day for injury accidents, within three (3) business days for non-injury accidents. Telephone notification on all injury accidents shall be provided to TCTA immediately. Incident reports are to be submitted within three (3) business days.

3) California Highway Patrol (CHP) Compliance Reports

CHP safety compliance reports are to be submitted to TCTA within two (2) business days after CHP submits said report(s) to Contractor.

4) Driver Pull Notice Participation

The Contractor shall comply with California Vehicle Code Section 1808.1 Employer Notification.

5) Complaints/Requests

Contractor shall receive complaints and requests from the public with courtesy, and shall keep written records of all complaints and requests received, the number of unfulfilled service requests and the average hold time for the calls received. Contractor shall respond to all complaints received, transmitting such records and responses to TCTA on a monthly basis as indicated above.

Exhibit D

By: _____

Faithful Performance Bond

KNOW ALL MEN BY THESE PRESENTS: That, WHEREAS THE TUOLUMNE COUNTY TRANSIT AGENCY has selected _____ hereinafter designated as the "PRINCIPAL", as Contractor for the AGREEMENT FOR THE MANAGEMENT AND OPERATION OF TUOLUMNE COUNTY TRANSIT and WHEREAS, said PRINCIPAL is required under the terms of said Agreement to furnish a BOND OF FAITHFUL PERFORMANCE of said Agreement,

NOW, THEREFORE, we, the PRINCIPAL, and _____ as SURETY, are held and firmly bound unto the TUOLUMNE COUNTY TRANSIT AGENCY in the penal sum of *(an amount equal to the average total payments under this Agreement during a three-month period, to be renewed annually)* lawful money of the United States, for the payment of which sum, well and truly to be made, bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded PRINCIPAL, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and faithfully perform and covenants, conditions and agreements in the said Agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respect according to their true intent and meaning, as therein stipulated, then this obligation shall become null and void; otherwise it shall remain in full force and virtue.

And the said SURETY, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work.

In the event that the said TUOLUMNE COUNTY TRANSIT AGENCY, or its successors or assigns, shall be in the prevailing part in an action brought upon the bond, then, in addition to the penal sum hereinabove specified, we agree to pay to said TUOLUMNE COUNTY TRANSIT AGENCY, or its successors or assigns, a reasonable sum on account of attorney's fees in such action, which sum shall be fixed by the court.

Tuolumne County Transit Agency
Management and Operations – Tuolumne County Transit
Exhibit D

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____ day of _____, 2015, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

NOTE: To be signed by Principal and Surety and acknowledgment and notarial seal attached.

PRINCIPAL

SURETY

The above bond is accepted and approved this _____ day of _____, 2015.

By: _____

Tuolumne County Transit Services Agreement
Exhibit E - FTA & DOT Required Provisions

1. Antitrust Claims. The **CONTRACTOR** by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the **CONTRACTOR** shall comply with the requirements of the Government Codes Sections set out below.
 - A. The Government Code Chapter on Antitrust claims contains the following definitions:
 1. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the TCTA or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professional Code.
 2. "Public purchasing body" means the TCTA or the subdivision of agency making a public purchase. Government Code Section 4550.
 - B. The **CONTRACTOR** agrees to assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the **CONTRACTOR** for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the **CONTRACTOR**. Government Code Section 4552.
2. Child Support Compliance Act. "For any Agreement in excess of \$100,000, the **CONTRACTOR** acknowledges in accordance with Public Contract Code 7110, that:
 - A. The **CONTRACTOR** recognizes the importance of child and family support obligations and shall fully comply with all applicable California Department of Transportation and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - B. The **CONTRACTOR**, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."
3. Procurements. All procurements, including local procurement of supplies, equipment, construction, and services shall be conducted in accordance with the Procurement Standards set forth in FTA's implementing regulations of 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to California Department of Transportation and Local Governments" and 2 CFR Part 225 or 49 CFR Part 19, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Educations,

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Hospitals, and Other Non-profit Organizations” and 2 CFR Part 230 and FTA Circular 4220.1F, “Third-Party Contracting Guidance.”

4. Exclusionary or Discriminatory Specifications. Apart from inconsistent requirements imposed by Federal statute or regulations, the **CONTRACTOR** agrees that it will comply with the requirements of 49 U.S.C. Section 5323(h)(2) by refraining from using any Federal assistance funds awarded to TCTA on behalf of the California Department of Transportation to support procurements using exclusionary or discriminatory specifications.
5. Buy America. The **CONTRACTOR** shall comply with the Buy America requirements of 49 USC 5323(j) and 49 CFR Part 661 for all procurements of steel, iron and manufactured products used in PROJECT. Buy America requirements apply to all purchases, including materials and supplies funded as operating costs, if the purchase exceeds the threshold for small purchases (currently \$100,000). Separate requirements for rolling stock are set out at 49 USC 5323(j)(2)(c) and 49 CFR 661.11. Rolling stock must be assembled in the United States and have a 60 percent domestic content.
6. U.S. Flag Requirements.
 - A. Shipments by Ocean Vessel. For third-party agreements that may involve equipment, materials, or commodities which may be transported by ocean vessels, the **CONTRACTOR** and subcontractors must comply with 46 U.S.C. Section 55303 and 46 CFR Part 381, “Cargo Preference-U.S. Flag Vessels.”
 - B. Shipments by Air Carrier. For third-party agreements that may involve shipments of federally assisted property by air carrier, the **CONTRACTOR** and subcontractors must comply with the “Fly America” Act and 49 U.S.C. Section 40118, “Use of United California Department of Transportations Flag Air Carriers,” and 41 CFR Sections 301-10.131 through 301-10.143.
 - C. Project Travel. In accordance with Section 5 of the International Air Transportation Fair Competitive Practices Act of 1973, as amended, (“Fly America” Act), 49 U.S.C. 40118 and 41 CFR Part 301-10, the **CONTRACTOR** and all subcontractors are required to use U.S. Flag air carriers for U.S. Government-financed international air travel and transportation, to the extent such service is available or applicable.
7. Vehicle Operator Licensing (Transit Operation & Rolling Stock Only). The **CONTRACTOR** is required to comply with all applicable requirements of the Federal Motor Carrier Safety Administration regulations and the California Vehicle Code including, but not limited to, the requirement that all vehicle operators have a valid State of California driver’s license, including any special operator license that may be necessary for the type of vehicle operated.

8. Record Keeping. The **CONTRACTOR** and all subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of this Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the performance period and for three (3) years from the date of final payment under this Agreement and all subagreements.

9. Accounting Records. The **CONTRACTOR** shall establish and maintain separate accounting records and reporting procedures specified for the fiscal activities of the **PROJECT**. The **CONTRACTOR'S** accounting system shall conform to generally accepted accounting principles (GAAP) and uniform standards that may be established by California Department of Transportation. All records shall provide a breakdown of total costs charged to the **PROJECT** including properly executed payrolls, time records, invoices and vouchers.

