



179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4472 Fax (805) 781-1291
www.slorta.org

BOARD AGENDA

Wednesday, April 26, 2017

CITY OF ARROYO GRANDE, CITY COUNCIL CHAMBERS
215 E. Branch Street. Arroyo Grande, California
1:30 p.m. to 3:00 p.m.
(Ending time is approximate)

Chairperson: Lynn Compton

Vice Chair: Barbara Nicolls

Board Members:

Lynn Compton (Fourth District – SLO County)
Tim Brown (Arroyo Grande)

Barbara Nicolls (Grover Beach)
Sheila Blake (Pismo Beach)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency persons) by contacting the SCT offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

NOTE: Arroyo Grande City Offices are served hourly by SCT Route 24.
Please call 541-2228 for more information.

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENTS: This portion of the agenda is reserved for any members of the public to directly address the South County Transit 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 Administrator's Report (Receive)

B. ACTION AGENDA

B-1 Fiscal Year 2017-18 Budget (Approve)

B-2 Summer Youth Ride Free Program (Approve)

B-3 Authorize SCT Administrator to Issue Request for Proposals for Five Cities Senior Shuttle (Approve)

South County Transit, operated by the San Luis Obispo Regional Transit Authority, is a Joint Powers Agency serving residents and visitors of: Arroyo Grande, Grover Beach, Pismo Beach, Shell Beach and Oceano

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 South County Transit Board 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 South County Transit Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

C-1 Draft SCT Minutes of January 18, 2017 (Approve)

C-2 SCT Strategic Business Plan Results through February 2017 (Receive)

C-3 Amend Transfer Agreement with LOSSAN (Approve)

C-4 Draft SCT Minutes of October 19, 2016 (Approve)

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

D-1 Conference with Labor Negotiator Geoff Straw concerning the following labor organization:
Teamsters Local 986

E. DIRECTORS' COMMENTS

F. EXECUTIVE COMMITTEE MEMBERS' COMMENTS

ADJOURNMENT

Next South County Transit Board meeting: **July 19, 2017**

SOUTH COUNTY TRANSIT

April 26, 2017

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Administrator's Report

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Operations:

Staff conducted an SCT Drivers Forum on March 14th, and the following issues were discussed:

- a. Possible revisions to Route 27/28 departures from Ramona Garden transit center to allow for perceived late-running Route 21 (note: a follow-up analysis shows Route 21 to have best SCT on-time performance). Solution: Monitor on-time performance of all routes, and consider slight schedule revision for all four routes in August 2017, as needed.
- b. Route 21 possibly use Halcyon or Brisco rather than Grand to get from Wal-Mart back toward Ramona Garden. Solution: Since the AM/PM bus stop is ranked 6th highest, determine if other solutions would help on-time performance.
- c. Need to address early-departures on all routes, especially Route 21. Solution: Monitor and report monthly findings to employees and Board; take disciplinary action as necessary.
- d. Route 27 has almost zero ridership on El Camino; consider reverting back to Branch as originally proposed. Solution: Continue to work with the City of Arroyo Grande to consider re-route for August 2017 implementation.
- e. Discussion on how to deal with riders that exhibit strong odors. Solution: Use Passenger Code of Conduct as guiding policy; Road Supervisors to administer off-bus discussions with offending riders to minimize service disruptions.
- f. GFI fareboxes exhibiting trouble with new SCT-branded farecards. Solution: Currently recalibrating farebox feeders to accommodate thicker farecard stock.

SCT and RTA celebrated Driver Appreciation Day on March 17th. Management staff members provided bagels and coffee for early-morning Bus Operators, and all administrative staff members also rode buses and asked riders to join us in thanking our

Bus Operators for doing a great job. The on-bus LCD screens advised riders in advance of the event, and we provided a SMS text number for riders to share their experiences; we received some great feedback. Staff members always learn a lot when we do this, and the Bus Operators seem to genuinely appreciate interacting with us “on the road.”

Marketing & Service Planning:

The Santa Barbara County Association of Governments is leading a Santa Maria – SLO Public Transportation Connections study, and SLOCOG, RTA and SCT are participating closely. We will advocate for evaluating options along the whole US-101 corridor between Santa Maria and SLO so that South County interests are addressed, too. The kick-off meeting occurred on February 14, and stakeholder meetings will be conducted on April 25th. The study will take approximately 12 months to complete.

Staff received is working with SLOCOG staff to review and comment on the administrative draft TDA Triennial Performance Audit for SCT services report. The final draft report will be presented to the SLOCOG Board at its June meeting. Staff will provide a presentation to the SCT Board at its next meeting.

Finance and Administration:

SCT and RTA’s GPS-based automated passenger counting (APC) system recently achieved FTA certification for mandated boarding/alighting reporting. However, we recognize that this system does a significantly better job of counting each passenger; the old system using only the electronic farebox system undercounted passenger-boardings. As such, for the next year, we will present both the farebox ridership numbers and the APC numbers.

Through March 31st, SCT boarded 167,211 riders when according to the new APC system (136,941 via the fareboxes). In comparison, we boarded 155,737 (via the fareboxes) for the first nine months of FY15-16. This represents a 13.7% decline year-over-year. As mentioned in previous Administrator Reports, this decline is not surprising given lower fuel prices, as well as the fact that the fares were increased on July 30, 2016. The farebox recovery ratio is 11.65%, which remains below the TDA-required 20% standard.

SCT implemented a fare change on July 30, 2016, which included higher cash fares and more expensive multi-ride fare instruments. Most significantly, the new fare program included incorporation of SCT-only day passes and adoption of a bi-directional route service Oceano and the surrounding areas. Ridership patterns appear to have essentially stabilized, suggesting that riders have become fully accustomed to the changes. Below is a table depicting March 2016 vs. March 2017 boardings by fare type. The following are takeaways:

- A total of 63.5% of March 2016 riders used an SCT-only fare instrument, while in March 2017 that figure dropped to 56.3%.
- The March 2017 boardings include use of the new SCT-only Day Passes (10.3% of total), which eliminated the former SCT Free Transfers.

- 43.3% of 2017 riders used same-day passes or paid cash, while that proportion was 48.8% in 2016.
- The use of Regional 31-Day Discounted passes increased substantially from 9.2% to 16.8%; it might be that riders deem the difference in price (\$18.50 for discounted SCT vs. \$32.00 for discounted RTA) as negligible when considering the additional mobility options provided. In any case, the sales proceeds of all regional passes is shared proportionally by ridership on all fixed routes in the county.

SOUTH COUNTY TRANSIT RIDERS BY FARE TYPE COMPARISON				
Passenger Fare Type	March 2017	% Total	March 2016	% Total
Cash Fare @ \$1.25 (2016) or \$1.50 (2017)	2,837	18.7%	4,685	30.1%
Cash Fare @ \$0.60 (2016) or \$0.75 (2017)	1,162	7.7%	1,437	9.2%
SCT Free Transfer	113	0.7%	1,445	9.3%
SCT 31-Day Pass Regular	309	2.0%	637	4.1%
SCT Value Card	7	0.0%	40	0.3%
SCT 31-Day Pass Discounted	1,065	7.0%	942	6.0%
SCT 20-Ride Pass Regular	541	3.6%	637	4.1%
SCT 20-Ride Pass Discounted	36	0.2%	66	0.4%
SCT Day Pass Regular Used	807	5.3%	N/A	N/A
SCT Day Pass Regular Sold	514	3.4%	N/A	N/A
SCT Day Pass Discounted Used	762	5.0%	N/A	N/A
SCT Day Pass Discounted Sold	379	2.5%	N/A	N/A
Regional Day Pass Sold	256	1.7%	304	2.0%
Regional Day Pass Used	1,209	8.0%	1,292	8.3%
ADA Card (free)	120	0.8%	223	1.4%
Regional 31-Day Pass Regular	1,213	8.0%	1,161	7.4%
Regional 31-Day Pass Discounted	2,552	16.8%	1,438	9.2%
Promotions (Youth Ride Free)	4	0.0%	10	0.1%
Free (children with fare-paying adult)	458	3.0%	521	3.3%
Short Key (riders without full fare)	167	1.1%	180	1.2%
Amtrak Pass	4	0.0%	0	0.0%
VIP Rider (age 80+ is free)	524	3.5%	518	3.3%
7-Day Pass	115	0.8%	48	0.3%
Employee Family	12	0.1%	0	0.0%
TOTAL PASSENGERS	15,166		15,584	

In terms of budget vs. actual results, the table below shows that total operating expenditures equaled 70.6% of the annual budget through the end of March, which represents 75% of the fiscal year. Notable large-ticket variances include labor costs (71.6% of budget), vehicle maintenance (105.7%), and fuel (46.7%). As mentioned in previous reports, I negotiated a reimbursement for emission equipment failures from the engine manufacturer for our three 2013 buses that were technically out of warranty; this \$18,000 credit will be applied over time as we purchase parts from Cummins.

Staff completed steps to amend the SCT Joint Powers Agreement document by each jurisdiction in February and March. We will assemble and submit the amended JPA package to the Secretary of State by the end of April.

As mentioned in the previous Administrator's Report, Staff has submitted a Caltrans Sustainable Transportation Planning Grant application in November 2016 to update the 2011 Short Range Transit Plan. The proposed scope of work includes an update of the County-funded Nipomo Dial-A-Ride SRTP, so it would be a coordinated Plan for the entire South County area. We expect to hear back in late April 2017 if we are successful in attaining these grant funds.

STAFF RECOMMENDATION:

Accept this as an information item.

SOUTH COUNTY TRANSIT
2016-17 Budget vs. Actual (unaudited)

A-1-5

	FY 16/17 Adopted	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	Year to Date	Percent Year to Date
Use of Resources									
<u>Administrative Expenditures</u>									
Insurance									
Liability & Physical Damage	\$ 82,800	\$ 6,896	\$ 6,896	\$ 6,896	\$ 6,889	\$ 6,889	\$ 6,889	\$ 61,955	74.8%
Workers Compensation	57,000	4,505	4,505	4,505	4,505	4,505	4,505	40,542	71.1%
Property Insurance	700	32	32	32	32	32	32	605	86.4%
Rent	36,000	2,550	2,550	2,550	2,550	2,550	2,550	22,950	63.8%
Utilities	8,450	588	1,464	671	788	791	551	6,622	78.4%
Radio Expense	1,240	103	103	103	103	103	103	927	74.8%
Legal Services	6,200	-	-	-	-	-	-	-	0.0%
Payroll Processing	1,680	67	129	71	97	179	69	981	58.4%
Administration - Staff Time	74,750	6,229	6,229	6,229	6,229	6,229	6,229	56,063	75.0%
Finance - Staff Time	13,200	1,100	1,100	1,100	1,100	1,100	1,100	9,900	75.0%
Marketing - Staff Time	5,100	425	425	425	425	425	425	3,825	75.0%
Office Expense/Miscellaneous	10,370	1,366	1,450	141	556	289	811	7,649	73.8%
Audit	3,000	3,000	-	-	-	-	-	3,020	100.7%
Marketing/Community Relations/Printing	25,000	1,262	2,168	1,046	125	645	300	22,670	90.7%
Uniforms/Laundry/Physicals/Ads	10,270	238	5,688	482	147	542	697	8,539	83.1%
<u>Operating Expenditures</u>									
Salaries/Benefits	\$ 579,750	\$ 52,448	\$ 66,299	\$ 41,300	\$ 43,710	\$ 45,278	\$ 44,840	\$ 415,047	71.6%
Maintenance	115,800	19,963	17,153	13,141	12,282	7,224	17,463	122,427	105.7%
Dispatch	21,850	1,821	1,821	1,821	1,821	1,821	1,821	16,388	75.0%
Sign Maintenance	3,000	-	-	-	-	-	-	-	0.0%
SCT Bus Fuel	215,770	11,519	10,055	11,166	11,328	10,907	11,602	100,733	46.7%
Contingency	12,640	5,093	-	913	-	-	-	6,006	47.5%
9 Total Operating Expenditures	\$ 1,284,570	\$ 119,205	\$ 128,067	\$ 92,591	\$ 92,688	\$ 89,508	\$ 99,987	\$ 906,848	70.6%
<u>Capital Service</u>									
Facility Improvements/Bus Stop Amenities	\$ 141,010	\$ 2,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,389	5.2%
ITS	156,600	-	-	-	-	-	-	-	0.0%
Transit Center Improvements	62,500	-	-	-	-	-	-	-	0.0%
Total Capital Service	\$ 360,110	\$ 2,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,389	2.1%
10 Total Use of Resources	\$ 1,644,680	\$ 121,473	\$ 128,067	\$ 92,591	\$ 92,688	\$ 89,508	\$ 99,987	\$ 914,237	55.6%

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
YEAR TO DATE THRU MARCH 2017**

	RT 21 PISMO & SHELL BEACH	RT 23 A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 27 GROVER B, AG, OCEANO CLOCKWISE	RT 28 GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
REVENUES:							
FARES	\$ 26,563	\$ 3,079	\$ 21,065	\$ 13,400	\$ 19,723	\$ 83,830	\$ 6,322
TOTAL ROUTE REVENUES	\$ 26,563	\$ 3,079	\$ 21,065	\$ 13,400	\$ 19,723	\$ 83,830	\$ 6,322
EXPENDITURES:							
ADMINISTRATION	\$ 14,801	\$ 1,696	\$ 14,196	\$ 14,239	\$ 15,438	\$ 60,370	\$ 2,797
MARKETING	4,779	359	4,692	4,637	4,725	19,193	-
OPERATIONS/CONTINGENCY	112,105	12,640	107,332	107,946	117,876	457,899	23,677
FUEL	22,727	3,269	16,965	16,867	17,185	77,015	4,702
INSURANCE	23,185	3,417	17,310	17,162	17,470	78,546	5,130
TOTAL EXPENDITURES	\$ 177,597	\$ 21,382	\$ 160,496	\$ 160,851	\$ 172,695	\$ 693,022	\$ 36,307
FAREBOX RATIO	14.96%	14.40%	13.12%	8.33%	11.42%	12.10%	17.41%
SERVICE MILES	37,945.9	6,800.0	28,393.7	27,527.8	27,989.6	128,657.1	9,612.0
SERVICE HOURS	1,952.3	256.0	1,870.8	1,847.9	2,002.4	7,929.4	394.1
RIDERSHIP (Automatic Counters)	38,345	4,331	31,169	26,240	36,676	136,761	4,578
RIDERS PER MILE	1.0	0.6	1.1	1.0	1.3	1.1	0.5
RIDERS PER HOUR	19.6	16.9	16.7	14.2	18.3	17.2	11.6
COST PER PASSENGER	\$ 4.63	\$ 4.94	\$ 5.15	\$ 6.13	\$ 4.71	\$ 5.07	\$ 7.93
SUBSIDY PER PASSENGER	\$ 3.94	\$ 4.23	\$ 4.47	\$ 5.62	\$ 4.17	\$ 4.45	\$ 6.55
RIDERSHIP (GFI Fareboxes)	33,187	4,728	30,171	18,031	27,665	113,782	4,578
RIDERS PER MILE	0.87	0.70	1.06	0.66	0.99	0.88	0.48
RIDERS PER HOUR	17.00	18.47	16.13	9.76	13.82	14.35	11.62
COST PER PASSENGER	\$ 5.35	\$ 4.52	\$ 5.32	\$ 8.92	\$ 6.24	\$ 6.09	\$ 7.93
SUBSIDY PER PASSENGER	\$ 4.55	\$ 3.87	\$ 4.62	\$ 8.18	\$ 5.53	\$ 5.35	\$ 6.55

A-1-6

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS
YEAR TO DATE THRU MARCH 2017**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 23 - SAT A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 23 - SUN A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 - SAT GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 24 - SUN GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 28 - SAT GROVER B, AG, OCEANO COUNTER CW	RT 28 - SUN GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKEND SERVICE	TOTAL SCT ONLY SERVICE	TOTAL SCT AND AVILA SERVICE
REVENUES:											
FARES	\$ 3,833	\$ 2,726	\$ 630	\$ 448	\$ 2,764	\$ 2,034	\$ 2,675	\$ 2,169	\$ 17,280	\$ 101,110	\$ 107,432
TOTAL ROUTE REVENUES	\$ 3,833	\$ 2,726	\$ 630	\$ 448	\$ 2,764	\$ 2,034	\$ 2,675	\$ 2,169	\$ 17,280	\$ 101,110	\$ 107,432
EXPENDITURES:											
ADMINISTRATION	\$ 2,686	\$ 2,435	\$ 295	\$ 272	\$ 2,491	\$ 2,220	\$ 2,589	\$ 2,368	\$ 15,358	\$ 75,728	\$ 78,525
MARKETING	827	749	62	58	784	704	768	800	4,752	23,945	23,945
OPERATIONS/CONTINGENCY	20,365	18,480	2,199	2,027	18,892	16,798	19,764	17,892	116,417	574,316	597,993
FUEL	4,010	3,576	154	154	2,891	2,747	2,916	2,568	19,016	96,030	100,733
INSURANCE	4,098	3,654	161	161	2,939	2,807	2,984	2,623	19,427	97,972	103,102
TOTAL EXPENDITURES	\$ 31,986	\$ 28,894	\$ 2,871	\$ 2,671	\$ 27,998	\$ 25,276	\$ 29,022	\$ 26,252	\$ 174,969	\$ 867,991	\$ 904,298
FAREBOX RATIO	11.98%	9.43%	21.95%	16.78%	9.87%	8.05%	9.22%	8.26%	9.88%	11.65%	11.88%
SERVICE MILES	6,715.2	5,988.4	320.0	320.0	5,094.0	4,603.7	4,806.4	4,254.7	32,102.5	160,759.5	170,371.5
SERVICE HOURS	355.0	319.6	44.5	41.0	329.3	291.0	338.6	306.2	2,025.2	9,954.5	10,348.6
RIDERSHIP (Automatic Counters)	5,920	4,510	769	723	5,127	3,495	5,024	4,882	30,450	167,211	171,789
RIDERS PER MILE	0.9	0.8	2.4	2.3	1.0	0.8	1.0	1.1	0.9	1.0	1.0
RIDERS PER HOUR	16.7	14.1	17.3	17.6	15.6	12.0	14.8	15.9	15.0	16.8	16.6
COST PER PASSENGER	\$ 5.40	\$ 6.41	\$ 3.73	\$ 3.69	\$ 5.46	\$ 7.23	\$ 5.78	\$ 5.38	\$ 5.75	\$ 5.19	\$ 5.26
SUBSIDY PER PASSENGER	\$ 4.76	\$ 5.80	\$ 2.91	\$ 3.07	\$ 4.92	\$ 6.65	\$ 5.24	\$ 4.93	\$ 5.18	\$ 4.59	\$ 4.64
RIDERSHIP (GFI Fareboxes)	4,799	3,261	557	439	3,794	2,690	4,119	3,500	23,159	136,941	141,519
RIDERS PER MILE	0.71	0.54	1.74	1.37	0.74	0.58	0.86	0.82	0.72	0.85	0.83
RIDERS PER HOUR	13.52	10.20	12.51	10.70	11.52	9.24	12.17	11.43	11.44	13.76	13.68
COST PER PASSENGER	\$ 6.67	\$ 8.86	\$ 5.15	\$ 6.08	\$ 7.38	\$ 9.40	\$ 7.05	\$ 7.50	\$ 7.56	\$ 6.34	\$ 6.39
SUBSIDY PER PASSENGER	\$ 5.87	\$ 8.02	\$ 4.02	\$ 5.06	\$ 6.65	\$ 8.64	\$ 6.40	\$ 6.88	\$ 6.81	\$ 5.60	\$ 5.63

A-1-7

South County Transit

-Fiscal Year 2017/2018 Budget

-Projected Five Year Capital Budget



April 26, 2017

Vision Statement

The SCT of the future will help meet residents' and visitor's diverse transportation needs in the Five Cities Area.

Mission Statement

South County Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

Vision Elements

- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

Strategic Direction

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce private automobile Vehicle Miles Traveled (VMT).
- Improve SCT's farebox recovery ratio to avoid Transportation Development Act (TDA) penalties.

- Embrace technological improvements that will positively impact efficiency and quality of service.

Goals

1. Provide market-driven service that meets the needs of the communities that we serve but that will also attract discretionary riders.
2. Provide transportation services that are safe, reliable, economical and accessible in an efficient manner with innovative management practices and technological advancements.
3. Lead and participate in the analysis of the integration of transit operations throughout the county to ensure that customers are provided seamless transit alternatives and services that attract discretionary riders from every community that SCT serves.
4. Promote the value of SCT and public transportation to the quality of life in the Five Cities Area and the environmental rewards of utilizing public transportation and the reduction of vehicle miles traveled.

SOUTH COUNTY TRANSIT
April 26, 2017
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2017-18 Operating and Capital Budget

ACTION: Adopt Fiscal Year 2017-18 Budget as Presented

PRESENTED BY: Tania Arnold, RTA CFO/Deputy Director

**EXECUTIVE COMMITTEE
RECOMMENDATION:**

BACKGROUND

We are pleased to present the proposed South County Transit Fiscal Year 2017-18 Operating and Capital Budget. The operating budget is proposed at \$1,399,120 and the capital budget at \$162,850. The budget is balanced, based on proposed service levels and anticipated funding levels. Staff is presenting this budget plan based on several significant assumptions regarding the Local Transportation Fund (LTF) and the State Transit Assistance (STA) programs, which will be discussed in the Revenue section below.

