



## RTA BOARD AGENDA

Wednesday, September 4, 2019  
at 8:30 AM (see projected timeline on Agenda page 2)  
**BOARD OF SUPERVISORS' CHAMBERS**  
**COUNTY GOVERNMENT CENTER**  
**1055 Monterey Street, San Luis Obispo, California 93401**

The *AGENDA* is available/posted at: <http://www.slorta.org>

**President: Fred Strong**

**Vice President: John Peschong**

Board Members:

John Peschong (First District – SLO County)  
Bruce Gibson (Second District – SLO County)  
Adam Hill (Third District – SLO County)  
Lynn Compton (Fourth District – SLO County)  
Debbie Arnold (Fifth District – SLO County)  
Jimmy Paulding (Arroyo Grande)

Heather Moreno (Atascadero)  
Jeff Lee (Grover Beach)  
Robert Davis (Morro Bay)  
Fred Strong (Paso Robles)  
Ed Waage (Pismo Beach)  
Andy Pease (San Luis Obispo)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency [LEP]) by contacting the RTA offices at 781-4833. Please note that 48 hours advance notice will be necessary to honor a request.

### FLAG SALUTE

### CALL MEETING TO ORDER, ROLL CALL

**PUBLIC COMMENT:** The Board reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

### A. INFORMATION AGENDA

- A-1 Executive Director's Report (Receive)
- A-2 Recognition of Employees with 10 Years of Service (Receive)
- A-3 Strategic Business Plan Results (Receive)

### B. ACTION AGENDA

- B-1 Authorize RFQ for Construction Management Services (Approve)

**C. CONSENT AGENDA:** (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the RTA or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 RTA Board Meeting Minutes of July 10, 2019 (Approve)
- C-2 Schedule for Financing & Construction of Bus Maintenance Facility (Receive)
- C-3 Amended Health Insurance MOU (Approve)
- C-4 Authority to Submit Round 2 AB617 Grant Application (Approve)
- C-5 RTA Board Meeting Minutes of August 7, 2019 (Approve)
- C-6 Purchase Replacement Engine (Approve)

**D. CLOSED SESSION:** – CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Board to meet in closed session concerning the following items:  
Initiation of litigation pursuant to subdivision (c) of Section 54956.9. One case.

**E. BOARD MEMBER COMMENTS**

**Projected timeline for meetings on September 4, 2019 (all times approximate)**

RTA meeting: Open Session – 8:30 a.m. to 9:30 a.m.

RTA Closed Session – 9:30 a.m. to 10:30 a.m.

SLOCOG meeting “Study Session” – 10:45 a.m. to 11:45 a.m.

City Selection Committee meeting (Mayors) – 11:45 a.m. to 12:30 p.m.

Next regularly-scheduled RTA Board meeting on November 6, 2019

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**SEPTEMBER 4, 2019**  
**STAFF REPORT**

**AGENDA ITEM:** A-1

**TOPIC:** Executive Director's Report

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Accept as Information

**BACKGROUND/DISCUSSION:**

**Operations:**

Staff celebrated the Employee of the Quarter BBQ on August 2<sup>nd</sup> and awarded the EOQ to RTA Bus Operator Randy Freeman. It was an extra special celebration, since we celebrated 10 years of in-house operations and the many employees who have been with us the entire period. Please see Agenda Item A-2 for more details of those accomplished employees.

The next Employee of the Quarter BBQ luncheon is tentatively scheduled for October 31, 2019 at the San Luis Obispo bus parking yard. Board members are encouraged to attend so that you can meet some of our employees and see how we operate transit services.

Grant funding has been fully-secured for the improvements to the Government Center passenger facility project in early August. We plan on issuing the construction bidding documents by mid-September with bids due in mid-October. Staff intends to bring the draft negotiated construction services agreement to the November Board meeting for consideration.

Since the previous RTA Board meeting, five new Bus Operator candidates completed training and are operating in revenue service. Please join me welcoming Tina, Scott, Lorraine, Beverly, and Tracey to the RTA team. We currently have one candidate in the six-week training program and we are continually seeking other candidates to fill the three open Bus Operator positions. We are still recruiting to fill two technician position, with one candidate currently in the hiring process. Gerry Martinez was promoted from Bus Operator to Operations Supervisor on August 12<sup>th</sup>, and he is enjoying his new role within the organization.

**Service Planning & Marketing:**

On August 21<sup>st</sup>, many staff and several RTA partners filled a BYD Corporation battery-electric bus (BEB) as a trial to determine if it could meet an important minimum

performance requirement over the Cuesta Grade: the ability to maintain a minimum 29 mph speed. The good news is that the almost-capacity (28 passengers) bus never dipped below 32 mph. The bus used 17% of its battery charge in the roundtrip from the RTA yard to Santa Margarita and back. With a design range of 170 miles on a full charge, this current technology BEB could not feasibly work in the RTA Route 9 operating environment without “topping up” the batteries along the route, since it could not complete three roundtrips of this 62-mile route. Staff will continue seeking state and federal funds to implement the goals stated in the March 6, 2019 staff report on the Zero Emission Vehicles policy – in particular, the need to work with jurisdictions to cooperatively develop in-route charging infrastructure.

Unfortunately, the RTA was not successful in attaining a highly-competitive FTA Section 5339(c) Low- and No-Emission grant award. This grant proposal would have provided gap funding for the first phase of BEB recharging infrastructure, as well as full funding for the second phase and the purchase of South County Transit BEBs. Only one grant was awarded in the State of California.

The RTA launched the previously-discussed Token Transit system in March that allows riding across most fixed-route services in the region (SoCo Transit, RTA, SLO Transit, and Paso Express). This is a mobile ticketing system for iOS and Android smartphones. So far, we have only received positive feedback from users, with a noticeable increase in usage with the start of school in mid-August. We will continue to engage our Bus Operators to determine if additional training or marketing is required.

### **Bus Maintenance Facility Update:**

Please see Agenda Item C-2 for additional information regarding the schedule for the bus maintenance facility construction and financing.

The SLO City Planning Commission unanimously accepted the project at its July 24<sup>th</sup> meeting, and no protests were received during the 10-day appeal period. In the past few weeks, staff worked closely with SLO City public works staff to further define the planned Prado Road Overpass project limits, which has resulted in far less property needed from the RTA. That has allowed us to use surface area for stormwater retention in lieu of planned underground storage tanks. This will save several hundred thousand dollars, which can be used to fund construction of our portion of the realigned Elks Lane roadway. It also allows more “breathing room” for bus circulation at the south end of our property and general “uncluttering” at the north end. While these changes will require additional design work by our consultant team, we are still targeting the end of September to submit the project to the Community Development Department for entitlement; our portion of the Elks Lane project will be submitted separately.

Staff also received its second construction cost estimate on June 25<sup>th</sup> based on 60% design/engineering assumptions: \$24,350,158 which is lower than the \$27,586,295 figure presented in the 30% estimate. This refined cost estimate is more in line with the estimate staff developed after eliminating many of the included “add-on options” that

staff has already instructed the design team to eliminate (liquid fueling, automated bus wash, in-ground bus lifts, etc.) after the 30% design/engineering assumptions were received. Staff had estimated around \$23 million. Staff would be happy to share the July 3<sup>rd</sup> document with public works directors at your respective jurisdictions for their review/comments.

The cost estimate documents, as well as the Electrification-Readiness Plan commissioned as part of the design contract, has helped us more precisely define the costs of battery-electric bus (BEB) infrastructure needs of the project. Staff will be submitting a second AB-617 grant application to the SLO APCD to partially fund the first phase of bus electrification.

Staff is requesting Board authority to move forward with procuring Construction Management Services. Additional information can be found as part of Agenda Item B-1 in this agenda. A draft agreement will be presented to the Board for execution at an upcoming meeting.

### **Finance and Administration:**

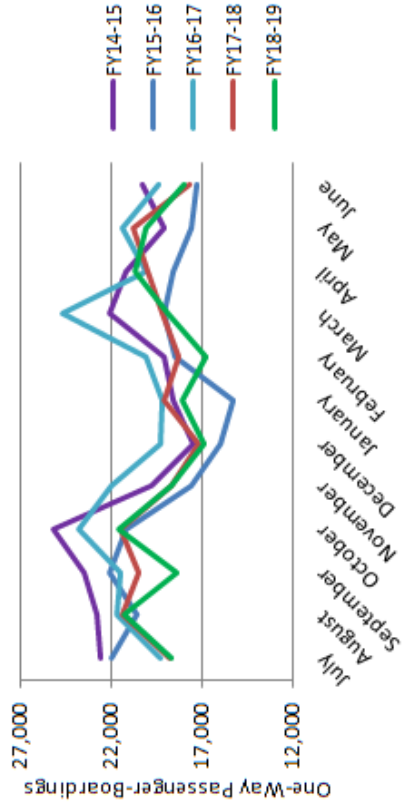
We welcomed Melissa Mudgett into the Grants Manager position on August 2<sup>nd</sup>. Melissa has experience working with transit grants in her previous position at the City of San Luis Obispo a few years ago. She is being ably mentored by former Grants Manager Omar McPherson, who was promoted into the Operations Manager position in March 2019.

Our unaudited operating and financial results for fiscal year 2018-19 are presented in the tables at the end of this report. This tabular information is summarized as follows:

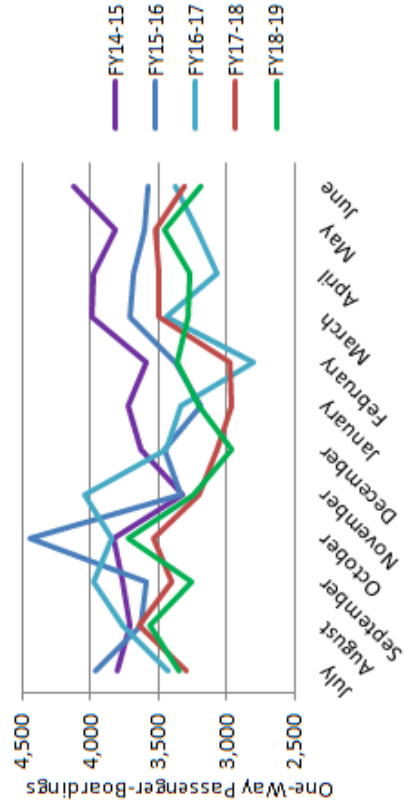
- RTA core fixed-route ridership totaled 700,431 for FY18-19. In comparison, the ridership for the same period last year was 718,846, which represents a decrease of 2.6%. See the graphs below for details on each fixed-route's ridership trends over the past five fiscal years.
- Runabout ridership totaled 39,848, which is a 1% decrease for FY18-19 in comparison to the previous year (40,298). Staff continues to look for ways to reduce Runabout demand and/or reduce costs for this highly-subsidized and federally mandated program.
- Trends over the past five years for productivity, which is defined as the average number of passenger-boardings per service hour, are trending favorably over the recent prior years.

- In terms of unaudited financial results, staff worked hard to keep operating and capital costs within budget in light of the relatively weakened ridership. See the tables on pages A-1-7 and A-1-8 for details. Some important takeaways include:
  - In terms of overall non-capital expenses, we are right on budget – 94.7% for the fiscal year.
  - Administrative costs are right on budget.
  - Overall Service Delivery costs equated to 93.6% of budget; these costs include both day-to-day operations and vehicle maintenance activities.
  - The farebox recovery ratio for core fixed-route services equated to 18.2%, while Runabout achieved a ratio of 5.0%. The RTA's results for this performance measure below the SBP standard of 25%, yet they are still above the 15.8% TDA requirement established by SLOCOG for FY18-19.
  - The subsidy per passenger-trip on core fixed-route services is \$7.65 and for Runabout it was \$78.01. As noted during the July 2019 RTA Board meeting, when fare-free fixed-route use by Runabout eligible riders is included, the overall Runabout-eligible subsidy per passenger-trip is actually quite lower – much more in-line with nationwide experience in larger, more-dense urban areas.