10. Examination of Records. The TCTA, the California Department of Transportation's Audits Office, the California Department of Transportation Auditor General, and any duly authorized representative of the Federal government shall have access to any books, records, and documents of the **CONTRACTOR** and its subcontractors that are pertinent to this Agreement for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. The **CONTRACTOR** shall include a clause to this effect in every subagreement entered into relative to the **PROJECT**.

11. Debarment and Suspension. The **CONTRACTOR** agrees as follows:
 - A. The **CONTRACTOR** agrees to comply with the requirements of Executive Order Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. Section 6101 note; and U.S. DEPARTMENT OF TRANSPORTATION regulations on Debarment and Suspension and 49 CFR Part 29.

 - B. Unless otherwise permitted by the California Department of Transportation, the **CONTRACTOR** agrees to refrain from awarding any third-party agreement of any amount to or entering into any sub-agreement of any amount with a party included in the "U.S. General Services Administration's (U.S. GSA) List of Parties Excluded from Federal procurement or Non-procurement Program," implementing Executive Order Nos. 12549 and 12689, "Debarment and suspension" and 49 CFR Part 29. The list also include the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible for agreement award under statutory or regulatory authority other than Executive Order Nos. 12549 and 12689.

 - C. Before entering into any subcontracts with any subcontractor, the **CONTRACTOR** agrees to obtain a debarment and suspension certification from each prospective recipient containing information about the debarment and suspension status and other specific information of that awarding agency and its "principals," as defined at 49 CFR Part 29.

D. Before entering into any third-party agreement exceeding \$25,000, the **CONTRACTOR** agrees to obtain a debarment and suspension certification from each third-party contractor containing information about the debarment and suspension status of that third-party contractor and its "principals," as defined at 49 CFR 29.105(p). The **CONTRACTOR** also agrees to require each third-party contractor to refrain from awarding any third-party sub-agreement of any amount (at any tier) to a debarred or suspended subcontractor, and to obtain a similar certification from any third-party subcontractor (at any tier) seeking an agreement exceeding \$25,000.

12. Compliance with Federal Statutes. During the performance of this Agreement, the **CONTRACTOR**, its assignees and successors in interest, agree to comply with all Federal statutes and regulations applicable to grantee recipients under the Federal Transit Act, including, but not limited to the following:

A. Race, Color, Creed, National Origin, Sex - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the **CONTRACTOR** agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the PROJECT. The **CONTRACTOR** agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. 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. In addition, the **CONTRACTOR** agrees to comply with any implementing requirements the California Department of Transportation may issue.

B. Nondiscrimination. The **CONTRACTOR**, with regard to the work performed by it during the agreement term shall act in accordance with Title VI. Specifically, the **CONTRACTOR** shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The **CONTRACTOR** shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DEPARTMENT OF TRANSPORTATION's Regulations, including employment practices when the agreement covers a program whose goal is employment. Further, In accordance with Section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the **CONTRACTOR** agrees that it will comply with the requirements of U.S. Equal Employment Opportunity

Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the **CONTRACTOR** agrees to comply with any implementing requirements the California Department of Transportation may issue.

- C. Solicitations for Subagreements Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding or negotiation by the **CONTRACTOR** for work to be performed under a subagreement, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the **CONTRACTOR** of the subcontractor's obligations under this Agreement and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- D. Information and Reports. The **CONTRACTOR** shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the TCTA or the California Department of Transportation to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a **CONTRACTOR** is in the exclusive possession of another who fails or refuses to furnish this information, the **CONTRACTOR** shall so certify to the TCTA or the California Department of Transportation as appropriate, and shall set forth what efforts it has made to obtain the information.
- E. In accordance with 49 CFR Part 26 and as described in FTA Circular 4702.1, and the California Department of Transportation Title VI Program Plan, and upon request from the TCTA, the **CONTRACTOR** shall comply with the following reporting requirements. The **CONTRACTOR** is also responsible for ensuring compliance of each third-party contractor at any tier of the PROJECT.
 - 1. Provide an Annual Title VI Certification and Assurance.
 - 2. Establish and maintain Title VI complaint procedures.
 - 3. Record Title VI investigations, complaints, and lawsuits.
 - 4. Provide meaningful access to Limited English Proficient Persons.
 - 5. Notify beneficiaries of protection under Title VI.
 - 6. Provide additional information upon request.
 - 7. Prepare and submit a Title VI Report.
 - 8. Guidance on conducting an Analysis of Construction PROJECT'S.
 - 9. Guidance on promoting Inclusive Public Participation.
- F. Sanctions for Noncompliance. In the event of the **CONTRACTOR**'s noncompliance with the nondiscrimination provisions of this Agreement, the TCTA shall impose such agreement sanctions as it or the California Department of Transportation may determine to be appropriate, including, but not limited to:

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1. Withholding of payments to the **CONTRACTOR** under the Agreement until the **CONTRACTOR** complies, and/or
 2. Cancellation, termination or suspension of the Agreement, in whole or in part.
- G. **Incorporation of Provisions.** The **CONTRACTOR** shall include the provisions of these paragraphs A through F in every subagreement, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The **CONTRACTOR** will take such action with respect to any subcontractor or procurement as the TCTA or the California Department of Transportation may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a **CONTRACTOR** becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the **CONTRACTOR** may request the TCTA to enter into such litigation to protect the interest of the TCTA, and, in addition, the **CONTRACTOR** may request the United California Department of Transportations to enter into such litigation to protect the interests of the United California Department of Transportations.
13. **Disadvantaged Business Enterprise.** The **CONTRACTOR** agrees to comply with U.S. Department of Transportation regulations, "Participation by Disadvantaged Enterprises in Department of Transportation Financial Assistance Programs", 49 CFR Part 26 and will cooperate with California Department Of Transportation with regard to maximum utilization of disadvantaged business enterprises, and will use its best efforts to ensure that disadvantaged business enterprises shall have the maximum opportunity to compete for sub contractual work under this Agreement.
 14. **Section 504 and Americans with Disabilities Act Program Requirements.** The **CONTRACTOR** will comply with 49 C.F.R. Parts 27, 37 and 38, implementing the Americans with Disabilities Act and Section 504 of the Rehabilitation Act or 1973, 29 U.S.C. Section 794, as amended.
 15. **Public Lands.** The **CONTRACTOR** agrees to refrain from using in its PROJECT any publicly owned land from a park, recreation area, or wildlife or waterfowl refuge of National, California Department of Transportation, or local significance as determined by the Federal, California Department of Transportation, or local officials having jurisdiction thereof, and also refrain from using in its PROJECT any land from a historic site of National, California Department of Transportation, or local significance unless the Federal Government makes the specific findings as required by 49 U.S.C. § 303.
 16. **Energy Conservation.** The **CONTRACTOR** agrees to comply with the mandatory energy efficiency standards and policies within the applicable California Department of Transportation energy conservation plans issued in compliance with the Energy Policy and Conservation Act, 42, U.S.C. § 6321 *et seq.*