The South County Transit (SCT) FY17-18 budget assumes the same levels of fixed route revenue service hours and miles for all routes. A slight decrease in Beach Trolley service hours and miles is proposed, although this program is currently funded entirely by the County. Staff will also continue to evaluate service modifications during the year to improve efficiencies, and any such change would be brought back to the SCT Board for your consideration.

In April 2014 SCT adopted a reserve policy – one for cash flow purposes and one for capital projects. During prior fiscal years SCT came in under the adopted budget, and the fund balance increased more than original budget projections. The result of the savings, as well as a decrease in fuel prices, has resulted in staff is projecting a strong fund balance at the beginning of FY17-18. Staff will review this policy during the coming fiscal year to determine an appropriate reserve amount for the \$50,000 self-insured retention requirement for the new employment practices coverage provided by the Employment Risk Management Authority (ERMA). Coverage had previously been provided by CalTIP and had first dollar coverage (i.e., no “deductible”), but effective July 1, 2017 CalTIP is no longer providing that line of coverage.

In summary, staff has done a tremendous job of holding the line on expenses. The major challenge during the next few years will be increasing the SCT farebox recovery ratio to 20 percent, which is now required due to the *Arroyo Grande – Grover Beach Urbanized Area* designation as a result of the 2010 Census. The implementation of the new Routes 27/28 in July 2016 and the accompanying changes to the fare program are considered “major” and will exempt SCT from the 20 percent farebox recovery ratio for

the ensuing three years. TDA law requires transit providers in newly-designated urbanized areas to achieve a 20% farebox recovery ratio by the fifth full year of transit service. Failure to achieve it in the determination year (fiscal year 2017-18) would result in a financial penalty that would be assessed in the “penalty year” (fiscal year 2018-19). The new Routes 27/28 and new fare program will effectively push the determination year to FY18-19 and the penalty year to FY19-20.

It should be noted that the County-contracted Beach Trolley service is presented in a separate column from the core SCT fixed-route services in the monthly farebox reports to assist decision-makers in monitoring the performance of core SCT services. Any farebox or other shortfalls in the Beach Trolley are the responsibility of the County.

Revenue

Similar to FY13-14, the *Arroyo Grande – Grover Beach Urbanized Area* designation has resulted in SCT’s ability to access to Federal Transit Administration (FTA) Section 5307 Urbanized Area reimbursement funds. In total, the FY17-18 budget assumes that \$562,020 of FTA 5307 funds will be used for operating purposes, which will reduce the need for LTF from the SCT jurisdictions.

We are predicating the revenue stream for the FY17-18 budget on the latest information that we have available on Local Transportation Funds (LTF) and State Transit Assistance (STA) funding for the region. LTF funds are derived from the statewide ¼ percent sales tax, while STA is derived from the sales tax on diesel fuel. LTF has traditionally been used to fund operations, but can be used for capital projects as well. STA can only be used for capital projects.

The LTF program continues to be volatile and staff is unsure of what the projection for this revenue stream should be for the coming years. SLOCOG’s current countywide LTF projection is unchanged in FY17-18 in comparison to final FY16-17 amounts. The original assumption presented in January included an estimated LTF request of \$480,000, which has been reduced to \$441,640. Although it is a significant increase over recent years, it is similar to the amount request in FY14-15 when there was not a significant fund balance carryover.

However, STA funding for FY16-17 is roughly 20% lower for SCT than originally projected and staff is projecting continuing with this lower estimate in FY17-18. The result is that the planned Ramona Garden transit center improvements project will be delayed because of this STA reduction.

Staff concurs and applauds the principles laid out in the SLOCOG staff report that any future funding formulas include incentive funding for Vehicle Miles Traveled (VMT) and regional integration of the jurisdictional operations with the regional system as part of the regional funding formula.

The final revenue apportionment for the Low-Carbon Transit Operations Program (LCTOP) used to partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) came in higher than the original assumption.

To help SCT achieve the 20% farebox recovery ratio requirement, staff implemented the service and fare program change in July 2016. The new Routes 27/28 and new fare program pushed the determination year to FY18-19 to achieve the 20% farebox recovery ratio requirement and the penalty year to FY19-20.

Expenditures

The overall operating expense for SCT core services is relatively flat compared to last fiscal year. The proposed service delivery cost is up by roughly 9% from what was identified in the FY16-17 budget. The primary reasons for this increase are described below.

SCT currently employs four full-time hourly Bus Operators, a number of part-time/casual hourly Bus Operators, and one part-time hourly Utility Worker – all of whom are covered by a Collective Bargaining Agreement (CBA) with Teamsters Local 986. Two full time Road Supervisors are also employed by SCT with RTA contributing a portion in exchange for supervision support of RTA services operated in the South County. The CBA identifies annual increases based upon longevity for Bus Operators and Utility Workers. It should be noted that SCT ratified the CBA in September 2015, which runs through January 31, 2018. No changes to the mix of full-time and part-time employees are assumed in FY17-18. For budgetary planning purposes, the FY17-18 operating budget assumes increases after January 31, 2018 to be similar to those provided during the current CBA period.

With regard to County-contracted Beach Trolley service in the Pismo Beach and Avila Beach areas, staff is changing service from four days per week to three days per week with later service on Saturday nights to match the Friday schedule during the peak months. This service model seems to provide a good balance between providing high-quality services during peak tourism periods and in providing necessary linkages between the communities for residents. In the past, low-levels of service were provided year-round and the result was very low ridership during the non-peak months. This service model has been accepted by our partners at the County.

The three new replacement buses that were delivered in the summer of 2013 and spring of 2015 resulted in somewhat of a “vacation” in maintenance repairs during the warranty period. Overall, the net effect is that staff has projected FY17-18 maintenance costs to increase from the actual FY15-16 and projected FY16-17 expenditure. Nonetheless, staff is satisfied with the reliability and cost-effectiveness of these new buses in comparison to the 2003 buses that have been replaced.

Staff has included preliminary numbers for the CalTIP general liability and auto physical damage renewal, as well as the addition of employment practices liability coverage provided through ERMA. Although final numbers are not available for the Executive Committee meeting, they will be available for the SCT Board on April 26th. Staff will also be evaluating options for consolidating insurance coverage between RTA and SCT, which would reduce duplicative administrative charges.

Workers compensation insurance provided by CSAC Excess Insurance Authority continues to increase, with the realization that worker’s compensation for transit

services is especially challenging statewide as loss development trends for the state are not favorable. CSAC-EIA staff has provided a worst case estimate including their uncertainty with regarding to moving forward with a renewal with a carrier or if they will self-insure for a portion of the primary workers compensation layer. We continue to work with our employee committee that has evaluated workplace safety and have initiated a proactive program to address the number of claims and severity of the claims. It should be noted that this FY17-18 increase is lower than we originally projected in May 2016. Staff will also investigate any cost-savings that might be accrued if the SCT and RTA payrolls were to be consolidated.

Although there are significant increases, the CalTIP and CSAC-EIA policies offer the best economic and risk management service value in today's market.

Due to the unrest in Eastern Europe, Northern Africa and the Middle East, fuel prices continued fluctuate. Staff is budgeting fuel at the same cost per gallon in comparison to FY16-17, but we may need to adjust it if fuel prices rise significantly during the fiscal year. It should be noted that diesel-powered buses manufactured after 2009 also require the use of Diesel Exhaust Fluid (DEF) to meet emissions requirements. DEF costs more than diesel fuel, and it is used at a roughly 5% ratio DEF to diesel; its use is included in the fuel line item.

RTA provides oversight services on an annual fixed cost basis to SCT. These services include program administration, operations management, financial reporting and oversight, human resources, marketing, grants management, accounts payable, and Board meeting administration. The proposed *Administration - Staff Time* charge for FY17-18 is \$77,600 – an annual increase of \$2,850 (3.8%) in comparison to FY16-17. This equates to approximately 1,150 hours (the same hours as FY16-17) of administrative staff time. Items to note in this line item include the time for labor negotiations that will be occurring in FY17-18, whereas administrative time in FY16-17 focused on the service and fare program change. The proposed *Finance - Staff Time* charge is \$13,700. The *Marketing - Staff Time* charge of \$5,290 is proposed, and is based on 10 hours/month. *Dispatch - Staff Time* costs are also proposed at \$22,680 to account for actual proportional time spent by RTA dispatchers, schedulers and road supervisors handling SCT's needs.

It should be noted that staff implemented a new safety reward program in FY16-17 to both heighten awareness of how work injuries and vehicle collisions affect the bottom line, and to reward safe behaviors. This type of program is used across the transit industry, and is based on the one used at RTA. This cost is reflected in the *Office Expense/Miscellaneous* line-item.

Capital Budget

The FY15-16 budget included the transfer of Bus 1011 and 1012 from RTA in lieu of purchasing a replacement bus that was originally scheduled for delivery in June 2016. This allowed SCT to spread the vehicle replacements over a longer time period, as these vehicles will need to be funded for replacement in FY20-21 when those two buses reach the end of their FTA-defined economically useful lives.

Staff will be presenting a budget amendment to the Board (likely in October) to carry over any capital funds that were not fully expended during FY16-17. At this point in time, it is difficult to know the amount that should be carried over due to the milestone requirements of the ITS project, and for facility and bus stop improvements. In any case, all carryover capital projects are fully funded and no additional funds will be needed.

Budget Notes

Staff has segregated the budget document into sections, so that each section can be explained in relation to the total budget. The paragraph numbers below relate to the boxed numbers in the first column of the budget.

1. ESTIMATED FUND BALANCE – This amount includes carryover funds and general reserves. This amount represents the fund balance available according to the June 30, 2016 audited results, plus projected revenues for the fiscal year ending June 30, 2017, less projected expenses for the fiscal year ending June 30, 2017. The resulting amount is the projected fund balance, which will be available on July 1, 2017.
2. REQUIRED RESERVES – In April 2014, the SCT Board approved a new reserve policy, in accordance with TDA requirements, that maintains an operating reserve equivalent to one quarter of net annual operating expenses. Equipment replacement reserves have been calculated based on funding the local match on the average five-year capital replacement plan.
3. FUND BALANCE AVAILABLE – This is the fund balance or reserves used in the current year budget to fund operating and capital expenditures.
4. TOTAL NON-LTF FUNDS – This section details all the sources of operating revenue by type, except LTF. Included are fares, advertising revenues, and federal, state and local sources.
5. LOCAL TRANSPORTATION FUNDS – This is the total amount of LTF required to balance the budget. A population-based formula is used to distribute the amount among the four SCT JPA members. This formula applies to all SCT services. It is not tied to any one route or any one type of service.
6. TOTAL OPERATING REVENUES – This is the total of LTF and Non-LTF funds, excluding reserves.
7. TOTAL NON-OPERATING RESOURCES – This is the total of Capital Funds, Interest Revenue and other contributions.
8. TOTAL RESOURCES – This is the total of all funding sources, including reserves. It equals the Total Use of Resources proposed in the budget.
9. TOTAL OPERATING EXPENDITURES – This is the total of operating expenditures as detailed in the budget.
10. TOTAL USE OF RESOURCES – This is the total of all funding uses and equals the amount of funding sources.

Staff Recommendation

Adopt the Fiscal Year 2017-18 Budget as presented by staff.

SOUTH COUNTY TRANSIT

April 26, 2017

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2017-18 SCT Budget Assumptions

ACTION: Review and Approve

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

**EXECUTIVE COMMITTEE
RECOMMENDATION:**

BACKGROUND:

Each year in connection with the annual budget process, staff reviews SCT operations to determine what operational changes will be recommended for implementation in the following fiscal year. Based on those recommended changes, staff develops the operational data, revenue and cost projections for presentation in the proposed Operating Budget. For Fiscal Year 2017-18, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

The following are the staff recommended FY17-18 Budget Assumptions that will provide staff the necessary policy guidance to prepare the appropriate operating and capital program for presentation to the Board at its April meeting.

Objectives

- Maintain and improve service levels and hours of service that meet the demand of our customers and communities through the effective and efficient delivery of SCT Fixed Route core services, as well as contracted Senior Shuttle and Trolley services.
- Monitor the Strategic Business Plan adopted in October 2014 detailing goals and objectives, as well as performance measures, and bring recommended plan revisions to the October 2017 Board meeting.
- Continue to monitor reserves using the adopted policy from April 2014.
- Conduct a customer perception survey in October 2017 to further guide the Board and staff. Should SCT be successful in obtaining the Sustainable Transportation Planning Grant to complete the South County Transit short range transit plan (SRTP) the survey would be conducted as part of the SRTP.

- Serve as administrator over the SCT jurisdictions' contract with Ride-On Transportation for supplementary Five Cities Senior Shuttle services.

BUDGET ASSUMPTIONS

Revenue

- Monitor the results and impact of the July 2016 fare increase.
- SCT was projected to receive just over \$89,300 in STA capital project funding in FY16-17. SLOCOG recently announced STA will likely be reduced by 20% for FY16-17. Staff will work with SLOCOG staff to determine a realistic estimate for FY17-18.
- Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program grant funding will be budgeted at 45% of allowable operating expenditures less farebox revenue.
- To partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) services, SCT will use the balance of the Low-Carbon Transit Operations Program (LCTOP) grant. In addition, staff will submit an LCTOP funding grant application for the next round of funding in January 2017 to fund the service in FY17-18. The Oceano area's demographic profile suggests this service will continue to rank relatively high in San Luis Obispo County for these LCTOP grant funds.
- Local Transportation Funds (LTF) will be budgeted at approximately \$480,000 for SCT Routes 21, 24, 27 and 28 operations. Note that tripper service on Routes 27 and 28 only operates when Arroyo Grande High School is in full session. In comparison, the FY12-13 budget for LTF was \$677,788, prior to SCT receiving FTA Section 5307 funds. The FY17-18 LTF amount will likely be greater than in recent fiscal years, but SCT has used annual savings that had been carried forward as fund balance available to offset prior year requested LTF. Staff believes SCT will be able to carry forward savings in FY16-17 due to budgetary restraint and lower than budgeted fuel costs.
- Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the SCT jurisdictions and/or adjust service levels.

Expenses

- Service levels, number of revenue service hours, miles and daily span of service for core fixed route will be budgeted at current levels.

- The Beach Trolley will operate from late-March through mid-October Thursday through Sunday from 10 a.m. – 6 p.m. From mid-June to mid-October, the Beach Trolley will operate extended evening service on Friday evenings from 6 p.m. until 9 p.m. in order to better serve the Avila Farmer's Market. These services are provided through a contract with RTA and entirely funded through the County. Staff will continue to evaluate service levels based on ITS data to determine if service levels should be adjusted.
- Fuel consumption and price will be budgeted conservatively; diesel fuel and diesel exhaust fluid will be budgeted at \$3.50 per gallon overall (which is the same as FY16-17), and miles per gallon figures for each vehicle type will be derived from RTA's computerized maintenance software program.
- SCT staff will continue to work with other transit agency staff to achieve feasible economies of scale in providing transit services.
- CalTIP liability insurance premiums may increase by up to 20%. The exact amount is not known at this time as CalTIP actuaries are still working on May 1, 2017 through April 30, 2018 rates. Estimates should be received from CalTIP in time to include in the SCT April 2017 draft budget. Although the number of SCT losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members.
- The current Collective Bargaining Agreement (CBA) expires January 31, 2018 and the FY17-18 will include significant assumptions regarding the potential fiscal impacts of a new agreement. The effects of the recent changes to the California minimum wage program – including the fact that the new \$10.50/hour minimum exceeds the Training Wage identified in the CBA – will likely result in longer-term upward pressure on Bus Operator wages in the region.
- Health insurance premiums are projected to increase 5% in comparison to current rates. This will have a minimal impact on the budget due to the low number of employees under the plan. At this time, the Affordable Care Act has no impact on the budget, since SCT employs fewer than 50 employees. Nonetheless, staff will continue to monitor legislation should that provision change.
- Operations facility rental costs will not increase in FY17-18, as we will be entering the second year of a three-year lease extension.
- Based on language included in a new draft agreement between SCT and RTA for oversight services, the SCT annual budget serves as the de facto scope of services. Staff will provide sufficient detail in the budget document for the SCT Board to make informed decisions. In particular, the budget document will provide details on Administration, Finance, Maintenance and Dispatch expenses

– including projected number of annual staff hours in each area, per-mile cost estimates for Maintenance services, as well as narrative on any special projects that will be carried out in the fiscal year that will require RTA resources.

- To meet SCT Strategic Business Plan requirements, staff will conduct a comprehensive community survey in FY17-18 that will require additional staff time to coordinate, conduct and evaluate the data. We have established a target of March 2017, as long as can piggyback on an inter-regional study that is being led by the Santa Barbara County Association of Governments.

CAPITAL

- Staff will carry forward some capital projects that cannot be completed during the current fiscal year, including the transit center improvements line item that is affected by the reduction in STA funds in FY16-17.
- Staff will develop a capital budget that includes a projection for FY17-18 and the ensuing four fiscal years to help identify upcoming capital projects.

BUDGET CALENDAR

January 18	Board review and approval of FY17-18 budget assumptions
April 4	Draft FY17-18 Budget presentation to Executive Committee
April 26	Final Board Budget presentation and Board consideration of FY17-18 Budget
May - June	SLOCOG notifies all JPA members of TDA allotment for member agency budget consideration
July 1	Start of new fiscal year

Staff Recommendation

Approve budget assumptions and budget calendar so that a detailed work plan and budget document may be developed.

**SOUTH COUNTY TRANSIT
2017-18 Proposed Budget**

	FY 15/16 Actual	FY 16/17 Amended Operating	FY 16/17 Amended Capital	FY 17/18 Proposed Operating	FY 17/18 Proposed Capital	Net Increase (Decrease) In Budgets
Funding Sources						
	\$ 753,017	\$ 546,030	\$ 127,905	\$ 320,810	\$ 127,110	\$ (226,015)
1 Estimated Fund Balance	\$ 753,017	\$ 546,030	\$ 127,905	320,810	127,110	\$ (226,015)
2 Less Required Reserves:						
TDA Required Operating Reserve	\$ 189,433	\$ 244,230	\$ -	\$ 274,990	\$ -	\$ 30,760
Equipment Replacement Reserve	65,436	-	109,340	-	164,840	55,500
Total Reserves	\$ 254,869	\$ 244,230	\$ 109,340	274,990	164,840	\$ 86,260
3 Fund Balance Available (Required)	\$ 498,148	\$ 301,800	\$ 18,565	\$ 45,820	\$ (37,730)	\$ (312,275)
<u>Operating Revenues</u>						
	\$ 139,508	\$ 154,420	\$ -	\$ 141,700	\$ -	\$ (12,720)
Fares	\$ 139,508	\$ 154,420	\$ -	\$ 141,700	\$ -	\$ (12,720)
STA	90,521	-	89,380	-	71,500	(17,880)
Low Carbon Transit Grant	-	89,240	-	134,420	-	45,180
Federal Transit Adm (FTA) 5307 Operating	372,691	501,200	-	562,020	-	60,820
SLO County Avila Trolley	46,729	57,060	-	57,660	-	600
RTA Operations Supervisor Contribution	-	8,240	-	8,490	-	250
Advertising and other income	4,538	-	-	-	-	-
4 Total Non-TDA Funds	\$ 653,987	\$ 810,160	\$ 89,380	\$ 904,290	\$ 71,500	\$ 76,250
5 Local Transportation Funds	\$ 101,993	\$ 168,670	\$ -	\$ 441,640	\$ -	\$ 272,970
Arroyo Grande	38,757	64,095	-	166,057	-	101,962
Grover Beach	29,374	48,577	-	125,426	-	76,849
Pismo Beach	17,237	28,505	-	76,404	-	47,898
SLO County	16,625	27,493	-	73,754	-	46,261
6 Total Operating Revenues	\$ 1,254,128	\$ 978,830	\$ 89,380	\$ 1,345,930	\$ 71,500	\$ 349,220
<u>Non-Operating Resources</u>						
	\$ 4,344	\$ 3,940	\$ -	\$ 7,370	\$ -	\$ 3,430
Interest	\$ 4,344	\$ 3,940	\$ -	\$ 7,370	\$ -	\$ 3,430
Prop 1B - Vehicle Replacement/ITS	33,215	-	27,995	-	-	(27,995)
Federal Transit Adm (FTA) 5307 Capital	-	-	211,500	-	129,080	(82,420)
Federal Transit Adm (FTA) 5339 Capital	-	-	12,670	-	-	(12,670)
7 Total Non-Operating Resources	\$ 37,559	\$ 3,940	\$ 252,165	\$ 7,370	\$ 129,080	\$ (119,655)
8 Total Resources	\$ 1,291,687	\$ 1,284,570	\$ 360,110	\$ 1,399,120	\$ 162,850	\$ (82,710)