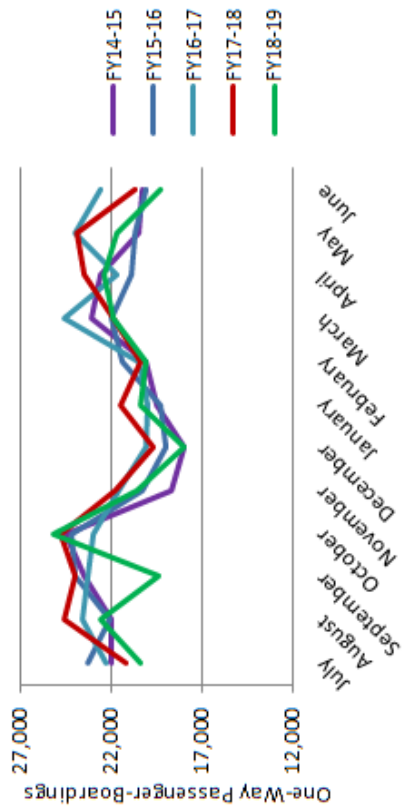
**RTA Route 10 Ridership By Month**



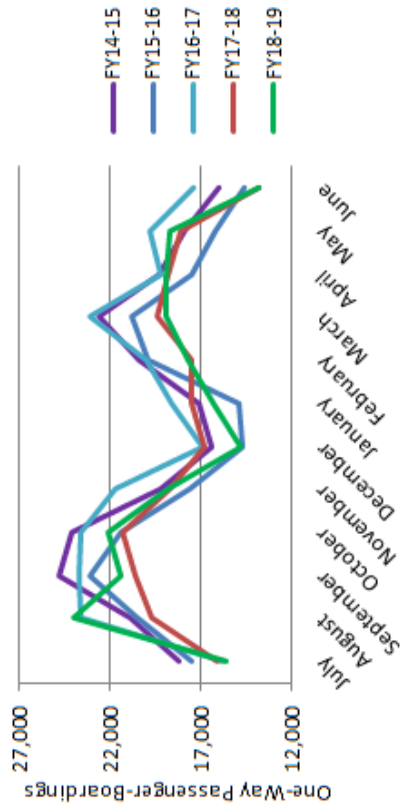
**RTA Runabout Ridership by Mo.**



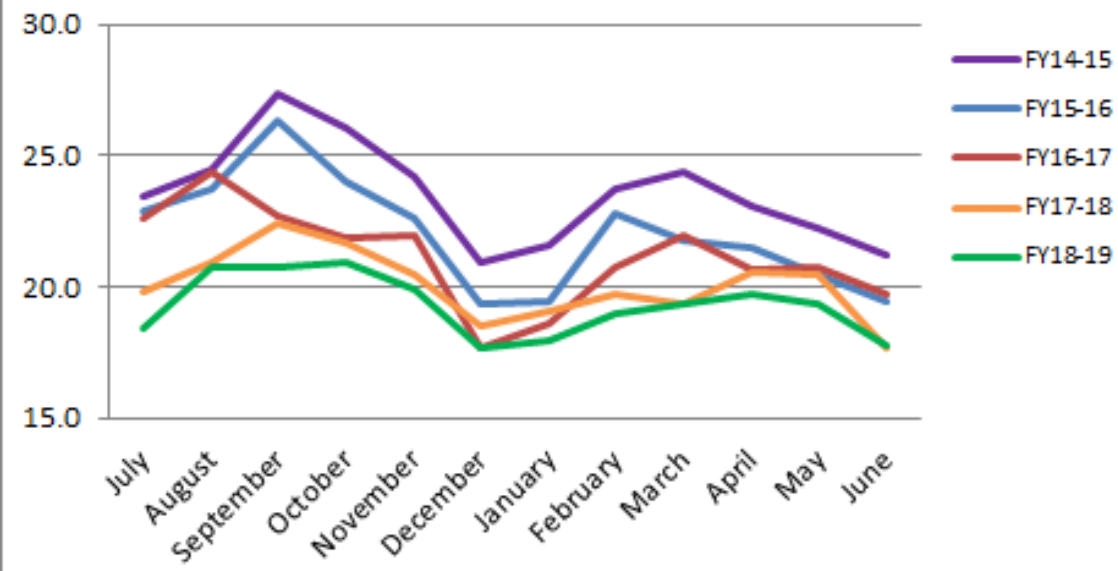
**RTA Route 9 Ridership By Month**



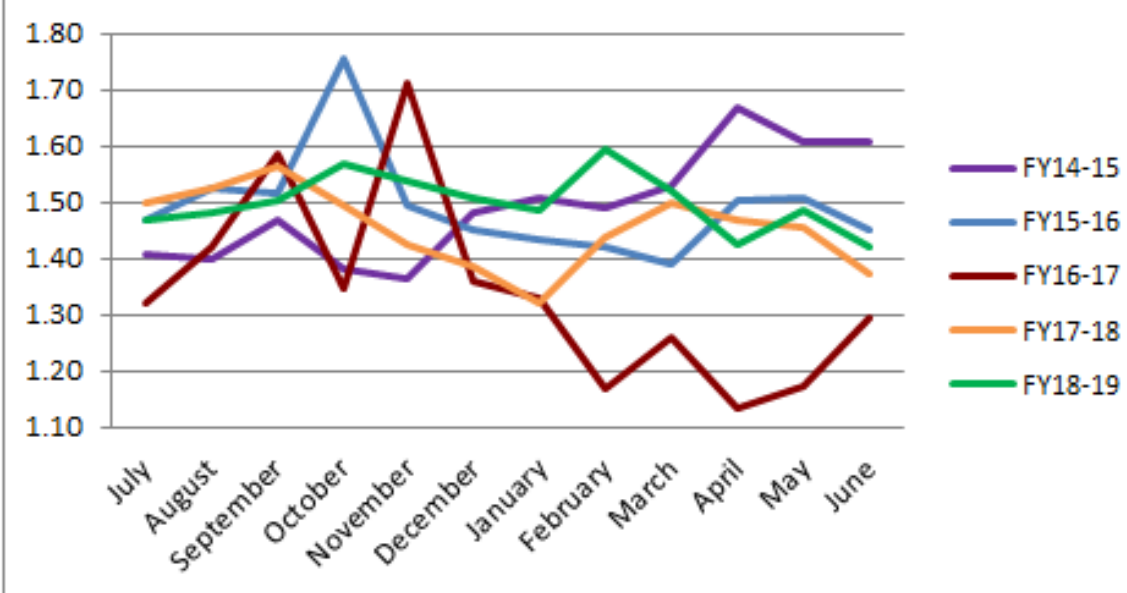
**RTA Rtes. 12, 14 & 15 Pass./Mo.**



## RTA Fixed Route Productivity



## RTA Runabout Productivity





SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

		Adopted Budget FY 2018-19	Year to Date FY 2018-19	Percent of Total Budget FY 2018-19
	Hours	72,080	70,260	97.5%
	Miles	1,624,850	1,581,425	97.3%
<b>Administration:</b>				
Labor	operations cost	894,050	815,093	91.2%
Labor - Administration Workers Comp	operations cost	65,150	64,365	98.8%
Office Space Rental	operations cost	458,500	460,186	100.4%
Property Insurance	operations cost	19,780	19,721	99.7%
Professional Technical Services	operations cost	98,480	154,634	157.0%
Professional Development	operations cost	46,270	42,932	92.8%
Operating Expense	operations cost	265,450	306,107	115.3%
Marketing and Reproduction	hourly	95,530	80,989	84.8%
North County Management Contract	operations cost	(43,740)	(43,740)	100.0%
County Management Contract	operations cost	(90,130)	(90,130)	100.0%
SCT Management Contract	operations cost	(124,660)	(124,660)	100.0%
<b>Total Administration</b>		<b>1,684,680</b>	<b>1,685,497</b>	<b>100.0%</b>
<b>Service Delivery:</b>				
Labor - Operations	hourly	4,556,490	4,233,471	92.9%
Labor - Operations Workers Comp	hourly	440,830	438,094	99.4%
Labor - Maintenance	hourly	1,033,450	1,000,134	96.8%
Labor - Maintenance Workers Comp	hourly	129,010	127,455	98.8%
Fuel	miles	991,560	1,021,026	103.0%
Insurance	miles	720,500	707,786	98.2%
Special Transportation (for SLOCAT and Paso)	n/a	43,900	45,476	103.6%
Avila Trolley	n/a	61,750	54,894	88.9%
Maintenance (parts, supplies, materials)	miles	703,460	504,564	71.7%
Maintenance Contract Costs	miles	129,870	113,283	87.2%
<b>Total Operations</b>		<b>8,810,820</b>	<b>8,246,182</b>	<b>93.6%</b>
<b>Capital/Studies:</b>				
Computer System Maintenance/Upgrades		43,830	33,869	77.3%
Miscellaneous Capital				
Maintenance Equipment		25,310	-	0.0%
Specialized Maintenance Tools		85,200	-	0.0%
Desks and Office Equipment		10,000	-	0.0%
Vehicle ITS		61,370	43,991	71.7%
Bus Stop Improvements/Bus Stop Solar Lighting		240,820	103,960	43.2%
Vehicles				
Support Vehicles		18,000	-	0.0%
40' Coaches		3,140,380	3,144,199	100.1%
Cutaway and Dial A Ride Vehicles		81,520	83,793	102.8%
Runabout Vehicles		729,320	668,692	91.7%
<b>Total Capital Outlay</b>		<b>4,435,750</b>	<b>4,078,504</b>	<b>91.9%</b>
<b>Contingency</b>	hourly	<b>125,950</b>	120,361	95.6%
<b>Interest Expense</b>	operations cost	<b>11,640</b>	7,458	64.1%
<b>Loan Paydown</b>		<b>211,670</b>	212,303	100.3%
<b>Short Range Transit Plan - Nipomo</b>		<b>22,750</b>	-	0.0%
<b>Elks Lane Project</b>		<b>2,671,700</b>	909,510	34.0%
<b>Management Contracts</b>		<b>258,530</b>	258,530	100.0%
<b>TOTAL FUNDING USES</b>		<b>18,233,490</b>	<b>15,518,345</b>	<b>85.1%</b>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		<b>10,891,620</b>	<b>10,318,028</b>	<b>94.7%</b>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU JUNE 30, 2019  
CURRENT FISCAL YEAR - 2018/2019**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	RT 7 PASO EXPRESS ROUTE A	RT 8 PASO EXPRESS ROUTE B	TOTAL PASO EXPRESS FIXED ROUTE	PASO EXPRESS DIAL A RIDE	RUNABOUT	SYSTEM TOTAL
<b>REVENUES:</b>												
FARES	\$ 359,209	\$ 360,886	\$ 257,742	\$ 18,556	\$ 35,307	\$ 1,031,700	\$ 61,935	\$ 74,828	\$ 136,762	\$ 5,909	\$ 162,618	\$ 1,336,989
<b>TOTAL ROUTE REVENUES</b>	\$ 359,209	\$ 360,886	\$ 257,742	\$ 18,556	\$ 35,307	\$ 1,031,700	\$ 61,935	\$ 74,828	\$ 136,762	\$ 5,909	\$ 162,618	\$ 1,336,989
<b>EXPENDITURES:</b>												
ADMINISTRATION	\$ 284,623	\$ 236,054	\$ 155,081	\$ 17,270	\$ 68,091	\$ 761,118	\$ 18,249	\$ 18,184	\$ 36,433	\$ 7,309	\$ 702,019	\$ 1,506,878
MARKETING	30,084	25,075	16,545	1,964	7,322	80,989	-	-	-	-	-	80,989
OPERATIONS/CONTINGENCY	1,324,629	1,122,474	721,522	80,620	326,751	3,575,996	287,658	286,532	574,189	109,512	2,204,626	6,464,324
FUEL	265,320	260,204	145,413	15,160	79,294	765,392	29,659	29,880	59,539	5,171	170,117	1,000,218
INSURANCE	165,895	162,723	90,932	9,258	49,571	478,379	18,723	18,892	37,616	4,595	194,473	715,063
<b>TOTAL EXPENDITURES</b>	\$ 2,070,550	\$ 1,806,530	\$ 1,129,493	\$ 124,272	\$ 531,029	\$ 5,661,874	\$ 354,290	\$ 353,488	\$ 707,777	\$ 126,587	\$ 3,271,234	\$ 9,767,472
<b>FAREBOX RATIO</b>	17.3%	20.0%	22.8%	14.9%	6.6%	18.2%	17.5%	21.2%	19.3%	4.7%	5.0%	13.7%
<b>SERVICE MILES</b>	360,973.2	354,048.6	197,817.7	20,139.1	107,721.9	1,040,700.4	42,757.2	43,130.7	85,887.9	10,515.0	444,312.0	1,581,415.3
<b>SERVICE HOURS</b>	13,551.9	11,255.7	7,388.8	809.5	3,249.7	36,255.5	3,090.8	3,076.7	6,167.5	1,242.2	26,594.4	70,259.6
<b>RIDERSHIP (Automatic Counters)</b>	251,567	227,685	175,135	21,251	24,795	700,433	53,948	55,462	109,410	2,576	39,848	852,267
<b>RIDERS PER MILE</b>	0.70	0.64	0.91	1.06	0.25	0.67	1.26	1.29	1.27	0.24	0.09	0.54
<b>RIDERS PER HOUR</b>	18.4	20.1	24.5	26.3	8.3	19.3	17.5	18.0	17.7	2.1	1.5	12.1
<b>COST PER PASSENGER</b>	\$ 8.23	\$ 7.93	\$ 6.45	\$ 5.85	\$ 21.42	\$ 8.08	\$ 6.57	\$ 6.37	\$ 6.47	\$ 49.14	\$ 82.09	\$ 11.46
<b>SUBSIDY PER PASSENGER</b>	\$ 6.80	\$ 6.35	\$ 4.98	\$ 4.97	\$ 19.99	\$ 6.61	\$ 5.42	\$ 5.02	\$ 5.22	\$ 46.85	\$ 78.01	\$ 9.89
<b>RIDERSHIP (GFI Fareboxes)</b>	227,722	191,745	153,267	12,030	20,410	605,174	48,253	55,411	103,664	2,576	39,848	751,262
<b>RIDERS PER MILE</b>	0.63	0.54	0.77	0.60	0.19	0.58	1.13	1.28	1.21	0.24	0.09	0.48
<b>RIDERS PER HOUR</b>	16.8	17.0	20.7	14.9	6.3	16.7	15.6	18.0	16.8	2.1	1.5	10.7
<b>COST PER PASSENGER</b>	\$ 9.09	\$ 9.42	\$ 7.37	\$ 10.33	\$ 26.02	\$ 9.36	\$ 7.34	\$ 6.38	\$ 6.83	\$ 49.14	\$ 82.09	\$ 13.00
<b>SUBSIDY PER PASSENGER</b>	\$ 7.52	\$ 7.54	\$ 5.69	\$ 8.79	\$ 24.29	\$ 7.65	\$ 6.06	\$ 5.03	\$ 5.51	\$ 46.85	\$ 78.01	\$ 11.22

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
 SEPTEMBER 4, 2019  
 STAFF REPORT**

**AGENDA ITEM:** A-2

**TOPIC:** Recognize employees with 10 Years of Service

**ACTION:** Receive

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Accept Report

**BACKGROUND/DISCUSSION:**

In August 2009, the RTA took Operations and Maintenance in house. At this time we are honored to celebrate 10 years of Service for the employees who were part of that transition and joined us shortly thereafter. Please join us in thanking these employees!

Abel Sanchez	Fred Carlberg	Michele Horton
AJ Troncozo	James Newton	Michelle Whitten
Alan Fields	James Shafer	Patricia Grimes
Carlos Candell	Jeff Gibson	Rey Gonzalez
Darla Nassif	Jewell Johnson	Richard Bush
David Field	Jorge Hernandez	Roy Esmon
David Guerrero	Lupe Martinez	Scott Taylor
David Roessler	Marisela Martinez	William Burrows
Donna Baxter	Matthew Adams	
Elmer Hart	Michael Moore	

In addition, the following Bus Operators and Maintenance Technicians have achieved 10 years without a preventable collision and without a preventable workplace injury. Please join us in celebrating this outstanding achievement!

Elmer Hart	Jorge Hernandez	Scott Taylor
James Newton	Rey Gonzalez	

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# RTA 10 Year Anniversary Employees!







**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SEPTEMBER 4, 2019  
STAFF REPORT**

**AGENDA ITEM:** A-3

**TOPIC:** Strategic Business Plan Results

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Receive Report on Performance Results through June 30, 2019

**BACKGROUND/DISCUSSION:**

The Strategic Business Plan (SBP) includes Vision and Mission Statements, as well as “stretch” performance standards to ensure the RTA continually seeks to improve its services. The RTA Board adopted its updated 2018-2020 SBP at its March 7, 2018 meeting. This is the third report that compares actual performance results against the newly adopted standards.

The attached report presents our year to date (YTD) results for FY18-19, as well as comparative information for prior fiscal years. Please note that the financial figures are unaudited estimates, but they provide a reasonable representation of each applicable financial measure. For measurement purposes, our *2016 Short Range Transit Plan* sets the base goals that the RTA believes it can achieve, and the SBP sets the standards that we strive to achieve.

The table on the next page presents a “dashboard” view of easily-reported objective standards and our year to date results. We did not achieve the adopted standard in those areas presented in red, while the metrics presented in green show our successes. The areas where RTA core services failed to meet our SBP standards are:

1. Productivity,
2. Farebox Recovery Ratio,
3. Preventable Collisions, and
4. Preventable Workers Compensation (Lost-Time).

All other objective standards were met. Staff will continue to closely monitor ridership and seek to increase boardings through a variety of marketing efforts. Information gathered from preventable collisions and work comp incidents is evaluated as training is developed for new and current employees.

### RTA's YTD FY18-19 Performance Results

Performance Metric	Standard	Result	Achieved?
Regional Fixed-Route Productivity (boardings/hour)	22.0	20.3	No
Route 15 Deviated Fixed-Route Productivity	8.0	7.7	No
Runabout Productivity	2.0	1.5	No
Fixed-Route Service Delivery (actual divided by scheduled)	99%	99%	Yes
Regional Fixed-Route On-Time Performance	85%	86%	Yes
Route 15 Deviated Fixed-Route On-Time Performance	70%	80%	Yes
Runabout On-Time Performance	95%	99%	Yes
Fixed-Route Bus Overcrowding	Various load factors	None exceeded	Yes
Systemwide Operating Budget (live within means)	< 100%	95.0%	Yes
Farebox Recovery Ratio (fares / net operating costs)	20.0%	18.2%	No
Preventable Collision Rate (per 100k miles traveled)	1.0	1.14	No
Preventable Workers Compensation Rate	Lost-time <6	11	No
	Med-only <10	5	
Risk Management Costs (percent of operating budget)	Industry norms	At or below market	Yes
Road Calls (per 100k miles traveled)	5.0	4.7	Yes

The ensuing pages present a narrative summary for each of the metrics presented in the dashboard, as well as for each of the subjective standards.

**Staff Recommendation:**

Receive the attached report on key performance indicator results achieved YTD in FY18-19.



## Focused 2018-20 Strategic Business Plan Standards of Excellence

**Standards of Excellence Section 1: Service Quality and Efficiency** – We will deliver dependable, customer focused and efficient transit services to the communities that we serve. Further, we will look for opportunities to deploy innovative new service within budgetary constraints.

**Standard 1:** The Productivity (one-way passenger-boardings per vehicle service hour) standards are presented below for regularly-scheduled / year-round services:

- A. Regional intercity fixed-route (RTA Routes 9, 10, 12 & 14) services shall be 22 or greater.
- B. Route deviation services (such as RTA Route 15) will be 8.0 or greater.
- C. Local fixed-route (Paso Express Routes A & B, and SoCo Transit Routes 21, 24, 27 & 28) shall be 17 or greater.
- D. Runabout and other demand response services will be 2.0 or greater.

Any recommended changes to seasonal or lifeline services (i.e., Shandon Dial-A-Ride) will include target productivity standards that must be met in order to qualify for continued funding.

*Measurement:* Objective.

- Reviewed monthly by Operations, and reported by Executive Director at each Board meeting.

FY18 Productivity													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA Fixed	20.8	22.0	24.4	22.7	21.4	18.0	21.1	20.8	20.9	23.2	21.1	18.1	21.1
Rte 15	8.4	8.3	8.0	7.4	7.9	7.5	7.6	4.5	7.5	7.4	7.6	6.9	7.4
Paso Express	16.1	16.9	20.6	18.8	19.1	17.9	17.1	17.8	16.3	19.7	19.9	18.3	17.9
Runabout	1.5	1.5	1.6	1.5	1.4	1.4	1.3	1.4	1.5	1.5	1.5	1.5	1.5
Paso DAR	2.1	2.0	2.1	2.2	2.3	2.1	2.2	1.7	2.1	1.9	2.0	2.2	2.1
Nipomo DAR	2.7	3.1	4.6	4.3	3.7	3.6	3.4	4.1	3.9	3.9	3.9	2.9	3.7

FY19 Productivity													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA Fixed	20.0	22.7	22.3	20.9	19.9	18.8	19.1	20.1	20.5	20.9	20.5	18.8	20.3
Rte 15	7.6	8.7	8.3	8.2	8.0	7.3	6.6	7.0	7.4	7.5	8.0	6.6	7.7
Paso Express	16.5	17.7	18.4	19.6	17.6	15.5	16.6	16.8	17.9	18.3	19.8	18.0	17.3
Runabout	1.5	1.5	1.5	1.6	1.5	1.5	1.5	1.6	1.5	1.4	1.5	1.4	1.5
Paso DAR	1.7	1.9	2.1	1.8	2.1	2.2	2.2	2.3	2.3	2.2	2.2	1.9	2.0
Nipomo DAR	1.7	3.5	3.9	4.3	3.6	3.8	3.2	3.8	3.7	2.3	3.7	2.3	3.5

The table above shows, we exceeded the standards for Paso Express, Paso Dial-A-Ride and Nipomo Dial-A-Ride. However, we did not meet the standards for RTA regional fixed-routes, RTA Route 15 or Runabout. As compared to last year the Paso Express’s 4<sup>th</sup> quarter continues to be the most productive part of the year. Like the national ridership trends we continue to see declines/stagnation, which is an area of concern for the RTA and our partner transit agencies. Staff will continue to look at alternatives to improve ridership number.

**Standard 2:** The Service Delivery rate for all regularly-scheduled / year-round services shall be 99% or greater.

*Measurement:* Objective.

- Reviewed quarterly by Operations, and reported by Executive Director bi-annually to the Board.

As long as a scheduled fixed route bus trip is delivered ahead of the next scheduled bus trip, then service is considered “delivered” (but that late trip will still be reported under the on-time performance measure discussed below). The service delivery goal is 99% or greater. The RTA delivers about 2,644 trips per month, and missed two scheduled trip in FY18-19, or a service delivery achievement of 99.99%. Paso Express delivers about 634 trips per month, and missed zero trips in FY18-19 for a performance of 100%.

**Standard 3:** “On-time” is defined as no later than six minutes from any time point in the published schedule. We recognize that making scheduled transfers between buses is vitally important to riders, and staff will explore methods of regularly measuring missed transfers. The following On-Time Performance standards shall apply to regularly-scheduled / year-round services:

- Regional intercity fixed-route and Express runs shall be 85% or greater.
- Local fixed-route shall be 90% or greater.
- Route deviation services shall be 70% or greater.

*Measurement:* Objective.

- Reviewed quarterly by Operations, and reported by Executive Director bi-annually to the Board.

FY 2018													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA	87%	86%	84%	86%	85%	85%	88%	87%	87%	86%	86%	88%	86%
Paso	88%	88%	88%	91%	92%	87%	89%	86%	89%	89%	89%	87%	89%
Rte 15	67%	78%	73%	74%	70%	65%	79%	73%	76%	74%	74%	81%	74%

FY 2019													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA	85%	85%	85%	87%	85%	85%	89%	88%	89%	86%	87%	86%	86%
Paso	87%	85%	86%	82%	77%	83%	83%	81%	84%	78%	86%	82%	83%
Rte 15	73%	69%	74%	84%	79%	81%	83%	84%	82%	88%	76%	86%	80%

The table above shows, we are meeting the standard for RTA intercity fixed-routes and RTA Route 15 deviated fixed-route, but failed to meet the standard on the two Paso Express local fixed-routes. Staff will continue to look for ways to achieve this goal.