17. Conflict of Interest.

- A. In accordance with 41 U.S.C. § 22, no member of or delegate to the Congress of the United California Department of Transportations shall be admitted to any share or part of this Agreement or to any benefit arising there from.
- B. The **CONTRACTOR** certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.
- C. The **CONTRACTOR** shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- D. The **CONTRACTOR** will not be awarded an agreement if the financial interests are held by a current officer or employee of the TCTA. Additionally, an agreement will not be awarded to an officer or employee of the TCTA to provide goods and service. Likewise, the **CONTRACTOR** officials and employees shall also avoid actions resulting in or creating an appearance of:
 - 1. Using an official position for private gain;
 - 2. Giving preferential treatment to any particular person;
 - 3. Losing independence or impartiality;
 - 4. Affecting adversely the confidence of the public or local officials in the integrity of the program.
- E. Former TCTA employees will not be awarded an agreement for 2 years from the date of separation if that employee had any part of the decision making process relevant to this agreement, or for 1 year from the date of separation if that employee was in a policy making position in the same general subject area as the proposed agreement within the 12-month period to his or her separation from TCTA.
- F. Neither the **CONTRACTOR** nor any of its employees, suppliers or subcontractors shall enter into any agreement, subagreement, or arrangement in connection with the PROJECT or any property included or planned to be included in the PROJECT, in which any member, officer, or employee of the **CONTRACTOR** or its subcontractor, during the PROJECT term and for one year thereafter, has any direct or indirect conflict of interest.

- If any such present or former member, officer, or employee involuntarily acquires or had acquired prior to the beginning of the PROJECT term any such interest, and if such interest is immediately disclosed to the **CONTRACTOR** and such disclosure is entered upon the Minutes of the **CONTRACTOR's** written report to the TCTA of such interest, the TCTA, may waive the conflict of interest; provided that the officer or employee shall not participate in any action by the **CONTRACTOR** or the locality relating to such agreement, subagreement, or arrangement.
- G. No member, officer, or employee of the **CONTRACTOR** or of the locality during the PROJECT term or for one year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.
- H. The provisions of this subsection shall not be applicable to any agreement between the **CONTRACTOR** and its fiscal depositories or to any agreement for utility services, the rates for which are fixed or controlled by a governmental agency.

18. Lobbying.

- A. The **CONTRACTOR** agrees that it will not use Federal assistance funds to support lobbying. In accordance with 31 U.S.C. and U.S. DEPARTMENT OF TRANSPORTATION Regulations, "New Restrictions on Lobbying," 49 C.F.R. Part 20, if the bid is for an award of \$100,000 or more, the TCTA will not make any Federal assistance available to the **CONTRACTOR** until the TCTA has received the **CONTRACTOR's** certification that the **CONTRACTOR** has not and will not use Federal appropriated funds to pay any person or organization to influence or attempt to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of congress, or an employee of a member of Congress in connection with the awarding of any Federal grant, cooperative agreement or any other Federal award from which funding for the PROJECT is originally derived, consistent with 31 U.S.C. Section 1352, and;
- B. If applicable, if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with the form instructions.
- C. The **CONTRACTOR** shall require that the language of these paragraphs A through C be included in the award documents for all sub-awards at all tiers (including subagreements, sub-grants, and agreements under grants, loans, and cooperative agreements) which exceed \$100,000 and that all awarding agencies shall certify and disclose accordingly.

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This Agreement is a material representation of facts upon which reliance was placed when this Agreement was made or entered into. Signing of this Agreement is a prerequisite for making or entering into this Agreement imposed by Section 1352, Title 31, U. S. Code. Any person who fails to comply with these provisions shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

19. Program Fraud and False or Fraudulent California Department of Transportation or Related Acts.

- A. The **CONTRACTOR** acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et. seq. and U.S. DEPARTMENT OF TRANSPORTATION regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this PROJECT. Upon execution of an underlying agreement, the **CONTRACTOR** certifies or affirms the truthfulness and accuracy of any California Department of Transportation it has made, it makes, it may make, or causes to be made, pertaining to that underlying agreement or the Federally assisted PROJECT for which this contracted work is being performed. In addition to other penalties that may be applicable, the **CONTRACTOR** further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, California Department of Transportation, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the **CONTRACTOR** to the extent the Federal Government deems appropriate.
- B. The **CONTRACTOR** also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, California Department of Transportation, submission, or certification to the Federal Government under an agreement connected with a PROJECT that is financed in whole or in part with Federal assistance originally awarded by the California Department of Transportation under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the **CONTRACTOR**, to the extent the Federal Government deems appropriate.
- C. The **CONTRACTOR** agrees to include the above two clauses in each subagreement financed in whole or in part with Federal assistance provided by the California Department of Transportation. It is further agreed that these clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

20. Agreements Involving Federal Privacy Act Requirements. The following requirements apply to the **CONTRACTOR** and its employees that administer any system of records on behalf of the Federal Government under any agreement:

- A. The **CONTRACTOR** agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the **CONTRACTOR** agrees to obtain the

- express consent of the Federal Government before the **CONTRACTOR** or its employees operate a system of records on behalf of the Federal Government. The **CONTRACTOR** understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved and that failure to comply with the terms of the Privacy Act may result in termination of the underlying Agreement.
- B. The **CONTRACTOR** also agrees to include these requirements in each subagreement to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by the California Department of Transportation.
21. Drug-Free Workplace. The **CONTRACTOR** certifies by signing this Agreement that it will provide a drug-free workplace, and shall establish policy prohibiting activities involving controlled substances in compliance with Government code Section 8355, et seq. The **CONTRACTOR** is required to include the language of this Paragraph in award documents for all sub-awards at all tiers (including subagreements, agreements under grants, and cooperative agreements) and that all awarding agencies shall disclose accordingly. To the extent the **CONTRACTOR**, any third-party contractor at any tier, any awarding agency at any tier, or their employees, perform a safety sensitive function under the PROJECT, the **CONTRACTOR** agrees to comply with, and assure the compliance of each affected third-party contractor any tier, each affected awarding agency at any tier, and their employees with 49 U.S.C. Section 5331, and FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug use in Transit Operations," 49 CFR Part 655.
22. Charter Service Operations (Transit Operation & Rolling Stock Only). The **CONTRACTOR** agrees to comply with 49 U.S.C. Section 5323(d) and 49 CFR Part 604, which provides that recipients and awarding agencies of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions listed at 49 CFR-Subpart B. Any charter service provided under one of the exceptions must be "incidental," i.e., it must not interfere with or detract from the provision of mass transportation. The **CONTRACTOR** assures and certifies that the revenues generated by its incidental charter bus operations (if any) are, and shall remain, equal to or greater than the cost (including depreciation on Federally assisted equipment) of providing the service. The **CONTRACTOR** understands that the requirements of 49 CFR Part 604 will apply to any charter service provided, the definitions in 49 CFR part 604 apply to this agreement, and any violation of this agreement may require corrective measures and the imposition of penalties, including debarment from the receipt of further Federal assistance for transportation.
23. School Bus Operations (Transit Operation & Rolling Stock Only). Pursuant to 49 U.S.C. 5323(F) and 49 CFR Part 605, the **CONTRACTOR** agrees that it and all its subcontractors will: (1) engage in school transportation operations in competition with private school transportation operators only to the extent permitted by an exception provided by 49 U.S.C. 5323 (f) and implementing

regulations, and (2) comply with requirements of 49 CFR Part 605 before providing any school transportation using equipment or facilities acquired with Federal assistance awarded by FTA and authorized by 49 U.S.C. Chapter 53 or Title 23 U.S.C. for transportation projects. The **CONTRACTOR** understands that the requirements of 49 CFR Part 605 will apply to any school transportation it provides, that the definitions of 49 CFR part 605 apply to any school transportation agreement, and a violation of this agreement may require corrective measures and the imposition of penalties, including debarment from the receipt of further Federal assistance for transportation.