B-1-13

**SOUTH COUNTY TRANSIT
2017-18 Proposed Budget**

B-1-14

	FY 15/16 Actual	FY 16/17 Amended Operating	FY 16/17 Amended Capital	FY 17/18 Proposed Operating	FY 17/18 Proposed Capital	Net Increase (Decrease) In Budgets
Use of Resources						
<u>Administrative Expenditures</u>						
<u>Insurance</u>						
Liability & Physical Damage	\$ 69,658	\$ 82,800	\$ -	\$ 99,200	\$ -	\$ 16,400
Workers Compensation	48,137	57,000	-	71,180	-	14,180
Property Insurance	637	700	-	740	-	40
Rent	25,599	36,000	-	30,600	-	(5,400)
Utilities	8,279	8,450	-	8,980	-	530
Radio Expense	1,236	1,240	-	1,240	-	-
Legal Services	4,883	6,200	-	3,000	-	(3,200)
Payroll Processing	1,455	1,680	-	1,280	-	(400)
Administration - Staff Time	65,410	74,750	-	77,600	-	2,850
Finance - Staff Time	14,420	13,200	-	13,700	-	500
Marketing - Staff Time	-	5,100	-	5,290	-	190
Office Expense/Miscellaneous	9,470	10,370	-	12,790	-	2,420
Audit	3,075	3,000	-	3,150	-	150
Marketing/Community Relations/Printing	15,581	25,000	-	16,000	-	(9,000)
Uniforms/Laundry/Physicals	7,766	10,270	-	9,740	-	(530)
<u>Operating Expenditures</u>						
Salaries/Benefits	\$ 458,580	\$ 579,750	\$ -	\$ 611,270	\$ -	\$ 31,520
Maintenance	152,680	115,800	-	197,550	-	81,750
Dispatch - Staff Time	18,750	21,850	-	22,680	-	830
Sign Maintenance	-	3,000	-	-	-	(3,000)
SCT Bus Fuel	118,184	215,770	-	199,280	-	(16,490)
Contingency	-	12,640	-	13,850	-	1,210
9 Total Operating Expenditures	\$ 1,023,800	\$ 1,284,570	\$ -	\$ 1,399,120	\$ -	\$ 114,550
<u>Capital Service</u>						
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Upgrade	-	-	-	-	1,500	1,500
Vehicles/ITS	33,215	-	156,600	-	-	(156,600)
Facility Improvements/Bus Stop Amenities	3,212	-	141,010	-	41,350	(99,660)
Transit Centers Improvements	-	-	62,500	-	120,000	57,500
Total Capital Service	\$ 36,427	\$ -	\$ 360,110	\$ -	\$ 162,850	\$ (197,260)
Extraordinary item - Wage order 9 penalty	\$ 38,409	\$ -	\$ -	\$ -	\$ -	\$ -
Carryover cost-savings to next fiscal year	193,051	-	-	-	-	-
10 Total Use of Resources	\$ 1,291,687	\$ 1,284,570	\$ 360,110	\$ 1,399,120	\$ 162,850	\$ (82,710)

SOUTH COUNTY TRANSIT Five Year Capital Projection

B-1-15

	FY 15/16 Amended Capital	FY 16/17 Amended Capital	FY 17/18 Proposed Capital	FY 18/19 Projected Capital	FY 19/20 Projected Capital	FY 20/21 Projected Capital	FY 21/22 Projected Capital
<u>Capital Service</u>							
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Upgrade	-	-	1,500	-	-	1,500	-
Vehicles/ITS	186,210	153,000	-	-	-	1,263,500	-
Bus Stop Amenities	53,340	89,510	41,350	43,410	45,590	47,860	49,060
Passenger Protection 1300 buses	-	3,600	-	-	-	-	-
Facility Improvements							
Bus Bay Lighting	-	11,500	-	-	-	-	-
Security Cameras	-	10,000	-	-	-	-	-
Gutters	15,000	15,000	-	-	-	-	-
Roof Repairs	10,000	10,000	-	-	-	-	-
Roll Up Door	2,500	2,500	-	-	-	-	-
Window Flashing	2,500	2,500	-	-	-	-	-
Transit Centers Improvements/Ticket Machine	-	62,500	120,000	93,750	-	-	-
Large Vehicle Repairs	-	-	-	-	-	-	50,000
Total Capital Service	\$ 269,550	\$ 360,110	\$ 162,850	\$ 137,160	\$ 45,590	\$ 1,312,860	\$ 99,060
Increase Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 Total Use of Resources	\$ 269,550	\$ 360,110	\$ 162,850	\$ 137,160	\$ 45,590	\$ 1,312,860	\$ 99,060

**SOUTH COUNTY TRANSIT
2017-18 Proposed Budget
By Route**

	Route 21	Route 24	Route 27	Route 28	Avila Trolley
Miles	65,510	48,520	39,220	53,100	15,120
Hours	3,480	3,280	2,760	3,990	590
<u>Administrative Expenditures</u>					
Insurance					
Liability & Physical Damage	\$ 29,340	\$ 21,730	\$ 17,570	\$ 23,780	\$ 6,770
Workers Compensation	21,060	15,590	12,610	17,070	4,860
Property Insurance	220	160	130	180	50
Rent	7,870	7,040	5,870	8,380	1,450
Utilities	2,310	2,060	1,720	2,460	430
Radio Expense	320	290	240	340	60
Legal Services	770	690	580	820	140
Payroll Processing	330	290	250	350	60
Administration - Staff Time	19,950	17,840	14,880	21,250	3,680
Finance - Staff Time	3,520	3,150	2,630	3,750	650
Marketing - Staff Time	1,360	1,220	1,010	1,450	250
Office Expense/Miscellaneous	3,290	2,940	2,450	3,500	610
Audit	810	720	600	860	150
Marketing/Community Relations/Printing	4,110	3,680	3,070	4,380	760
Uniforms/Laundry/Physicals	2,510	2,240	1,870	2,670	460
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 151,040	\$ 142,260	\$ 119,480	\$ 172,770	\$ 25,710
Maintenance	48,810	45,980	38,610	55,840	8,310
Dispatch - Staff Time	5,600	5,280	4,430	6,410	950
Sign Maintenance	-	-	-	-	-
SCT Bus Fuel	58,950	43,660	35,290	47,780	13,600
Contingency	4,100	3,030	2,450	3,320	950
9 Total Operating Expenditures	\$ 366,270	\$ 319,850	\$ 265,740	\$ 377,360	\$ 69,900
<u>Capital Service</u>					
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Upgrade	390	360	310	440	-
Vehicles/ITS	-	-	-	-	-
Facility Improvements/Bus Stop Amenities	10,670	10,050	8,440	12,200	-
Transit Center Improvements/Ticket Machine	30,950	29,150	24,490	35,410	-
Total Capital Service	\$ 42,010	\$ 39,560	\$ 33,240	\$ 48,050	\$ -
10 Total Use of Resources	\$ 408,280	\$ 359,410	\$ 298,980	\$ 425,410	\$ 69,900

B-1-16

**SOUTH COUNTY AREA TRANSIT
April 26, 2017
STAFF REPORT**

AGENDA ITEM: B-2

TOPIC: 2017 Summer Youth Ride Free Program

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Review and Adopt Staff Recommendation

BACKGROUND/DISCUSSION:

Direction is needed from the Board on whether or not to continue SCT’s participation in the countywide Summer Youth Ride Free (YRF) program for the sixth consecutive year. Regional Rideshare, the agency that promotes this program, has asked that SCT honor the YRF program from June 10, 2017 through August 13, 2017.

As noted in previous Board meetings, the YRF program has been scaled back over time to address overcrowding issues that occurred in the first two years of the fare-free program. Specifically, beginning in Summer 2014 the overall span was reduced from a beginning-of-June through the end-of-August period to a more moderate middle-of-June through middle-of-August period in order to avoid an overlap with the local school system academic year. In addition, the group size was limited so that a bus would not be overloaded and repel fare-paying passengers; if the group was greater than the agency-identified fare-free maximum (ten at SCT), the remaining group members were required to pay. Staff worked closely with the YMCA and other youth camp officials to train their on-bus chaperones to minimize service disruptions and to handle any fare responsibilities.

Historical ridership information for all fixed route providers in the county is as follows:

Provider	2012	2013	2014	2015	2016
SLO Transit	14,021	14,898	13,590	14,991	10,448
RTA	30,820	39,058	25,835	28,262*	18,398
Paso Express	N/A	10,517	6,725	2,795*	5,976
SCT	19,657	20,051	10,285	11,060	8,726
Morro Bay Transit	819	1,147	842	916	996

*RTA information includes some of the Paso Express YRF

It is difficult to track the longer-term impact of participating in the YRF program, since it is not possible to determine the number of students boarding SCT buses throughout the year in the absence of periodic surveys.

Benefits of extending the summer free ride program to K-12 youth have proven to be the following:

1. Easy to communicate.
2. Gets youth to try using transit and it instills an ethic of using transit in the future.
3. Increases access for kids to travel independently (and reduce parent taxiing).

Disadvantages include:

1. Small loss of cash fare revenue for non-group riders.
2. Increased passenger loads on some bus trips can degrade the riding experience for non-youth riders (unlike most RTA and SLO Transit routes, SCT experiences highest ridership during the peak summer tourist season).
3. There remains the possibility that two or more unrelated groups attempt to board the bus on the same run, which would result in an overcrowding situation. However, the number of instances where that was a problem was greatly reduced last summer due to focused training for YMCA staff, and we expect the same cooperation from youth groups this summer.

SCT will continue to require YMCA and other youth groups to pay when more than ten youth traveling together (plus two adult chaperones). For ease of boarding, and for budget and cash control issues, organizers for groups such as YMCA camps can continue to pre-purchase 20-Ride passes to use on SCT.

Staff will continue to track the response to the program by measuring:

1. Ridership is already tracked using a specific farebox key.
2. Customer feedback from youth and families taking advantage of the program (face-to-face interviews, Facebook and social media programs, texts, etc.).

Staff Recommendation

Continue to participate in this program for a sixth consecutive summer season, providing a similar reduced travel period that was provided last summer and a group policy requiring payment for more than ten youth traveling together.

SOUTH COUNTY TRANSIT
April 26, 2017
STAFF REPORT

AGENDA ITEM: B-3

TOPIC: Procurement of Five Cities Senior Shuttle Services

ACTION: Authorize Staff to Seek Proposals from Qualified Firms

PRESENTED BY: Geoff Straw, SCT Administrator

EXECUTIVE COMMITTEE RECOMMENDATION: Approve

BACKGROUND

The San Luis Obispo Council of Governments (SLOCOG) currently pays Ride-On Transportation to provide countywide Senior Shuttle services Monday through Friday. The Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County of San Luis Obispo, has also funded Ride-On to supplement Senior Shuttle Service levels above and beyond the SLOCOG-funded countywide services. The enhanced Five Cities Senior Shuttle (FCSS) services have traditionally been provided Tuesday through Thursday. However, after Ride-On unilaterally increased the availability of FCSS service to Monday through Friday in July 2015, Ride-On approached SCT staff in early 2016 to determine if additional funding could be secured to continue with the five days/week service in the Five Cities area.

After a review of historical documents to determine the optimal way to amend the agreement, SCT staff discovered that a formal agreement for FCSS services had never been executed. SCT staff also discovered that – despite two additional days of service – the projected FY15-16 FCSS ridership and costs would not exceed the costs for services provided in FY14-15. As such, SCT staff recommended no additional funding and that a formal agreement be developed to help define expectations. More importantly, a formal agreement would provide indemnification for the jurisdictions that fund the FCSS services.

Staff reported to the SCT Board at its July 20, 2016 meeting that it had reached consensus with Ride-On Transportation on a draft Scope of Services for the FCSS services. The SCT Board authorized execution of the draft agreement presented to the SCT Board at its October 19, 2016 meeting. However, SCT staff subsequently reported to the City Managers in December 2016 that there were inconsistencies in Ride-On's cost allocation methodologies for FCSS as they relate to countywide Senior Shuttle services funded through SLOCOG. The City Managers strongly suggested that the service be competitively bid to ensure appropriate pricing and service quality issues could be assured.

Attached is the final draft Request for Proposals, which is based on the Scope of Services that was previously presented to the SCT Board at its October 19, 2016 meeting. Based on the schedule identified in the RFP, an agreement could be ready for execution at the July 19, 2017 SCT Board meeting and a September 1, 2017 contract start.

Staff Recommendation

Direct staff to:

1. Seek proposals from qualified firms,
2. Provide a notice to proceed with contract negotiations with the highest-rated firm, and
3. Develop an agreement for the July 19, 2017 SCT Board of Directors meeting to enable a September 1, 2017 service start date.



179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4472 Fax (805) 781-1291
www.slorta.org

Request for Proposals Five Cities Senior Shuttle

Proposal Release Date

April 27, 2017

Proposal Submittal Due Date

May 17, 2017 at or before 4:00 pm (PST)

Four printed copies and one digital copy of your firm's proposal should be submitted to the attention of the undersigned

Mail completed proposals to:

Geoff Straw, SCT Administrator
South County Transit
179 Cross Street
San Luis Obispo, CA 93401
805-781-4465
gstraw@slorta.org

Questions regarding the solicitation process and the scope of work should be directed to Geoff Straw at (805) 781-4465. All questions should be submitted in writing by mail, e-mail no later than 4:00 p.m. on Wednesday, May 10, 2017. These questions, along with their answers, will be forwarded to all known RFP recipients.

Table of Contents

SECTION I – PROPOSAL SCHEDULE3

SECTION II – INTRODUCTION & BACKGROUND.....4

SECTION III – SCOPE OF WORK.....5

SECTION IV – GENERAL INFORMATION27

SECTION V – FORMAT OF PROPOSALS31

SECTION VI – CONTRACTOR SELECTION PROCESS.....34

RFP CHECKLIST37

ATTACHMENT A – COST PROPOSAL38

ATTACHMENT B – REFERENCES39

ATTACHMENT C – DESIGNATED CONTACTS LIST40

ATTACHMENT D – DRAFT PROFESSIONAL SERVICES AGREEMENT41

ATTACHMENT ONE – INSURANCE REQUIREMENTS51

ATTACHMENT TWO – FEDERALLY REQUIRED CONTRACT CLAUSES.....53

SECTION I – PROPOSAL SCHEDULE

April 27, 2017	Publish RFP
May 5, 2017 at 2 p.m.	Non-mandatory pre-proposal meeting at 179 Cross Street, San Luis Obispo, CA 93401
May 10, 2017	Questions/clarifications due
May 17, 2017	Proposals Due
May 22, 2017	Proposer Interviews (If Needed)
Week of June 5, 2017	Final Selection and Notice to Proceed
September 1, 2017	Begin Service

Proposal Process and Scope of Work Questions:

Proposers are encouraged to submit questions, preferably via email, regarding the RFP by Wednesday, May 10, 2017 prior to 4:00 p.m. These questions, along with RTA's responses, will be forwarded to all known RFP recipients.

To:

Geoff Straw, SCT Administrator
South County Transit
179 Cross Street
San Luis Obispo, CA 93401
805-781-4465 Voice
gstraw@slorta.org

SECTION II – INTRODUCTION & BACKGROUND

A. INTRODUCTION

A consortium, led by South County Transit (SCT), intends to retain a qualified and committed transportation contractor to provide demand response transportation services to senior citizens in the Five Cities Area. This area is comprised of the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated area of Oceano. The service is known locally as Five Cities Senior Shuttle (FCSS). The specific work requirements are detailed in SECTION III SCOPE OF WORK.

B. BACKGROUND

FCSS services are jointly funded by the Cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo. The FCSS program is administered by SCT, while policy and budget considerations are discussed when the four entities meet publicly as the SCT Board of Directors. SCT operates fixed route services in the Five Cities Area, and SCT is provided administrative oversight by staff at the San Luis Obispo Regional Transit Authority (RTA). The SCT Administrator also serves as the RTA Executive Director.

C. SCT RIGHTS

SCT reserves the right to cancel this Request for Proposals (RFP) or postpone the date and time for submitting proposals at any time prior to the proposals due date. SCT specially reserves the right to reject any or all proposals including, without limitation, nonconforming, nonresponsive, or conditional proposals, to investigate the responsibility of any Proposer, to reject any provisions in any proposal, to waive any informalities or non-material deviations in any proposal, to request new proposals, or to proceed to obtain the services otherwise. No Proposer shall have the right to make a claim against SCT in the event SCT accepts a proposal or does not accept any or all proposals.

SECTION III – SCOPE OF WORK

A. DEFINITIONS

The following terms are used throughout this document, and shall have the meanings set forth below.

1. **Advance Reservation:** The Five Cities Senior Shuttle (FCSS) program is an advanced reservation service. It is suggested that riders call up to four days in advance to schedule their trips. FCSS also provides same day trips as time and space allows.
2. **Deadhead Miles:** Miles when the vehicle is not in revenue service (i.e., travel from Contractor’s yard to first pick-up and from the last drop off back to the yard).
3. **Curb-to-Curb Service:** A type of paratransit service where, on both the origin and destination ends of the trip, the Vehicle Operator typically gets out of the vehicle and assists the passenger between the vehicle and a sidewalk or other waiting area no more than (15) fifteen feet from the vehicle. Vehicle Operators may NOT enter a residence and must keep the vehicle in sight at all times.
4. **Eligible Riders:** Seniors age 65 and older are eligible for FCSS service.
5. **Manifest:** A manifest is defined as a list of passenger trips provided to the Vehicle Operator by the Dispatcher. The manifest includes at the minimum the following: customer name, pick-up and drop off addresses and times, mobility device(s) used by the passenger, payment status, and any other information specific to the passenger.
6. **No-Show:** An individual is considered a No-Show if the rider has not notified Contractor at least one hour before the scheduled pick-up time that her or she will not be traveling as scheduled, or if the Vehicle Operator waits five minutes after the pick- up time and the individual is not ready for boarding.
7. **On-Time Performance:** On-time performance is measured by the status of pick-ups made within fifteen minutes before until fifteen minutes after the allotted pick-up time.
8. **Pick-Up Window:** The pick-up window is the span of time that determines if FCSS is on time. This window is fifteen minutes before until fifteen minutes after a scheduled pick-up time.
9. **Consortium:** The four entities that comprise the South County Transit Joint Powers Authority, which include the City of Arroyo Grande, the City of Grover Beach, the City of Pismo Beach, and San Luis Obispo County (representing the unincorporated community of Oceano).

10. **Vehicle Revenue Hours:** The hours a vehicle travels from the time it arrives at the first pick-up, even if that pick-up is a No-Show, until the last drop off or release from service by dispatch, minus time for lunch and breaks.
11. **Vehicle Revenue Miles:** The miles a vehicle travels from the time it arrives at the first pick-up until the last passenger is dropped off.
12. **Vehicle Service Hours:** The hours a vehicle travels from the time it leaves Contractor's yard for a scheduled reservation each day until it returns to the yard, minus lunch and breaks.
13. **Vehicle Service Miles:** The miles a vehicle travels from the time it pulls out from Contractor's yard to go into revenue service to the time it pulls in to the yard on return from revenue service.
14. **Applicable Environmental Laws:** Any and all laws concerning the protection of human health and the environment which include, but will not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; and the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; as they have been or will be amended from time to time, and the regulations implementing such statutes; and any similar state, county, municipal or other local laws and ordinances concerning the protection of human health and the environment and the regulations implementing such statutes.
15. **Hazardous Substance(s):** Any substance, material, chemical or waste that is or will be listed or defined as hazardous, toxic or dangerous under any Applicable Environmental Law, or any petroleum products, or any substance, material, chemical or waste which is or may become, directly or indirectly, by chemical reaction or otherwise, hazardous, toxic or dangerous to life, health, property or the environment by reason of toxicity, flammability, explosiveness, corrosivity or any other reasons.

B. SYSTEM DESCRIPTION

The service area for the FCSS services is the same as the service area in which South County Transit (SCT) operates hourly fixed-route bus services. The SCT service area is defined as within the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated community of Oceano. The FCSS is currently operated by Ride-On Transportation.

The FCSS program provides curb-to-curb service that currently operates from 9:00 AM to 5:00 PM Monday through Friday. Beginning in FY17-18, the FCSS program will revert to service only

on Tuesdays through Thursdays (the same days of service that were provided in FY15-16). The FCSS complements countywide Senior Shuttle services currently funded by the San Luis Obispo Council of Governments and provided by Ride-On Transportation. The FCSS program only subsidizes passenger-trips within the SCT service area.

The FCSS program observes seven (7) holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, and Christmas Day. Service does not operate on these holidays. When a holiday falls on a non-service day, the SCT Administrator and Contractor Project Manager will agree in writing at least 30 days in advance how to recognize and market the service reduction. Reservations for FCSS service are taken from 8:00 AM to 5:00 PM Monday through Friday, excluding the seven holidays mentioned above. Trips can be booked up to two weeks in advance. Same-day trips are provided subject to availability. The current fares for each one-way passenger-trip is \$3.00. These fares are collected by the FCSS Vehicle Operators and deposited into Contractor's account. Contractor maintains records of riders and fares paid, and prepares and remits invoices to Consortium.