**Standard 4:** The On-Time Performance (OTP) for Runabout and other demand response services shall be 95% or greater.

*Measurement:* Objective.

- Reviewed quarterly by Operations, and reported by Executive Director bi-annually to the Board.

Runabout service is considered on-time if the van arrives within 30 minutes of the appointed pick-up time. The goal is 95% or greater, and Runabout has surpassed this goal in each month of FY19, achieving an overall OTP result of 99%. Staff will continue to monitor Runabout’s OTP to ensure we continue to achieve this strong result.

**Standard 5:** The RTA will make consistent efforts to explore new service and service delivery options as well as work with regional efficiencies in the delivery of transportation to the jurisdictions

*Measurement:* Subjective.

- Reported by the Executive Director and Division Heads annually.
  1. The Morro Bay High School tripper was implemented at the start of the 2018 fall semester. . During the FY18/19 school year ridership is around 9.5 passengers per bus trip. This equates to a productivity of 38 passengers per hour. In comparison, Route 15 weekday ridership is 8.3 riders per hour.
  2. Schedule revisions and minor route alignment changes are evaluated routinely to improve service delivery.
  3. Staff monitors ridership and customer comments looking for system improvements.

**Standard 6:** The RTA will measure Overcrowding as the frequency of instances that the number of passengers on a bus exceeds the number of seats (i.e., 34 passengers on a 34-seat bus equates to a Load Factor of 1.00), as well as the duration of exceedances. The Overcrowding standards are as follows:

- A. The standard for regular fixed-route services is no more than 10% of the monthly total number of bus trips that exceed a Load Factor of 1.25 for greater than 20 minutes.
- B. The standard for Express services is no more than 10% of the monthly total number of bus trips exceeds a Load Factor of 1.00 for greater than 20 minutes.

If the Load Factor standards are exceeded, staff will assign a larger vehicle (if possible); otherwise, the Board will direct staff to evaluate adding scheduled bus trips to spread out the passenger loads.

*Measurement:* Objective.

- Reviewed quarterly by Operations, and reported by the Executive Director biannually to the Board.

There were no trips exceeding the overcrowding standard during the evaluation period. Staff will continue to monitor the service for crowding issues.

**Standards of Excellence Section 2: Revenue and Resources** – While providing excellent service to our customers and communities, we will do so within the financial resources available to us. The financial health of the organization will not be compromised, and we will work to deliver good value for the taxpayers’ investment in the RTA.

**Standard 1:** The annual operating budget will be based upon projected revenue and the total operating cost will not exceed the budget adopted by the Board.

*Measurement:* Objective.

- Tracked monthly in financial statements and reported bimonthly to the RTA Board.

Fiscal Year 2012 Result: Operating Costs were 95% of the adopted budget  
Fiscal Year 2013 Result: Operating Costs were 93% of the adopted budget  
Fiscal Year 2014 Result: Operating Costs were 90% of the adopted budget  
Fiscal Year 2015 Result: Operating Costs were 88% of the adopted budget  
Fiscal Year 2016 Result: Operating Costs were 90% of the adopted budget  
Fiscal Year 2017 Result: Operating Costs were 89% of the adopted budget  
Fiscal Year 2018 Result: Operating Costs were 94% of the adopted budget  
Fiscal Year 2019 Result: Operating Costs were 95% of the adopted budget (unaudited)

Budget versus actual expenses data is calculated and reviewed on a monthly basis by RTA staff. This information is reported to the Board at each meeting (typically every other month) to help inform decisions.

**Standard 2:** The Farebox Recovery Ratio for all regularly scheduled / year-round services shall be 20% greater than the minimum standard required by SLOCOG to meet TDA requirements.

*Measurement:* Objective.

- Tracked monthly and reported bimonthly to the RTA Board.

Fiscal Year 2012 Result: 28.8%  
Fiscal Year 2013 Result: 30.8%  
Fiscal Year 2014 Result: 31.5%  
Fiscal Year 2015 Result: 26.4% (including Paso Express)  
Fiscal Year 2016 Result: 25.7% (including Paso Express)  
Fiscal Year 2017 Result: 21.4% (including Paso Express)

Fiscal Year 2018 Result: 20.5% (including Paso Express)

Fiscal Year 2019 Result: 18.35% (including Paso Express unaudited)

The RTA consistently meets or exceeds this FRR goal, and ridership remains strong albeit lower than the record achieved in FY13-14. Staff will continue to closely monitor our FRR performance, particularly as the economy continues to improve, gas prices continue to remain relatively low, and private automobile ownership increases.

**Standard 3:** No significant annual fiscal and compliance audit findings.

*Measurement:* Objective.

- Finance and Administration will report any negative audit findings to the RTA Board.

The RTA consistently achieves positive annual fiscal and compliance reports with no significant financial audit findings. Staff strives to improve transparency and continues to implement procedures that exceed the auditors' expectations.

**Standard 4:** Ensure that all capital procurements provide good value to our customers and our employees.

*Measurement:* Subjective.

- Evaluated through the Marketing Department's biannual Community Perception Survey, feedback from communities, and review of the annual 5-year capital program by the RTA Board.

The annual capital program is developed by staff and presented to the Board as part of the annual budget-making process. In addition, staff presents budget revision recommendations if conditions change.

**Standards of Excellence Section 3: Safety** – We recognize the tremendous importance of safety in the operation of RTA service to our customers and communities. Therefore, the safety of our customers and employees will be an organizational priority and we will be proactive in promoting system safety.

**Standard 1:** Rate of preventable vehicle collisions will not exceed 1.0 per 100,000 miles.

*Measurement:* Objective.

- Rate shall be tracked by the Safety and Training Manager, and reported annually to the RTA Board.

RTA Fiscal Year 2012-13 Result: 1.14

RTA Fiscal Year 2013-14 Result: 0.74

RTA Fiscal Year 2014-15 Result: 0.73

RTA Fiscal Year 2015-16 Result: 1.03

RTA Fiscal Year 2016-17 Result: 0.37

RTA Fiscal Year 2017-18 Result: 0.94

RTA Fiscal Year 2018-19 Result: 1.14

This result is particularly alarming, although a review of the collision types thankfully demonstrates several minor and non-injury collisions. Staff will continue to track this KPI closely.

**Standard 2:** Address all safety hazards identified by the Safety Resource Committee.

*Measurement:* Objective.

- List shall be compiled with action items and timelines by the Safety and Training Manager.

During fiscal year 218-19, the Safety Resource Committee has closed-out 27 action items, and opened 37 new suggestions and 17 open action items remain on the agenda. Employees are engaged in the Safety Resource and Employee Committee by submitting suggestions. Suggestions that are not directly related to the Committee are forwarded to the appropriate department for resolution. Our 2019 annual refresher-training classes for Bus Operators, Supervisors and Dispatchers started April 6, 2019 and will continue throughout the year. We are excited to have California Highway Patrol Officer as a guest speaker instructing a one-hour course on Distracted Driving, San Luis Obispo District Attorney Office staff member is conducting Human Trafficking Awareness and San Luis Obispo County Staff are conducting Sexual Harassment Training to employees.

**Standard 3:** Preventable workers compensation lost-time claims will not exceed six annually, and preventable medical-only claims will not exceed five annually.

*Measurement:* Objective.

- All work comp claims shall be duly investigated and immediately reported by Finance and Administration staff to our carrier.

Fiscal Year 2010-11 Result: 10

Fiscal Year 2011-12 Result: 16 (includes 7 medical only)

Fiscal Year 2012-13 Result: 11

Fiscal Year 2013-14 Result: 9 (includes 5 medical only)

Fiscal Year 2014-15 Result: 10 (includes 5 medical only)

Fiscal Year 2015-16 Result: 1 lost-time claim (no medical only)

Fiscal Year 2016-17 Result: 5 lost-time claims, and 3 medical only

Fiscal Year 2017-18 Result: 0 lost-time claims, and 7 medical only

Fiscal Year 2018-19 Result: 11 lost-time claims (10 have been closed as of July 31, 2019), and 5 medical only (all have closed as of July 31, 2019)

**Standard 4:** Customer and community perception of system safety will be at least 90%.

*Measurement:* Objective.

- As measured in biannual Community Perception Survey.

The most recent Customer Perception Survey was completed in October 2017, and a full write-up was provided in the January 3, 2018 agenda packet. The next Customer Perception Survey will be completed in March 2020.

**Standard 5:** Total risk management costs shall not exceed industry norms. Staff will undertake alternating market surveys every four years for vehicle liability / physical damage coverage and for workers compensation coverage.

*Measurement:* Objective.

- Tracked monthly by Finance and Administration and reported bimonthly to the RTA Board.
- Reported monthly by Finance and Administration in financials and YTD budget reports.

Fiscal Year 2011 Result: 5.1% of total operating costs  
Fiscal Year 2012 Result: 7.5% of total operating costs  
Fiscal Year 2013 Result: 7.6% of total operating costs  
Fiscal Year 2014 Result: 8.2% of total operating costs  
Fiscal Year 2015 Result: 8.7% of total operating costs  
Fiscal Year 2016 Result: 10.7% of total operating costs  
Fiscal Year 2017 Result: 13.7% of total operating costs  
Fiscal Year 2018 Result: 13.2% of total operating costs

Staff has worked hard to close claims submitted in prior years. More importantly, our workers compensation premiums declined for the first time in many years. Although this is good news, due to the tightening market in California, staff expects risk management costs to continue to escalate unless tort reform or other adjustments are made by the Legislature that could reduce transit agencies' exposure to frivolous lawsuits. If our exposure could be reduced, it would likely increase competition in the market and reduce our risk management costs. Staff is closely monitoring this issue and will report developments back to the Board as information is collected.

**Standards of Excellence Section 4: Human Resources** – Our employees are the foundation of the organization. We will support our employees in achieving excellence through training and development, teamwork, and continuous efforts at effective communication while treating each with integrity and dignity.

**Standard 1:** Recruit, promote and retain highly qualified employees to achieve our service standards.

*Measurement:* Subjective.

- Annual assessment by Executive Director and Department Heads.

The annual calendar year turnover rates for RTA are as follows:

- 2010 – 24%
- 2011 – 33%
- 2012 – 20%
- 2013 – 12%
- 2014 – 19%
- 2015 – 18%
- 2016 – 14%
- 2017 – 19%
- 2018 – 20%
- 2019 – 9% (through June 30, 2019)

**Standard 2:** Provide continuous development of skills and capabilities through ongoing training and development programs that foster personal and professional growth. Department Heads develop training plans as part of annual budget-making process, according the following minimum standards:

- A. Maintenance: 30 Hours per technician annually.
- B. Operations Supervisors: 24 Hours annually.
- C. Bus Operators: 8 Hours Annually.
- D. Finance and Administration: 16 Hours per employee annually.

*Measurement:* Objective.

- Department Heads evaluated annually for achievement of training objectives.

Staff appreciates the Board’s commitment to funding a relatively robust training budget. It should be noted that ongoing training is a major part of what staff does on a daily basis to help both the organization and staff grow professionally.

- Maintenance: For the current fiscal year, the Technicians have averaged 65.75 hours per person, with significant training being conducted for electrical, breaks, and air conditioning. The RTA has greatly benefited from the Southern California Regional Transit Training Consortium, providing significant training resources which has been of significant benefit to the agency. For FY17-18, the Technicians averaged 27 hours of training per person.
- Operations Supervisors (24 Hours annually): In FY18-19 the average is 28 training hours per person which exceeds this standard. These trainings includes the follow:
  - Operations and training staff are attending a series of CARE Training conducted by County Mental Health professionals.
  - Operations and training staff have attended observation training with San Luis Obispo County 911 operators.
  - Operations and training staff are rotating to attend observation training with San Luis Obispo Police Department.



- RTA staff completes 2-hour Management Sexual Harassment Training every two-years.
  - Operations Manager and one Operations Supervisor attended the FTA Drug and Alcohol Conference in April 2019.
  - Operations Manager attended FTA Triennial Review Workshop training, FTA Financial Management Oversight Training in June 2019.
  - New supervisor did Drug and Alcohol Reasonable suspicion training.
  - Four supervisor attended a week long Transportation safety institute superiors training.
  - Staff did a five hour CalTIP training on collision reporting.
- Bus Operator training includes:
    - State-mandated minimum of 8 hours of *Verification of Transit Training* annually.
    - Six-month refresher for new Bus Operators.
    - Focused and customized training designed specifically for Bus Operators at their second anniversary.
- Finance and Administration: these training hours are used by each employee in various ways based on their responsibilities and in consultation with his or her direct supervisor. For FY18-19, these include the CTA Annual Meeting in October 2018, participating on the CalACT Board, participation at the twice-yearly CalTIP Board of Directors meetings, attending CARE training with Operations Supervisor and Training staff, FTA Triennial Review Workshop training, FTA Financial Management Oversight Training, and various human resources training sessions.

**Standard 3:** Enable our employees to achieve excellence in serving our customers by building teamwork and understanding effective communication within the organization.

*Measurement:* Subjective.

- Employees provided opportunity to provide feedback on organizational communication as part of the Executive Director’s annual evaluation.

We continually stress the tenets of *Verbal Defense and Influence*, which focused us how to communicate more effectively with each other and our customers – particularly in difficult or threatening situations. A total of ten RTA staff members meet bi-weekly to discuss general items that may affect other departments; others are invited as needed and to address specific issues (when possible, including one Bus Operator and/or one Operations Supervisor). Finally, the Executive Director and the three department heads meet weekly to ensure consistency in messaging and direction for the organization – including focused discussions on the design of the new Bus Maintenance Facility project.

**Standard 4:** Employees will be evaluated annually in a fair and equitable way to judge performance and be provided a developmental plan for the next fiscal year.

*Measurement:* Objective.

- Employee merit evaluations will be provided to each employee annually with the evaluation grading measurement of attainment of department objectives developed during the budget process and achievement of RTA's Standards and RTA's KPIs.

The RTA currently completes formal annual evaluations for administration and management staff. Bus Operators are evaluated based on the requirements of the Collective Bargaining Agreement (CBA) and to ensure the public's safety. Both Technicians and Bus Operators are evaluated as part of the RTA Safety Awards program on their individual anniversary dates.

**Standards of Excellence Section 5: Fleet and Facility** – We will operate and maintain a modern and clean fleet and facilities that will be pleasing to our customers and a source of pride for our employees and our communities.

**Standard 1:** If funding permits, the RTA will match SLO Transit's standard of replacing revenue vehicles when they reach the FTA-defined useful life minimums in terms of service years or miles. If funding remains constrained, negotiate with SLO Transit to ensure neither agency's buses surpass 40% beyond the FTA standards.

*Measurement:* Objective.

- As tracked by Finance and Administration as part of grant-making efforts.

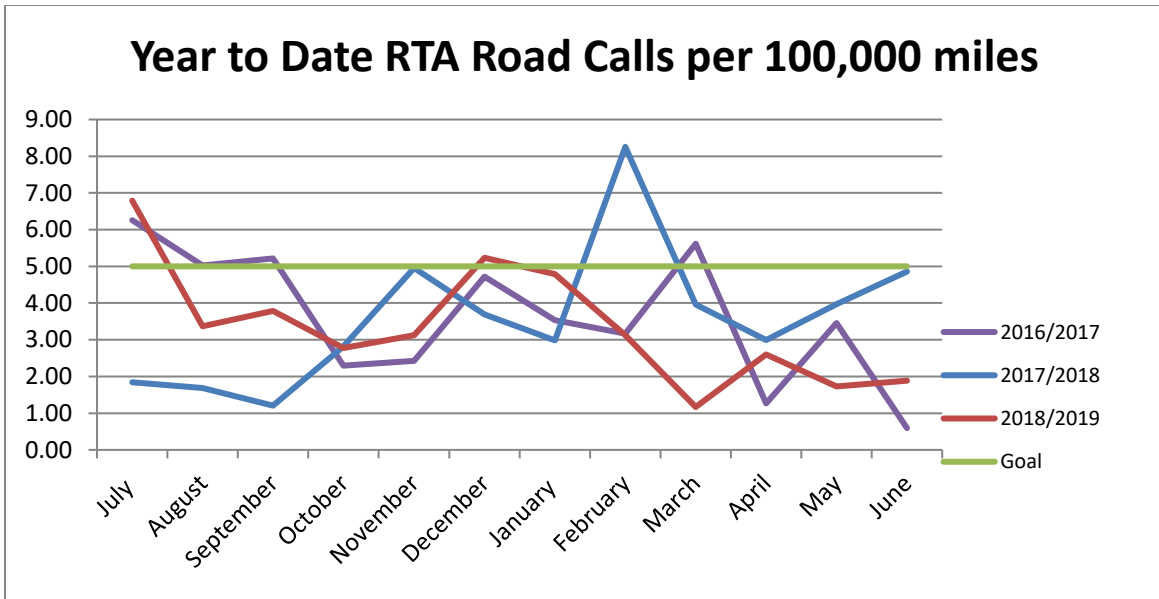
As of June 30, 2019 the average RTA fixed-route vehicle age (including Paso Express fixed-route vehicles) is just over 6.5 years with an average of 236,617 miles. The design life of a heavy-duty fixed-route bus is 12-years/500,000 miles. The average demand response vehicle age (including Runabout and other Dial-A-Ride vans) is 3 years with an average of 49,986 miles. The design life of a demand response van is 4-years/100,000 miles, so we are currently within the RTA's standards. Our capital program was updated as part of the 2016 SRTP update, which was adopted by the RTA Board in July 2016. In addition, a five-year capital program is included in each annual budget document.

**Standard 2:** Road calls will not exceed five per 100,000 vehicle service miles. A road call is defined as all mechanical or other vehicle-related failures that affect the completion of a scheduled revenue trip or the start of the next scheduled revenue trip, including failures during deadheading and layover.

*Measurement:* Objective.

- As tracked and reported by the Maintenance Department, and reported biannually to the RTA Board.

As depicted in the graph below, this standard has been achieved in all but seven months over the past three fiscal years. The year-end average was 3.63 in FY16-17, 3.6 in FY 17-18, and 4.65 in FY 18-19. The RTA uses the same definition of a road call as used in the National Transit Database. We will closely track this standard as our fleet ages and/or if breakdowns appear to be happening more frequently.