24. Use of \$1 Coins. As applicable, and to comply with Section 104 of the Presidential \$1 Coin Act of 2006, 31 U.S.C. Section 5312(p), the **CONTRACTOR** must ensure that FTA assisted property that requires the use of coins or currency in public transportation service or supporting service be fully capable of accepting and dispensing \$1 coins.
25. Protection of Animals. The **CONTRACTOR** must ensure that all third-party contractors providing services involving the use of animals must comply with the Animal Welfare Act, 7 U.S.C. Sections 2131 et seq. and Department of Agriculture regulations, "Animal Welfare," 9 CFR Subchapter A, Parts 1, 2, 3, and 4.
26. Additional Termination Clauses.
- A. Termination for Convenience. When it is in the TCTA best interest, the TCTA reserves the right to terminate this Agreement, in whole or in part, at any time by providing a ten (10) day written notice to the **CONTRACTOR**. The **CONTRACTOR** shall be paid its costs, including agreement close-out costs, and profit on work performed up to the time of termination. The **CONTRACTOR** shall promptly submit its termination claim to the TCTA. If the **CONTRACTOR** has any property in its possession belonging to the TCTA, the **CONTRACTOR** will account for the same, and dispose of it in the manner the TCTA directs.
 - B. Lack of Beneficial Results. This Agreement may also be terminated if the TCTA and the **CONTRACTOR** agree that its continuation would not produce beneficial results commensurate with the further expenditure of funds or if there are inadequate funds to operate the PROJECT equipment or otherwise complete the PROJECT.
 - C. Termination for Default. The TCTA may terminate this Agreement upon a finding that the **CONTRACTOR** has not made satisfactory progress toward procuring the PROJECT equipment, services, salary and wages, as appropriate, within twelve (12) months of execution of this Agreement, has not billed for operating assistance funds within twelve (12) months of execution of this Agreement, or that the **CONTRACTOR** is otherwise not complying with the terms of this Agreement. Termination shall be by written notice specifying the reason for termination and giving the **CONTRACTOR** thirty (30) days to correct the default. The TCTA shall be the sole judge as to whether the **CONTRACTOR's** corrective measures are adequate. If the **CONTRACTOR** fails to remedy to the TCTA's

satisfaction the breach or default or any of the terms, covenants, or conditions of this Agreement the TCTA shall have the right to terminate the Agreement without any further obligation to the **CONTRACTOR**. Any such termination for default shall not in any way operate to preclude the TCTA from also pursuing all available remedies against the **CONTRACTOR**.

- D. Period of Performance Extension. If it is later determined by the TCTA that the **CONTRACTOR** had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the **CONTRACTOR**, the TCTA, after setting up a new delivery of performance schedule, may allow the **CONTRACTOR** to continue work, or treat the termination as a termination for convenience.
- E. Mutual Termination. The PROJECT may also be terminated if the TCTA and the **CONTRACTOR** agree that its continuation would not produce beneficial results commensurate with the further expenditure of funds or if there are inadequate funds to operate the PROJECT equipment or otherwise complete the PROJECT.

27. Disputes. The TCTA and the **CONTRACTOR** shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, the **CONTRACTOR** shall submit to the authorized TCTA Representative for this Agreement or designee a written demand for a decision regarding the disposition of any dispute arising under this Agreement. The TCTA Representative shall make a written decision regarding the dispute and will provide it to the **CONTRACTOR**. The **CONTRACTOR** shall have an opportunity to challenge the TCTA Representative's determination but must make that challenge in writing within ten (10) working days to the TCTA's Executive Director or his/her designee. If the **CONTRACTOR** challenge is not made within the ten (10) day period, the TCTA Representative shall become the final decision of the TCTA. The TCTA and the **CONTRACTOR** shall submit written, factual information and supporting data in support their respective positions. The decision of the TCTA shall be final, conclusive and binding regarding the dispute, unless the **CONTRACTOR** commences an action in court of competent jurisdiction to contest the decision in accordance with Division 3.6 of the California Government Code.

28. Third Party Procurement. In accordance with applicable U.S. Department of Transportation third-party procurement regulations in FTA Circular 4220.1F, "Third-Party Contracting Guidance," November 1, 2008, and any later revision thereto, the **CONTRACTOR** agrees that it may not use FTA assistance to support its procurements unless there is satisfactory compliance with Federal laws and regulations including but not limited to the following:

- A. To California Department of Transportation clearly that the final agreement award to any bidder requires prior written approval by the TCTA and that bids are consistent with the PROJECT equipment description identified in the Standard Agreement, Exhibit A, Scope of Work between California Department of Transportation and the TCTA.

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- B. To comply with applicable Federal laws and regulations including, but not limited to, Federal transit laws at 49 U.S.C. Chapter 53, FTA regulations, and other Federal laws and regulations that contain requirements applicable to FTA recipients and their FTA assisted procurements. Also, to include all required Federal procurement provisions in each subagreement financed in whole or in part with Federal assistance provided by FTA.
- C. For all agreements and subagreements financed with Federal assistance, to comply with cargo preference requirements of 46 U.S.C. § 1241 and 46 CFR Part 381 when agreements involve equipment, materials, or commodities which may be transported by ocean vessels.
- D. To comply with the requirements of 49 U.S.C. § 5323 (c) and FTA regulations, "Bus Testing", 49 C.F.R. Part 665, and any revision thereto.
- E. To comply with the requirements of 49 U.S.C. § 5323(l) and FTA regulations, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 C.F.R. Part 663, and any revision thereto.
- F. To comply with the requirements of 49 U.S.C. § 5325(b) to award a third-party agreement using a competitive procurement process.
- G. In accordance with 49 U.S.C. § 5325(e)(1), in the procurement of rolling stock, may not enter into a multi-year agreement to purchase additional rolling stock and replacement parts with options exceeding five (5) years after the date of the original agreement.
- H. To comply with 49 U.S.C. § 5325(f), agrees that any third-party agreement award it makes for rolling stock will be based on initial capital costs, or on performance, standardization, life cycle costs, and other factors, or on a competitive procurement process.
- I. To comply with the requirements of 49 U.S.C. Section 5323(m) and FTA regulations, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases, " 49 CFR Part 663, and any revision thereto.
- J. To award a third-party agreement using a competitive procurement process in compliance with the requirements of 49 U.S.C. Section 5325.
- K. To comply with the requirements of 49 U.S.C. Section 5318(e) and FTA regulations, "Bus Testing", 49 CFR Part 665, including the certification that before expending any Federal assistance to acquire the first bus of any new bus model or any bus model with a new major change in configuration or components or before authorizing final acceptance of that bus, that model of bus will have been tested at the ALTOONA Bus Research and Testing Center. The **CONTRACTOR** must obtain the final testing report and provide a copy of the report to the TCTA.