C. CONSORTIUM RESPONSIBILITIES

1. Management

The SCT Administrator is responsible for administering the Agreement, including the monitoring and evaluation of service quality and approval of all invoices. Day to day communications regarding the contract performance shall be between the Contractor's Project Manager and the SCT Administrator.

2. System Planning, Design and Administration

Consortium shall be responsible for system design of FCSS services, setting of fare levels, productivity analysis, as well as marketing and promotion. Contractor will be expected to provide input to assist Consortium in making determinations on these matters as requested.

3. Adjustments to Service

Any adjustments to service shall be a sole prerogative of Consortium. However, Consortium expects to work closely with Contractor on such modification in order to provide efficient and responsive service. No operational change that affects service, scheduling, hours of operation, response times, or any other characteristics of the FCSS shall be made by Contractor without the written approval of the SCT Administrator. Consortium may modify the service area for fiscal, jurisdictional, geographic, coordination or passenger travel pattern reasons. Major modifications may affect up to 25 percent of the specified daily service span or up to 33 percent of the weekly days of operation without changing any other term or condition of the Agreement. Consortium will notify Contractor thirty (30) days in advance of any major service changes. It would be expected that agreements regarding minor service changes would be possible through cooperative efforts of Consortium and Contractor in a shorter time. Consortium reserves the right to

pursue methodologies for service redesign at its sole discretion at any time during the duration of this Agreement. Service redesign could include a larger or smaller role for Contractor during the course of the Agreement term.

Total ridership by month is presented in the table below for FY14-15 and FY15-16, as well as the first seven months of FY16-17. As shown, monthly ridership ranges from a low of around 90 to as high as 180, although monthly ridership has been generally lower in the past 19 months in comparison to FY14-15.

FCSS One-Way Passenger-Trips			
Month	FY14-15	FY15-16	FY16-17
July	183	105	95
August	157	117	115
September	142	157	108
October	154	149	92
November	131	143	159
December	161	134	134
January	134	107	129
February	139	116	
March	126	142	
April	121	125	
May	126	110	
June	159	127	
Total	1,733	1,532	832

Below is a table that depicts ridership between July 1, 2016 and January 31, 2017. As shown, the greatest number of trips were provided within Arroyo Grande (shown as “AG-AG” at 22.5% of total trips), followed by trips between Arroyo Grande and Pismo Beach (16.9%), and within Pismo Beach (14.7%). Relatively few trips originate or end in Oceano.

Five Cities Senior Shuttle Results, July 1, 2016 through January 31, 2017												
Performance Measure	AG-AG	GB-GB	Oceano-Oceano	Pimso-Pimso	AG-GB	AG-Oceano	AG-Pimso	GB-Oceano	GB-Pimso	Oceano-Pimso	Total	Avg/Mo
Total Trips	187	30	0	122	102	83	141	24	80	63	832	119
Percent Total	22.5%	3.6%	0.0%	14.7%	12.3%	10.0%	16.9%	2.9%	9.6%	7.6%	100%	
Total Miles	747	44	0	589	413	339	764	72	244	256	3,468	495
Percent Total	21.5%	1.3%	0.0%	17.0%	11.9%	9.8%	22.0%	2.1%	7.0%	7.4%	100.0%	
Average Miles/Trip	4.0	1.5	N/A	4.8	4.0	4.1	5.4	3.0	3.1	4.1	4.2	

4. Annual Maximum Financial Obligation and Monthly Payments

As part of Consortium’s annual budget-making process, the SCT Board of Directors will adopt the maximum obligation that each Consortium member will pay to Contractor for FCSS services. Under no circumstances will any of the four Consortium jurisdictions be required to pay Contractor an amount higher than the amount adopted in the annual SCT budget unless expressly authorized in advance and in writing by the SCT Administrator. The FY16-17 maximum financial obligation to the contractor is as follows:

Jurisdiction	FY16-17 Payment
Arroyo Grande	\$18,613
Grover Beach	\$4,074
Pismo Beach	\$8,211
Unincorporated County	\$4,095
Total	\$34,993

The FY17-18 maximum financial obligation will be developed as part of contract negotiations resulting from this solicitation.

The SCT Administrator will work with Contractor to monitor monthly expenditures to determine if service levels should be adjusted as they relate to the annual budget or otherwise. Contractor’s monthly invoice will include the current monthly reimbursement rate for each of the four Consortium jurisdictions, the year-to-date reimbursement for each of the four Consortium jurisdictions, and the proportional amount remaining for each of the four Consortium jurisdictions. The monthly invoice will be submitted in MS Excel format via email to the SCT Administrator.

5. Coordination

Contractor will cooperate with Consortium and other transportation providers in the region to ensure that effective coordination is achieved among all public transportation services provided in the SCT service area. Contractor shall designate key staff as contact personnel to assure ongoing communication with the SCT Administrator. It is the sole responsibility of the SCT Administrator to assure ongoing communication about FCSS services to the Consortium entities.

6. Advertising and Promotion

Consortium shall be responsible to prepare, place, schedule and pay for all advertising and promotional materials designed to inform patrons of service operations and to promote ridership. Additionally, Consortium shall provide Contractor all marketing materials required to effectively operate the service as defined in this Scope of Work. Contractor shall distribute and disseminate such materials in accordance with the provisions of this Scope of Work and any directions supplemental thereto provided by Consortium.

7. Service Monitoring

Consortium reserves the right to use SCT staff and/or third-party services to monitor service quality without notice to Contractor.

D. CONTRACTOR DUTIES AND RESPONSIBILITIES

1) General Duties

Contractor shall be responsible for the operation of FCSS services as defined in this Scope of Work, including the provision of and maintenance of all related vehicles and equipment. It is expected that Contractor's fleet will include vehicles that meet Americans with Disabilities Act accessibility requirements for those FCSS passengers that use a mobility aid; non-accessible vehicles (sedans and/or vans) can also be used based on passenger demand. Contractor shall also provide Vehicle Operators and all project personnel, train personnel as necessary, develop administrative procedures, keep financial records, and develop methods to improve effectiveness and maximize service efficiency. Contractor is responsible for intake of passenger requests, and scheduling and dispatching of all FCSS services. Contractor will obtain and provide all required State and local permits and ensure that all Vehicle Operators and vehicles used for FCSS services are properly licensed. Contractor shall manage FCSS service in accordance with the guidelines and parameters established herein. Contractor is responsible for collection of all fares and proper reporting of same.

2) Personnel Requirements

Contractor shall be solely responsible for the satisfactory work performance of all employees as described in this Scope of Work or any reasonable performance standard established by Consortium. Contractor shall develop and maintain an established human resources program, which includes recruitment, hiring, training, and performance reviews. Contractor shall use appropriate Vehicle Operator screening and selection criteria in order to employ Vehicle Operators suitable for a demand response service provided for senior citizens. These criteria will include Department of Motor Vehicles license check, criminal record checks and physical examination sufficient to meet applicable requirements for FCSS services. Contractor shall be solely responsible for payment of all employees and/or subcontractor's wages and benefits, in accordance with the payment schedules established for this project. Contractor's personnel wages,

benefits, and work hours shall be in accord with the local, County, State and Federal regulations affecting such personnel. Without any expense to Consortium, Contractor shall comply with the requirements of employee liability, worker's compensation, employment insurance and social security. Contractor shall hold harmless and defend Consortium from any liability, damages, claims, costs, and expenses of any nature arising from violations of personnel practices, applicable local, state and federal laws related to labor and employment, and any applicable labor agreements. Contractor shall remove any personnel provided for Consortium services on demand, for cause, by Consortium, and Contractor shall be fully responsible for any liability or damages arising from the wrongful acts or omissions of its employees. All such personnel will be employees of Contractor, and Contractor will be solely responsible for payment of their wages, benefits and all other obligations that may be owed to its employees, whether derived from statute, regulation or agreement, both during and subsequent to the term of the Agreement.

3) Required Key Management Positions

Subject to the approval of Consortium, Contractor shall designate two key staff positions to appropriately manage all services defined by this Agreement: a Project Manager and a Maintenance Manager. Contractor may not remove or reassign key staff without Consortium approval. Consortium shall retain the right of refusal or any new hire or reassigned project management personnel. The personnel selected to fill the key positions are expected to be available for the entire Agreement period.

a. Project Manager

The Project Manager must have a minimum of three years of experience in demand response transportation operations or similar industry, including one year of supervisory experience. The Project Manager will provide both field supervision and the management of the project's accounts and operating records, and will coordinate closely with the SCT Administrator. The Project Manager or designee in his/her absence shall be available by telephone or in person during all hours that FCSS services are provided to make decisions or provide coordination as necessary at the request of the SCT Administrator. Consortium shall have the right to demand replacement, for cause, of the Project Manager upon six weeks' notice after the authorization of the SCT Board of Directors.

Should the Project Manager separate employment from Contractor for any reason, the resume and qualifications of the proposed replacement shall be submitted to Consortium for approval as soon as possible. Consortium shall have up to ten (10) working days following the receipt of these documents to respond to Contractor concerning acceptance of the candidate(s). The candidate(s) may receive an oral interview by Consortium representatives. If an acceptable replacement is not found by the time the Project Manager has departed, Contractor shall assign a senior management member or other supervisor approved by Consortium to serve as

interim Project Manager until a suitable permanent replacement is found. If Contractor is unable to locate a suitable replacement within four weeks of the Project Manager's departure, Consortium will deduct from the subsequent invoice \$50 per weekday in liquidated damages until a suitable replacement is accepted.

The responsibilities of the Project Manager shall include but not be limited to the following:

- 1) Scheduling of all regularly assigned project personnel and vehicles.
- 2) Directly supervising the dispatch and scheduling operations.
- 3) Arranging the assignment of back-up personnel and vehicles.
- 4) Distribution and/or collection of daily operating reports and fares.
- 5) Personal, unscheduled, and periodic inspection of vehicles.
- 6) Preparation of monthly reports from the daily operational data and ensuring the validity of all reports.
- 7) Maintenance of project accounts.
- 8) Preparation of monthly invoices that will document all charges.
- 9) Immediate responsibility for any operational problems and/or passenger complaints, and accurately reporting of these problems to the SCT Administrator in a timely manner.
- 10) Contractor shall have at least one individual available to fill in and "stand in the shoes" of the Project Manager on short notice when the Project Manager is not going to be available for any period exceeding seven calendar days (i.e., on vacation, out sick, out on emergency, attending meeting/seminars, etc.). This individual must be familiar with FCSS services, as well as the Agreement between Consortium and Contractor. Contractor must submit the identity of this individual in writing for Consortium approval within thirty (30) days of the ratification of the Agreement. The written submission of the fill-in staff person must include a complete resume as well as a description of his or her knowledge and familiarity of the FCSS service Agreement.

b. Maintenance Manager

Contractor shall designate a Maintenance Manager acceptable to Consortium. The Maintenance Manager shall have a minimum of three years of journey level

experience, including proficiency in air conditioning systems, wheelchair lifts, brakes and other safety-related systems, as well as experience in directing the work of other maintenance personnel. If the maintenance function is proposed to be provided by a third-party vendor, the capabilities of the vendor shall be approved solely by the Consortium based on experience working on each type of vehicle used for FCSS services and the abilities of each of the vendor's employees that would work on vehicles used in FCSS service. Any new Maintenance Manager's appointment or change in maintenance vendor is subject to Consortium approval.

c. **Other Required Functions**

The functions below will be provided by Contractor solely at Contractor's expense.

1) **Dispatching/Scheduling**

At least one Contractor staff person shall be on-duty during all regular FCSS service hours and days to staff the dispatching function in a manner that is efficient, cost effective and keeping with the overall goals and requirements of the Agreement.

Dispatch personnel shall be adequately trained to handle all incoming telephone calls and to promptly dispatch the necessary FCSS vehicle(s). Dispatch personnel shall be trained as to the special needs of senior citizens and shall respond to requests for service with both sensitivity and efficiency. Dispatch personnel shall be computer literate and able to use computerized dispatching and scheduling software programs and systems. Dispatch personnel shall be proficient in professional technique, radio protocol and in cooperative approaches with Vehicle Operators and passengers. Dispatch personnel shall be proficient in maintaining two-way communication with all vehicles in service and for maintaining a daily dispatch log.

2) **Road Supervision**

Contractor shall provide adequate road supervision as required to monitor Vehicle Operators and vehicles, and to assist Vehicle Operators in revenue service. This function may be fulfilled by the Project Manager, assuming he or she is fully trained in providing road supervision functions. Consortium shall request that Contractor provide additional road supervision support if Consortium determines that a given situation warrants it. Consortium shall consult with Contractor's Project Manager before making such a request.

3) **Vehicle Operators**

Vehicle Operators must have valid licenses and/or certifications required by applicable federal, state, and local regulations to provide curb-to-curb services for senior citizens in the FCSS service area. A Vehicle Operator who does not possess the appropriate licenses and certificates shall not be permitted to operate an FCSS vehicle for any service described by this Agreement. Additionally, Vehicle Operators shall be provided with current maps and/or GPS technology to ensure the ability to quickly and efficiently navigate the FCSS service area.

Vehicle Operators shall leave their seats when necessary to assist all passengers, giving special attention to those who have difficulty entering and exiting the vehicle. Regularly assigned Vehicle Operators or trained back-up Vehicle Operators shall be available and report on time and ready for duty to ensure consistent and reliable service. Vehicle Operators shall maintain in their vehicle an adequate supply of information regarding the FCSS service. They may also be periodically requested to hand out notices to passengers or otherwise render assistance in Consortium required monitoring functions. Vehicle Operators shall be dressed in clothing that is clean, neat in appearance and devoid of any messaging that might be considered offensive by FCSS riders. Each Vehicle Operator shall have an accurate timepiece available and in clear sight at all times during vehicle operation in order to maintain scheduling efficiency.

Each Vehicle Operator shall complete a Daily Vehicle Inspection Report as established by Contractor and approved by Consortium. Any safety-related vehicle defects shall be reported by the Vehicle Operator immediately to the Dispatcher via radio or phone to await further instructions.

Vehicle Operators shall record each passenger boarding, and legibly complete trip sheets and Vehicle Operator's logs and/or electronic manifests according to procedures approved by Consortium. All Vehicle Operator records described in this paragraph and the preceding paragraph shall be turned in to the on-duty Dispatcher immediately upon the completion of each day's service. All documents shall bear the signature or initials of the Vehicle Operator.

Vehicle Operators shall ensure that their vehicle is in a clean and neat manner at all times. Vehicle Operators are required to collect the applicable fares from all passengers and follow all handling procedures in accordance with Consortium-approved Contractor policy.

4) Technicians

Contractor (or the Consortium-approved maintenance vendor) shall provide the services of at least one (1) qualified on-duty Technician during all FCSS service hours. The Maintenance Manager may serve as the on-duty Technician. The Maintenance Manager shall report directly to the Project Manager. If Contractor proposes to use a third-party maintenance provider, the Contractor must clearly demonstrate in its proposal that FCSS vehicles have priority to ensure that FCSS services are provided in a reliable manner.

In conjunction with Dispatchers, Technicians are required to review Daily Vehicle Inspection Reports to ensure that no vehicle is placed into FCSS revenue service if a safety-related defect is reported. Repairs of safety-related defects must be adequately communicated to the Vehicle Operator who reported each defect to ensure vehicles remain in safe and operable condition.

5) Employee Retention/Replacement

In order to ensure continuity of service and minimize the impact to customers, Consortium expects Contractor to retain qualified personnel. Contractor may not replace existing key management positions (Project Manager and Maintenance Manager) without the express written approval of the SCT Administrator.

d. Drug & Alcohol Program

Contractor will establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of the State of California, or Consortium to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. Contractor shall certify annually its compliance with Parts 653 and 654 and to submit the Management Information System reports before March 15 to Consortium. To certify compliance, Contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register.

e. Training

1) Vehicle Operator Training

Vehicle Operators shall be trained in all FCSS operational procedures including but not limited to the following:

- a) The special skills (including applicable sensitivity training) required to provide transportation to seniors, including seniors with disabilities.
- b) Defensive driving and vehicle handling.
- c) The operation of all types of vehicles, wheelchair lifts and securement systems, and other equipment, which may be expected to be used in FCSS services.
- d) Annual documented refresher instruction, as well as remedial training as required.

Vehicle Operators shall assist passengers who use wheelchairs and other mobility devices in boarding/alighting, and shall be trained in the correct procedures to safely utilize all mobility device securement devices.

2) Maintenance Training

Maintenance personnel shall include vehicle or subsystem manufacturer provided training, maintenance safety training, and relevant environmental training. ASE certification training is preferred. Maintenance training programs shall receive sufficient resources to remain current with all new vehicle equipment parts and components, as well as emissions standards and regulations.

3) Dispatcher Training

Dispatchers shall receive appropriate training in the efficient use of the scheduling software program proposed, Microsoft Office software, dispatching techniques, phone etiquette, and a knowledge of the service area.

f. Vehicle Maintenance

Contractor shall use its own facilities and equipment (or those of third-party maintenance provider as approved by Consortium) to service, maintain and repair all vehicles required in connection with the operation of FCSS in a safe and operable condition at all times. All maintenance services provided shall be performed in accordance with manufacturer's recommended maintenance procedures as well as with applicable federal and state regulations. Contractor shall provide all labor, lubricants, solvents, repairs, parts, supplies, maintenance tools, equipment and services required to fulfill these maintenance responsibilities.

Contractor shall maintain and provide to Consortium a list of vehicles used for the FCSS services. When vehicles are added to or removed from FCSS services, Contractor shall notify Consortium as part of the monthly invoicing process.

Contractor shall perform daily vehicle inspections on all vehicles used in FCSS revenue service. Daily servicing will include, but not be limited to: fueling; engine oil, coolant, water and transmission fluid check; fare handling equipment check; wheelchair lift (if equipped) check; brake check; light and flasher check; interior sweeping and dusting; exterior and interior visual inspection; and check of all vehicle performance defects reported by previous Vehicle Operators to identify potential safety and reliability items that require immediate attention. Contractor shall develop, implement and maintain a written Daily Vehicle Inspection Report, which is a checklist of items included in the daily servicing of each vehicle. The checklist will be utilized and kept on file for Consortium and California Highway Patrol review.

All repairs to vehicles used in FCSS service shall be performed by Contractor (or by approved vendors) at Contractor's sole expense. Repairs shall include, but not be limited to: work to correct loss or damage; adjustments due to normal wear and tear; and overhaul, rebuilding or replacement of components. Repair work shall be conducted as soon as practicable upon learning that such work is required. Contractor shall perform repair work expeditiously in response to identification of problems by Vehicle Operators, other staff members or by Consortium. Contractor shall assure Consortium that safety-related repairs are not deferred.

In the event that towing of any vehicle used in FCSS service is required due to mechanical failure or damage, Contractor shall be responsible to provide such towing at Contractor's sole expense.

Contractor (or its third-party vendor) shall establish and maintain an ongoing spare parts inventory sufficient to minimize vehicle downtime and ensure that FCSS peak vehicle requirements are met.

Vehicles utilized in FCSS service shall be safe for operations on public streets and freeways and meet all requirements in the California Vehicle Code for a passenger-carrying vehicle. All parts of vehicles and all equipment mounted on or in vehicles shall conform to the California Vehicle Safety Standards, and Title 13 of the California Administrative Code. All accessible vehicles used for FCSS services must comply with the Americans with Disabilities Act (ADA). Particular attention shall be directed to California Highway Patrol (CHP) Motor Carrier Safety Regulations.

1) Preventive Maintenance Program and Running Repairs

Contractor's preventive maintenance program shall adhere to the maintenance schedules and standards of the industry, which are based on each vehicle manufacturer's recommended service intervals. Preventive maintenance inspections and servicing shall occur no more than every 4,500 miles or forty-five days, whichever is less.

Adherence to preventive maintenance schedules shall not be regarded as reasonable cause for deferring maintenance where Contractor's employees observe that maintenance is needed in advance of schedule.

Contractor shall not defer preventive maintenance or running repairs for reasons of shortage of maintenance staff or operable vehicles, nor shall service be curtailed for the purpose of performing maintenance/repairs without prior written consent of Consortium. Contractor or maintenance vendor shall adjust the work schedules of its employees as necessary to meet all scheduled services and complete preventive maintenance activities according to the schedule approved by Consortium. Preventive maintenance and running repairs of vehicles used in FCSS service shall receive first priority in the use of Contractor's or vendor's maintenance resources.

b. Tires

Contractor shall be responsible for the purchase and appropriate replacement of tires for all vehicles providing FCSS services.

c. Vehicle Fueling

Contractor is responsible for the purchase and fueling of all vehicles described in this Agreement.

d. Environmental Compliance

In performing maintenance obligations defined by this Agreement, Contractor shall be responsible for the proper storage, handling, use, transportation and disposal of all Hazardous Substances in accordance with Applicable Environmental Laws, including without limitation, all lubricants, solvents, motor oil and other petroleum products. Contractor shall only dispose of such materials at facilities that are permitted or licensed in accordance with Applicable Environmental Laws. Furthermore, in the event that Contractor engages the services of a disposal company for the and disposal of any Hazardous Substances, Contractor shall ensure that such company is properly licensed and insured, and that it transports and disposes of Hazardous Substances in accordance with the terms of this Contract. Contractor shall maintain procedures for its employees and any subconsultants who handle Hazardous Substances and shall retain records regarding compliance with the responsibilities contained herein.

e. Vehicle Washing

Contractor shall maintain an up to date record of all vehicle washings and major cleanings. Said records shall be made available to Consortium upon request. A vehicle used in FCSS service may be removed from service by Consortium for unacceptable appearance.