**Standard 3:** Maintain a clean, attractive fleet. Maintain our facilities so that they are safe and appealing to customers and employees.

*Measurement:* Subjective.

- As measured by employee and customer feedback.

The results of the October 2017 comprehensive Customer Perception Survey was reported in the January 3, 2018 Board meeting. Two questions were included in the customer survey (“Cleanliness of buses,” and “Bus exterior appearance”), and they received average scores of 3.40 (sixth-highest ranking) and 3.49 (third-highest ranking), respectively. However, the employees ranked “Cleanliness of buses as second-lowest, with an average score of 2.98 out of four, while “Bus exterior appearance” third-worst (3.12).

**Standard 4:** Achieve an 80% favorable rating of bus stop appearance by customers and the communities that we serve.

*Measurement:* Objective.

- As measured in the biannual Community Perception Survey.

Bus stop appearance was included in the October 2017 Customer Perception Survey. Customers ranked it tied for tenth-highest (3.31), while employees ranked it worst (2.92). In summary, our customers’ ranking met the 80% favorable standard, while our employees ranked it below the standard.

**Standard 5:** Achieve all federal- and state-mandated maintenance minimums, as well as vendor recommended maintenance schedules, for our fleet and facilities. The following standards apply:

- A. No negative CHP Annual Terminal Inspection, FTA Triennial Review or TDA Triennial Performance Audit findings.
- B. Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

*Measurement:* Objective.

- As tracked by the Maintenance Department, and reported annually to the RTA Board.

There were no negative findings in the 2017 TDA Triennial Performance Audit nor in the recent 2016 FTA Triennial Review. Preventable maintenance has been completed on a timely basis, with no CHP findings.

**Standards of Excellence Section 6: Leadership** – We will strive to be one of the nation’s leading small transit operators. We will work to maintain collaborative relationships within the industry, within our community, and with our stakeholders. We will develop future leaders from within our organization.

**Standard 1:** Maintain cooperative relationships with federal, state and local funding agencies.

*Measurement:* Subjective.

- Will be reviewed by staff and RTA Board.

Staff believes that we have fostered a strong relationship with our partners at the federal, state and local levels. If any issues arise (i.e., the recent ARB *Innovative Clean Transit* proposal), it is brought to the Board’s attention for direction. The Executive Director serves on the CTA Small Operators Committee, and also assumed the Chairperson role for the CalTIP Board in July 2019.

**Standard 2:** Develop partnerships with stakeholders, community leaders and decision makers, while keeping them well informed of the integral role of RTA and contributions to the communities that we serve.

*Measurement:* Subjective.

- To be evaluated and monitored by RTA Board.

The agency’s partnership successes are formally discussed by the Board during the Executive Director’s annual evaluation. However, issues and ideas are also forwarded by community members to both the Board and staff throughout the year. The Executive Director also attends City Council and Board of Supervisors meetings throughout the year, as well as community outreach events and workshops.

**Standard 3:** Promote effective internal communications and promote the values of the organization.

*Measure:* Subjective.

- To be evaluated by Executive Director.

Promoting effective internal communication is a task that always requires high- and mid-level nurturing. Senior staff members meet weekly to discuss effective communications and our organizational values, while a broader group meet bi-weekly to strive to ensure messaging is consistent and useful. Like any organization that is not afraid to “peel back the layers,” we often find examples of where we can improve and the Executive Director informs the Board President of on-going efforts. We have recently worked with third-party consultants to improve communication protocols among the departments/divisions in the organization. While we believe we are making strides, this is an area in which improvements can always be realized and the work is never “done.”

**Standard 4:** Provide effective leadership for public transportation within the County.

*Measurement:* Subjective.

- To be evaluated by Executive Director and RTA Board.

Similar to the discussion on Standard 4 above, the Executive Director’s leadership is evaluated annually as part of his review. The Executive Director also discusses leadership successes and goals with his three department heads as part of their annual evaluation. Finally, the Executive Director and other senior RTA staff discuss direction with other transit agency staff during quarterly RTAC meetings and other transit-focused meetings (i.e., FTA 5307 planning, UZA MOU discussions, SSTAC, etc.) throughout the year.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**SEPTEMBER 4, 2019**  
**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Construction Management Services

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Authorize Executive Director to Procure Bus Maintenance Facility Construction Management Services

**BACKGROUND/DISCUSSION:**

Because the City of San Luis Obispo Planning Commission accepted the planned new RTA Bus Maintenance Facility on July 24<sup>th</sup>, the final design and engineering is currently being completed by our consultant, RNL/Stantec Architects. The final design will be submitted to the City for permitting by the end of September. The next step is to secure construction management services. Construction management is a professional service that provides a project's owner with effective management of the project's schedule, cost, quality, safety, scope, and function. These principles are echoed in the March 2016 update of the Federal Transit Administration's *Project and Construction Management Guidelines* document, which also incorporates the RTA's responsibilities under the FAST Act as it relates to capital project oversight.

Construction management costs are eligible for 80% reimbursement through the FTA Section 5307 and Section 5339 grant programs – two primary fund sources for construction of the planned RTA Bus Maintenance Facility. Construction management costs on transit facility projects typically are in the 3% to 5% of final construction cost range, with more complex projects often approaching 10%. Because our project is relatively simple – no complex fueling or other automated systems – and we have contracted separately for facility commissioning services, we have identified a budget at the low end of the construction management cost range. This equates to a budget on the order of \$700,000 for these services. Once the optimal vendor is selected and a draft agreement is negotiated, staff would bring the draft agreement to the

**Staff Recommendation**

Authorize the RTA Executive Director to issue a request for statements of qualifications for Bus Maintenance Facility construction management services and to negotiate a draft agreement with the highest-ranked offerer.

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**DRAFT**  
**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**BOARD MEETING MINUTES OF JULY 10, 2019**  
**C-1**

**BOARD MEMBERS PRESENT:**

LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO  
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO  
JOHN HEADDING, CITY OF MORRO BAY  
JEFF LEE, CITY OF GROVER BEACH (arrived during Item A-1)  
JIMMY PAULDING, CITY OF ARROYO GRANDE  
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (Vice President)  
ANDY PEASE, CITY OF SAN LUIS OBISPO  
HEATHER MORENO, CITY OF ATASCADERO  
FRED STRONG, CITY OF PASO ROBLES (President)  
ED WAAGE, CITY OF PISMO BEACH

**BOARD MEMBERS ABSENT:**

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO  
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO

**STAFF PRESENT:**

GEOFF STRAW, EXECUTIVE DIRECTOR  
NINA NEGRANTI, SAN LUIS OBISPO COUNTY COUNSEL  
CHELSEA SPERAKOS, ADMINISTRATIVE ASSISTANT  
TANIA ARNOLD, DEPUTY DIRECTOR/CFO  
OMAR McPHERSON, OPERATIONS MANAGER  
RICK WEBB, BUS OPERATOR  
MARISELA MARTINEZ, OPERATIONS SUPERVISOR  
MARY GARDNER, MARKETING AND COMMUNITY RELATIONS MANAGER

**CALL TO ORDER AND ROLL CALL:** RTA Meeting called to order at 8:30 AM and roll call was taken. A quorum was present.

**PUBLIC COMMENT:**

**President Strong** opened and closed Public Comment.

**A. INFORMATION AGENDA**

**A-1 Executive Director's Report (Receive):**

**Mr. Geoff Straw** asked **Mr. Omar McPherson** to introduce the Employee of the Quarter. **Mr. McPherson** stated the Employee of the Quarter **Rick Webb** has been with RTA since 2013; he is a stable person for questions and customers know him by name. **Mr. Straw** noted the next EOQ is August 2nd which

is also the 10 year anniversary of bringing services in house. RTA has hired Scott, Tina, and Lori, with three others in training and three in backgrounds. There will be a battery electric bus (BEB) demonstration on July 15-19, which the board members are invited to participate in. **Ms. Mary Gardner** and **Ms. Sara Woolsey**, from SLOCOG, were invited to a careers in transportation day camp at Cuesta College for middle school age children interested in transportation careers. The government center design and engineering is completed; the design has been approved by ARC and funding is being finalized. The ticket vending machine is installed and expected to be up and running July 15th.

RTA will be delaying the SCT consolidation until 2020 because of the impact on full time employees' benefits. The state FY19/20 Budget has been adopted, with \$182 million incentives for zero emission buses and \$245 million for air quality management. RTA has had strong ridership in South County and North Coast, Runabout ridership has been the same, and productivity is trending well. The agency is below budget for overall non capital expenses, below budget on service delivery, on budget for administration, fare box recovery ratio 18.2%, Runabout 5%, and YTD subsidy per passenger is \$7.49.

**President Strong** opened and closed Board questions and public comment.

**Ms. Heather Moreno** moved to receive the agenda item A-1 and **Ms. Andy Pease** seconded the motion. A voice vote was taken and the motion passed unanimously.

#### **A-2 Analysis of Runabout Trip Patterns (Receive)**

**Mr. Straw** stated the fare free service for ADA riders has helped relieve the cost of Runabout, a program created in collaboration with SLO Transit. Route 15 has been able to pick up ADA passengers by deviating off the route, in an effort to relieve the Runabout service. Runabout ridership has declined since 2014, especially longer trips. **Mr. Straw** then discussed the data tables in the agenda. Top runabout trips are in San Luis Obispo and Paso Robles. Paso has expanded their service in Templeton because of demand. Very little money is spent to reimburse RTA partners for fare free service. The agency plans to monitor and evaluate riders to determine if they can be offered travel training to relieve cost, with a focused outreach to Runabout riders in North County.

**President Strong** opened Board questions and public comment.

**Ms. Pease** expressed her appreciation for RTA reaching out to the community for next steps and travel training; are there folks that don't know about Runabout?

**Mr. Straw** stated that Regional Rideshare does outreach; their efforts have been brought to senior centers, calling 511, etc. **Ms. Woolsey** stated that outreach efforts have been extended to low income, homebound seniors, and riders with special needs.

**President Strong** closed Board questions and public comment.

**Mr. Ed Waage** moved to receive the agenda item A-2 and **Ms. Pease** seconded the motion. A roll call vote was taken and the motion passed unanimously.

#### **A-3 RTA Bus Maintenance Facility Update on Design & Financing (Receive)**

**Mr. Straw** stated staff reporting lists 9 tasks completed since the May board meeting. There is a delay on solar RFP, PPA now only. There is a scheduled planning commission presentation on July 24th with a 60% engineering cost estimate that includes city fees, contingencies, escalation, buy America premium, and bond insurance. It does not include realignment costs of Elks Lane. New tariffs and market conditions add \$1.5 million due to the cost of steel escalating. The design team will be in the RTA office on Thursday July 11th and Friday July 12th.

**President Strong** opened Board questions and public comment.

**Mr. Jimmy Paulding** asked if there is a contingency for construction for the bus garage project.

**Mr. Straw** clarified where the contingency information can be found.

**Mr. Jeff Lee** asked if there has been discussion for additional operation costs once it is completed.

**Mr. Straw** stated that a commission agency has been hired to estimate costs.

**President Strong** closed Board questions and public comment.

**Mr. Lynn Compton** moved to receive the agenda item A-3 and **Mr. Waage** seconded the motion. A roll call vote was taken and the motion passed unanimously.

## **B. ACTION AGENDA**

### **B-1 Public Hearing: Equity Analysis for Bus Maintenance Facility Project (Action)**

**Mr. Straw** stated that the RTA Board Property subcommittee met throughout 2013 to 2014 to evaluate sites. The Board accepted the siting analysis report in 2015, and RTA contracted Rincon Consultants to complete environmental evaluations. The study found no significant impacts on humans; and after the building size was reduced, SLO City asked for an amendment to the study to reflect recent changes. Equity Analysis studies unfair impacts to low income or destitute individuals. There were no significant findings, and when RTA reached out to CAPSLO and Promotores Collaborative, the only request was to also make the study available in Spanish. RTA also published a public hearing in the Tribune.

**President Strong** opened to the hearing to the public for comments. There were no comments presented, and **President Strong** called the hearing to a close.

**Mr. Bruce Gibson** made a motion to approve item B-1 and **Ms. Pease** seconded the motion. The motion passed unanimously via voice vote.

### **B-2 Relinquish FTA Funds for Downtown Transit Center Property Purchase (Approve)**

**Mr. Straw** stated the downtown transit center is now infeasible as identified in grant; the allocated funds lock into the Higuera site on October 1st and cannot be reallocated to another site. RTA needs to avoid FTA de-obligation. RTA is requesting to relinquish \$4 million of the grant, reallocate \$100,000 to another eligible project, and ask the FTA to recognize that a downtown transit center is still needed. RTA requests that SLOCOG transfer \$1 million in Prop 1B funds and \$150,000 of TDA funds to the bus garage facility project.

**President Strong** opened Board questions and public comment.

**Mr. Paulding** asked if the funds can be redirected towards purchasing battery electric buses.

**Mr. Straw** replied that because of the grant application, we cannot do that.

**President Strong** stated that Department of Transportation recommendations are consistent.

**Mr. Pete Rodgers**, SLOCOG, stated that the county really does need to cut project and he supports staff recommendation to relinquish funds. SLOCOG wrote the grant, completed environmental study, and cost per space doubled when trying to collaborate.

**President Strong** closed Board questions and public comment.

Mr. Ed Waage motioned to approve item B-2, and Mr. Gibson seconded the motion. The motion passed unanimously via roll call vote.

**C. CONSENT AGENDA: (Roll Call Vote)**

**C-1 RTA Board Meeting Minutes of April 3, 2019 (Approve)**

**C-2 RTA Board Meeting Minutes of May 1, 2019 (Approve)**

**C-3 RTA Board Meeting Minutes of June 5, 2019 (Approve)**

**C-4 CalTIP JPA and Bylaws Revisions (Approve)**

**C-5 Agreement with Bond Counsel (Approve)**

**C-6 MOU with Caltrans Regarding DBE Reporting (Approve)**

**C-7 Financing the Bus Maintenance Facility (Approve)**

**C-8 Agreement for Bus Maintenance Facility Commissioning Services (Approve)**

**C-9 Agreement for Use of Demonstration BYD Battery-Electric Bus (Approve)**

**C-10 Amendment to Agreement with Stantec for Environmental Planning Services (Approve)**

**C-11 Paso Robles Bus Parking Yard Mitigations Monitoring Report (Receive)**

**C-12 Update to RTA Disadvantaged Business Enterprise Program (Approve)**

President Strong opened Board questions and public comment.

Ms. Lynn Compton requested to abstain on voting items C-1 and C-3, as she was not present during those meetings.

President Strong closed Board questions and public comment.

Ms. Pease motioned to approve items C-1 through C-12 and Mr. Waage seconded the motion. The motion passed unanimously via roll call vote with Ms. Compton abstaining on Items C-1 and C-3.

**D. CLOSED SESSION: – CONFERENCE WITH LEGAL COUNSEL:** It is the intention of the Board to meet in closed session concerning the following items

None

**E. BOARD MEMBER COMMENTS**

Mr. Waage requested an update on transportation in the Shell Beach straits.

Mr. Straw stated that there are abandoned corridors due to construction, and RTA has reformatted the service vehicle on route 24 to reinstate service. Cutaways will be used to serve the area instead of full size buses.

President Strong adjourned the RTA Board meeting at 9:21 AM.

Special RTA Board meeting on August 7, 2019 (following SLOCOG meeting)

Respectfully Submitted, Chelsea Sperakos Administrative Assistant

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**SEPTEMBER 4, 2019**  
**STAFF REPORT**

**AGENDA ITEM:** C-2

**TOPIC:** RTA BMF Schedule

**ACTION:** Receive

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Receive and File the Design/Construction Schedule and Financing Schedule

**BACKGROUND/DISCUSSION:**

Attached are schedules that depict milestones for various activities related to development of the planned new RTA Bus Maintenance Facility. Staff has shared the overall Design/Construction Schedule at previous Board meetings, but this is the first time we have carved out a separate Financing Schedule. The latter was developed in conjunction with our financial planning partners at KNN Financial and our bond counsel at Nossaman LLP, as well as with our design/engineering project manager at RNL/Stantec. In short, we worked collaboratively on these two schedules to ensure the entire project team is working cooperatively and that we all recognize the tight timelines to complete the Bus Maintenance Facility project.

It is instructive to begin with the Design/Construction Schedule, since it encompasses the entire Bus Maintenance Facility project from Notice to Proceed on August 22, 2018 through the anticipated end of construction in December 2021. The project team has worked diligently to remain on schedule, and in almost every case we have done so for each task. This was no mean feat, since we were forced to amend the CEQA Initial Study/Mitigated Negative Declaration report to reflect changes to the project as we honed down the project to meet budgetary constraints and to address the requirements of the new Innovative Clean Transit fleet rule imposed by the California Air Resources Board in December 2018. Next up on the Design/Construction Schedule is item #37, denoted as “90% CD Deliverables.” As shown, staff expects to receive these draft final design documents on or before August 25<sup>th</sup>; following our review and comments to the design consultant, the final documents will be submitted to the City Planning Department for Plan Check (Permitting) as early as September 9<sup>th</sup> – which is two weeks ahead of the original schedule. The next major milestone is advertising an invitation for construction bids in late-February / early-March 2020, with award to the successful low-bidder in May/June.

Moving on to the Financing Schedule, you will notice that we are currently in the middle of Transportation Infrastructure Finance and Innovation Act (TIFIA) review tasks, with the Go/No-Go decision required in mid-December 2019. Depending upon the outcome

of that decision, the RTA will begin the formal bank loan or TIFIA loan and/or bond issuance between mid-December 2019 and mid-February 2020. The close of the loan and/or bond sale would be dovetail well with the bidding for construction mentioned above.

**Staff Recommendation**

Receive and file the Design/Construction Schedule and the Financing Schedule.