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- L. To require each bidder to certify that it has complied with 49 CFR 26, which requires each transit vehicle manufacturer to establish annual goals for the participation of disadvantaged business enterprise and to submit those goals to FTA for approval.
- M. To comply with 49 U.S.C. Section 5323(j), FTA's Buy America regulations at 49 CFR Part 661 and any amendments thereto, and any implementing guidance issued by FTA, with respect to each third-party agreement.
- N. To meet applicable regulations of 49 CFR Part 663 in the purchase of revenue rolling stock.
- O. To comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et. seq. and Clean Water Act, as amended, 33 U.S.C. Section 1251 et. seq. Agrees to report and require each third-party subcontractor at any tier to report any violation of these requirements resulting from any PROJECT implementation activity of a third-party subcontractor, or itself to FTA and the appropriate U.S. EPA Regional Office.
- P. To comply with U.S. Environmental Protection Agency (U.S. EPA), "Comprehensive Procurement Guideline for Products Containing Recovered Materials," 40 C.F.R. Part 247, which implements section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962. Accordingly, the **CONTRACTOR** agrees to provide a competitive preference for products and services that conserve natural resources, protect the environment, and are energy efficient, except to the extent that the Federal Government determines otherwise in writing.
- Q. To comply with mandatory standards and policies relating to energy efficiency, which are contained in the California Department of Transportation energy conservation, plan issued in compliance with the Energy Policy and Conservation Act.
- R. To the extent applicable, agrees to conform to the National Intelligent Transportation Systems (ITS) Architecture and Standards as required by SAFETEA-LU § 5307(c), 23 U.S.C. § 512 note, and follow the provisions of FTA Notice, "FTA National ITS Architecture Policy on Transit PROJECT'S," 66 Fed. Reg. 1455 *et seq.*, January 8, 2001, and any other implementing directives FTA may issue at a later date, except to the extent FTA determines otherwise in writing.
- S. In accordance with 40 CFR Part 85, "Control of Air Pollution from Mobile Sources," 40 CFR Part 86, "Control of Air Pollution from New and In-Use Motor Vehicles and New and In-Use Motor Vehicle Engines," and 40 CFR Part 600, "Fuel Economy of Motor Vehicles, the **CONTRACTOR** must include provisions in all third-party agreement for procurement of

- rolling stock to ensure compliance with applicable Federal air pollution control and fuel economy regulations.
- T. **CONTRACTOR** shall refer to FTA "Best Practices Procurement Manual" for additional procurement guidance on procurement processes and any omissions applicable to the PROJECT. The **CONTRACTOR'S** failure to comply with all mandates shall constitute a material breach of this Agreement.
29. Amendments to Federal, California Department of Transportation and Local Laws, Regulations and Directives. The terms of the most recent amendment to any Federal, California Department of Transportation, or local laws, regulations, FTA directives, and amendments to the grant or cooperative agreement that may be subsequently adopted, are applicable to the PROJECT to the maximum extent feasible, unless the California Department of Transportation provides otherwise in writing.
30. Disposition of Equipment. The disposition of all PROJECT equipment shall be made in accordance with the requirements set forth in FTA's implementing regulations of 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to California Department of Transportation and Local Governments" and FTA Circular 9040.1F or 49 CFR Part 19, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Educations, Hospitals, and Other Non-profit Organizations" and FTA Circular 9070.1F. Whenever any PROJECT equipment is withdrawn from the PROJECT for any reason, the **CONTRACTOR** shall immediately notify the TCTA. Should the PROJECT be terminated, all property procured under this agreement becomes property of the TCTA and may be transferred to other eligible contractors at the sole discretion of the TCTA. At the option of the TCTA, the **CONTRACTOR** shall do one of the following:
- A. Written Notice of Termination. The TCTA may terminate this agreement upon finding that the **CONTRACTOR** is not operating the PROJECT equipment in accordance with the project description in the Scope of Work, or that the **CONTRACTOR** is otherwise not complying with the terms of this agreement. Termination shall be by written notice specifying the reason for termination and giving the **CONTRACTOR** thirty (30) days to correct the default. The TCTA shall be the sole judge as to whether the **CONTRACTOR'S** corrective measures are adequate. If **CONTRACTOR** fails to remedy to TCTA's satisfaction the breach or default or any of the terms, covenants, or conditions of this agreement the TCTA shall have the right to terminate the agreement without any further obligation to the **CONTRACTOR**. Any such termination for default shall not in any way operate to preclude the TCTA from also pursuing all available remedies against **CONTRACTOR** and its sureties for said breach or default. Once an agreement has been terminated within the provisions of this section, the TCTA reserves the right to seize vehicles or equipment procured under this agreement.

- B. Remit to the TCTA the proportional amount of current market value that exceeds \$5,000 per unit at the time of disposition, if any, of PROJECT equipment which shall be based on the percentage of the FTA grant funds paid by **CONTRACTOR** under this agreement. Fair market value shall be deemed to be the value of the PROJECT equipment as determined by a competent appraisal at the time the equipment is withdrawn from use; and
 - C. Return the equipment to the TCTA in the same condition as when received by the **CONTRACTOR**, except for reasonable wear and tear resulting from its use. The parties shall thereupon determine the amount of compensation, if any, to be paid by the **CONTRACTOR** to the TCTA in order to avoid any TCTA liability to the California Department of Transportation or to others.
31. Insurance. While the PROJECT equipment is in the possession or control of the **CONTRACTOR**, the **CONTRACTOR** shall maintain adequate insurance protection against liability for damages for personal bodily injuries (including death), property damage, and vehicle damage as conditioned in this section.
- A. The minimum limits of liability, shown below in parts J and K, may be increased by the TCTA at any time upon thirty (30) days notice to the **CONTRACTOR**.
 - B. The **CONTRACTOR** shall place Vehicle Physical Damage, including collision and comprehensive (fire, theft, etc.) insurance for amounts equal to the actual cash value of each vehicle and any other equipment that is part of the PROJECT equipment, with deductibles acceptable to the TCTA. This insurance shall include a provision designating the California Department of Transportation as the Loss Payee for all purposes of adjusting, settling, or paying claims for damage to the insured vehicle(s).
 - C. The California Department of Transportation, its officers, employees, and agents shall be named as additional insured.
 - D. The California Department of Transportation will not be responsible for any premiums or assessments on the policy.
 - E. The **CONTRACTOR**, and/or third-party subcontractor, shall furnish to the TCTA, before delivery of the PROJECT vehicle(s) to the **CONTRACTOR**, a certificate of insurance issued by a company licensed to write such insurance in California.
 - F. Prior to the annual insurance policy expiration date, the **CONTRACTOR** shall furnish to the TCTA a new certificate of insurance or other written evidence of insurance satisfactory to the TCTA. At any time that such evidence of insurance has not been provided, the TCTA shall have the right immediately to take possession of the PROJECT equipment and to enter the property of the **CONTRACTOR** for this purpose.