Contractor shall maintain vehicles in a clean and neat condition at all times. The interior of all vehicles shall be kept free of litter and debris to the maximum practicable extent throughout the operating day. Unless otherwise approved by Consortium, there are to be no advertisements, posters, stickers or other unauthorized materials placed on or in vehicles. Vehicles shall be swept and dusted daily. Interior panels, windows and upholstery shall be cleaned of marks as necessary. The interiors of all vehicles shall be thoroughly washed at least once per week, including all windows, seats, floors, stanchions and grab rails. All foreign matter such as gum, grease, dirt and graffiti shall be removed from interior surfaces during the interior cleaning process. Any damage to seat upholstery and/or flooring shall be repaired immediately upon discovery. Ceilings and walls shall be thoroughly cleaned at least once per month or more often if necessary.

In light of on-going drought conditions in California, Consortium is cognizant that washing vehicles daily would be excessive. However, exteriors of vehicles used in FCSS service shall be washed as required to maintain a clean, inviting appearance and in no event less than once every two weeks. Exterior washing shall include vehicle body, all windows and wheels. Rubber or vinyl exterior components such as tires, bumper fascia, fender skirts and door edge guards shall be cleaned and treated with a preservative at least once per month, or as necessary to maintain an attractive appearance.

f. **Maintenance Audit**

The vehicles used for FCSS services and the vehicle maintenance facility are required to be inspected at least annually by CHP. Results of said inspections shall be transmitted to Consortium within ten (10) calendar days.

If Contractor receives an unsatisfactory rating from CHP as part of its required annual terminal inspection, Contractor shall so notify Consortium by telephone and in writing immediately (email is acceptable) and state the steps which will be taken to correct any deficiency. Should Contractor or any service vehicle be shut down by an agency in authority, including Consortium, as a result of an unsatisfactory rating by CHP, the vehicles shut down shall not operate and \$50.00 per day in liquidated damages shall be assessed until a satisfactory inspection report is obtained.

Consortium reserves the right in its sole discretion to review maintenance records of, inspect and reject temporarily or permanently, by notice to Contractor, any vehicle Contractor uses in FCSS that Consortium deems unacceptable. In the event any revenue vehicle is rejected temporarily by Consortium as a result of deficient vehicle condition or appearance, \$50.00 a

day per vehicle in liquidated damages shall be assessed until the condition is corrected satisfactorily to Consortium.

g. Facilities and Equipment

Contractor shall provide at its sole expense all facilities and equipment sufficient to reasonably house dispatching, Vehicle Operator support, administrative support, and maintenance activities. Additionally, Contractor shall provide telecommunication equipment, radio communication equipment and basic office furniture, as well as major tools and supportive equipment.

h. Provision of Revenue Vehicles & Vehicle Replacement

Contractor shall provide sufficient vehicles in good condition to reasonably provide all FCSS services as described by this Scope of Work.

g. Fares and Deposits

1) **Property of Consortium** All fares collected are the property of Consortium. The collected fare will be used as part of its compensation to Contractor under this Agreement. Contractor is responsible for collecting, safekeeping, record-keeping and accounting of all fares.

2) **Fare Collection and Accountability**

Fare levels paid by each FCSS rider shall be determined by Consortium. Contractor will ensure that all Vehicle Operators are aware of and adhere to the fare structure established by Consortium. Contractor will further ensure that any changes to the fare structure are implemented in accordance with instructions conveyed to Contractor by Consortium.

Vehicle Operators shall assure each patron pays the appropriate fare prior to being provided transportation service. Vehicle Operators will, when requested by Consortium, hand out notices to passengers or otherwise render assistance regarding customer relations, promotion, monitoring, and supervisory functions. All fares shall be emptied from the fare collection system daily by the Vehicle Operator, recorded daily, and reported to Consortium on a monthly basis.

3) **Fare Revenue**

Contractor will comply with all procedures established by Consortium for the collection of fares. Cash fares and/or electronic payment will be the responsibility of Contractor. Responsibility of Contractor means that Consortium is assured that the collection, accounting and transporting of fare revenue will be administered accurately.

Consortium reserves the right to periodically audit and inspect Contractor's fare collection systems as well as fare collection processes without prior notice. Contractor shall maintain a written fare collection/accounting procedure, including control and security measures subject to approval by Consortium. Contractor shall, in accordance with a procedure approved by Consortium, account for revenues collected on FCSS vehicles and deposit them into local bank accounts designated by Contractor for that purpose. Consortium will be entitled to deduct from payments due to Contractor, a sum equal to the fare revenue lost due to the dishonesty of Contractor's employees or the consistent disregard of the fare policy by Contractor's employees.

h. **Software and Technology**

Contractor shall clearly explain in its proposal the proposed software system(s) that will be used to schedule trips, enter operating and financial data, and maintain and report data as required herein. Contractor is responsible for any and all training required for its employees to effectively use and maintain its software system(s). Consortium pre-approves the use of RouteMatch software.

i. **Records Management & System Reports**

Contractor shall maintain all books, records, documents, accounting ledgers and similar materials relating to FCSS services on file for the life of the Agreement and three years afterward. The above records retention requirement shall include daily Vehicle Operator's logs, route manifests, trip tickets, as well as all other books, records and documents. Any duly authorized representatives of Consortium, and any of its grantors, shall have access to such records for the purpose of inspection, audit and copying at reasonable times during Contractor's usual and customary business hours. All project records prepared by Contractor shall be owned by Consortium and shall be made available to the Consortium at no additional charge. Summary reports shall be emailed monthly in Microsoft Office format to the SCT Administrator. Said monthly reports shall be received no later than the 15th calendar day of the following month. The format to be used for operating reports and monthly summaries shall be developed by Contractor and approved by the SCT Administrator.

1) **Service Performance**

Contractor shall collect, record and report to Consortium relevant operational data in a format to be approved by Consortium on a monthly basis. Monthly reports are required within (15) calendar days after the end of the operating month in order to receive reimbursement for the prior month's service. Operational data for FCSS service shall include at a minimum the following information:

- Actual count of all passenger boardings by jurisdiction.
- Vehicle miles listed by service, revenue and non-revenue miles.
- Vehicle hours listed by service, revenue and non-revenue hours.
- Passengers per revenue hour, service hour, revenue mile and service mile.
- Total fare collected by passenger-trip.
- Date, time and origin of each trip denial due to capacity constraints.
- Number of missed-trips caused by Contractor.
- Number of passenger No-Shows.
- Number of late cancellations (more than one but less than eight hours).
- Number of wheelchair boardings.
- Number of roadcalls.
- Number of vehicle collisions (chargeable and non-chargeable).
- Number of passenger incidents (behavior-related, injury and non-injury).
- Summary of service complaints.
- On-time performance.
- Number of same day trips.
- Passenger pick-up and drop-off times and locations.

Reliability is an important component of riders' perception of service quality. As such, Consortium will pay Contractor \$100 for each month that on-time performance can be reasonably demonstrated (i.e., through a Consortium-accepted computerized dispatching system report) to exceed 95% of promised pick-up arrival times.

Additionally, Contractor shall maintain daily Vehicle Operator manifests. The manifests do not have to be turned in to the Consortium but must be made available upon request at any time. Manifests shall include at a minimum the following information:

- Vehicle Operator name and vehicle number.
- Mileage recorded for each passenger pick-up and drop-off as well as daily mileage by vehicle, including mileage leaving from and at return to base.

- All pertinent passenger information in regard to same day trips.

Dispatcher logs shall be maintained daily and shall include but not be limited to the following information:

- Dispatcher(s) on duty, time on duty, and subsequent shift change information about who is on duty throughout each service day.
- Any and all collisions and/or passenger incidents that occurred during the day. Include all pertinent information (i.e., time of collision/incident, vehicle and Vehicle Operator information, whether or not there were injuries, which police department responded, etc.).
- Any and all information regarding unusual circumstances involving passenger behavior, difficulties locating passengers, etc.
- Information regarding complaints from riders, including the name, contact information and nature of complaint.
- Record of callers cancelling rides for the current day, including time of call.
- Monthly totals of the operating data, documenting any discrepancies in the reported number of passengers carried and the amount of fares collected by the Vehicle Operator.
- Daily Vehicle Operators and Dispatcher logs as relevant back-up information to the monthly summary report.
- The Project Manager shall also document operational problems or passenger complaints and describe any action taken to resolve the problems.
- Passenger complaints related to safety or serious operational deficiencies shall be reported to Consortium no later than the next working day following Contractor's receipt of complaint.

2) **Maintenance Records**

Maintenance records shall be maintained for all vehicles used in FCSS service indicating preventive maintenance and repairs performed on each vehicle. All such records and reports shall be prepared and maintained in such a manner so as to fulfill any applicable state or federal requirements, as well as any needs of Consortium to enable it to accurately evaluate Contractor's maintenance performance.

Records of all maintenance and inspections shall be made available to Consortium, the California Highway Patrol and/or such other regulatory agencies with jurisdiction when requested.

Contractor shall prepare and submit quarterly maintenance reports in a form approved by Consortium. Such quarterly reports shall include, but not be limited to, a roster listing each vehicle, vehicle mileage at end of reporting period, preventive maintenance inspection history since last quarterly report, and vehicle roadcalls encountered while in FCSS service. The summary will also list Contractor's summary of maintenance problems, particularly vehicles or major components with high incidences of in-service failures, and steps taken to eliminate such problems and in-service failures.

3) Financial Records

Contractor shall maintain financial records in keeping within current accepted accounting standards. All financial records related to FCSS services shall be made available for inspection/audit at any time.

All costs incurred in connection with this project and any relevant financial records and documents shall be recorded in accounts separate from those used for other business activities and in conformance with the guidelines of Consortium. These financial records must also be in conformance with San Luis Obispo Council of Governments requirements for Transportation Development Act funding. The Project Manager shall email a monthly invoice to the SCT Administrator for the services rendered during the reporting period. The invoice shall follow a Microsoft Office-based electronic format developed by Contractor and approved by the SCT Administrator. All invoices and related records will be available for inspection and/or independent audit at the election of Consortium.

F. SERVICE/MAINTENANCE STANDARDS

Contractor shall strive at all times to provide service in a manner that will maximize productivity and at the same time maximize customer service. Recognizing that the goals of productivity and customer service level may conflict, this Agreement includes specific service standards that are intended to be reasonably attainable by Contractor, fair to the customer and consistent with expectations that Contractor will always perform at its highest level. Below are standards that apply to FCSS services:

Performance Criteria	Acceptable Monthly Minimum
Schedule Adherence	90%
Chargeable Collision / 100,000 Miles	0.5
Road Calls / 100,000 Miles	5.0
Customer Complaints/Boardings	5%

Contractor and Consortium shall periodically meet to evaluate performance of the FCSS service based upon these standards. If the standards are not fulfilling Consortium’s intended purpose, they shall be adjusted based upon recommendations made by Contractor and as presented solely by the SCT Administrator for consideration by Consortium at a regularly scheduled SCT Board of Directors meeting. Should it be found that Contractor’s performance has contributed to FCSS’s failure to achieve these standards, Contractor shall take all reasonable actions requested by Consortium to correct deficiencies in performance. Should deficiencies persist, Consortium may take whatever additional action is required, including termination of the Agreement.

G. SAFETY PROGRAM

Contractor shall assume full responsibility for assuring that the safety of passengers, operations personnel, and the vehicles and equipment used for the FCSS service are maintained at the highest possible level. Contractor shall comply with all applicable CHP and OSHA requirements. Contractor shall maintain a formal Safety Program acceptable to Consortium that includes periodic safety meetings, participation in safety organizations, and participation in risk management activities under the auspices of Contractor’s insurance carrier or other safety-focused organization. Contractor will require all Vehicle Operators, Dispatchers, Supervisors, and vehicle maintenance Technicians to participate in the Safety Program.

H. COLLISION & INCIDENT PROCEDURES

Contractor shall maintain formal procedures, approved by Consortium, to respond to collisions, incidents and service interruptions. Such occurrences to be addressed include, but are not necessarily limited to: vehicle collisions, passenger injuries, passenger disturbances, in-service vehicle failures, wheelchair lift failures, and vehicles operating more than sixty minutes behind the promised schedule.

All traffic collisions involving FCSS vehicles, irrespective of injury, shall be reported to local Police Department or CHP, as appropriate. Contractor will advise such agency of the collision and request a police unit to investigate the incident.

In cases involving injury, Contractor shall notify the SCT Administrator immediately upon receipt by Contractor of such information. A complete written report of any injury-related incident shall be delivered to the SCT Administrator within twenty-four (24) hours following the occurrence.

Vehicles damaged due to collisions shall be promptly removed from service and repaired by Contractor. All vehicle damage resulting from a collision is the sole responsibility of Contractor and repairs must be consistent with the manufacturer's repair standards. Both chargeable and non-chargeable collisions will be reported to Consortium as part of its monthly report.

I. CUSTOMER COMPLAINT/COMMENDATION PROCEDURE

Contractor customer service staff shall be the primary point of contact to receive complaints and accept commendations, suggestions and recommendations regarding FCSS services. It is the responsibility of Contractor to provide prompt response and action to any customer complaints, suggestions and recommendations. Should Contractor's personnel, in the course of their daily work, receive complaints, suggestions and recommendations regarding the services, this information shall be entered into a customer service database as a new complaint immediately; Contractor must provide and document its response/action as soon as possible, but no later than ten (10) working days after receipt. All customer service complaints, commendations, suggestions and recommendations shall be summarized in the monthly report submitted to Consortium.

SECTION IV – GENERAL INFORMATION

A. GENERAL INSTRUCTIONS

1. In submitting a proposal, Proposers must comply with the performance criteria as set forth in the following instructions. All proposals will be reviewed thoroughly prior to any selection to determine if proposers have met all criteria in these proposal conditions. It is essential that proposers read each of the sections carefully and take action where necessary.
2. Where the word “SCT” is used in these instructions, reference is made to South County Transit. The word “Consortium” means the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County of San Luis. The words “offer”, “contract proposal”, and “proposal” are synonymous, and it is understood that once the Consortium accepts the same, the document may be incorporated as part of the contract contemplated by these instructions.
3. The award of a contract or contracts under this Request for Proposals (RFP) will be based on competitive negotiated procurement procedures, and proposals submitted in response to this RFP will be subject to negotiation. A Selection Committee will review and screen proposals. Proposers submitting responsive proposals may be considered for a subsequent interview and contract negotiation at their own expense. Proposals will be judged upon criteria presented in Sections V and VI of this RFP.
4. The Consortium may consider proposals for any and/or all elements of the requested items. The quantities and items requested are only estimates and are subject to change.
5. The Consortium reserves the right to award a contract to a firm solely on the basis of the initial proposal submitted.
6. Required information to be submitted in the proposal must be current, complete and accurate. Please complete the forms referenced in other sections of this RFP. The Consortium reserves the right to require more information and clarification of information submitted in the proposal in order to complete the evaluation.

B. LIMITATIONS

This Request for Proposal does not commit the Consortium to award a contract, pay any cost incurred in the preparation of a proposal responsive to this RFP, or procure or contract for services. The Consortium reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with qualified sources, or to cancel in part or in its entirety this RFP if it is in the best interests of Consortium. The contents of the proposal submitted by a proposer may become a contractual obligation if a contract ensues.

C. PROTESTS

In the event a bidder or proposer desires to protest a bid, proposal or an award, the following procedure shall be used. On behalf of the Consortium, the SCT Administrator has the authority to resolve protested solicitations and awards, as follows:

1. Any bidder who objects to the award of contract may protest to the SCT Administrator prior to the bid award.
2. The SCT Administrator shall have authority, prior to award, to settle and resolve a protest.
3. If the protest is not resolved by mutual agreement, the SCT Administrator shall issue a decision in writing, stating the decision and facts supporting the decision and informing the protestant of its right to appeal the decision in accordance with the established SCT purchasing policy. A copy of the decision shall be mailed or otherwise furnished to the protesting bidder. A decision under this procedure shall be final except that the SCT Administrator's final decision may be appealed to the Federal Transit Administration (FTA) as referenced in FTA Circular 4220.1F.
4. Proposers are herein made aware of the FTA protest procedures referenced in FTA Circular 4220.1F. If Federal funding is involved, FTA will review protests from a third party only when a grantee does not have a written protest procedure or fails to follow its procedures.
5. An appeal to FTA must be received by the cognizant FTA regional or headquarters office within five working days of the date the protester knew or should have known of the violation.
6. A procurement protest log shall be maintained. The log shall indicate key protest dates action taken. Each protest shall be filed with the response letter and any correspondence attached.

D. DEVIATIONS

Proposers will provide the Consortium with any suggested deviations to the Agreement and Conditions, and the Scope of Work. If deviations exist, negotiations on specific items will precede any award or contract. Deviations must be submitted at the time of response to the proposal.

E. PROPOSER STATUS

1. All firms doing business with the Consortium shall be in compliance with the Federal requirements included in Attachment Two – Federally Required Contract Clauses.
2. All firms doing business with the Consortium shall agree to and be in compliance with the Consortium's insurance requirements as presented in Attachment One.

F. DISADVANTAGED BUSINESS ENTERPRISES

1. On behalf of the Consortium, SCT's Disadvantaged Business Enterprise policy authorizes the implementation of a Disadvantaged Business Enterprise Program with the Department of Transportation, United States of America, for all grant applications under the Federal Transit Act, as amended. It is the policy of SCT that Disadvantaged Business Enterprises, as defined in 49 CFR Part 26, and as amended in Section 106(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987, shall have the maximum opportunity to participate in the performance of projects financed in whole or in part with federal funds. Consequently, the DBE requirements of 49 CFR Part 26 apply to the Agreement.
2. The Consortium and its Contractor agrees to ensure that DBEs as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under the Agreement. In this regard, all recipients or Contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that DBEs have the maximum opportunity to compete for and perform contracts. The Consortium and its Contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.
3. Any questions about DBE participation or good faith efforts should be directed to Tania Arnold, CFO/Deputy Director, at tarnold@slorta.org. The Consortium recommends proposers address DBE participation or its good faith effort at least one week prior to RFP closing.

G. FEDERAL REGULATIONS CONFORMANCE

Contractor is bound by the same terms and conditions of applicable federal regulations that are imposed on the Consortium for proper administration of this project.

H. PROPOSER RESPONSIBILITY

1. Should Proposer find discrepancies in or omissions from these instructions or any of the attachments, or should it be in doubt as to their meaning, it shall at once notify the SCT Administrator in writing. Written instructions will be sent notifying all known potential Proposers of such discrepancy, if any, and of any changes.
2. The Proposer is required to complete and submit its proposal in the specified format. In addition, the proposal must include the completed information requested in all appendices. Failure to answer all questions fully and correctly may result in the proposal being judged non-responsive. The Consortium reserves the right to examine all factors bearing on a Proposer's ability to perform the services under the Agreement.
3. The proposal and all other accompanying documents or materials submitted by a Proposer will be deemed to constitute part of the proposal. Proposals may be withdrawn

prior to the proposal due date listed in Section I. No proposal may be withdrawn for a period of 120 days after the proposal due date listed in Section I.

I. THE AGREEMENT

The Agreement, along with the Insurance Requirements for Professional Services, the Scope of Work, and other relevant components of the proposal shall constitute the entire agreement for the performance of services described herein. The successful proposer will be required to comply with all terms, conditions, and provisions of the Agreement during the entire contract period. Insurance requirements as specified in Attachment One are mandatory and non-negotiable. Failure or inability to comply with insurance requirements will result in disqualification for non-responsiveness.

J. DEBARMENT CERTIFICATION

The Proposer shall certify that it is not included in the U.S. General Service Administration's list of ineligible Contractors.

SECTION V – FORMAT OF PROPOSALS

Proposer should submit four printed and one digital copy of its proposal in the format outlined below. This format will assist the Consortium in evaluating the proposals. The package should clearly reflect this RFP name, the contents of the package, and the firm's name and information in the following order:

A. INTRODUCTION

1. Include a cover letter signed by an agent of the firm authorized to submit the proposal. The cover letter should include the name(s) and phone number(s) of the key personnel for the proposer for all products and services that are proposed.
2. Table of Contents should include a clear identification of the material by section and page number.

B. PROFILE OF THE FIRM

1. Give a brief history of the company, including organizational chart. State whether the firm is local, regional, national, or international and how long the company has been in existence, as well as how long the company has provided the kinds of services requested in this RFP. Give the location of the office that would be responsible for servicing this project. Indicate how long this office has been in existence and the number of employees in this office.
2. Provide a list of at least three current customers that have provided services similar to those being proposed for the Consortium.

C. PROJECT APPROACH

Summarize your approach and understanding of the project and any special considerations of which the Consortium should be aware. Indicate clearly the levels of participation you will expect from SCT staff in the fulfillment of the contract.