**FINANCING SCHEDULE FOR RTA BUS MAINTENANCE FACILITY**

ID	% Complete	Task Name	Duration	Start	Finish	Qtr 1, 2019			Qtr 2, 2019			Qtr 3, 2019			Qtr 4, 2019			Qtr 1, 2020			Qtr 2, 2020			Qtr 3, 2020			Qtr 4, 2020			Qtr 1, 2021			Qtr 2, 2021			Qtr 3, 2021			Qtr 4, 2021		
						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	100%	Analyze Plan of Finance Alternatives	63	1/31/2019	4/3/2019																																				
2	100%	Outreach to Department of Transportation	30	5/1/2019	5/30/2019																																				
3	100%	Bond Counsel Procurement	51	5/21/2019	7/10/2019																																				
4	75%	TIFIA Leter of Interest	93	5/31/2019	8/31/2019																																				
5	75%	FTA Grant 2020 Funding Cycle	92	6/1/2019	8/31/2019																																				
6	0%	TIFIA Creditworthiness Review	62	9/1/2019	11/1/2019																																				
7	0%	Indicative Credit Rating Process	46	8/1/2019	9/15/2019																																				
8	0%	Finalize Plan of Finance - TIFIA and Bank Loan	46	8/1/2019	9/15/2019																																				
9	0%	TIFIA Oral Presentation	31	9/15/2019	10/15/2019																																				
10	0%	TIFIA Application	62	10/15/2019	12/15/2019																																				
11	0%	Notification of Completeness	32	10/15/2019	11/15/2019																																				
12	0%	Formal Notification of Project Approval	62	11/15/2019	1/15/2020																																				
13	0%	Determine Go/No-Go for TIFIA If No-Go Commence Public Bond Offering	1	12/15/2019	12/15/2019																																				
14	0%	TIFIA Negotiations / Bank Negotiations	63	12/15/2019	2/15/2020																																				
15	0%	Term Sheet Issuance	63	12/15/2019	2/15/2020																																				
16	0%	Credit Agreement Execution	63	12/15/2019	2/15/2020																																				
17	0%	Funding Obligation	32	1/15/2020	2/15/2020																																				
18	0%	Receive Credit Rating on TIFIA/Bond Borrowing	1	2/15/2020	2/15/2020																																				
19	0%	Board Approval of Proposed Borrowing(s)	1	2/15/2020	2/15/2020																																				
20	0%	Price Public Bonds (if applicable)	1	3/1/2020	3/1/2020																																				
21	0%	Close Loan/Bond Sale Concurrent with Contractor Bidding	1	3/14/2020	3/14/2020																																				
22	0%	Draw on Grant/Loan/Bond Proceeds	551	6/3/2020	12/5/2021																																				



**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**SEPTEMBER 4, 2019**  
**STAFF REPORT**

**AGENDA ITEM:** C-3

**TOPIC:** Amended Memorandum of Understand and Related Resolution with Special District Risk Management Authority

**ACTION:** Approve Resolution

**PRESENTED BY:** Tania Arnold, Deputy Director

**STAFF RECOMMENDATION:** Adopt

**BACKGROUND/DISCUSSION:**

During the August 1, 2018, September 5, 2018, and November 7, 2018 San Luis Obispo Regional Transit Authority (RTA) Board Meetings, the Board considered and approved various provisions which allowed the RTA to join the Special District Risk Management Authority (SDRMA) in order to participate in California State Association of Counties Excess Insurance Authority (CSAC EIA) small group health benefits program.

In transitioning to CSAC EIA Health for the 2019 plan year, the RTA was be able to provide equal, if not enhanced, benefit plans to all participating employees and retirees, and equity between all employee groups within the organization, along with added plan stability at within budgeted levels. The RTA will benefit in the future from the unique arrangement of the CSAC EIA Health insurance pool by being able to take advantage of the shared risk model offered by an insurance pool of small agencies as well as large agencies. The goal of the shared risk model is to stabilize premium rates across a large number of pool members. In addition, CSAC EIA provides pooling opportunities for dental, vision, life and disability insurance.

At the June 26, 2019 SDRMA Board meeting, the Board approved amendments to the Memorandum of Understanding (MOU) between each agency and SDRMA. The amendments were made to align the MOU with the IRS guidelines, the Affordable Care Act and the CSAC-EIA pool guidelines.

As a result, the RTA must approved the attached resolution and MOU before November 1, 2019 in order to remain in the SDRMA program.

**Staff Recommendation**

Approve the attached Resolution and MOU between the Special District Risk Management Authority and the RTA in order to continue to participate in the CSAC EIA small group health benefits program.

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## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.**

**WHEREAS**, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities into the CSAC - Excess Insurance Authority Health's ("CSAC-EIA Health") Small Group Health Benefits Program (hereinafter "PROGRAM"); and

**WHEREAS**, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by CSAC-EIA Health Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and.

**WHEREAS**, ENTITY desires to enroll and participate in the PROGRAM.

**NOW THEREFORE**, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
3. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit solution to all participants of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional). ENTITY public officials may participate in the PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
4. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, public officials, dependents and retirees.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants

and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties up to and including termination from the PROGRAM. Premiums are based on a full month, and there are no partial months or prorated premiums. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.

5. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to PROGRAM underwriter for approval.
6. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM and will be provided by SDRMA to each ENTITY. SDRMA will provide each ENTITY with additional documentation, defined as the SDRMA Program Administrative Guidelines which provide further details on administration of the PROGRAM.
7. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
8. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:
  - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
  - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must

- be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.
- c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
  - d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.
9. WITHDRAWAL. ENTITY may withdraw subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY may rescind its notice of intent to withdraw. Once ENTITY withdraws from the PROGRAM, there is a 3-year waiting period to come back into the PROGRAM, and the ENTITY will be subject to underwriting approval again.
  10. LIAISON WITH SDRMA. Each ENTITY shall maintain staff to act as liaison with SDRMA and between the ENTITY and SDRMA's designated PROGRAM representative.
  11. GOVERNING LAW. This MEMORANDUM shall be governed in accordance with the laws of the State of California.
  12. VENUE. Venue for any dispute or enforcement shall be in Sacramento, California.
  13. ATTORNEY FEES. The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
  14. COMPLETE AGREEMENT. This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
  15. SEVERABILITY. Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
  16. AMENDMENT OF MEMORANDUM. This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's designated representative, or alternate, who shall have authority to execute this MEMORANDUM. Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.
  17. EFFECTIVE DATE. This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA.

18. EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: August 1, 2019

By: *Laura S. Gill*

Special District Risk  
Management Authority

Dated: \_\_\_\_\_

By: \_\_\_\_\_

San Luis Obispo Regional Transit Authority

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE OF THE (GOVERNING BODY) OF San Luis Obispo  
Regional Transit Authority APPROVING THE FORM OF AND AUTHORIZING THE  
EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING  
PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S  
HEALTH BENEFITS PROGRAM**

**WHEREAS**, San Luis Obispo Regional Transit Authority, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in the Health Benefits Program offered by Special District Risk Management Authority (the "Authority"); and

**WHEREAS**, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

**WHEREAS**, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for the Health Benefits Program; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENTITY AS FOLLOWS:**

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
ENTITY Secretary



**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**SEPTEMBER 4, 2019**  
**STAFF REPORT**

**AGENDA ITEM:** C-4

**TOPIC:** Resolution Authorizing Executive Director to Submit Application for Community Air Protection Funds

**ACTION:** Approve Resolution

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Adopt Resolution

**BACKGROUND/DISCUSSION:**

In 2017, the Governor signed budget legislation appropriating \$250 million in Greenhouse Gas Reduction Funds to achieve early action emission reductions in the communities most burdened by air pollution. Targeting engine replacement, repower, and infrastructure projects in disadvantaged and low income areas supports the goals of AB-617 (Garcia, 2017), which calls for community monitoring and action plans to reduce smog-forming and toxic emissions. Funds this year will reduce mobile source emissions under state guidelines, either through the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program). As a whole, the projects will also result in reductions in greenhouse gases.

Senate Bill 513 (Beall, Chapter 610, Statutes of 2015) provides the Air Resources Board's (ARB) Moyer Program the ability to incorporate infrastructure projects into its program. It authorizes the funding of projects that enable the deployment of alternative, advanced, and cleaner technologies to support the State's air quality goals. Specifically, Health and Safety Code section 44281(c) gives ARB the ability to provide funding toward the installation of fueling or energy infrastructure to fuel or power covered sources. Statute does not require infrastructure projects to meet a cost-effectiveness threshold.

The RTA Board has identified its planned new Bus Maintenance Facility as its highest-priority capital facility project. In early 2013, staff reported a planning level cost estimate of \$12.8 million for the project, although recent projects in the area have experienced quickly escalating costs. The Board has already funded the purchase of the property at 253 Elks Lane in 2014, the environmental assessment studies in 2016 and 2017, and the design/engineering of the project in 2018. Based on current planning level estimates, staff believes construction costs to be on the order of \$24 million – but those estimates will be updated in September 2019 as the design/engineering project progresses.

Based on these updated construction cost estimates, staff is seeking the Board's support to submit a grant proposal for \$2 million to install a transportation electrification infrastructure; this is above the base \$24 million construction cost discussed above. The grant application to the San Luis Obispo Air Pollution Control District must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by the SLOAPCD and the ARB.

**Staff Recommendation**

Approve the attached resolution authorizing the Executive Director to submit a Community Air Protection grant application for the transportation electrification infrastructure cost for the planned RTA Bus Maintenance Facility.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
RESOLUTION NO. 19-\_\_\_**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT  
AUTHORITY BOARD OF DIRECTORS, AUTHORIZING SUBMITTAL OF A  
GRANT APPLICATION TO THE SAN LUIS OBISPO AIR POLLUTION  
CONTROL DISTRICT FOR COMMUNITY AIR PROTECTION PROGRAM  
FUNDS**

**WHEREAS**, San Luis Obispo Regional Transit Authority is an eligible applicant for Community Air Protection Program Funds; and,

**WHEREAS**, San Luis Obispo Regional Transit Authority as identified that this funding source is vital to the planned new Bus Maintenance Facility; and

**WHEREAS**, San Luis Obispo Regional Transit Authority is seeking grant funding to optimize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

**WHEREAS**, San Luis Obispo Regional Transit Authority is requesting maximum allowed under Community Air Protection Program Funds to support planned new Bus Maintenance Facility with the goal of reducing greenhouse gas emissions.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director to submit an application to the San Luis Obispo Air Pollution Control District for Community Air Protection Program to fund the planned new Bus Maintenance Facility.

**BE IT FURTHER RESOLVED**, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINING:**

The foregoing resolution is hereby adopted this 4<sup>th</sup> day of September, 2019.

\_\_\_\_\_  
Fred Strong  
President of the RTA Board of Directors

**ATTEST:**

\_\_\_\_\_  
Geoff Straw  
RTA Executive Director

**APPROVED AS TO FORM AND LEGAL EFFECT:**

Nina Negranti  
County Counsel

By: \_\_\_\_\_  
RTA Legal Counsel

Date: \_\_\_\_\_  
(Original signature in BLUE ink)

**DRAFT**  
**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**RTA BOARD MEETING**  
**MINUTES OF AUGUST 7, 2019**  
**C-5**

**BOARD MEMBERS PRESENT:**

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO  
LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO  
ROBERT DAVIS, CITY OF MORRO BAY  
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO  
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO  
JEFF LEE, CITY OF GROVER BEACH  
JIMMY PAULDING, CITY OF ARROYO GRANDE  
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (Vice President)  
ANDY PEASE, CITY OF SAN LUIS OBISPO  
HEATHER MORENO, CITY OF ATASCADERO  
FRED STRONG, CITY OF PASO ROBLES (President)  
ED WAAGE, CITY OF PISMO BEACH

**BOARD MEMBERS ABSENT:**

NONE

**STAFF PRESENT:**

GEOFF STRAW, EXECUTIVE DIRECTOR  
NINA NEGRANTI, SAN LUIS OBISPO COUNTY COUNSEL  
CHELSEA SPERAKOS, ADMINISTRATIVE ASSISTANT

**CALL TO ORDER AND ROLL CALL:** RTA Meeting called to order at 11:07 AM and roll call was taken. A quorum was present.

**PUBLIC COMMENT:**

**Mr. Eric Greening** continues to be a happy user of the RTA system; yesterday northbound RT 9 broke down and passenger switch occurred seamlessly. Is there a written policy regarding passenger pickup when a bus breaks down? Appears to be judgement call of road supervisors. Potential bus stop on 101 north. Should be considered for future circumstances.

**President Fred Strong** closed public comment.

**A. INFORMATION AGENDA: None**

**B. ACTION AGENDA: None**

**C. CONSENT AGENDA: (Roll Call Vote)**

**C-1 Amendment to Service Agreement with KNN Financial (Approve)**

**C-2 Request for Credit Rating (Approve)**

**C-3 Revisions to the RTA Title VI Policy (Approve)**

**C-4 Purchase Replacement Engine (Approve)**

**President Strong** opened Board questions and public comment.

**Ms. Andy Pease** noted that Item C-4 reflects good stewardship of our funds, and appreciated being able to extend the life of a bus in that way.

**President Strong** closed Board questions and public comment.

**Ms. Debbie Arnold** moved to approve the consent agenda and **Ms. Heather Moreno** seconded the motion. A roll call vote was taken. The motion passed unanimously.

**D. CLOSED SESSION: – CONFERENCE WITH LEGAL COUNSEL:** It is the intention of the Board to meet in closed session concerning the following items:

- 1. Initiation of litigation pursuant to subdivision (c) of Section 54956.9. One case.**

**President Strong** opened and closed Board questions and public comment.

The meeting went into closed session at 11:13 AM.

Closed session ended at 12:06 PM.

**Ms. Negranti** stated there was no reportable action from closed session.

**E. BOARD MEMBER COMMENTS:** None

**President Strong** adjourned the RTA meeting at 12:07 PM.

Next regularly-scheduled RTA Board meeting on September 4, 2019

Respectfully Submitted, Chelsea Sperakos Administrative Assistant

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SEPTEMBER 4, 2019  
STAFF REPORT**

**AGENDA ITEM:** C-6

**TOPIC:** Purchase Replacement Engine

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Authorize the Executive Director to execute the Attached Agreement with Cummins of Fresno and Begin the Engine Replacement Process

**BACKGROUND/DISCUSSION:**

As was noted at the August 7, 2019 RTA Board meeting, the RTA's fleet of heavy-duty buses currently used in fixed-route operations are all diesel-powered. As part of our purchase of 2013 Gillig low-floor buses, we purchased a spare engine to minimize downtime when an engine becomes too worn-out to continue in service. However, that spare engine cannot be used as a replacement in our older buses, which include two 2008 Gillig Phantom buses (fleet numbers 167 and 168) and one 2011 El Dorado bus (1101).

The engine in bus number 168 has failed after operating in revenue service for 561,924 miles. Technically, this bus is eligible for replacement under federal funding requirements, since it has surpassed the economically useful design life of 12 years or 500,000 miles – whichever comes first. However, the chassis and all other major components are in good shape and it has been our practice to operate heavy-duty far beyond the design life (in terms of miles) than the federal standard; we have operated some buses beyond 1 million miles. While we have contracted for in-frame rebuilds in the past, a narrow warranty window is provided and the downtime is often counted in months rather than weeks. As such, we are recommending that a factory reconditioned Cummins engine be installed by an outside vendor. The reconditioned engine comes with a two-year / unlimited miles warranty. Based on our average of 60,000 miles per year per bus, this recommended action will result in a vehicle mileage of roughly 680,000 miles at the end of the warranty period.

The total cost, including delivery of the bus to/from Fresno, is \$42,471.47. This will be funded using an existing FTA grant that includes the local match. It should be noted that the other 2008 Gillig Phantom bus (number 167) is also demonstrating the precursors of a "tired" engine, and it will likely need replacement once it fails our maintenance testing thresholds; funding is in an FTA grant to replace that engine, too, in the coming months.

Although staff originally presented the agreement with Cummins in August to the Board, negotiations continued that resulted in changes to the agreement that warranted bringing the agreement back to the Board for approval.

**Staff Recommendation**

Authorize the Executive Director, with concurrence from County Counsel, finalized and execute the agreement with Cummins of Fresno, and begin the engine replacement process.



**AGREEMENT**  
**Purchase and Installation of Cummins ISL Motor**

THIS AGREEMENT is made as of the \_\_\_\_\_ day of September 2019, by and between the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY ("RTA") and Cummins Inc. (Supplier).

WHEREAS, the RTA desires to purchase and have installed remanufactured Cummins ISL Motor in RTA bus #168 and has requested quotes for this product and service. A copy of the lowest responsible quote is attached and incorporated as Exhibit A.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**1. RENDITION OF SERVICES**

The SUPPLIER agrees to provide services to the RTA in accordance with the terms and conditions of this Agreement.

**2. SCOPE OF WORK**

The SUPPLIER shall perform all work and furnish all the labor, materials, tools, equipment, services, and incidentals as set forth in Exhibit A.

If any term or condition in this Agreement conflicts with any term or condition in any Exhibit, the term or condition in the Agreement shall control and govern.

**3. TERM OF AGREEMENT**

The term of this Agreement will be for a one month term for bus rehabilitation services commencing upon the RTA's issuance of a written Notice to Proceed or unless sooner terminated pursuant to Section 20 of this Agreement. The SUPPLIER shall furnish the RTA with all the materials, equipment and services called for under this Agreement, and perform all other work, if any, described in the Contract Specifications.

It is further understood that the term of Contract is subject to the RTA's right to terminate the Contract in accordance with Section 20 of this Agreement.

**4. OWNERSHIP OF WORK**

All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared for the services to be performed by Supplier are and shall be the property of the Supplier. The RTA shall be entitled to

copies and access to these materials during the progress of the work. The right to intellectual property arises only for documents ordered from Supplier through a purchase order and is described as to the structure of the document within the PO or through specifications. Other documents generated by supplier, for Supplier in the performance of its Services remain the property of Supplier.

LIMITED WARRANTIES. Please see Exhibit A for details.

## **5. CONFIDENTIALITY**

Any RTA materials to which the Supplier has access or materials prepared by the Supplier during the course of this Agreement ("confidential information") shall be held in confidence by the Supplier, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the Supplier as necessary to accomplish the rendition of services set forth in Section 2 of this Agreement.