- G. The **CONTRACTOR** shall provide the TCTA at least thirty (30) days notice of cancellation or material change of the vehicle insurance policy.
- H. Public Agency or For-Profit CONTRACTORS. The following terms apply to all **CONTRACTORS** who are defined as a Public Agency or For-Profit entity, regardless if they are providing the service as the prime contractor or subcontractor:
1. Property Damage: The **CONTRACTOR** shall place property damage, whether the property of one or more claimants, in an amount not less than one million five hundred thousand dollars (\$1,500,000) per occurrence (combined single limit) for property damage liability combined in respect to vehicles with seating capacity of fifteen (15) or less, or five million dollars (\$5,000,000) per occurrence for property damage liability combined in respect to vehicles with seating capacity of sixteen (16) or more.
 2. Bodily Injury: The **CONTRACTOR** shall place bodily injury in an amount not less than one million five hundred thousand dollars (\$1,500,000) per occurrence (combined single limit) in respect to vehicles with seating capacity of fifteen (15) or less, or five million dollars (\$5,000,000) per occurrence for bodily injury in respect to vehicles with seating capacity of sixteen (16) or more.
 3. Vehicle Physical Damage: The **CONTRACTOR** shall place Vehicle Physical Damage, including collision and comprehensive (fire, theft, etc.) insurance for amounts equal to the actual cash value of each vehicle and any other equipment that is part of the PROJECT equipment, with deductibles acceptable to the TCTA. This insurance shall include a provision designating the California Department of Transportation as the Loss Payee for all purposes of adjusting, settling, or paying claims for damage to the insured vehicle(s).
- I. Non-Profit Agencies: The following terms apply to all **CONTRACTORS** who are defined as a non-profit agency, regardless if they are providing the service as the prime contractor or subcontractor:
1. Property Damage: The **CONTRACTOR** shall place property damage, whether the property of one or more claimants, in an amount not less than one million dollars (\$1,000,000) per occurrence (combined single limit) for property damage liability combined in respect to vehicles with seating capacity of fifteen (15) or less, or one million five hundred thousand dollars (\$1,500,000) per occurrence for property damage liability combined in respect to vehicles with seating capacity of sixteen (16) or more.
 2. Bodily Injury: The **CONTRACTOR** shall place bodily injury in an amount not less than one million dollars (\$1,000,000) per occurrence (combined single limit) in

respect to vehicles with seating capacity of fifteen (15) or less, or one million five hundred thousand dollars (\$1,500,000) per occurrence for bodily injury in respect to vehicles with seating capacity of sixteen (16) or more.

3. **Vehicle Physical Damage:** The **CONTRACTOR** shall place Vehicle Physical Damage, including collision and comprehensive (fire, theft, etc.) insurance for amounts equal to the actual cash value of each vehicle and any other equipment that is part of the PROJECT equipment, with deductibles acceptable to the TCTA. This insurance shall include a provision designating the California Department of Transportation as the Loss Payee for all purposes of adjusting, settling, or paying claims for damage to the insured vehicle(s).

32. Potential Subcontractors

- A. No Relationship Between the California Department of Transportation and Third-Party Contractor. Nothing contained in this Agreement or otherwise, shall create any contractual relation, obligation or liability between the California Department of Transportation and any third-party contractors, and no third-party agreement shall relieve the **CONTRACTOR** of his responsibilities and obligations hereunder. The **CONTRACTOR** agrees to be as fully responsible to the California Department of Transportation for the acts and omissions of its third-party contractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the **CONTRACTOR**. The **CONTRACTOR's** obligation to pay its third-party contractors is an independent obligation from the California Department of Transportation's obligation to make payments to the **CONTRACTOR**. As a result, the California Department of Transportation shall have no obligation to pay or to enforce the payment of any moneys to any third-party contractor.
- B. Third-Party Agreements and Subagreements Affected. To the extent applicable, Federal requirements extend to third-party contractors and their agreements at every tier, and to the subcontractors of third-party contractors and their subagreements at every tier. Accordingly, the **CONTRACTOR** agrees to include, and to require its third-party contractors to include appropriate clauses in each third-party agreement and each subagreement financed in whole or in part with financial assistance provided by FTA.
- C. No Federal Government Obligations to Third Parties. The **CONTRACTOR** agrees that, absent of the Federal Government's express written consent, the Federal Government shall not be subject to any obligations or liabilities to any contractor, any third-party contractor, or any other person not a party to the Grant Agreement in connection with the performance of the PROJECT. Notwithstanding any concurrence provided by the Federal Government in or approval of any solicitation, or third-party agreement, the Federal Government continues to have no obligation or liabilities to any party, including the **CONTRACTOR** or third-party contractor.

- D. Obligations on Behalf of the California Department of Transportation. The **CONTRACTOR** shall have no authority to agree for or on behalf of, or incur obligations on behalf of the California Department of Transportation.
- E. TCTA Approval of All Third-Party Agreements. The TCTA shall approve in writing all proposed third-party agreements, Memorandums of Understanding (MOU), or similar documents relating to the performance of the Agreement prior to implementation. The **CONTRACTOR** agrees that it will not enter into any third-party agreements unless the same are approved in writing by the TCTA. Any proposed amendments to such third-party agreements must be approved by the TCTA prior to implementation.
33. Environmental Impact and Related Procedures (Construction Only). The **CONTRACTOR** assures and certifies that agreements involving the construction of public transportation project much comply with regulations of 23 CFR Part 771. NEPA and CEQA requirements.
34. Research, Development, Demonstration, Deployment, and Special Studies (Research or Data Development Only). In accordance with 37 CFR Part 401, 49 CFR Parts 18 and 19, the **CONTRACTOR** must comply with patent and rights in data requirements for federally assisted agreements involving experimental, developmental or research work. The TCTA reserve a royalty-free, nonexclusive and irrevocable right to the data, patents, and/or inventions produced under this agreement and has the irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes and reserves the right to grant authority to others.
35. Third Party construction or facility improvement agreements.
- A. Davis-Bacon. In accordance with the requirements of 49 U.S.C. § 5333(a) and the implementing regulations of 29 CFR Part 5, the **CONTRACTOR** shall comply with the employee protection requirements of the Davis-Bacon Act for construction activities exceeding \$2,000 performed in connection with the PROJECT. The Davis-Bacon Act applies to agreements in excess of \$2,000 for construction, alteration, or repair of public buildings or public works and requires the inclusion of a clause that no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rates as determined by the Secretary of Labor.
- B. Bonding. For agreements or subagreements exceeding \$100,000, the following bonding requirements must be included: Bid guarantee from each **CONTRACTOR** equivalent to five (5%) percent of the bid price; performance bond on the part of the **CONTRACTOR** for 100 percent of the agreement price; and payment bond in the amount of either (1) 50% of the agreement price if the agreement price is not more than \$1 million or, (2) 40% of the agreement price if the agreement price is more than \$1 million but not more than \$5 million, or (3) \$2.5 million if the agreement price is more than \$5 million.