The contents of this section shall be determined by the proposer, but should demonstrate an understanding of the special characteristics of the FCSS project.

The proposer shall outline the proposed approach to the provision of FCSS services, including a proposed start-up schedule based on the Scope of Work and a September 1, 2017 start date. Exceptions to the requirements of the RFP should be clearly delineated in this section.

In addition, you are invited to include a maximum of two (2) pages of information not included, nor requested, in this RFP if you feel it may be useful and applicable to this project.

The information in this section will aid the Consortium in the refinement of the Scope of Work during contract negotiations.

D. STAFF QUALIFICATIONS AND RELATED EXPERIENCE

This section should demonstrate the qualifications of all professional personnel to be assigned to this project by providing resumes/experience summaries describing their education, credentials, related experience and their proposed roles for this contract.

Note: Consultant may not substitute any member of the project team without prior written approval of the SCT Administrator.

If your firm intends to subcontract any of the services required under this RFP it should be discussed in this section. Detailed information for each subcontractor must be provided. Note: No work may be subcontracted, nor assigned, without prior written approval of the SCT Administrator.

Include descriptive information concerning the experience of the firm. Include information about previous projects that might be comparable, including the size and type of projects and the Scope of Work provided. In addition, provide references in Attachment B for the three (3) most comparable projects for which your firm has provided, or currently is providing, similar services.

Provide the following information for each project:

1. Brief description and type of service operated.
2. Contract term.
3. Name of agency and area served
4. Name of agency contact person and telephone number

E. ADDITIONAL DATA

Proposer shall, as part of its proposal, affirm that they have read and understand the insurance requirements as outlined in Attachment One Insurance Requirements for Professional Services. The proposer shall also affirm that they have read and agree to indemnity language in the Agreement. Proposer agrees to furnish the Consortium with original insurance certificates and endorsements immediately following award of contract. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the SCT Administrator before work commences and must be in effect for the duration of the contract. The Consortium reserves the right to require complete copies of all required policies and endorsements.

F. COST PROPOSAL

Proposals that are submitted in response to this RFP should include a "cost proposal" of what the proposer would charge to provide the services requested. All proposals must note that all costs within the scope of the proposal will be performed on a billed as incurred, monthly basis. All expenses presented for payment shall have invoices and/or proper documentation as detailed in the Scope of Work.

The proposal should be completed on the forms provided. Additional documentation providing greater detail may be provided by the proposer.

SECTION VI – CONTRACTOR SELECTION PROCESS

A. SUBMITTAL DEADLINE

Only those proposals received by the submittal deadline of May 17, 2017 by 5:00 p.m. (PST) will be evaluated by the Selection Committee.

B. RESPONSIVENESS CRITERIA

1. Submittal meets the Consortium’s deadline.
2. Organization of proposal. Proposals submitted as required in the “Format of Proposals”, Section V.
3. Completeness of proposal. All required forms, questionnaires and information are complete, signed and dated.

C. EVALUATION CRITERIA

The Consortium intends to use a Best Value method to determine which proposal is most advantageous to the Consortium’s goals. The Selection Committee’s scores will be combined on the following criteria, noting that scores may be fractions and that ratings will be scaled so that the best proposal in each element will receive the maximum points for that element.

Selection of the successful proposal shall be generally based on the information provided by the Proposer in response to the Request for Proposals and any subsequent interviews that may be conducted. Consultant interviews will be held solely at the option and discretion of the Consortium. The process for selection shall occur in the following sequence:

1. Review Proposals
2. Establish a “short list” of two or more firms
3. Interview “short-listed” firms (at the option and discretion of the Consortium)
4. Identify best qualified firm
5. Determine which, if any, alternates will be selected, and negotiate a fee
6. Award contract

A project Selection Committee has been formed to evaluate the proposals and to make recommendation to the SCT Board. This committee consists of representatives from SCT and Consortium officials. Names of the Selection Committee members will not be released prior to the time of interviews.

The Selection Committee will review the proposals for format to ensure conformance with the requirements of the RFP and may select finalists to interview with the Committee as a part of the Committee’s evaluation process. The Consortium does not guarantee that an interview will take place, thus reserving the right to select a Contractor based solely on the information provided in the proposals received in response to the RFP. Should an interview take place, the key personnel

responsible for fulfilling the requirements of the project shall be required to be present for the interview.

The Selection Committee will address the following criteria in evaluation of proposals in order to gauge the ability of a consultant to perform the contract as specified. The same general criteria will be used to judge both the proposal and the presentation, should the Consortium choose to conduct interviews with short-listed firms.

Criteria	As Demonstrated By:	Weight of Criteria
Merit of Proposal/Presentation	<ul style="list-style-type: none"> • Proposal, thoroughness and approach • Demonstrated understanding of project and requirements 	35
Firm Qualifications and Expertise	<ul style="list-style-type: none"> • Staff qualifications • Adequacy of staff to perform the work 	30
Record of Past Performance	<ul style="list-style-type: none"> • References • Ability to work effectively with SCT, other public agencies and the public • Demonstrated ability to complete work tasks within project timelines and project budgets 	25
Fees	<ul style="list-style-type: none"> • Reasonableness of costs 	10

Prior to the award of contract, the Consortium must be assured that the proposer selected has all of the resources required to successfully perform under the contract. This includes, but is not limited to, personnel with the skills required, as well as vehicles, equipment and materials sufficient to provide services called for under this contract. If, during the evaluation process, the Consortium is unable to assure itself of the proposer’s ability to perform under the contract, if awarded, the Consortium has the option of requesting from the proposer, any information that it deems necessary to determine the proposer’s capabilities. If such information is required, the proposer will be notified and will be permitted seven (7) working days to submit the requested information.

The successful firm will be required to execute a service agreement with the Consortium. A Draft Agreement has been included in this RFP to alert proposers to the provisions generally found in

Consortium contracts. The Draft Agreement may be altered from the enclosed form at the discretion of the Consortium and without notice to consultant prior to award of contract. The Consortium does not guarantee that the Final Agreement will duplicate the enclosed Draft Agreement.

RFP CHECKLIST FORM

Listed below are all documents that are required to be submitted as part of a response to this request for proposal

Write "yes" on the blank space if you have included those items for submittal of your RFP

_____ Cost Proposal (Attachment A)

_____ Contractor's Relative Experience/Reference Form (Attachment B)

_____ Contractor's Designated Contact List (Attachment C)

_____ Receipt of Addenda Form (if issued)

_____ Technical Information Relative to RFP

_____ Confirmation of agreement with insurance requirements as outlined in Attachment One

ATTACHMENT A COST PROPOSAL

Proposers must submit a cost proposal in a separate envelope clearly marked with the firm’s name and the words “Cost Proposal.” The cost proposal must include the printed name, title, phone number, physical address, email address, and signature of the proposer’s authorized representative. The proposed price will be a “user-side” subsidy on a per-passenger boarding basis, with the understanding that each passenger will provide a \$3.00 cash fare upon boarding the vehicle for each one-way passenger-trip. In essence, the proposer will provide a per passenger price for which the Consortium will reimburse the Contractor at the end of each month.

Proposers should use the table below; an electronic copy (in MS Excel format) is available upon request.

Proposed Net Pricing Table				
From/To	Arroyo Grande	Grover Beach	Oceano	Pismo Beach
Arroyo Grande				
Grover Beach				
Oceano				
Pismo Beach				
<i>Note: Enter the proposed one-way net fare per passenger trip (proposed price minus the \$3.00 paid by the passenger) that would be charged to Consortium for each trip pair.</i>				

**ATTACHMENT B
REFERENCES**

Work accomplished by firm which best illustrates current qualifications relevant to this project:

1. Project Description: _____
Contract Execution & End: _____ through _____
Agency and Location: _____
Contact Name, Email & Telephone Number: _____

2. Project Description: _____
Contract Execution & End: _____ through _____
Agency and Location: _____
Contact Name, Email & Telephone Number: _____

3. Project Description: _____
Contract Execution & End: _____ through _____
Agency and Location: _____
Contact Name, Email & Telephone Number: _____

NOTE: It is important that this sheet be completed and submitted with your proposal. Failure to provide the above information in complete detail may result in your bid being considered non-responsive.

**ATTACHMENT C
DESIGNATED CONTACTS LIST**

Proposers are required to indicate in the space provided below the designated contact individual's name and contact information:

CONSORTIUM

PROPOSER

Geoff Straw, SCT Administrator
South County Transit
179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4465
gstraw@slorta.org

ATTACHMENT D

FIVE CITIES SENIOR SHUTTLE PROFESSIONAL SERVICES AGREEMENT

AGREEMENT NUMBER _____

This Agreement is made as of this ____ day of _____, 2017, by and between South County Transit, a California joint powers authority, the City of Arroyo Grande, the City of Grover Beach, the City of Pismo Beach and the County of San Luis Obispo (collectively referred to hereafter as "Five Cities Senior Shuttle Consortium" or "Consortium"); and _____ or "Contractor".

RECITALS

- a. Consortium desires to retain a qualified and committed transportation provider to operate the Five Cities Senior Shuttle (FCSS) in accordance with the Scope of Work as more particularly set forth in Exhibit A to this Agreement.
- b. Contractor represents to Consortium that it is a firm composed of highly trained professionals and is fully qualified to operate the services described above and render advice to Consortium in connection with said services.
- c. The parties have negotiated upon the terms pursuant to which Contractor will provide such services and have reduced such terms to writing.

AGREEMENT

NOW, THEREFORE, Consortium and Contractor agree as follows:

1. SCOPE OF WORK

Contractor shall provide to Consortium the services described in Exhibit A ("Scope of Work"). Contractor shall provide these services at the time, place, and in the manner specified in Exhibit A. Exhibit A is attached hereto solely for the purpose of defining the manner and scope of services to be provided by Contractor and is not intended to, and shall not be construed so as to, modify or expand the terms, conditions or provisions contained in this Agreement. In the event of any conflict between the terms in Exhibit A and the Agreement, the terms of this Agreement shall control and prevail. The parties agree that any term contained in Exhibit A that adds to, varies or conflicts with the terms of this Agreement is null and void.

2. COMPENSATION

a. Consortium shall pay Contractor for services rendered pursuant to this Agreement at the rates, times and in the manner set forth in this Agreement. Contractor shall submit monthly statements to Consortium at the main offices of the San Luis Obispo Regional Transit Authority (hereafter "RTA") who is the current administrator of South County Transit service. Each monthly statement submitted shall include the items required under the "Records/Management & System Reports" section of the Scope of Work (Exhibit A). South County Transit (SCT) will make monthly payments to Contractor and then collect a proportionate share of the payment from each of the member entities who constitute the Consortium.

b. The payments prescribed herein shall constitute all compensation to Contractor for all costs of services, including, but not limited to, direct costs of labor of employees engaged by Contractor, travel expenses, telephone charges, copying and reproduction, computer time, and any and all other costs, expenses and charges of Contractor, its agents and employees. In no event shall Consortium be obligated to pay late fees or interest, whether or not such requirements are contained in Contractor's invoice.

c. Notwithstanding any other provision in this Agreement to the contrary, the total maximum compensation to be paid for the satisfactory accomplishment and completion of all services to be performed hereunder shall in no event exceed the sum of \$ _____ for Fiscal Year 2017-18, as follows:

Jurisdiction	FY17-18 Payment
Arroyo Grande	\$ _____
Grover Beach	\$ _____
Pismo Beach	\$ _____
SLO County (Oceano Area)	\$ _____
Total	\$ _____

The maximum obligation will be based on the per passenger-trip pricing included in Attachment A ("Proposed Net Pricing Table") and the expected maximum number of passenger-trips between each jurisdiction. RTA's Chief Financial Officer will pay all proper claims on behalf of the Consortium. Subsequent annual maximum annual compensation levels will be adopted through amendment to this Agreement.

3. DOCUMENTATION; RETENTION OF MATERIALS

a. Contractor shall maintain adequate documentation to substantiate all charges as required under Section 2 of this Agreement.

b. Contractor shall keep and maintain full and complete documentation and accounting records concerning all extra or special services performed by it that are compensable by other than an hourly or flat rate and shall make such documents and records available to authorized representatives of Consortium for inspection at any reasonable time.

c. Contractor shall maintain the records and any other records related to the performance of this Agreement and shall allow Consortium access to such records during the performance of this Agreement and for a period of three (3) years after completion of all services hereunder.

4. INDEMNITY

Contractor shall, to the fullest extent permitted by law, indemnify, protect, defend and hold harmless Consortium and the individual entities of which it is constituted, and each of their employees, officials and agents ("Indemnified Parties") for all claims, demands, costs or liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs, interest, defense costs, and expert witness fees), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor, its officers, employees, agents, in performance of this Agreement, excepting only liability arising from the sole negligence, active negligence or intentional misconduct of Consortium or the individual entities of which it is constituted. Nothing contained in the indemnity provisions shall be construed to require Contractor to indemnify the Consortium or its constituting entities against any responsibility or liability in contravention of Civil Code 2782.

5. INSURANCE

Contractor shall maintain in full force and effect all of the insurance coverage described in, and in accordance with, Attachment One, "Insurance Requirements" (attached hereto and incorporated herein). Maintenance of the insurance coverage set forth in Attachment One is a material element of this Agreement and a material part of the consideration provided by Contractor in exchange for Consortium's agreement to make the payments prescribed hereunder. Failure by Contractor to (i) maintain or renew coverage, or (ii) provide evidence of renewal, may be treated by Consortium as a material breach of this Agreement by Contractor, whereupon Consortium shall be entitled to all rights and remedies at law or in equity, including but not limited to immediate termination of this Agreement. Notwithstanding the foregoing, any failure by Contractor to maintain required insurance coverage shall not excuse or alleviate Contractor from any of its other duties or obligations under this Agreement. In the event Contractor, with approval of

Consortium pursuant to Section 6 below, retains or utilizes any subcontractors in the provision of any services to Consortium under this Agreement, Contractor shall assure that any such subcontractor has first obtained, and shall maintain, all of the insurance coverage requirements set forth in the Insurance Requirements at Attachment One.

6. ASSIGNMENT

Contractor shall not assign any rights or duties under this Agreement to a third party without the express prior written consent of Consortium, in Consortium's sole and absolute discretion. Contractor agrees that the Consortium shall have the right to approve any and all subcontractors to be used by Contractor in the performance of this Agreement before Contractor contracts with or otherwise engages any such subcontractors.

7. TERMINATION

a. Termination for Convenience. The Consortium, by 30 days' written notice, may terminate this Agreement, in whole or in part, when it is in the Consortium's interest. If this Agreement is terminated, the Consortium shall be liable only for payment under the payment provisions of this Agreement for services rendered before the effective date of termination.

b. Termination for Default. If the Contractor fails to perform the services within the time specified in this Agreement or any extension, or if the Contractor fails to comply with any other provisions of this Agreement, the Consortium may terminate this Agreement for default. The Consortium shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the Agreement price for services performed in accordance with the manner of performance set forth in this Agreement. If this Agreement is terminated while the Contractor has possession of Consortium goods, the Contractor shall, upon direction of the Consortium, protect and preserve the goods until surrendered to the Consortium or its agent. The Contractor and Consortium shall agree on payment for the preservation and protection of goods. If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Consortium.

c. Opportunity to Cure. The Consortium, in its sole discretion may, in the case of a termination for default, allow the Contractor 30 days in which to cure the defect. In such case, the Notice of Termination will state the time period in which cure is permitted and other appropriate conditions. If Contractor fails to remedy to Consortium's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within 10 days after receipt by Contractor of written notice from Consortium setting forth the nature of said breach or default, Consortium shall have the right to terminate the Agreement without any further obligation to Contractor. Any such termination for default

shall not in any way operate to preclude Consortium from also pursuing all available remedies against Contractor and its sureties for said default.

8. NOTICES

Except as otherwise provided in this Agreement, any notice, submittal or communication required or permitted to be served on a party, shall be in writing and may be served by personal delivery to the person or the office of the person identified below. Service may also be made by mail, by placing first-class postage, and addressed as indicated below, and depositing in the United States mail to:

Consortium Representative:

Geoff Straw
San Luis Obispo RTA
179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4465
gstraw@slorta.org

Contractor Representative:

<<Contact Name>>
<<Company>>
<<Street Address>>
<<City, State, Zip Code>>
<<Telephone number>>
<<Email address>>

9. INDEPENDENT CONTRACTOR

The parties intend that Contractor, in performing the services specified, shall act as an independent Contractor and shall have control of its work and the manner in which it is performed. Contractor, including Contractor's employees, shall not be considered agents or employees of Consortium. Neither Contractor nor Contractor's employees shall be entitled to participate in any pension plan, medical, or dental plans, or any other benefit provided by the Consortium for its employees.

10. ADDITIONAL SERVICES

Changes to the Scope of Work shall be by written amendment to this Agreement and shall be paid on an hourly basis at the rates set forth in this Agreement, or paid as otherwise agreed upon by the parties in writing prior to the provision of any such additional services.

11. SUCCESSORS AND ASSIGNS

Consortium and Contractor each binds itself, its partners, successors, legal representatives and assigns to the other party to this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect of all promises and agreements contained herein.

12. TIME OF PERFORMANCE

The services described herein shall be provided during the period, or in accordance with the schedule, set forth in Exhibit A – Scope of Work.

13. MISCELLANEOUS

a. Entire Agreement. This Agreement contains the entire agreement between the parties. Any and all verbal or written agreements made prior to the date of this Agreement are superseded by this Agreement and shall have no further effect.

b. Modification. No modification or change to the terms of this Agreement will be binding on a party unless in writing and signed by an authorized representative of that party.

c. Compliance with Laws. Contractor shall perform all services described herein in compliance with all applicable federal, state and local laws, rules, regulations, and ordinances, including but not limited to the Americans with Disabilities Act of 1990 (42 U.S.C. 12101, et seq.) (“ADA”), any regulations and guidelines issued pursuant to the ADA, and all federally required requirements listed in Attachment 2 attached hereto and incorporated herein.

d. Governing Law; Venue. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court in San Luis Obispo County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such court, and consent to service of process issued by such court.

e. Conflict of Interest. The Consortium members’ Conflict of Interest Codes require that individuals who qualify as “Contractors” under the Political Reform Act, California Government Code sections 87200 et seq., comply with the conflict of interest provisions of the Political Reform Act and the Consortium members’ Conflict of Interest Codes, which generally prohibit individuals from making or participating in the making of decisions that will have a material financial effect on their economic interests. The term “Contractor” generally includes individuals who make governmental decisions or who serve in a staff capacity. In the event that the Consortium or any of its members determines, in its discretion, that Contractor is a “Contractor” under the Political Reform Act, Contractor shall cause the following to occur within 30 days after execution of this Agreement: (1) Identify the individuals who will provide services or perform work under this Agreement as “Contractors,” and (2) Cause these individuals to file with the Consortium’s Representative the “assuming office” statements of economic interests required by the Consortium’s Conflict of Interest Code. Thereafter, throughout the term of the Agreement, Contractor shall cause these individuals to file with the Consortium Representative annual statements of economic interests, and “leaving office” statements of economic interests, as required by the Consortium’s Conflict of Interest Code. The above statements of economic interests are public records subject to public disclosure under the California Public Records Act. The

Consortium may withhold all or a portion of any payment due under this Agreement until all required statements are filed.

f. Waiver of Rights. Neither Consortium acceptance of, or payment for, any service or performed by Contractor, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

g. Ownership and Use of Property Rights. Unless otherwise expressly provide herein, all original works created by Contractor for Consortium hereunder shall be and remain the property of Consortium. Contractor agrees that any patentable or copyrightable property rights, to the extent created for Consortium as part of the services provided hereunder, shall be in the public domain and may be used by anyone for any lawful purpose. Consortium agrees to hold Contractor harmless from all damages, claims, expenses, and losses arising out of any Consortium member reuse of the plans, specifications, drawings, maps, models, computer files and other documents for purposes other than those described in this Agreement, unless written authorization of Contractor is first obtained.

h. Incorporation of Attachments and Exhibits. The attachments and exhibits to this Agreement are incorporated and made part of this Agreement, subject to terms and provisions herein contained.

i. Standard of Care: Services provided by Contractor under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the same or similar locality.

The duties and obligations imposed by the Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

14. ACCESSIBILITY REQUIREMENTS

In addition to those requirements set forth in Subsection 13(C), Consortium requires that all Consortium telecommunication services, websites and web-based applications and services are accessible to, and usable by, persons with disabilities. Contractor shall provide all electronic, telecommunication, and information technology products and services to be provided under this Agreement in conformance with title 28, Part 35 of the Code of Federal Regulations, 28 C.F.R. §§ 35.130, et seq., and the accessibility standards set forth in Section 508 of the Rehabilitation Act of 1973, as amended. Section 508 standards are viewable at <http://access-board.gov/sec508/standards.htm>.