The Supplier shall not release any reports, information, or promotional materials prepared in connection with this Agreement, whether deemed confidential or not, without the approval of the RTA's Grants and Finance Manager.

## **6. USE OF SUBCONTRACTORS**

The Supplier shall not change subcontractors for any services to be performed by it under this Agreement without the prior written approval of the RTA, except for service firms engaged in drawing, reprographics, typing, and printing. The Supplier shall be solely responsible for reimbursing any subcontractors and the RTA shall have no obligation to them.

## **7. SUPPLIER'S KEY PERSONNEL**

It is understood and agreed by the parties that at all times during the term of this Agreement that Virgil Antonio shall serve as the primary staff person of Supplier to undertake, render, and oversee all of the services under this Agreement.

## **8. CHANGES**

The RTA may make changes at any time, by written order, within the scope of services described in this Agreement. If such changes cause an increase or decrease in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 16 of this Agreement. In the event that Supplier encounters any unanticipated conditions or contingencies that may affect the scope of work or services and result in an adjustment in the amount of compensation specified herein, or

identifies any RTA conduct (including actions, inaction, and written or oral communications other than a formal contract modification) that the Supplier regards as a change to the contract terms and conditions, Supplier shall so advise the RTA immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. This notice shall be given to the RTA prior to the time that Supplier performs work or services related to the proposed adjustment in compensation. The pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes. Failure to provide written notice and receive RTA approval for extra work prior to performing extra work may, at the RTA's sole discretion, result in nonpayment of the invoices reflecting such work.

## **9. CLAIMS OR DISPUTES**

The Supplier shall be solely responsible for providing timely written notice to RTA of any claims for additional compensation and/or time in accordance with the provisions of this Agreement. It is the RTA'S intent to investigate and attempt to resolve any Supplier claims before the Supplier has performed any disputed work. Therefore, Supplier's failure to provide timely notice shall constitute a waiver of Supplier's claims for additional compensation and/or time.

The Supplier shall not be entitled to the payment of any additional compensation for any cause, including any act, or failure to act, by the RTA, or the failure or refusal to issue a modification, or the happening of any event, thing, or occurrence, unless it has given the RTA due written notice of potential claim. The potential claim shall set forth the reasons for which the Supplier believes additional compensation may be due, the nature of the costs involved, and the amount of the potential claim.

If based on an act or failure to act by the RTA, such notice shall be given to the RTA prior to the time that the Supplier has started performance of the work giving rise to the potential claim for additional compensation. In all other cases, notice shall be given within 10 days after the happening of the event or occurrence giving rise to the potential claim.

If there is a dispute over any claim, the Supplier shall continue to work during the dispute resolution process in a diligent and timely manner as directed by the RTA, and shall be governed by all applicable provisions of the Contract. The Supplier shall maintain cost records of all work that is the basis of any dispute.

If an agreement can be reached which resolves the Supplier claim, the parties will execute a Contract modification to document the resolution of the claim. If the parties cannot reach an agreement with respect to the Supplier claim, they may choose to pursue a dispute resolution process or termination of the contract.

**10. DISADVANTAGED BUSINESS ENTERPRISES**

The RTA, as a recipient of Federal financial assistance from the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA), is committed to and has adopted a Disadvantaged Business Enterprise (DBE) Program for Contracts in accordance with Federal regulations 49 CFR §26, issued by the U.S. Department of Transportation (DOT). The current DBE participation goal is 5.1%.

It is the policy of the RTA to ensure non-discrimination in the award and administration of all contracts and to create a level playing field on which Disadvantaged Business Enterprises (DBE) can compete fairly for contracts and subcontracts relating to the RTA'S construction, procurement, and professional services activities. To this end, the RTA has developed procedures to remove barriers to DBE participation in the Proposal and award process and to assist DBEs to develop and compete successfully outside of the DBE Program. Concerning the performance of this contract, the Supplier will cooperate with the RTA in meeting these commitments and objectives.

Pursuant to 49 CFR §26.13, and as a material term of any agreement with the RTA, the Supplier hereby makes the following assurance and agrees to include this assurance in any agreements it makes with subcontractors in the performance of this contract:

"The Supplier or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Supplier shall carry out applicable requirements of 49 CFR §26 in the award and administration of U.S. DOT-assisted contracts. Failure by the Supplier or subcontractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy, as the RTA deems appropriate."

**11. EQUAL EMPLOYMENT OPPORTUNITY (EEO)**

In connection with the performance of this Agreement the Supplier shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, sex, gender, sexual orientation, age (over 40), marital status, pregnancy, medical condition, or disability as specified in federal, State, and local laws. The Supplier shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Supplier further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

## **12. CONFLICT OF INTEREST**

Depending on the nature of the work performed, a Supplier of the RTA is subject to the same conflict of interest prohibitions established by the Federal Transit Administration and California law that govern RTA employees and officials (Cal. Govt. Code Section 1090 et seq. and Cal. Govt. Code Section 87100 et seq.). During the Proposal process or the term of the Agreement, Supplier and their employees may be required to disclose financial interests.

The Supplier warrants and represents that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §1090 et seq. or §87100 et seq. during the performance of services under this Agreement. The Supplier further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, Supplier may be required to publicly disclose financial interests under the RTA's Conflict of Interest Code. Upon receipt, the Supplier agrees to promptly submit a Statement of Economic Interest on the form provided by RTA.

No person previously in the position of Director, Officer, employee or agent of the RTA may act as an agent or attorney for, or otherwise represent the Supplier by making any formal or informal appearance, or any oral or written communication, before the RTA, or any Officer or employee of the RTA, for a period of twelve months after leaving office or employment with the RTA if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a permit, license, grant, or contract.

## **13. PROHIBITED INTEREST**

No member, officer, or employee of the RTA during his or her tenure or for one year after that tenure shall have any interest, direct or indirect, in this Agreement or the proceeds under this Agreement, nor shall any such person act as an agent or attorney for, or otherwise represent, a Proposer or Supplier/Consultant by making a formal or informal appearance, or any oral or written communication, before the RTA, or any officer or employee of the RTA, for a period of one year after leaving office or employment with the RTA if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a Contract.

#### **14. RESPONSIBILITY: INDEMNIFICATION; LIMITATION OF LIABILITY**

Indemnification. The Supplier shall indemnify, keep and save harmless the RTA, and its directors, officers, agents and employees against any and all third party suits, claims, or actions arising out of any injury to persons or tangible property, including but not limited to damages arising from the infringement of intellectual property rights of third parties, that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the Supplier caused by a negligent act or omission of the Supplier or its employees, subcontractors or agents. The Supplier further agrees to defend any and all such actions, suits, or claims and pay all charges of attorneys and all other incurred costs and expenses. If any judgment is rendered against the RTA or any of the other individuals enumerated above in any such action, Supplier shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

Limitation of Liability. Notwithstanding any other term of this agreement, in no event shall supplier, employees, or agents be liable to RTA or any third party for any indirect, incidental, special, punitive, or consequential damages of any kind (including without limitation downtime, loss of profit or revenue, loss of data, loss of opportunity, damage to goodwill, enhanced damages, monetary request related to recall expenses and repairs to property, and/or damages cause by delays) in any way related to or arising from Supplier's supply of goods and services supplied under this agreement.

In no event shall Supplier's liability to customers or any third party claiming directly through RTA or on RTA's behalf under this agreement exceed the total cost of goods and services supplied by supplier under this agreement giving rise to the claim, provided however, if such a claim is a covered event to which Supplier's insurance responds, Supplier's liability for such insured claim shall not exceed \$1,000,000. By acceptance of this agreement, RTA acknowledges RTA's sole remedy against supplier for any loss shall be the remedy provided herein.

#### **15. INSURANCE**

The insurance requirements specified in this section shall apply to Supplier and any subcontractors, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations that Supplier authorizes to work under this Agreement (hereinafter collectively referred to as "Agents"). Supplier is required to procure and maintain at its sole cost and expense the insurance coverages subject to all of the requirements set forth below. Supplier is also required to assess the risks associated with the work to be performed by Agents under subcontract and to include in every subcontract the requirement that the Agent maintain adequate insurance coverages with

appropriate limits and endorsements to cover risks; the limit for the commercial general liability insurance in each subcontract shall not be less than **\$1 million**. Such insurance shall remain in full force and effect throughout the term of this Agreement. To the extent that any Agent does not procure and maintain such insurance coverage, Supplier shall be responsible for said coverage and assume any and all costs and expenses that may be incurred in securing said coverage or in fulfilling Supplier's indemnity obligation as to itself or any of its Agents in the absence of coverage. In the event Supplier or its Agents procure excess or umbrella coverage to maintain certain requirements outlined below, these policies shall also satisfy all specified endorsements and stipulations, including provisions that the Supplier's insurance be primary without any right of contribution from the RTA. Prior to beginning work under this contract, SUPPLIER shall provide the RTA with satisfactory evidence of compliance with the insurance requirements of this section.

**A. Types of Insurance**

1. Workers' Compensation and Employers' Liability Insurance

- a. Workers' Compensation with Statutory Limits, as required by Section 3700 et seq. of the California Labor Code, or any subsequent amendments or successor acts thereto governing the liability of employers to their employees.
- b. Employer's Liability coverage with minimum limits of **\$1 million**.
- c. Such insurance shall include the following endorsement as further detailed in the Endorsements Section below:

- Waiver of Subrogation.

2. Commercial General Liability Insurance

Commercial General Liability insurance for bodily injury and property damage coverage with a combined single limit for bodily injury and property damage of at least **\$1 million** per occurrence or claim and a general aggregate limit of at least **\$1 million**. Such insurance shall cover all of SUPPLIER's operations both at and away from the project site.

- a. This insurance shall include coverage for, but not be limited to:
  - Premises and operations.
  - Products and completed operations.
  - Contractual liability.
  - Personal injury.

- Advertising injury.
  - Explosion, collapse, and underground coverage
  - Broad form property damage.
- b. Such insurance shall include the following endorsements as further detailed in the Endorsements Section below:
- Additional Insured.
  - Cross Liability or Severability of Interests Clause.
  - Primary and Non-Contributory wording.
  - Waiver of Subrogation.

Products and completed operations insurance shall be maintained for one year following termination of this Agreement.

### 3. Automobile Liability Insurance

Business Automobile Liability insurance providing bodily injury and property damage with a combined single limit of at least **\$1 million** per occurrence.

- a. This insurance shall include coverage for, but not be limited to:
- All Owned vehicles.
  - Non-owned vehicles.
  - Hired or rental vehicles.
- b. Such insurance shall include the following endorsements as further detailed in the Endorsements Section below:
- Additional Insured.
  - Primary and Non-Contributory wording.
  - Waiver of Subrogation.

### 4. Property Insurance

Property and/or transit insurance, whichever is applicable, with Special Form coverage including theft but excluding earthquake, with limits at least equal to the replacement cost of the property described below.

- a. Such insurance shall include the following endorsement as further detailed in the Endorsements Section below:
- Waiver of Subrogation.



**B. Endorsements**

1. Additional Insured

The referenced policies and any Excess or Umbrella policies shall include as Additional Insureds the RTA and its directors, officers, employees, volunteers and agents while acting in such capacity, and their successors or assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

2. Waiver of Subrogation

The referenced policies and any Excess or Umbrella policies shall contain a waiver of subrogation in favor of the RTA and its officers, directors, employees, volunteers and agents while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

3. Primary Insurance

The referenced policies and any Excess or Umbrella policies shall indicate that they are primary to any other insurance and the insurance company or companies providing such policies shall be liable thereunder for the full amount of any loss or claim, up to and including the total limit of liability, without right of contribution from any of the insurance affected or which may be affected by the RTA.

4. Severability of Interests or Cross Liability

The referenced policies and any Excess or Umbrella policies shall contain either a Cross Liability endorsement or Severability of Interests Clause and stipulate that inclusion of the RTA as an Additional Insured shall not in any way affect RTA's rights either as respects any claim, demand, suit or judgment made, brought or recovered against the SUPPLIER. Said policy shall protect SUPPLIER and the RTA in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

**C. Evidence of Insurance**

All Coverages - Prior to commencing work or entering onto the Property,

Supplier shall provide the Grants and Finance Manager of the RTA with a certificate evidencing coverage, and upon request. The certificate shall also show that the Suppliers' policy or policies will not be cancelled or coverage altered without 30 days prior written notice to the RTA's Grants and Finance Manager.

**D. General Provisions**

1. Notice of Cancellation

The policies shall provide that the Suppliers' policies will not be cancelled or have limits reduced or coverage altered without 30 days prior written notice to the RTA's Director of Maintenance.

2. Acceptable Insurers

All policies will be issued by insurers acceptable to the RTA (generally with a Best's Rating of A- 10 or better).

3. Self-insurance

Upon evidence of financial capacity satisfactory to the RTA and Supplier's agreement to waive subrogation against the RTA respecting any and all claims that may arise, Supplier's obligation hereunder may be satisfied in whole or in part by adequately funded self- insurance.

4. Failure to Maintain Insurance

All insurance specified above shall remain in force until all work to be performed is satisfactorily completed, all of Supplier's personnel and equipment have been removed from the RTA property, and the work has been formally accepted. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program will constitute a material breach of this Agreement.

**E. Claims Made Coverage**

If any insurance specified above shall be provided on a claim-made basis, then in addition to coverage requirements above, such policy shall provide that:

1. Policy retroactive date coincides with or precedes the Supplier's start of work (including subsequent policies purchased as renewals or replacements).

2. Supplier shall make every effort to maintain similar insurance for at least three years following project completion, including the requirement of adding all named insureds.
3. If insurance is terminated for any reason, Supplier agrees to purchase an extended reporting provision of at least three years to report claims arising from work performed in connection with this Agreement.
4. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

**F. Deductibles and Retentions**

Supplier shall be responsible for payment of any deductible or retention on Supplier's policies without right of contribution from the RTA.

**16. COMPENSATION**

The Supplier agrees to perform all the services included in Section 2, in accordance with the cost information provided in its Cost Proposal included in Section IV, which shall include all labor, materials, taxes, profit, overhead, insurance, delivery costs, subcontractor costs, and other costs and expenses incurred by the Supplier.

**17. MANNER OF PAYMENT**

RTA shall pay upon completion of services as provided for in the RFP. Invoice entries shall conform to the rates specified in the Cost Proposal set forth in Exhibit B, as agreed to by both parties. The RTA will endeavor to pay approved invoices within 30 days from date of invoice. Invoices shall be mailed or delivered to the RTA at 179 Cross Street, San Luis Obispo, CA 93401. In addition to mailing or delivering, an additional copy can be sent via e-mail to [chall@slorta.org](mailto:chall@slorta.org).

**18. RTA WARRANTIES**

The RTA makes no warranties, representations, or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

**19. RTA REPRESENTATIVE**

Except when approval or other action is required to be given or taken by the Board of Directors of the RTA, the RTA'S Executive Director or such person or persons as they shall designate in writing from time to time, shall represent and act for the RTA.

**20. TERMINATION**

The RTA shall have the right to terminate this Agreement at any time by giving written notice to the Supplier. Upon receipt of such notice, the Supplier shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than a default by Supplier, the RTA shall pay to Supplier in accordance with the provisions of Sections 16 and 17 all sums actually due and owing from the RTA for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessarily incurred by Supplier to effect such or termination. If the Agreement is terminated for default, the RTA shall only pay Supplier the contract price for goods and services delivered and accepted in accordance with the requirements set forth in this contract.

**21. MAINTENANCE, AUDIT AND INSPECTION OF RECORDS**

The CONTRACTOR shall permit the authorized representatives of the RTA, to inspect, audit, make copies and transcriptions of books and all data and records of the CONTRACTOR relating to its performance under the Agreement. Supplier shall maintain all such records for a period of three years after the RTA makes final payment under this Agreement.

**22. NOTICES**

All communications relating to the day to day activities of the project shall be exchanged between the RTA's Maintenance Manager, or designee, and the Supplier's designee.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the RTA: David Roessler  
Manager of Maintenance and Facilities  
San Luis Obispo Regional Transit Authority  
179 Cross Street, San Luis Obispo, CA 93401

If to the CONTRACTOR: Virgil Antonio  
Parts Manage, Pacific Region  
Cummins Sales and Service  
2755 S. Cherry Ave. Fresno, CA 93706

The address to which mailings may be made may be changed from time to time by

notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

**23. ATTORNEYS' FEES**

If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover reasonable attorneys' fees, in addition to all court costs.

**24. APPLICABLE LAW**

This Agreement, its interpretation and all work performed under it shall be governed by the laws of the State of California.

The CONTRACTOR must comply with all federal, State, and local laws, rules, and regulations applicable to the Agreement and to the work to be done hereunder, including all rules and regulations of the RTA.

**25. RIGHTS AND REMEDIES OF RTA**

The rights and remedies of the RTA provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Agreement.

**26. BINDING ON SUCCESSORS**

All of the terms, provisions, and conditions of this Agreement shall be binding upon and insure to the benefit of the parties and their respective successors, assigns and legal representatives.

**27. FEDERAL REQUIREMENTS**

Applicable Federal Clauses to this Contract, as included in Exhibit B

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

**RTA:**

**Supplier:**

SAN LUIS OBISPO RTA

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

By: \_\_\_\_\_

ATTEST: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_

Attorney for the RTA

**\*Note: If the Supplier is a Corporation, this Agreement must be executed by two Corporate Officers, consisting of:**

- (1) the President, Vice President or Chair of the Board, and
- (2) the Secretary, Assistant Secretary, Chief Financial Officer, Assistant Chief Financial Officer, Treasurer, or Assistant Treasurer.

In the alternative, this Agreement may be executed by a single Officer or a person other than an Officer provided that evidence satisfactory to the RTA is provided demonstrating that such individual is authorized to bind the Corporation (e.g. a copy of a certified resolution from the Corporation's Board or a copy of the Corporation's bylaws.)



BAR ARD Number: ARD00293082 EPA: CAL000430089  
 Remit to:  
 Cummins Sales and Service  
 P.O. Box 848731  
 Los Angeles, CA 90084-8731

FRESNO CA BRANCH  
 2755 S. CHERRY AVENUE  
 FRESNO, CA 93706-  
 (559)274-4400

Exhibit A

<b>INVOICE NO</b>
<b>ESTIMATE</b>
Payment is due 30 days from invoice date unless agreed upon in writing.