Tuolumne County Transit Services Agreement
Exhibit E - FTA & DOT Required Provisions

- C. Copeland Anti-Kickback. For agreements or subagreements exceeding \$100,000 and in accordance with 18 U.S.C. Section 874, Copeland "Anti-Kickback" Act, 29 CFR Part 3, the **CONTRACTOR** and Subcontractors on Public Building or Public Work Financed in Whole or in part by Loans or Grants from the United California Department of Transportations," the **CONTRACTOR** and subcontractors are prohibited from inducing, by any means, any employee, to give up any part of his or her compensation to which he or she is otherwise entitled.
- D. Construction Safety. As prohibited by the safety requirements of Section 107 of the Agreement Work Hours and Safety Standards Act, 40 U.S.C. Section 3704 and 29 CFR Part 1926, "Safety and Health Regulations for Construction," the **CONTRACTOR** and subcontractors must ensure safety at construction sites so that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous.
36. Registration Requirements (Recovery Act Agreements Only). The **CONTRACTOR** and all subcontractors must obtain a Dun and Bradstreet Data Universal Number (DUNS), (<http://www.dnb.com>), or update the existing DUNS record, and register with the Central Contractor Registration (CCR) (<http://www.ccr.gov>). The **CONTRACTOR** shall ensure that all third party contractors and subcontractors have a DUNS number and are registered in the Central Contractor Registration (CCR).
37. Certifications and Assurances (Recovery Act Agreements Only).
- A. The **CONTRACTOR** agrees to separately identify to subcontractor, and document at the time of agreement award and at the time of disbursement of funds, the Federal award number, Standard Agreement number, project title, and amount of Recovery Act funds.
- B. The **CONTRACTOR** must ensure each invoice submitted by subcontractors shall certify that the PROJECT items delivered and/or PROJECT work performed is authorized under the Recovery Act.
38. Additional Agreement Clauses (Recovery Act Agreements Only). The following agreement provisions must be included in all third party agreements involving Recovery Act funds. Model agreement clauses are available in the Federal Acquisition Regulation (FAR) website at, <http://www.arnet.gov/far/>.

FAR Reference	Title
FAR 52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Mar 2009)
FAR 52.204-11	American Recovery and Reinvestment Act – Reporting Requirements (Mar 2009)

Tuolumne County Transit Services Agreement
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FAR 52.215-2	Audit and Records – Negotiation (Jun 1999), Alt. I (Mar 2009)
FAR 52.216-24	Limitation of Government Liability
FAR 52.225-23	Required Use of American Iron, Steel, and Other Manufactured Goods— Buy American Act – Construction Materials under Trade Agreements (Mar 2009)
FAR 52.225-24	Notice of Required Use of American Iron, Steel, and Other Manufactured Goods – Buy American Act – Construction Materials under Trade Agreements (Mar 2009)

39. Utilization of Small Business: **CONTRACTOR** shall to the maximum extent practicable give a preference to small business in the award of subagreements for projects funded by Recovery Act dollars.
40. Agreement Term Limitation (Rolling Stock Only). In accordance with 49 U.S.C. Section 5325(e)(1), **CONTRACTOR** understands that agreements for the procurement of rolling stock and replacement parts is limited to no more than five years under a single agreement, even though delivery may take place beyond five years from the date of the initial agreement.
41. Transit Employee Protective Agreements (Transit Operation Only). The **CONTRACTOR** agrees to the comply with applicable transit employee protective requirements as follows:
- A. The **CONTRACTOR** agrees to carry out the transit operations work on the underlying agreement in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this agreement and to meet the employee protective requirements of 49 U.S.C. A 5333(b), and U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto.
 - B. The **CONTRACTOR** also agrees to include the applicable requirements in each subagreement involving transit operations financed in whole or in part with Federal assistance provided by FTA.
43. Useful Life Standard. In accordance with FTA Circular 5010.1D, the following Useful Life standards shall determine when PROJECT property will no longer be subject to monitoring and reporting requirements once the CONTRACTOR notifies the California Department of Transportation in writing. These criteria are subject to review by the 5310, 5311, 5316 or 5317 Branch Chief if either factor is less than the value shown herein.

Large Size, Heavy-Duty Transit Buses	12 years or 500,000 miles
Small Size, Heavy-Duty Transit Buses	10 years or 350,000 miles
Medium Size, Medium-Duty Transit Buses	7 years or 200,000 miles
Medium Size, Light-Duty Transit Buses	5 years or 150,000 miles

Tuolumne County Transit Services Agreement
Exhibit E - FTA & DOT Required Provisions

Other Light-Duty Vehicles (Small Buses & Specialized Vans)	4 years or 100,000 miles
Facilities (Concrete, Steel, Frame and Construction)	40 years
Computers, GPS, AVL, Phone System	3 years
Fareboxes	10 years
Bus Shelters/Benches	5 years

In reference to rolling stock, while age and mileage are the primary criteria used to determine the useful life of vehicles, this determination is based on the date the vehicle was put into active service, not the actual model year of the vehicle.

- 1) CONTRACTOR certifies, to the best of its knowledge and belief, that it and its contractors and subcontractors:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b) Have not, within the three (3) year period preceding this certification, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) transaction or contract under a public transaction, violation of Federal or state antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, state, or local) with commission of any of the offenses listed in subparagraph (1)(b) of this certification; and
 - d) Have not, within the three (3) year period preceding this certification, had one or more public transactions (Federal, state, and local) terminated for cause or default.
- 2) CONTRACTOR also certifies that, if CONTRACTOR later becomes aware of any information contradicting the statements of paragraph (1) above, it will promptly provide that information to the TCTA.
- 3) If CONTRACTOR is unable to certify to all statements in paragraphs (1) and (2) of this certification, through those means available to CONTRACTOR, including the General Services Administration's ***Excluded Parties List System (EPLS)***, CONTRACTOR shall indicate so in its Proposal, and will provide a written explanation to the TCTA.

Tuolumne County Transit Services Agreement
Exhibit F – Debarment & Suspension Certification

In signing this document, I declare under penalties of perjury that the foregoing certifications and assurances, and any other statements made by me on behalf of CONTRACTOR are true and correct.

Signature  Date 4-29-2015

Printed Name Donald Storer

As the undersigned Attorney for the above named CONTRACTOR, I hereby affirm to CONTRACTOR that it has the authority under state and local law to make and comply with the certifications and assurances as indicated on the foregoing pages. I further affirm that, in my opinion, these certifications and assurances have been legally made and constitute legal and binding obligations of CONTRACTOR.

I further affirm to CONTRACTOR that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the validity of these certifications and assurances or of the performance of the described project.