15. AUTHORITY; SIGNATURES REQUIRED FOR CORPORATIONS

Contractor hereby represents and warrants to Consortium that it is (a) a duly organized and validly existing Corporation, formed and in good standing under the laws of the State of California, (b) has the power and authority and the legal right to conduct the business in which it is currently engaged, and c) has all requisite power and authority and the legal right to consummate the transactions contemplated in this Agreement. Contractor hereby further represents and warrants that this Agreement has been duly authorized, and when executed by the signatory or signatories listed below, shall constitute a valid agreement binding on Contractor in accordance with the terms hereof.

Executed as of the day and year first above stated.

CONTRACTOR

SOUTH COUNTY TRANSIT

By: _____

By: _____

Print Name: _____

Geoff Straw
SCT Administrator

Title: _____

By: _____

APPROVED AS TO FORM:

Print Name: _____

SCT Counsel

Title: _____

ATTEST:

Taxpayer I.D. No. _____

SCT Clerk

CITY OF ARROYO GRANDE

By: _____

James Hill
Mayor

APPROVED AS TO FORM:

City Attorney

CITY OF PISMO BEACH

By: _____

Edward Waage
Mayor

APPROVED AS TO FORM:

City Attorney

CITY OF GROVER BEACH

By: _____

John Shoals
Mayor

APPROVED AS TO FORM:

City Attorney

COUNTY OF SAN LUIS OBISPO

By: _____

John Peschong
Board of Supervisors Chairperson

APPROVED AS TO FORM:

County Counsel

Attachments:

- Attachment One – Insurance Requirements
- Attachment Two – Federally Required Contract Clauses
- Exhibit A – Scope of Work

ATTACHMENT ONE

INSURANCE REQUIREMENTS FOR AGREEMENTS FOR PROFESSIONAL SERVICES

- A. Insurance Policies:** Contractor shall, at all times during the terms of this Agreement, maintain and keep in full force and effect, the following policies of insurance with minimum coverage as indicated below and issued by insurers with AM Best ratings of no less than A-VI or otherwise acceptable to the Consortium.

Insurance	Minimum Coverage Limits	Additional Coverage Requirements
1. Commercial general liability	\$1 million per occurrence \$2 million aggregate	Coverage must be at least as broad as ISO CG 00 01 and must include completed operations coverage. If insurance applies separately to a project/location, aggregate may be equal to per occurrence amount. Coverage may be met by a combination of primary and excess insurance but excess shall provide coverage at least as broad as specified for underlying coverage. Coverage shall not exclude subsidence.
2. Business auto coverage	\$1 million	ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$ 1 million per accident for bodily injury and property damage.
3. Professional liability (E&O)	\$1 million per claim \$1 million aggregate	Contractor shall provide on a policy form appropriate to profession. If on a claims made basis, Insurance must show coverage date prior to start of work and it must be maintained for three years after completion of work.
4. Workers' compensation and employer's liability	\$1 million	As required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than \$ 1 million per accident for bodily injury or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Consortium for all work performed by the Contractor, its employees, agents and subcontractors.

B. Endorsements:

1. All policies shall provide or be endorsed to provide that coverage shall not be canceled, except after prior written notice has been provided to the Consortium in accordance with the policy provisions.
2. Liability policies shall provide or be endorsed to provide the following:
 - a. For any claims related to this project, Contractor's insurance coverage shall be primary, except for Professional Liability and Worker's Compensation, and any insurance or self-insurance maintained by Consortium shall be excess of the Contractor's insurance and shall not contribute with it; and,
 - b. The Consortium, its member agencies, its officers, agents, employees and volunteers are to be covered as additional insured on the CGL policy. General liability coverage can be provided in the form of an endorsement to Contractor's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used.

C. Verification of Coverage and Certificates of Insurance: Contractor shall furnish Consortium with original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the Consortium before work commences and must be in effect for the duration of the contract. The Consortium reserves the right to require complete copies of all required policies and endorsements.

D. Other Insurance Provisions:

1. No policy required by this Agreement shall prohibit Contractor from waiving any right of recovery prior to loss. Contractor hereby waives such right with regard to the indemnities.
2. All insurance coverage amounts provided by Contractor and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage. Defense costs must be paid in addition to coverage amounts.
3. The Self-Insured retentions above \$10,000 must be approved by the Consortium. At the Consortium's option, Contractor may be required to provide financial guarantees.
4. Sole Proprietors must provide a representation of their Workers' Compensation Insurance exempt status.
5. Consortium reserves the right to modify these insurance requirements while this Agreement is in effect, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

ATTACHMENT TWO

FEDERALLY REQUIRED CONTRACT CLAUSES

1. ACCESS TO RECORDS

a. Record Retention. The Contractor will retain, and will require its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the contract, including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third party agreements of any type, and supporting materials related to those records.

b. Retention Period. The Contractor agrees to comply with the record retention requirements in accordance with 2 C.F.R. § 200.333. The Contractor shall maintain all books, records, accounts and reports required under this Contract for a period of at not less than three (3) 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 records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto.

c. Access to Records. The Contractor agrees to provide sufficient access to FTA and its contractors to inspect and audit records and information related to performance of this contract as reasonably may be required.

d. Access to the Sites of Performance. The Contractor agrees to permit FTA and its contractors access to the sites of performance under this contract as reasonably may be required.

2. CHARTER SERVICE

The Contractor agrees to comply with 49 U.S.C. 5323(d), 5323(r), and 49 C.F.R. part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except as permitted under:

- a. Federal transit laws, specifically 49 U.S.C. § 5323(d);
- c. FTA regulations, "Charter Service," 49 C.F.R. part 604;
- d. Any other federal Charter Service regulations; or
- e. Federal guidance, except as FTA determines otherwise in writing.

The Contractor agrees that if it engages in a pattern of violations of FTA's Charter Service regulations, FTA may require corrective measures or impose remedies on it. These corrective measures and remedies may include:

- a. Barring it or any subcontractor operating public transportation under its Award that has provided prohibited charter service from receiving federal assistance from FTA;
- b. Withholding an amount of federal assistance as provided by Appendix D to part 604 of FTA's Charter Service regulations; or
- c. Any other appropriate remedy that may apply.

The Contractor should also include the substance of this clause in each subcontract that may involve operating public transit services.

3. CIVIL RIGHTS AND EQUAL OPPORTUNITY

The Consortium and its member agencies are Equal Opportunity Employers. As such, the Consortium agrees to comply with all applicable Federal civil rights laws and implementing regulations. Apart from inconsistent requirements imposed by Federal laws or regulations, the Consortium agrees to comply with the requirements of 49 U.S.C. § 5323(h) (3) by not using any Federal assistance awarded by FTA to support procurements using exclusionary or discriminatory specifications.

Under this Agreement, the Contractor shall at all times comply with the following requirements and shall include these requirements in each subcontract entered into as part thereof.

- a. Nondiscrimination. In accordance with Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, disability, or age. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

- b. Race, Color, Religion, National Origin, Sex. In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e et seq., and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. chapter 60, and Executive Order No. 11246, "Equal Employment Opportunity in Federal Employment," September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it, referenced in 42 U.S.C. § 2000e note. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, or sex (including sexual orientation and

gender identity). Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

c. Age. In accordance with the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-634, U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. part 1625, the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 et seq., U.S. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 C.F.R. part 90, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

d. Disabilities. In accordance with section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 et seq., the Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against individuals on the basis of disability. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

4. ENERGY CONSERVATION REQUIREMENTS

The Contractor 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 Energy Policy and Conservation Act.

5. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION

The Contractor shall comply and facilitate compliance with U.S. DOT regulations, "Non-procurement Suspension and Debarment," 2 C.F.R. part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement)," 2 C.F.R. part 180. These provisions apply to each contract at any tier of \$25,000 or more, and to each contract at any tier for a federally required audit (irrespective of the contract amount), and to each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be:

- a. Debarred from participation in any federally assisted Award;

- b. Suspended from participation in any federally assisted Award;
- c. Proposed for debarment from participation in any federally assisted Award;
- d. Declared ineligible to participate in any federally assisted Award;
- e. Voluntarily excluded from participation in any federally assisted Award; or
- f. Disqualified from participation in any federally assisted Award.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by the Consortium. If it is later determined by the Consortium that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to the Consortium, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The Contractor agrees to comply with the requirements of 2 C.F.R. part 180, subpart C, as supplemented by 2 C.F.R. part 1200, while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

6. NO GOVERNMENT OBLIGATION TO THIRD PARTIES

The Consortium and Contractor 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 Consortium, Contractor or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

7. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. 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 Contractor 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

Contractor 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 Contractor to the extent the Federal Government deems appropriate.

The Contractor 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 authority of 49 U.S.C. chapter 53, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l) on the Contractor, to the extent the Federal Government deems appropriate.

The Contractor 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.

8. PUBLIC TRANSPORTATION EMPLOYEE PROTECTIVE ARRANGEMENTS

The Contractor agrees to comply with the following employee protective arrangements of 49 U.S.C. § 5333(b):

a. U.S. DOL Certification. Under this Contract or any Amendments thereto that involve public transportation operations that are supported with federal assistance, a certification issued by U.S. DOL is a condition of the Contract.

b. Special Warranty. When the Contract involves public transportation operations and is supported with federal assistance appropriated or made available for 49 U.S.C. § 5311, U.S. DOL will provide a Special Warranty for its Award, including its Award of federal assistance under the Tribal Transit Program. The U.S. DOL Special Warranty is a condition of the Contract.

c. Special Arrangements. The conditions of 49 U.S.C. § 5333(b) do not apply to Contractors providing public transportation operations pursuant to 49 U.S.C. § 5310. FTA reserves the right to make case-by-case determinations of the applicability of 49 U.S.C. § 5333(b) for all transfers of funding authorized under title 23, United States Code (flex funds), and make other exceptions as it deems appropriate, and, in those instances, any special arrangements required by FTA will be incorporated herein as required.

9. RECYCLED PRODUCTS

The Contractor agrees to provide a preference for those products and services that conserve natural resources, protect the environment, and are energy efficient by complying with and facilitating compliance with Section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962, and U.S. Environmental Protection Agency (U.S. EPA), "Comprehensive Procurement Guideline for Products Containing Recovered Materials," 40 C.F.R. part 247.

10. SAFE OPERATION OF MOTOR VEHICLES

a. Seat Belt Use. The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles. The terms "company-owned" and "company-leased" refer to vehicles owned or leased either by the Contractor or Consortium.

b. Distracted Driving. The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this agreement.

11. SCHOOL BUS OPERATIONS

The Contractor agrees to comply with 49 U.S.C. 5323(f), and 49 C.F.R. part 604, and not engage in school bus operations using federally funded equipment or facilities in competition with private operators of school buses, except as permitted under:

- a. Federal transit laws, specifically 49 U.S.C. § 5323(f);
- b. FTA regulations, "School Bus Operations," 49 C.F.R. part 605;
- c. Any other Federal School Bus regulations; or
- d. Federal guidance, except as FTA determines otherwise in writing.

If Contractor violates this School Bus Agreement, FTA may:

- a. Bar the Contractor from receiving Federal assistance for public transportation;
- or
- b. Require the contractor to take such remedial measures as FTA considers appropriate.

When operating exclusive school bus service under an allowable exemption, the contractor may not use federally funded equipment, vehicles, or facilities.

The Contractor should include the substance of this clause in each subcontract or purchase under this contract that may operate public transportation services.

12. SUBSTANCE ABUSE REQUIREMENTS

FTA's drug and alcohol rules, 49 C.F.R. part 655, are unique among the regulations issued by FTA. First, they require recipients to ensure that any entity performing a safety-sensitive function on the recipient's behalf (usually subrecipients and/or contractors) implement a complex drug and alcohol testing program that complies with part 655. Second, the rules condition the receipt of certain kinds of FTA funding on the recipient's compliance with the rules; thus, the recipient is not in compliance with the rules unless every entity that performs a safety-sensitive function on the recipient's behalf is in compliance with the rules. Third, the rules do not specify how a recipient ensures that its subrecipients and/or contractors comply with them.

How a recipient does so depends on several factors, including whether the contractor is covered independently by the drug and alcohol rules of another Department of Transportation operating administration, the nature of the relationship that the recipient has with the contractor, and the financial resources available to the recipient to oversee the contractor's drug and alcohol testing program. In short, there are a variety of ways a recipient can ensure that its subrecipients and contractors comply with the rules.

The Contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 C.F.R. parts 655, produce any documentation necessary to establish its compliance with part 655, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of California, or AGENCY, to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 C.F.R. part 655 and review the testing process. The Contractor agrees further to certify annually its compliance with parts 655 before [insert date] and to submit the Management Information System (MIS) reports before [insert date before March 15] to [insert title and address of person responsible for receiving information]. To certify compliance, the Contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the *Federal Register*.

13. TERMINATION – See Section 7 of Professional Services Agreement

14. FEDERAL CHANGES

Contractor 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 Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

15. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

a. 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 national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. A separate contract goal has not been established for this procurement.

b. The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the Contractor 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 San Luis Obispo Regional Transit Authority deems appropriate. Each subcontract the Contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

c. The Contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the Contractor's receipt of payment for that work from the San Luis Obispo Regional Transit Authority. In addition, the Contractor is required to return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to this contract is satisfactorily completed.

d. The Contractor must promptly notify the Consortium whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The Contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of the SCT Administrator.

16. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular

4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any Consortium requests that would cause SCT to be in violation of the FTA terms and conditions.

DRAFT
SOUTH COUNTY TRANSIT
MINUTES OF JANUARY 18, 2017 BOARD MEETING
City Council Chamber, Pismo Beach
C-1

Directors Present: Lynn Compton, Chairperson County Supervisor, District 4
 Sheila Blake City Council Member, Pismo Beach
 Barbara Nicolls, Vice Chair City Council Member, Grover Beach
 Tim Brown Mayor Pro Tem, Arroyo Grande

Directors Absent: None

Staff Present: Geoff Straw SCT Administrator
 Tania Arnold RTA Deputy Director and CFO
 Phil Moores RTA Manager, Operations
 Mark Diamond SCT Operations Supervisor
 Shelby Walker RTA Administrative Assistant
 Mary Gardner RTA Marketing Manager

CALL TO ORDER AND ROLL CALL: Chairperson Lynn Compton called the meeting to order at 1:31 p.m. Roll call was taken; a quorum was present with Director Sheila Blake arriving at 1:33 p.m.

PUBLIC COMMENT: None

BOARD ADMINISTRATIVE ITEMS:

ELECTION OF OFFICERS:

Director Tim Brown made a motion to nominate Director Lynn Compton for another term as Chairperson. Director Barbara Nicolls seconded and the motion carried on a voice vote with Director Sheila Blake absent.

Director Brown made a motion to nominate Director Nicolls for Vice Chairperson. Chairperson Compton seconded and the motion carried on a voice vote, with all Board members present.

A. INFORMATION AGENDA:

A-1 Administrator's Report (Receive): Mr. Geoff Straw stated that the service changes and fare increases implemented on July 30, 2016 appear to be working well. The service changes included replacing the Route 23 and Route 25 with the Route 27 and Route 28 (along with tripper Routes 27 & 28 to serve Arroyo Grande High School bell times). It was partially funded with the Low Carbon Transit grant. The grant funds were originally available for a three-year period (for operating funds) but they

have extended it to a maximum five year grant program. **Director Brown** asked what year the current grant is in. **Mr. Straw** stated that it started about two years ago when the Route 26 was originally going to be implemented but because of the confusing route it changed into the Route 27/28, but the grant funding is actually in funding the first year of the service. **Mr. Straw** continued his report by stating that pages A-1-5, A-1-6, and A-1-7 show the ridership by route and by bus stop for October and November 2015 vs. 2016, the green highlighted cells show the top five stops and the red is the lowest five stops for each route. The Ramona Garden transfer center remains the number one bus stop. The Arroyo Grande High School bus stop location rose from the 5th most popular to the 2nd most popular. Wal-Mart is the 3rd most popular boarding location for Routes 27 and 28. Staff has received positive feedback from riders about the service changes. **Chairperson Compton** asked how we get feedback from riders. **Mr. Straw** stated that we get it from the Bus Operators and staff goes on bus rides to get feedback as well.

He continued by discussing the decline of ridership and the how declining gas prices track closely with ridership as shown in the graph on page A-1-3. **Chairperson Compton** asked if there was a break even number in gas prices that leads to more ridership. **Mr. Straw** stated that there is no exact number. **Chairperson Compton** asked if it was similar to other counties. **Mr. Straw** said that yes, it is. **Chairperson Compton** asked if staff knew the percentage of student ridership. **Mr. Straw** stated that he was not sure of the exact percentage but could get that information from the last survey in 2013. **Director Nicolls** stated that on page A-1-6 the graph shows more students in the afternoon then in the morning. **Mr. Straw** said that yes, due to a number of variables.

He stated that at the same time that the service changes were implemented, the base cash fare was increased from \$1.25 to \$1.50. Staff anticipated this fare program change would reduce ridership by approximately 7.3% using typical transit price elasticity formula. This helps explain the ridership declines. We are closely monitoring the impacts of the service changes implemented on July 30th and no schedule revisions are immediately required. If poor on-time performance trends emerge, we are prepared to develop alternative schedules, bring recommendations back to the Board for consideration, and to market any adopted changes through various media and information outlets.

Mr. Straw stated that we are currently in the midst of developing the budget for FY2017-18. One major factor is the Employment Practices Liability (EPL) coverage is currently provided through our contract with CalTIP. He said that CalTIP has elected to cease offering EPL coverage on July 1, 2017. The estimated FY17-18 cost to obtain EPL coverage using a CalTIP group-buy through the Employment Risk Management Association (ERMA) will be approximately \$2,000 for SCT. He mentioned that EPL coverage through ERMA is included in the Budget Assumptions that **Ms. Tania Arnold** will be discussing in Agenda Item B-1 and there is some additional information in Agenda Item C-4.

Ridership has declined about 13% in comparison to last year. **Mr. Straw** stated this decline is not surprising given lower fuel prices, as well as the increased fare program. That being said the FY16-17 average fare per passenger is higher than in FY15-16. The farebox recovery ratio is 12.1%, which remains below the TDA-required 20% standard. We will do our best to avoid penalties by continuously thinking of ways of to implement service changes that are consider "major" to reset the TDA requirement

timeline. **Director Brown** asked what constitutes as a major service change. **Mr. Straw** stated that there are parameters within the law and a fare increase could also be part of it. We work with SLOCOG to make sure to determine if a service change meets the threshold. The farebox recovery ratio is something that CalTIP and the California Transit Association is working on other ways to determine cost effectiveness. **Chairperson Compton** asked if the farebox was based on population. **Mr. Straw** said yes, it based on the Census. **Director Blake** asked if we have a lot of transfers. **Mr. Straw** stated that yes, we do but that is why we implemented the \$3 day pass since transfers are no longer free. **Director Blake** asked if we have student passes. **Mr. Straw** said we do not have discounted student passes because it would affect the overall fare revenues. Further discussion ensued.

Mr. Straw continued by stating that the operating budget is at 48.6% of the annual operating budget through the first six months. Notable large-ticket variances include fuel, vehicle maintenance, and labor costs. It should be noted that staff negotiated a reimbursement for emission equipment failures from the engine manufacturer for our three 2013 buses that were technically out of warranty; this \$18,000 credit will be applied over time as we purchase parts from Cummins.

Staff will seek adoption of the amended Joint Powers Agreement document by each SCT jurisdiction in early 2017 and will work with City and County staff members to place the document on upcoming agenda.

Staff has submitted a grant application to Caltrans to update the 2011 *Short Range Transit Plan*. The proposed scope of work would also include an update of the County-funded Nipomo Dial-A-Ride SRTP, so it would be a coordinated Plan for the entire South County area. We expect to hear back in March or April 2017 if we are successful in attaining these grant funds.

Mr. Straw stated that staff is still working with Ride-On Transportation officials to finalize an agreement for Five Cities Senior Shuttle services.

The current Collective Bargaining Agreement with Teamsters Local 986 expires on January 31, 2018. Staff will request a closed session at the April 26th SCT Board meeting to discuss parameters for negotiations that will likely begin in summer 2017.

Mr. Straw went over page A-1-10 for the new Board members. The three metrics staff really focuses on; farebox recovery ratio, riders per hour, and subsidy per passenger. **Director Nicolls** asked about the subsidy difference between Saturday and Sunday. **Mr. Straw** stated that when run a different schedule on Sunday; it is more expensive because fewer passengers ride on Sundays.

Mr. Straw concluded his report.

Chairperson Compton opened Board and public comment.

Chairperson Compton closed Board and public comment.

A-2 SCT Strategic Business Plan Results through November 2016 (Receive): **Mr. Straw** stated that he will not be going over all 12 pages of the Strategic Business Plan. This plan will need to be updated this year. There are 5 sections and 27 total standards, 9 are subjective and the rest are objective. He went over the chart on page A-2-2 starting with Fixed Route Productivity. The standard is 15.0 and we are so close to meeting it at 14.9, by the end of this year it should be met. We are meeting the Fixed Route Service Delivery standard. **Mr. Straw** stated that the ITS system has been giving us real time information for the Fixed Route On-Time Performance standard. It is currently not being met and we will suggest lowering the standard when we update the plan. **Mr. Straw** stated that we are meeting the Fixed Route Bus Overcrowding and Systemwide Operating Budget standards. He stated that we will likely never meet the Farebox Recovery Ratio standard but that it is one we need to include. Preventable Collision Rate is not being met but we are fairly certain we can get there. We retrain new Bus Operators six months after being hired in order to help avoid any collisions. Preventable Workers Compensation Rate standard is being met. The Risk Management Cost standard is one that we are having a hard time meeting currently. The liability market is making it tough difficult find low coverage for the pool. He continued by stating that the maintenance shop does a great job of helping the staff meet the road call standard.