**BILL TO**

SAN LUIS OBISPO RTA  
 179 CROSS ST STE A

SAN LUIS OBISPO, CA 93401-7597

**OWNER**

SAN LUIS OBISPO R T  
 179 CROSS ST STE A

SAN LUIS OBISPO, CA 93401-  
 VERNON GRIEGO - 805 781-1329

PAGE 1 OF 2

\*\*\* CHARGE \*\*\*

DATE	CUSTOMER ORDER NO.	DATE IN SERVICE	ENGINE MODEL	PUMP NO.	EQUIPMENT MAKE
24-JUL-2019		15-MAY-2008	ISL CM2150		GILLIG
CUSTOMER NO.	SHIP VIA	FAIL DATE	ENGINE SERIAL NO.	CPL NO.	EQUIPMENT MODEL
239306		24-JUL-2019	46868096	CPL091500	PHANTOM
REF. NO.	SALESPERSON	PARTS DISP.	MILEAGE/HOURS	PUMP CODE	UNIT NO.
197522					168

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
------------------	--------------	------------------	-------------	-------------	--------------	------------	--------

OSN/MSN/VIN 46868096

**COMPLAINT** REVISED ESTIMATE FOR ORIGINAL WOQT #196145.

ESTIMATE MAY VARY IN PARTS AND LABOR ONCE UNIT IS IN SHOP AND HAS BEEN INSPECTED. IF ADDITIONAL PARTS OR LABOR ARE NEEDED A REVISED ESTIMATE WILL BE SENT. COST ON CORE ENGINE SUBJECT TO CHANGE ONCE CORE HAS BEEN INSPECTED BY THE FACTORY.

**COVERAGE**

**CUSTOMER BILLABLE**

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
1	0	0	DR6548RX	ENG ISL 8.9 07 B 280@2200	DRC	28,172.16	28,172.16
1	0	0	DR6506D	ENG ISC 8.3 B	CLEAN	5,625.00	5,625.00
-1	0	0	DR6506D	ENG ISC 8.3 B	DIRTY	5,625.00	- 5,625.00
8	0	0	705290	OIL,PRES-BLUE BULK15W40 1G	P2-VALVOLINE	12.32	98.56
8	0	0	CORF GAL	CAL OIL RECYCLE FEE GAL	P2-NSPART1	.29	2.32
14	0	0	ZXEDRU1	ANTIFREEZE RED	P2-OTHER	15.44	216.16
1	0	0	3903475	SEAL,RECTANGULAR RING	CECO	4.15	4.15
1	0	0	4989263	DIPSTICK	CECO	75.96	75.96
1	0	0	3678925	SEAL,O RING	CECO	5.80	5.80
1	0	0	3940245	GASKET,HYDRAULIC PUMP	CECO	12.30	12.30
1	0	0	FF5636	PAC, FF (S	FLG	27.95	27.95
1	0	0	AIR FILTER	AIR FILTER	P2-NONSTOCK	210.00	210.00
1	0	0	NISC ITEMS	MISC ITEMS	P2-NONSTOCK	500.00	500.00
1	0	0	TOW-IN	PICK UP UNIT	P2-NONSTOCK	1,050.00	1,050.00

**Completion date : 25-Jul-2019 10:46AM. Estimate expires : 23-Aug-2019 10:46AM.**

Billing Inquiries? Call (877)480-6970

THERE ARE ADDITIONAL CONTRACT TERMS ON THE REVERSE SIDE OF THIS DOCUMENT, INCLUDING LIMITATION ON WARRANTIES AND REMEDIES, WHICH ARE EXPRESSLY INCORPORATED HEREIN AND WHICH PURCHASER ACKNOWLEDGES HAVE BEEN READ AND FULLY UNDERSTOOD.

AUTHORIZED BY (print name) \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

#### TERMS AND CONDITIONS

These Terms and Conditions, together with the estimate/quote (the "Quote") and/or invoice ("Invoice") attached to these Terms and Conditions, are hereinafter collectively referred to as this "Agreement" and shall constitute the entire agreement between the customer ("Customer") identified on the Quote and/or Invoice and Cummins Inc. ("Cummins") unless a previous written agreement with respect to the Goods and/or Services (as hereinafter defined) has been entered between the parties, in which event, such previous written agreement shall prevail. In the event of any inconsistency between this Agreement and any purchase order, terms and conditions or other document produced or delivered by Customer, the terms and conditions of this Agreement shall prevail.

1. **SCOPE OF SERVICES; PERFORMANCE OF SERVICES.** Cummins shall supply part(s) and/or component(s) and/or engine(s) and/or generator set(s) ("Goods") and/or perform the maintenance and/or repair ("Services") on the equipment identified in the Quote and/or Invoice ("Equipment"), if applicable, in accordance with the specifications in the Quote and/or Invoice. No additional services or goods are included in this Agreement unless agreed upon by the parties in writing, or otherwise, as applicable.

2. **CUSTOMER OBLIGATIONS.** If necessary, Customer shall provide Cummins safe and free access to Customer's site and arrange for all related services and utilities necessary for Cummins to safely and freely perform the Services. During the performance of the Services, Customer shall fully and completely secure all or any part of any facility where the Equipment is located to remove and mitigate any and all safety issues and risks, including but not limited to injury to facility occupants, customers, invitees, or any third party and/or property damage or work interruption arising out of the Services. If applicable, Customer shall make all necessary arrangements to address and mitigate the consequences of any electrical service interruption which might occur during the Services. Customer is responsible for operating and maintaining the Equipment in accordance with the owner's manual for the Equipment.

3. **INVOICING AND PAYMENT.** Unless otherwise agreed to by the parties in writing and subject to credit approval by Cummins, payments are due thirty (30) days from the date of Invoice. If Customer does not have approved credit with Cummins, as solely determined by Cummins, payments are due in advance or at the time of supply of the Goods and/or Services. If payment is not received when due, in addition to any rights Cummins may have at law, Cummins may charge Customer eighteen percent (18%) interest annually on late payments, or the maximum amount allowed by law. Customer agrees to pay all Cummins' costs and expenses (including all reasonable attorneys' fees) related to Cummins' enforcement and collection of unpaid invoices, or any other enforcement of this Agreement by Cummins.

4. **TAXES; EXEMPTIONS.** The Invoice includes all applicable local, state, or federal sales and/or use or similar taxes which Cummins is required by applicable laws to collect from Customer under this Agreement. Customer must provide a valid tax exemption certificate or direct payment certificate prior to shipment of the Goods or performance of the Services, or such taxes will be included in the Invoice.

5. **DELIVERY; TITLE AND RISK OF LOSS.** Unless otherwise agreed in writing by the parties, any Goods supplied under this Agreement shall be delivered FOB Origin, freight prepaid to the first destination. If agreed, any charges for third party freight are subject to adjustment to reflect any change in price at time of shipment. Unless otherwise agreed to, packaging method, shipping documents and manner, route and carrier and delivery shall be as Cummins deems appropriate. All shipments are made within normal business hours, Monday through Friday. Unless otherwise agreed in writing by the parties, title and risk of loss for any Goods sold under this Agreement shall pass to Customer upon delivery of Goods by Cummins to freight carrier or to Customer at pickup at Cummins' facility.

6. **DELAYS.** Any delivery, shipping, installation, or performance dates indicated in this Agreement are estimated and not guaranteed. Further, delivery time is subject to confirmation at time of order. Cummins shall not be liable to Customer or any third party for any loss, damage, or expense suffered by Customer or third party due to any delay in delivery, shipping, installation, or performance, however occasioned, including any delays in performance that result directly or indirectly from acts of Customer or causes beyond Cummins' control, including but not limited to acts of God, accidents, fire, explosions, flood, unusual weather conditions, acts of government authority, or labor disputes.

#### 7. LIMITED WARRANTIES.

a. **New Goods:** New Goods purchased or supplied under this Agreement are governed by the express written manufacturers' warranty. No other warranty for Goods supplied under this Agreement is provided under this Agreement.

b. **Cummins Exchange Components, Other Exchange Components, and Recon:** Cummins will administer the Cummins exchange component warranty and the warranties of other manufacturers' exchange components or Recon Components which are sold by Cummins. In the event of defects in such items, only manufacturers' warranties will apply.

c. **HHP Exchange Engine:** HHP Exchange Engines remanufactured by Cummins under this Agreement are governed by the express Cummins' written warranty. No other warranty for HHP exchange Engines supplied under this Agreement is provided under this Agreement.

d. **General Service Work:** All Services shall be free from defects in workmanship (i) for power generation equipment (including engines in such equipment), for a period of ninety (90) days after completion of Services or 500 hours of operation, whichever occurs first; or (ii) for engines, for a period of ninety (90) days after completion of Services, 25,000 miles or 900 hours of operation, whichever occurs first. In the event of a warrantable defect in workmanship of Services supplied under this Agreement ("Warrantable Defect"), Cummins' obligation shall be solely limited to correcting the Warrantable Defect. Cummins shall correct the Warrantable Defect where (i) such Warrantable Defect becomes apparent to Customer during the warranty period; (ii) Cummins receives written notice of the Warrantable Defect within thirty (30) days following discovery by Customer; and (iii) Cummins has determined that there is a Warrantable Defect. Warrantable Defects remedied under this provision shall be subject to the remaining warranty period of the original warranty of the Services. New Goods supplied during the remedy of Warrantable Defects are warranted for the balance of the warranty period still available from the original warranty of such Goods.

e. **Used Goods:** Used Goods are sold "as is, where is" unless exception is made in writing between Cummins and Customer. Customer agrees to inspect all used Goods before completing the purchase.

f. **THE REMEDIES PROVIDED IN THE LIMITED WARRANTIES AND THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES AND REMEDIES PROVIDED BY CUMMINS TO THE CUSTOMER UNDER THIS AGREEMENT. EXCEPT AS SET OUT IN THE WARRANTY AND THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY LAW, CUMMINS EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, AND CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY STATUTORY OR COMMON LAW IMPLIED REPRESENTATIONS, WARRANTIES AND CONDITIONS OF FITNESS FOR A PURPOSE OR MERCHANTABILITY.**

8. **INDEMNIFICATION.** Customer shall indemnify, defend and hold harmless Cummins from and against any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, brought against or incurred by Cummins related to or arising out of this Agreement or the Services and/or Goods supplied under this Agreement (collectively, the "Claims"), where such Claims were caused or contributed, in whole or in part, by the acts, omissions, fault or negligence of the Customer. Customer shall present any Claims covered by this indemnity, including any tenders for defense and indemnity by Cummins to its insurance carrier unless Cummins directs that the defense will be handled by Cummins' legal counsel at Customer's expense.

9. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY OTHER TERM OF THIS AGREEMENT, IN NO EVENT SHALL CUMMINS, ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION DOWNTIME, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, LOSS OF OPPORTUNITY, DAMAGE TO GOODWILL, ENHANCED DAMAGES, MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY, AND/OR DAMAGES CAUSED BY DELAY) IN ANY WAY RELATED TO OR ARISING FROM CUMMINS' SUPPLY OF GOODS OR SERVICES UNDER THIS AGREEMENT. IN NO EVENT SHALL CUMMINS' LIABILITY TO CUSTOMER OR ANY THIRD PARTY CLAIMING DIRECTLY THROUGH CUSTOMER OR ON CUSTOMER'S BEHALF UNDER THIS AGREEMENT EXCEED THE TOTAL COST OF GOODS AND SERVICES SUPPLIED BY CUMMINS UNDER THIS AGREEMENT GIVING RISE TO THE CLAIM, provided however, if such a claim is a covered event to which Supplier's insurance responds, Supplier's liability for such insured claim shall not exceed \$1,000,000.00. BY ACCEPTANCE OF THIS AGREEMENT, CUSTOMER ACKNOWLEDGES CUSTOMER'S SOLE REMEDY AGAINST CUMMINS FOR ANY LOSS SHALL BE THE REMEDY PROVIDED HEREIN EVEN IF THE EXCLUSIVE REMEDY IN SECTION 7 IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

10. **GOVERNING LAW AND JURISDICTION.** This Agreement and all matters arising hereunder shall be governed by and construed in accordance with the laws of the State of Indiana without giving effect to any choice or conflict of law provision. The parties agree that the court of the State of Indiana shall have exclusive jurisdiction to settle any dispute or claim arising in connection with this Agreement.

11. **ASSIGNMENT.** This Agreement is binding on the parties and their successors and assigns. Customer shall not assign this Agreement without the prior written consent of Cummins.

12. **CANCELLATION.** Orders placed with and accepted by Cummins may not be cancelled except with Cummins' prior written consent. Cummins may charge Customer a cancellation charge in accordance with current Cummins policy which is available upon request, in addition to the actual, non-recoverable costs incurred by Cummins.

13. **REFUNDS/CREDITS.** Goods ordered and delivered by Cummins under this Agreement are not returnable unless agreed to by Cummins. Cummins may, at its sole discretion, agree to accept Goods for return and provide credit where Goods are in new and saleable condition and presented with a copy of the original invoice. Credits for returns will be subject to up to a 15% handling/restocking charge and are limited to eligible items purchased from Cummins.

14. **INTELLECTUAL PROPERTY.** Any intellectual property rights created by either party, whether independently or jointly, in the course of the performance of this Agreement or otherwise related to Cummins pre-existing intellectual property or subject matter related thereto, shall be Cummins' property. Customer agrees to assign, and does hereby assign, all right, title, and interest in such intellectual property to Cummins. Any Cummins pre-existing intellectual property shall remain Cummins' property. Nothing in this Agreement shall be deemed to have given Customer a license or any other rights to use any of the intellectual property rights of Cummins.

15. **COMPLIANCE WITH LAWS.** Customer shall comply with all laws applicable to its activities under this Agreement, including without limitation, any and all applicable national, provincial, and local export, anti-bribery, environmental, health, and safety laws and regulations in effect. Customer acknowledges that the Goods, and any related technology that are sold or otherwise provided hereunder may be subject to export and other trade controls restricting the sale, export, re-export and/or transfer, directly or indirectly, of such Goods or technology to certain countries or parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States, the United Kingdom and other jurisdictions. It is the intention of Cummins to comply with these laws, rules, and regulations. Any other provision of this Agreement to the contrary notwithstanding, Customer shall comply with all such applicable laws relating to the cross-border movement of goods or technology, and all related orders in effect from time to time, and equivalent measures. Customer shall accept full responsibility for any and all civil or criminal liabilities and costs arising from any breaches of those laws and regulations and will defend, indemnify, and hold Cummins harmless from and against any and all fines, penalties, claim, damages, liabilities, judgments, costs, fees, and expenses incurred by Cummins or its affiliates as a result of Customer's breach.

16. **CONFIDENTIALITY.** Each party shall keep confidential any information received from the other that is not generally known to the public and at the time of disclosure, would reasonably be understood by the receiving party to be proprietary or confidential, whether disclosed in oral, written, visual, electronic, or other form, and which the receiving party (or agents) learns in connection with this Agreement including, but not limited to: (a) business plans, strategies, sales, projects and analyses; (b) financial information, pricing, and fee structures; (c) business processes, methods, and models; (d) employee and supplier information; (e) specifications; and (f) the terms and conditions of this Agreement. Each party shall take necessary steps to ensure compliance with this provision by its employees and agents.

17. **MISCELLANEOUS.** All notices under this Agreement shall be in writing and be delivered personally, mailed via first class certified or registered mail, or sent by a nationally recognized express courier service to the addresses set forth in the Quote and/or Invoice. No amendment of this Agreement shall be valid unless it is written and signed by the parties hereto. Failure of either party to require performance by the other party of any provision hereof shall in no way affect the right to require such performance at any time thereafter or the enforceability of the Agreement generally, nor shall the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach. Any provision of this Agreement that is invalid or unenforceable shall not affect the validity or enforceability of the remaining terms hereof. These terms are exclusive and constitute entire agreement. Customer acknowledges that the provisions were freely negotiated and bargained for and Customer has agreed to purchase of the Goods and/or Services pursuant to these terms and conditions. Acceptance of this Agreement is expressly conditioned on Customer's assent to all such terms and conditions. Neither party has relied on any statement, representation, agreement, understanding, or promise made by the other except as expressly set out in this Agreement.





BAR ARD Number: ARD00293082 EPA: CAL000430089  
 Remit to:  
 Cummins Sales and Service  
 P.O. Box 848731  
 Los Angeles, CA 90084-8731

FRESNO CA BRANCH  
 2755 S. CHERRY AVENUE  
 FRESNO, CA 93706-  
 (559)274-4400

<b>INVOICE NO</b>
<b>ESTIMATE</b>
Payment is due 30 days from invoice date unless agreed upon in writing.

**BILL TO**

SAN LUIS OBISPO RTA  
 179 CROSS ST STE A

SAN LUIS OBISPO, CA 93401-7597

**OWNER**

SAN LUIS OBISPO R T  
 179 CROSS ST STE A

SAN LUIS OBISPO, CA 93401-  
 VERNON GRIEGO - 805 781-1329

PAGE 2 OF 2

\*\*\* CHARGE \*\*\*

DATE	CUSTOMER ORDER NO.	DATE IN SERVICE	ENGINE MODEL	PUMP NO.	EQUIPMENT MAKE
24-JUL-2019		15-MAY-2008	ISL CM2150		GILLIG
CUSTOMER NO.	SHIP VIA	FAIL DATE	ENGINE SERIAL NO.	CPL NO.	EQUIPMENT MODEL
239306		24-JUL-2019	46868096	CPL091500	PHANTOM
REF. NO.	SALESPERSON	PARTS DISP.	MILEAGE/HOURS	PUMP CODE	UNIT NO.
197522					168

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
1	0	0	TOW-OUT	DELIVER UNIT	P2-NONSTOCK	1,050.00	1,050.00
				PARTS:			31,425.36
				PARTS COVERAGE CREDIT:			0.00CR
				TOTAL PARTS:		<b>31,425.36</b>	
				SURCHARGE TOTAL:			<b>0.00</b>
				LABOR:			8,220.00
				LABOR COVERAGE CREDIT:			0.00CR
				TOTAL LABOR:		<b>8,220.00</b>	
				MISC.:			300.00
				MISC. COVERAGE CREDIT:			0.00CR
				TOTAL MISC.:		<b>300.00</b>	
				ELECTRONIC TOOLING FEE			50.00
				HAZ WASTE DISPOSAL			100.00
				SHOP SUPPLIES			150.00
					LOCAL STATE		<b>625.59</b>
							<b>1,900.52</b>

Completion date : 25-Jul-2019 10:46AM. Estimate expires : 23-Aug-2019 10:46AM.