AFFIRMATION OF CONTRACTOR'S ATTORNEY

For Storer Transit Systems (Name of Applicant)

Signature  Date 4/29/15

Printed Name James D. Mayol of CONTRACTOR'S Attorney

Tuolumne County Transit Services Agreement
Exhibit G – Certification Regarding Lobbying

The undersigned Donald Storer certifies, to the best of his or her knowledge and belief, that: (Contractor)

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*.)]

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The Contractor, Storer Transit Systems, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.



Signature of Contractor's Authorized Official

Donald Storer/President,CEO

Name and Title of Contractor's Authorized Official

4-29-2015

Date

Storer Transit Systems

Attachment B - Proposal Form

Proposal to Manage and Operate Tuolumne County Transit

Proposal: This firm proposes to provide all administration, management, facilities, all services and items, including labor, materials, tools, equipment and incidentals, as required and set forth in the TCTA's Request for Proposals, and as described in this Proposal, for the following price per vehicle service hour for each contract year and for a total cost based on the estimated vehicle service hours as shown below:

	Estimated Total Vehicle Service Hours	Price Per Vehicle Service Hour	Total Cost Per Budget Year
Year 1	23,500	\$65.96	\$ 1,549,992
Year 2	23,500	\$67.28	\$ 1,580,992
Year 3	23,500	\$68.62	\$ 1,612,612
Year 4	23,500	\$69.99	\$ 1,644,864
Year 5	23,500	\$71.39	\$ 1,677,761
Year 6	23,500	\$72.82	\$ 1,711,316

Additional Optional Cost Items Per VSH

Item	One Year Cost	Additional VSH Cost
Option 1 - Mobile Data Terminals (MDT's)	\$ 38,365.98	\$1.63
Option 2 - MDT's & Manage My Trips module (Web Portal)	\$ 42,308.10	\$1.80
Option 3 - MDT & Interactive Voice Response (IVR) Auto Call Passenger	\$ 94,582.38	\$4.02
Option 4 - Gatekeeper Security camera upgrade to GPS and Live Video Streaming	\$ 25,158.00	\$1.07

Notes: 1. Please see Technology Section Attachment 28 of proposal for details.

Storer Transit Systems

Attachment B - Proposal Form
 Proposal to Manage and Operate Tuolumne County Transit

Proposed Annual Budgets by Fiscal Year (July 1st through June 30th)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Labor						
Salaries:						
Transit Manager	\$66,310	\$67,637	\$68,989	\$70,369	\$71,777	\$73,212
Mechanic	\$58,344	\$59,511	\$60,701	\$61,915	\$63,153	\$64,416
Assistant Manager	\$40,189	\$40,993	\$41,812	\$42,649	\$43,502	\$44,372
Mechanics	\$50,554	\$51,565	\$52,596	\$53,648	\$54,721	\$55,815
Dispatchers	\$85,857	\$87,574	\$89,325	\$91,112	\$92,934	\$94,793
Telephone Operators	\$36,823	\$37,559	\$38,310	\$39,076	\$39,858	\$40,655
Drivers	\$477,928	\$487,487	\$497,237	\$507,181	\$517,325	\$527,672
Administrative Assistant	\$12,407	\$12,655	\$12,908	\$13,166	\$13,430	\$13,698
Utility / Bus Washer	\$33,207	\$33,871	\$34,549	\$35,240	\$35,945	\$36,663
Safety officer	\$22,880	\$23,338	\$23,804	\$24,280	\$24,766	\$25,261
Accounting	\$9,450	\$9,639	\$9,832	\$10,028	\$10,229	\$10,434
Subtotal	\$893,949	\$911,828	\$930,064	\$948,665	\$967,639	\$986,991
Benefits:						
Transit Manager	\$11,273	\$11,498	\$11,728	\$11,963	\$12,202	\$12,446
Mechanic	\$6,832	\$6,969	\$7,108	\$7,250	\$7,395	\$7,543
Assistant Manager	\$9,918	\$10,117	\$10,319	\$10,526	\$10,736	\$10,951
Mechanics	\$8,594	\$8,766	\$8,941	\$9,120	\$9,303	\$9,489
Dispatchers	\$14,596	\$14,888	\$15,185	\$15,489	\$15,799	\$16,115
Telephone Operators	\$6,260	\$6,385	\$6,513	\$6,643	\$6,776	\$6,911
Drivers	\$81,248	\$82,873	\$84,530	\$86,221	\$87,945	\$89,704
Administrative Assistant	\$2,109	\$2,151	\$2,194	\$2,238	\$2,283	\$2,329
Utility / Bus Washer	\$5,645	\$5,758	\$5,873	\$5,991	\$6,111	\$6,233
Safety officer	\$3,890	\$3,967	\$4,047	\$4,128	\$4,210	\$4,294
Accounting	\$1,607	\$1,639	\$1,671	\$1,705	\$1,739	\$1,774
Medical-Dental-Vision Insurance	\$91,506	\$93,336	\$95,203	\$97,107	\$99,049	\$101,030

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Paid Time off (PTO)	\$59,748	\$60,943	\$62,162	\$63,405	\$64,673	\$65,967
Subtotal	\$303,225	\$309,290	\$315,475	\$321,785	\$328,221	\$334,785
Expenses						
Insurance - Vehicles	55,042	56,143	57,266	58,411	59,579	60,771
Insurance - Non-Vehicle	7,238	7,383	7,530	7,681	7,835	7,991
Performance Bond	7,500	7,650	7,803	7,959	8,118	8,281
Leases / Rentals						
Vehicle Preventative Maintenance	10,663	10,876	11,094	11,316	11,542	11,773
Vehicle Repair / Part Replacment	69,127	70,510	71,920	73,359	74,826	76,322
Tools/ Equipment	6,347	6,474	6,603	6,735	6,870	7,008
Services	11,680	11,914	12,152	12,395	12,643	12,896
Miscellaneous Materials / Supplies	2,856	2,913	2,971	3,031	3,091	3,153
Cleaning Supplies (Vehicles)	5,356	5,463	5,572	5,684	5,798	5,913
Utilities	15,798	16,114	16,436	16,765	17,100	17,442
Training & Recruitment	25,701	26,215	26,739	27,274	27,819	28,376
Uniforms	6,453	6,582	6,714	6,848	6,985	7,125
Marketing	4,400	4,488	4,578	4,669	4,763	4,858
Office Supplies-Printing	10,583	10,794	11,010	11,231	11,455	11,684
Tires	15,120	15,422	15,730	16,045	16,366	16,693
Shop Supplies-Laundry	14,983	15,283	15,588	15,900	16,218	16,542
Brochures, Tickets & Schedules	13,000	13,260	13,525	13,796	14,072	14,353
Computers, Automated Dispatching	12,500	12,750	13,005	13,265	13,530	13,801
Management Fee	58,472	59,641	60,834	62,051	63,292	64,558
Subtotal	\$ 352,818	\$ 359,875	\$ 367,072	\$ 374,414	\$ 381,902	\$ 389,540
Grand Total per Contract Year	\$ 1,549,992	\$ 1,580,992	\$ 1,612,612	\$ 1,644,864	\$ 1,677,761	\$ 1,711,316