Billing Inquiries? Call (877)480-6970

THERE ARE ADDITIONAL CONTRACT TERMS ON THE REVERSE SIDE OF THIS DOCUMENT, INCLUDING LIMITATION ON WARRANTIES AND REMEDIES, WHICH ARE EXPRESSLY INCORPORATED HEREIN AND WHICH PURCHASER ACKNOWLEDGES HAVE BEEN READ AND FULLY UNDERSTOOD.

SUB TOTAL:	39,945.36
TOTAL TAX:	2,526.11
<b>TOTAL AMOUNT: US \$</b>	<b>42,471.47</b>

AUTHORIZED BY (print name) \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

#### TERMS AND CONDITIONS

These Terms and Conditions, together with the estimate/quote (the "Quote") and/or invoice ("Invoice") attached to these Terms and Conditions, are hereinafter collectively referred to as this "Agreement" and shall constitute the entire agreement between the customer ("Customer") identified on the Quote and/or Invoice and Cummins Inc. ("Cummins") unless a previous written agreement with respect to the Goods and/or Services (as hereinafter defined) has been entered between the parties, in which event, such previous written agreement shall prevail. In the event of any inconsistency between this Agreement and any purchase order, terms and conditions or other document produced or delivered by Customer, the terms and conditions of this Agreement shall prevail.

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2. **CUSTOMER OBLIGATIONS.** If necessary, Customer shall provide Cummins safe and free access to Customer's site and arrange for all related services and utilities necessary for Cummins to safely and freely perform the Services. During the performance of the Services, Customer shall fully and completely secure all or any part of any facility where the Equipment is located to remove and mitigate any and all safety issues and risks, including but not limited to injury to facility occupants, customers, invitees, or any third party and/or property damage or work interruption arising out of the Services. If applicable, Customer shall make all necessary arrangements to address and mitigate the consequences of any electrical service interruption which might occur during the Services. Customer is responsible for operating and maintaining the Equipment in accordance with the owner's manual for the Equipment.
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4. **TAXES; EXEMPTIONS.** The Invoice includes all applicable local, state, or federal sales and/or use or similar taxes which Cummins is required by applicable laws to collect from Customer under this Agreement. Customer must provide a valid tax exemption certificate or direct payment certificate prior to shipment of the Goods or performance of the Services, or such taxes will be included in the Invoice.
5. **DELIVERY; TITLE AND RISK OF LOSS.** Unless otherwise agreed in writing by the parties, any Goods supplied under this Agreement shall be delivered FOB Origin, freight prepaid to the first destination. If agreed, any charges for third party freight are subject to adjustment to reflect any change in price at time of shipment. Unless otherwise agreed to, packaging method, shipping documents and manner, route and carrier and delivery shall be as Cummins deems appropriate. All shipments are made within normal business hours, Monday through Friday. Unless otherwise agreed in writing by the parties, title and risk of loss for any Goods sold under this Agreement shall pass to Customer upon delivery of Goods by Cummins to freight carrier or to Customer at pickup at Cummins' facility.
6. **DELAYS.** Any delivery, shipping, installation, or performance dates indicated in this Agreement are estimated and not guaranteed. Further, delivery time is subject to confirmation at time of order. Cummins shall not be liable to Customer or any third party for any loss, damage, or expense suffered by Customer or third party due to any delay in delivery, shipping, installation, or performance, however occasioned, including any delays in performance that result directly or indirectly from acts of Customer or causes beyond Cummins' control, including but not limited to acts of God, accidents, fire, explosions, flood, unusual weather conditions, acts of government authority, or labor disputes.
7. **LIMITED WARRANTIES.**
  - a. New Goods: New Goods purchased or supplied under this Agreement are governed by the express written manufacturers' warranty. No other warranty for Goods supplied under this Agreement is provided under this Agreement.
  - b. Cummins Exchange Components, Other Exchange Components, and Recon: Cummins will administer the Cummins exchange component warranty and the warranties of other manufacturers' exchange components or Recon Components which are sold by Cummins. In the event of defects in such items, only manufacturers' warranties will apply.
  - c. HHP Exchange Engine: HHP Exchange Engines remanufactured by Cummins under this Agreement are governed by the express Cummins' written warranty. No other warranty for HHP exchange Engines supplied under this Agreement is provided under this Agreement.
  - d. General Service Work: All Services shall be free from defects in workmanship (i) for power generation equipment (including engines in such equipment), for a period of ninety (90) days after completion of Services or 500 hours of operation, whichever occurs first; or (ii) for engines, for a period of ninety (90) days after completion of Services, 25,000 miles or 900 hours of operation, whichever occurs first. In the event of a warrantable defect in workmanship of Services supplied under this Agreement ("Warrantable Defect"), Cummins' obligation shall be solely limited to correcting the Warrantable Defect. Cummins shall correct the Warrantable Defect where (i) such Warrantable Defect becomes apparent to Customer during the warranty period; (ii) Cummins receives written notice of the Warrantable Defect within thirty (30) days following discovery by Customer; and (iii) Cummins has determined that there is a Warrantable Defect. Warrantable Defects remedied under this provision shall be subject to the remaining warranty period of the original warranty of the Services. New Goods supplied during the remedy of Warrantable Defects are warranted for the balance of the warranty period still available from the original warranty of such Goods.
  - e. Used Goods: Used Goods are sold "as is, where is" unless exception is made in writing between Cummins and Customer. Customer agrees to inspect all used Goods before completing the purchase.
  - f. **THE REMEDIES PROVIDED IN THE LIMITED WARRANTIES AND THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES AND REMEDIES PROVIDED BY CUMMINS TO THE CUSTOMER UNDER THIS AGREEMENT. EXCEPT AS SET OUT IN THE WARRANTY AND THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY LAW, CUMMINS EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, AND CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY STATUTORY OR COMMON LAW IMPLIED REPRESENTATIONS, WARRANTIES AND CONDITIONS OF FITNESS FOR A PURPOSE OR MERCHANTABILITY.**
8. **INDEMNIFICATION.** Customer shall indemnify, defend and hold harmless Cummins from and against any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, brought against or incurred by Cummins related to or arising out of this Agreement or the Services and/or Goods supplied under this Agreement (collectively, the "Claims"), where such Claims were caused or contributed, in whole or in part, by the acts, omissions, fault or negligence of the Customer. Customer shall present any Claims covered by this indemnity, including any tenders for defense and indemnity by Cummins to its insurance carrier unless Cummins directs that the defense will be handled by Cummins' legal counsel at Customer's expense.
9. **LIMITATION OF LIABILITY. NOTWITHSTANDING ANY OTHER TERM OF THIS AGREEMENT, IN NO EVENT SHALL CUMMINS, ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION DOWNTIME, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, LOSS OF OPPORTUNITY, DAMAGE TO GOODWILL, ENHANCED DAMAGES, MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY, AND/OR DAMAGES CAUSED BY DELAY) IN ANY WAY RELATED TO OR ARISING FROM CUMMINS' SUPPLY OF GOODS OR SERVICES UNDER THIS AGREEMENT. IN NO EVENT SHALL CUMMINS' LIABILITY TO CUSTOMER OR ANY THIRD PARTY CLAIMING DIRECTLY THROUGH CUSTOMER OR ON CUSTOMER'S BEHALF UNDER THIS AGREEMENT EXCEED THE TOTAL COST OF GOODS AND SERVICES SUPPLIED BY CUMMINS UNDER THIS AGREEMENT GIVING RISE TO THE CLAIM, provided however, if such a claim is covered event to which Supplier's insurance responds, Supplier's liability for such insured claim shall not exceed \$1,000,000.00. BY ACCEPTANCE OF THIS AGREEMENT, CUSTOMER ACKNOWLEDGES CUSTOMER'S SOLE REMEDY AGAINST CUMMINS FOR ANY LOSS SHALL BE THE REMEDY PROVIDED HEREIN EVEN IF THE EXCLUSIVE REMEDY IN SECTION 7 IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.**
10. **GOVERNING LAW AND JURISDICTION.** This Agreement and all matters arising hereunder shall be governed by and construed in accordance with the laws of the State of Indiana without giving effect to any choice or conflict of law provision. The parties agree that the court of the State of Indiana shall have exclusive jurisdiction to settle any dispute or claim arising in connection with this Agreement.
11. **ASSIGNMENT.** This Agreement is binding on the parties and their successors and assigns. Customer shall not assign this Agreement without the prior written consent of Cummins.
12. **CANCELLATION.** Orders placed with and accepted by Cummins may not be cancelled except with Cummins' prior written consent. Cummins may charge Customer a cancellation charge in accordance with current Cummins policy which is available upon request, in addition to the actual, non-recoverable costs incurred by Cummins.
13. **REFUNDS/CREDITS.** Goods ordered and delivered by Cummins under this Agreement are not returnable unless agreed to by Cummins. Cummins may, at its sole discretion, agree to accept Goods for return and provide credit where Goods are in new and saleable condition and presented with a copy of the original invoice. Credits for returns will be subject to up to a 15% handling/restocking charge and are limited to eligible items purchased from Cummins.
14. **INTELLECTUAL PROPERTY.** Any intellectual property rights created by either party, whether independently or jointly, in the course of the performance of this Agreement or otherwise related to Cummins pre-existing intellectual property or subject matter related thereto, shall be Cummins' property. Customer agrees to assign, and does hereby assign, all right, title, and interest to such intellectual property to Cummins. Any Cummins pre-existing intellectual property shall remain Cummins' property. Nothing in this Agreement shall be deemed to have given Customer a licence or any other rights to use any of the intellectual property rights of Cummins.
15. **COMPLIANCE WITH LAWS.** Customer shall comply with all laws applicable to its activities under this Agreement, including without limitation, any and all applicable national, provincial, and local export, anti-bribery, environmental, health, and safety laws and regulations in effect. Customer acknowledges that the Goods, and any related technology that are sold or otherwise provided hereunder may be subject to export and other trade controls restricting the sale, export, re-export and/or transfer, directly or indirectly, of such Goods or technology to certain countries or parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States, the United Kingdom and other jurisdictions. It is the intention of Cummins to comply with these laws, rules, and regulations. Any other provision of this Agreement to the contrary notwithstanding, Customer shall comply with all such applicable laws relating to the cross-border movement of goods or technology, and all related orders in effect from time to time, and equivalent measures. Customer shall accept full responsibility for any and all civil or criminal liabilities and costs arising from any breaches of those laws and regulations and will defend, indemnify, and hold Cummins harmless from and against any and all fines, penalties, claim, damages, liabilities, judgments, costs, fees, and expenses incurred by Cummins or its affiliates as a result of Customer's breach.
16. **CONFIDENTIALITY.** Each party shall keep confidential any information received from the other that is not generally known to the public and at the time of disclosure, would reasonably be understood by the receiving party to be proprietary or confidential, whether disclosed in oral, written, visual, electronic, or other form, and which the receiving party (or agents) learns in connection with this Agreement including, but not limited to: (a) business plans, strategies, sales, projects and analyses; (b) financial information, pricing, and fee structures; (c) business processes, methods, and models; (d) employee and supplier information; (e) specifications; and (f) the terms and conditions of this Agreement. Each party shall take necessary steps to ensure compliance with this provision by its employees and agents.
17. **MISCELLANEOUS.** All notices under this Agreement shall be in writing and be delivered personally, mailed via first class certified or registered mail, or sent by a nationally recognized express courier service to the addresses set forth in the Quote and/or Invoice. No amendment of this Agreement shall be valid unless it is writing and signed by the parties hereto. Failure of either party to require performance by the other party of any provision hereof shall in no way affect the right to require such performance at any time thereafter or the enforceability of the Agreement generally, nor shall the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach. Any provision of this Agreement that is invalid or unenforceable shall not affect the validity or enforceability of the remaining terms hereof. These terms are exclusive and constitute entire agreement. Customer acknowledges that the provisions were freely negotiated and bargained for and Customer has agreed to purchase of the Goods and/or Services pursuant to these terms and conditions. Acceptance of this Agreement is expressly conditioned on Customer's assent to all such terms and conditions. Neither party has relied on any statement, representation, agreement, understanding, or promise made by the other except as expressly set out in this Agreement.

## Coverage

ReCon® Engine Warranty		
Application	Engine	Coverage*
Automotive (On-Highway applications)	B3.9	2 years, 50,000 miles 80,468 kilometers
	B5.9/ISB/B GAS PLUS/BLPG PLUS	2 years, 100,000 miles 160,935 kilometers
	ISC/C8.3/C GAS PLUS/ISL/ISL G/L GAS PLUS Up to 225HP	2 years, Unlimited
	ISC/C8.3/C GAS PLUS/ISL/ISL G/L GAS PLUS 226 HP & Over	2 years, 100,000 miles 160,935 kilometers
Transit Bus (Excludes Hybrid)	ISB/ISL/ISC	2 years, Unlimited miles
Industrial	B3.9/B5.9/QSB/B GAS PLUS/BLPG PLUS/C8.3/C GAS PLUS/QSC/QSL/ISL G/L GAS PLUS	2 years, 2,000 hours**

# **Exhibit B**

## **FEDERAL CONTRACT CLAUSES**

This project will be financed in part by funds from the Federal Transit Administration (FTA). Accordingly, Federal requirements apply to this contract and if those requirements change then the most recent requirements shall apply to the project as required.

**A. Energy Conservation**

The Supplier agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Federal Energy Policy and Conservation Act, 49 U.S.C. §§ 6321 et seq.

**B. Clean Water and Air Requirements – Not Applicable**

**C. Lobbying - Not Applicable**

**D. Access to Records and Reports**

Supplier shall provide all authorized representatives of the RTA, the FTA Administrator, and the Comptroller General of the United States access to any books, documents, papers and records of the Supplier which are directly pertinent to this Contract for the purposes of making audits, copies, examinations, excerpts and transcriptions. Supplier also agrees to maintain all books, records, accounts and reports required under this Contract for a period of not less than three years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case Supplier agrees to maintain the same until RTA, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims, or exceptions related thereto.

**E. Federal Changes**

Supplier shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Agreement (Form FTA MA (18) dated October 1, 2011) between the RTA and the FTA, as they may be amended or promulgated from time to time during the term of this Contract. Supplier's failure to so comply shall constitute a material breach of this Contract.

**F. No Federal Government Obligation to Third Parties**

The RTA and Supplier acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the RTA, Supplier, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract. The Supplier agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

**G. Program Fraud and False or Fraudulent Statements and Related Acts**

The Supplier 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. DOT regulations, "Program

Fraud Civil Remedies,” 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Supplier certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this Contract work is being performed. In addition to other penalties that may be applicable, the Supplier further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Supplier to the extent the Federal Government deems appropriate.

The Supplier also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the RTA 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 Supplier, to the extent the Federal Government deems appropriate.

The Supplier agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

#### **H. Government-Wide Debarment and Suspension**

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the Supplier is required to verify that none of the Supplier, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

The Supplier is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

By signing and submitting its Proposal, Proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by the RTA. If it is later determined that the Proposer knowingly rendered an erroneous certification, in addition to remedies available to the RTA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The Proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The Bidder or Proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

#### **I. Privacy Act**

The following requirements apply to the Supplier and any of its employees that may administer any system of records on behalf of the Federal Government under any contract:

The Supplier 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, U.S.C. §552(a). Among other things, the Supplier agrees to obtain the express consent of the Federal Government before the Supplier or its employees operate a system of records on behalf of the Federal Government. The Supplier 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 contract.

The Supplier also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

**J. Civil Rights Requirements**

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Supplier agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Supplier agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Supplier 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 Supplier 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 Supplier agrees to comply with any implementing requirements FTA may issue.

(b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Supplier agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Supplier agrees to comply with any implementing requirements FTA may issue.

(c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Supplier 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 Supplier agrees to comply with any implementing requirements FTA may issue.

(3) The Supplier also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

**K. Incorporation of Federal of Federal Transit Administration (FTA) Terms**

The preceding provisions include, in part, certain Standard Terms and Conditions required by U.S. DOT, whether or not expressly set forth in the preceding contract

provisions. All contractual provisions required by the U.S. DOT, as set forth in FTA Circular 4220. 1F, as may be amended, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Contract. The Supplier shall not perform any act, fail to perform any act, or refuse to comply with any RTA requests which would cause the RTA to be in violation of the FTA terms and conditions.

**L. Fly America – Not Applicable**

**M. Disadvantaged Business Enterprise (DBE)**

This Contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.

The Supplier shall maintain compliance with “DBE Approval Certification” throughout the period of Contract performance.

The Supplier shall not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Supplier shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted Contract. Failure by the Supplier to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as the Agency deems appropriate. Each subcontract the Supplier signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

**N. Recycled Products.**

To the extent applicable, the SUPPLIER agrees to comply with U.S. EPA regulations, "Comprehensive Procurement Guidelines for Products Containing Recovered Materials," 40 C.F.R. Part 247, implementing section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962, and otherwise provide a competitive preference for products and services that conserve natural resources and protect the environment and are energy efficient.

**O. Cargo Preference – Not Applicable**

**P. Termination**

RTA shall have the right to terminate this Agreement at any time by giving written notice to the SUPPLIER. Upon receipt of such notice, the SUPPLIER shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than a default by SUPPLIER, RTA shall pay to SUPPLIER in accordance with the provisions of Sections 16 and 17 all sums actually due and owing from RTA for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessarily incurred by SUPPLIER to effect such or termination. If the Agreement is terminated for default, RTA shall only pay SUPPLIER the contract price for goods delivered and accepted in accordance with the requirements set forth in this contract.