Mr. Straw concluded his report.

Chairperson Compton opened Board and public comment.

Chairperson Compton closed Board and public comment.

B. ACTION AGENDA:

B-1 Fiscal Year 2017-18 Budget Assumptions (Approve): **Mr. Straw** stated that before he lets **Ms. Arnold** go over the budget assumptions, he wanted to talk about the Avila Beach Trolley. The trolley is funded by the County, and SCT operates the service. We are looking to change the hours in which the trolley operates. Currently, it runs Thursday to Sunday during the two peak seasons. We are recommending the elimination of the Thursday service and expand hours of Saturday evening service hours. This will be a reduction of 20 service hours per year. **Director Compton** asked why the ridership is so low on Thursday. **Ms. Mary Gardner** stated that people tend to go to the Farmers' Market on Friday night and they aren't in Avila as much on Thursday. **Director Brown** asked how do you measure the success of the change. **Mr. Straw** stated that we look at it seasonally to see where we can improve. **Mr. Phil Moores** stated that we will be able to isolate the hours we added and compare it to the Thursday services. Further discussion ensued about the Avila Trolley services.

Ms. Arnold stated that as part of the FY2017-18 budget process, we bring the budget assumptions to the Board that include objectives, revenue, expenses, and capital information for the next fiscal year. We are not proposing any service cuts or fare increases. We continue to maintain and improve service levels and hours that meet the demand of our customers through efficient delivery of our fixed route core services, as well as Trolley services. We monitor the Strategic Business Plan performance measures

and will bring the recommended plan revisions to the October 2017 Board meeting. Staff continues to monitor reserves using the adopted policy from April 2014; the two types of reserves are operating and capital. We are hoping to receive grant funding for the SCT Short Range Transit Plan, which would help fund a passenger survey in October 2017.

She mentioned that as far as revenue goes, we will be looking into the impact of the July 2016 fare increases on farebox revenue. SCT was projected to receive just over \$89,300 in STA capital project funding in FY16-17. SLOCOG recently announced STA will likely be reduced by 20% for FY17-18. We have been successful in receiving FTA Section 5307 Urbanized Area Formula Program grant funding, which will be budgeted at 45% of allowable operating expenditures less farebox revenue. To partially fund the new Route 27 and Route 28 services, SCT will use the balance of the first year LCTOP grant in addition to the second year grant funds. The Oceano area's demographic profile suggests this service will continue to rank relatively high in San Luis Obispo County for these LCTOP grant funds. LTF will likely be lower than \$480,000 for SCT Routes 21, 24, 27 and 28 operations. In comparison, the FY12-13 budget for LTF was \$677,788, prior to SCT receiving FTA Section 5307 funds. SCT has used annual savings that had been carried forward as fund balance available to offset prior year requested LTF. Staff believes SCT will be able to carry forward a small savings in FY17-18 due to budgetary restraint and lower than budgeted fuel costs, which will reduce the LTF amount requested. Staff will continue to research and evaluate new revenue resources as well as secure funding to maintain service levels.

Ms. Arnold then went into the expenses part of the budget assumptions. She stated that fuel consumption and price will be budgeted conservatively; diesel fuel and diesel exhaust fluid (DEF) will be budgeted at \$3.50 per gallon overall. The EDF additive helps reduce emissions. **Director Brown** asked if pre-purchasing fuel was possible. **Mr. Straw** stated that no, we do not have the ability to do that because we don't have on-site fueling facilities.

Ms. Arnold continued her report mentioning CalTIP liability insurance premiums may increase by up to 20%. We are hopeful that those numbers will go down. **Ms. Arnold** said last year's increase was a little less. The reason for the increase is because the pool has experienced significant negative claims development. It is working to ensure the stability of the pool and ensure equity of the benefits between all members. **Director Compton** stated that larger agencies should be taking more of the burden of the cost from accidents since most accidents occur in larger cities. **Ms. Arnold** stated that they are because the premiums are based on the experience modification factors. **Mr. Straw** stated that the cost could be much higher if our experience modification factor was higher. He also mentioned that he is on the CalTIP oversight committee and they are closely monitoring this and the possibility of tort reform. Further discussion ensued.

Ms. Arnold stated the current Collective Bargaining Agreement expires January 31, 2018 and the FY17-18 will include significant assumptions regarding the potential fiscal impacts of a new agreement. The effects of the recent changes to the California minimum wage program including the fact that the new \$10.50/hour minimum exceeds the Training Wage identified in the CBA. She stated the health insurance premiums are projected to increase 5% in comparison to current rates. This will have a minimal impact

on the budget due to only six employees being under the plan. Currently, the Affordable Care Act has no impact on the budget, since SCT employs fewer than 50 employees. Staff will continue to monitor legislation should that provision change. Operations facility rental costs will not increase in FY17-18, as we will be entering the second year of a three-year lease extension.

The budget document will provide details on Administration, Finance, Maintenance and Dispatch expenses from RTA for SCT oversight services; the SCT annual budget serves as the de facto scope of services.

Staff will carry forward some capital projects. The planned Ramona Gardens transit center improvements will be delayed due to the reduction in STA funds in FY16-17. We will develop a capital budget that includes a projection for FY17-18 and will be bringing the carry-forward items to the October 2017 meeting.

Ms. Arnold concluded her report.

Chairperson Compton opened Board and public comment.

Chairperson Compton closed Board and public comment.

Director Brown moved to approve Agenda Item B-1. **Director Nicolls** seconded and the motion carried on a voice vote with all in favor.

C. CONSENT AGENDA:

- C-1 Draft SCT Minutes of October 19, 2016 (Approve)
- C-2 Resolution Authorizing Administrator to Submit Application for State Prop 1B Safety and Security Funds (Approve)
- C-3 Conflict of Interest Policy (Adopt)
- C-4 Resolution Authorizing Participation in Employment Risk Management Association (Approve)
- C-5 Resolution Authorizing RTA CFO to Open Account with Pacific Western Bank (Approve)

Chairperson Compton opened Board and public comment on any items listed on Consent.

Director Nicolls mentioned that there were a few errors in the minutes that needed to be corrected.

Chairperson Compton asked if new Board members would be able to vote on the minutes even though they were not present. **Mr. Straw** stated he was not sure but will follow up with County Counsel.

Chairperson Compton closed Board and public comment.

It was decided to move Agenda Item C-1 to the next Board meeting so staff can follow up with County Counsel.

Director Brown moved to approve Consent Agenda items C-2 – C-5. **Director Nicolls** seconded and the motion carried on a voice vote.

D. DIRECTORS' COMMENTS: None

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS: **Mr. Geoff English** stated that the Brisco on-ramp has reopened. Working on securing funds for long term improvements on Brisco through SLOCOG. The traffic on Fair Oaks is being studied currently.

ADJOURNMENT: The meeting was adjourned at 2:52 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant

SOUTH COUNTY TRANSIT

April 26, 2017

STAFF REPORT

AGENDA ITEM: C-2

TOPIC: Strategic Business Plan Results

ACTION: Receive as Information

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Receive Annual Report on Performance Results Through February 28, 2017

BACKGROUND/DISCUSSION:

At its October 22, 2014 meeting, the SCT Board adopted the *SCT 2015-2017 Strategic Business Plan (SBP)*. The SBP includes Vision and Mission Statements, as well as “stretch” performance standards to ensure SCT continually seeks to improve its services.

The attached report presents our annual results from July 1, 2016 through February 28, 2017, as well as comparative information in comparison to 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 *2011 Short Range Transit Plan* sets the base goals that SCT 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 results through February 28, 2017. We did not achieve the adopted standard in those areas presented in red, while the metrics presented in green show our successes. The current annual on-time performance (OTP) standard of 95% is not an attainable standard – particularly due to the impacts of peak seasonal traffic. So far in FY16-17, we have not surpassed 92.1% OTP. Two other “stretch” goals include farebox recovery ratio (actual 11.9% vs. goal of 20%) and risk management costs in relation to total operating costs (actual 11.6% vs. goal of 8.5%). Our preventable collision result is still slightly worse the standard (1.3 vs. 1.0 per 100,000 miles traveled), although we will strive to avoid any further collisions so that we can end the year by achieving or exceeding the standard.

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.

SCT's YTD FY16-17 Performance Results (thru 28-Feb-2017)			
Performance Metric	Standard	Result	Achieved?
Fixed Route Productivity (boardings/hour)	15.0	17	Yes
Fixed Route Service Delivery (actual divided by scheduled)	99%	100%	Yes
Fixed Route On-Time Performance	95%	87%	No
Fixed Route Bus Overcrowding (<i>not including AGHS Tripper</i>)	< 10%	0%	Yes
Systemwide Operating Budget (live within means)	< 100%	99.3%	Yes
Farebox Recovery Ratio (fares / net operating costs)	20.0%	11.9%	No
Preventable Collision Rate (per 100k miles traveled)	1.0	1.3	No
Preventable Workers Compensation Rate	Lost-time <6	1	Yes
	Med-only <10	0	
Risk Management Costs (percent of operating budget)	8.5%	11.6%	No
Road Calls (per 100k miles traveled)	5	2.8	Yes

Staff Recommendation:

Receive the attached report on performance results achieved year to date in FY16-17.

Report on SCT Performance Standards

July 2016 through February 2017

South County Transit Standards of Excellence: Service Quality and Efficiency

Summary: 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 the resources available.

Standard 1: Passengers per vehicle service hour (also known as “productivity”) will be 15 or greater.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

The table below shows a slight rise in productivity for December 2016 and January 2017 in comparison to previous fiscal years. This increase is related in part to the new Automated Passenger Counting (APC) system numbers, which run higher than the GFI farebox data we had been using.

Passengers per Service Hour

	Goal	FY2015	FY2016	FY2017*
JUL	15	21	21	18
AUG	15	19	19	19
SEP	15	17	15	18
OCT	15	18	17	17
NOV	15	17	16	17
DEC	15	15	15	16
JAN	15	14	13	15
FEB	15	16	15	15
MAR	15	17	14	
APR	15	17	15	
MAY	15	16	14	
JUN	15	18	15	
YTD		17	16	17

* Using APC data

Standard 2: Service delivery rate shall be 99% or greater.

Measurement: Objective.

- Administrator will report biannually.

SCT delivered 100% of the promised service so far this year.

Report on SCT Performance Standards

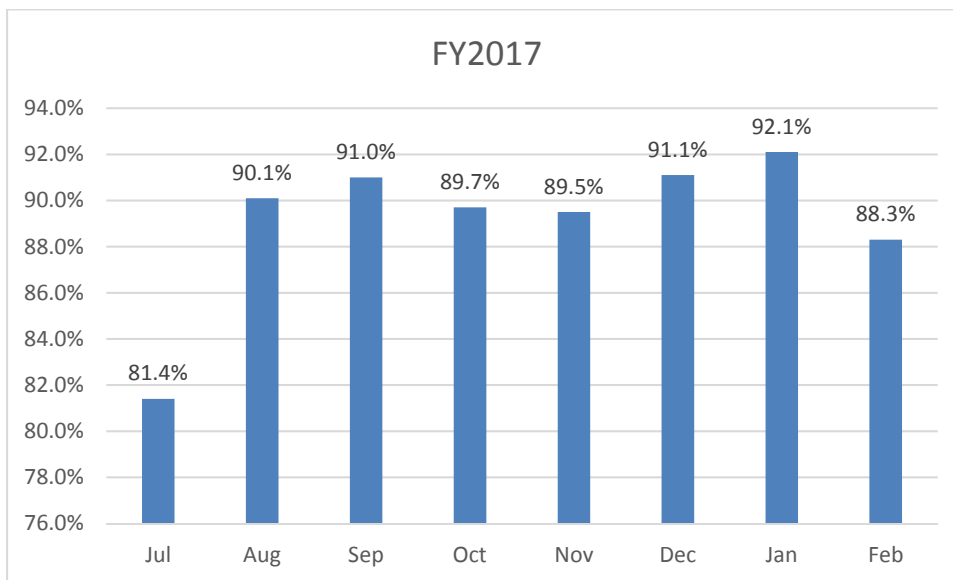
July 2016 through February 2017

Standard 3: System wide On-Time Performance (OTP) shall be 95% or greater. “On-time” is defined as no later than six minutes from any timepoint in the published schedule.

Measurement: Objective.

- Administrator will report quarterly.

After one full year since the introduction of the automated GPS-based ITS system, the OTP is hovering between 80% and almost 90%. The drop in the results is due to the more comprehensive and dependable process the ITS system uses for calculating OTP. During the development of the next Strategic Business Plan, the SCT Board should consider a revised goal that would represent a more achievable target. Nonetheless, we are actively working with the Bus Operators to improve OTP where possible. Of particular interest are instances of early departures, which is verboten in the transit industry. Staff will continue to closely monitor the results and take action where necessary.



Standard 4: SCT 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.

- Administrator will report annually.

The new Routes 27 and 28 were introduced on July 30th. These new bidirectional loops replaced the circuitous Route 23. Customers feedback is positive. The new routes improved access to the Wal-Mart shopping center, provide more direct service when considering both legs of a roundtrip, and introduced many new bus stops to the system. These kinds of changes are the most effective when trying to attract new ridership. Minor adjustments to the schedule and routing are planned for future service changes.

Report on SCT Performance Standards

July 2016 through February 2017

Standard 5: The number of bus trips with passenger standees will not exceed 10% of the daily bus trips on that route.

Measurement: Objective.

- Reviewed quarterly by the SCT Supervisor, and reported by Administrator biannually.

With the exception of the two Tripper runs that serve Arroyo Grande High School during bell times, SCT does not have any cases of standees exceeding 10% of the daily trips on a route.

South County Transit Standards of Excellence: Revenue and Resources

We will live within our means. 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 SCT.

Standard 1: The annual operating budget will be based upon projected revenue balanced with other eligible TDA uses and the total operating cost will not exceed the budget adopted by the Board.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

Fiscal Year 2012-13 Result: Operating Costs were 94% of the adopted budget

Fiscal Year 20-1314 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2014-15 Result: Operating Costs were 84% of the adopted budget

Fiscal Year 2015-16 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2016-17 Result: Operating Costs are 62.8% of the adopted budget (as of February 28, 2017, or 66.7% into the fiscal year)

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

Standard 2: Farebox Recovery Ratio shall be greater than 20%.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

SCT continues to strive toward meeting the FRR goal. Staff will continue to closely monitor our FRR performance, particularly as the economy continues to improve, gas prices continue to fall, and most fixed route providers in the county are experiencing declining ridership. The results for the past four fiscal years are presented below:

Fiscal Year 2012-13 Result: 14.2%

Report on SCT Performance Standards

July 2016 through February 2017

Fiscal Year 2013-14 Result: 16.3%

Fiscal Year 2014-15 Result: 17.4%

Fiscal Year 2015-16 Result: 13.6%

Fiscal Year 2016-17 Result: 11.9% (as of February 28, 2017)

Standard 3: No significant financial audit findings.

Measurement: Objective.

- Administrator will report any negative audit findings.

SCT is audited every year and consistently has clean reports with no significant financial audit findings. Staff strives for improved 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 community evaluation survey, feedback from communities and review of the annual capital program by staff and the 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.

South County Transit Standards of Excellence: Safety

We recognize the tremendous importance of safety in the operation of SCT 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.

- Administrator will review monthly and report annually.

The results for the previous fiscal years are presented below. As shown, SCT finally achieved this goal in FY15-16, but we have not achieved the standard so far in FY16-17.

Fiscal Year 2013-14 Result: 2.00

Fiscal Year 2014-15 Result: 2.26

Fiscal Year 2015-16 Result: 0.90

Fiscal Year 2016-17 YTD: 1.32

Report on SCT Performance Standards

July 2016 through February 2017

Standard 2: Address all safety hazards identified by the SCT Supervisor and reported to the joint RTA/SCT Safety Resource Committee.

Measurement: Objective.

- List shall be compiled with action items and timelines by the Administrator.

The Safety Resource Committee, which is comprised of SCT and RTA staff members, meets quarterly to address safety issues and respond to employee suggestions. Since July 2016, the committee has received 25 new agenda items and has closed 12, four ongoing open items. The four open items include the Heart-TA health awareness program, posting Safety Committee meeting minutes for all employees to see, posting quarterly Collision Statistics, and maintaining the days without a preventable collision counter poster. The following are SCT-specific items:

1. Painted bus stop-lines at SoCo bus yard inside sheltered bus bays
2. Create a Safety Board, "Triple Crown", to report to Bus Operators how many consecutive safety days are reached without a collision, updated daily.
3. Road Supervisor revised specific deadhead and service routings to improve route safety.
4. Conducted a Bus Operator-requested training to improve sitting position while driving. Provided training and a specific seat back support to obtain an enhanced ergonomically correct sitting position. This was an effective resolution.
5. Annual 8-hour training classes (Verification of Transit Training) will begin March 18. The focus this year is Helping Customers and Safety.

Standard 3: Preventable workers compensation lost-time claims will not exceed 4 annually, and preventable medical-only claims will not exceed 5 annually.

Measurement: Objective.

- All work comp claims shall be duly investigated and reported by Finance and Administration.

Fiscal Year 2014-15 Result: 3 lost-time claims (no medical only)

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

Fiscal Year 2016-17 Result: 1 lost-time claim as of February 28, 2017

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

Measurement: Objective.

- As measured by biannual community survey.

The first comprehensive Customer Perception Survey was completed in 2013. Staff hopes to partner with Santa Barbara County Association of Governments to jointly conduct passenger surveys (likely in October 2017) as part of a joint SBCAG-SLOCOG study.

Report on SCT Performance Standards

July 2016 through February 2017

Standard 5: Total risk management costs shall not exceed 8.5% of total operating costs.

Measurement: Objective.

- Reported by Finance and Administration in financials and YTD budget reports monthly.

We achieved the goal during Fiscal Years 2012-13 and 2013-14. Fiscal Years 2014-15 and year-to-date 2015-16 results are higher as a result of significant development in liability and workers compensation claims, as well as generally higher liability costs in the public transit market. This includes property, workers compensation, liability, and auto physical damage insurance costs.

Fiscal Year 2012-13 Result: 6.1% of total operating costs

Fiscal Year 2013-14 Result: 7.4% of total operating costs

Fiscal Year 2014-15 Result: 10.2% of total operating costs

Fiscal Year 2015-16 Result: 11.6% of total operating costs

Due to the tightening market in California, staff expects these 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 report developments back to the Board as information is collected.

South County Transit Standards of Excellence: 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 Administrator and Department Heads.

SCT experienced higher than typical turnover in calendar year 2015 and in early 2016 as a result of on-going struggles between management and hourly employees. In conjunction with the execution of the Collective Bargaining Agreement with Teamsters Local 986, as well as focused efforts to improve communications throughout the agency, staff believes improved employee morale will result in improved retention rates in 2016 and beyond.

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

2012 – 9%

2013 – 14%

Report on SCT Performance Standards

July 2016 through February 2017

2014 – 19%

2015 – 28%

2016 – 22%

2017 – 0% (through February 28, 2017)

Standard 2: Provide continuous development of organizational skills through ongoing training and development programs that result in personal and professional growth.

Measurement: Objective.

- Training needs will be reviewed annually as part of the budget process.

Bus Operators must complete a State-mandated minimum of eight hours of Verification of Transit Training annually, which we achieved. However, we have also recently implemented mandatory retraining after six months from when new Bus Operators were placed into revenue service, which we expect will improve both safety and retention.

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

Measurement: Subjective.

To help connect with passengers on a more personal level, administrative staff and all managers have been issued nametags. This program was carried forward on the buses in March 2017 by posting the Bus Operator's name inside the bus. We also continually stress the tenets of *Verbal Defense and Influence*, which focused us how to communicate more effectively with each other and our customers. A total of 13 RTA staff members and one SCT Road Supervisor also meet bi-weekly staff 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 one RTA Road Supervisor). Management also participates in a bi-monthly SCT Driver's Forum to discuss issues and ideas that could improve SCT services. Finally, the SCT Administrator and the three RTA department heads meet weekly to ensure consistency in messaging and direction for the organization; these four employees also held an overnight retreat in July 2016 to plan for challenges and major projects facing SCT and RTA.

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 SCT's Standards and SCT's KPIs.

SCT currently completes formal annual evaluations for its management staff members. Bus Operators are evaluated based on the requirements of the Collective Bargaining Agreement, and as part of the Safety Awards program on their individual anniversary dates.

Report on SCT Performance Standards July 2016 through February 2017

South County Transit Standard of Excellence: 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: Replace all revenue vehicles no more than 40% beyond the FTA-defined useful life standard in terms of years or miles.

Measurement: Objective.

- Will be reported by the Administrator.

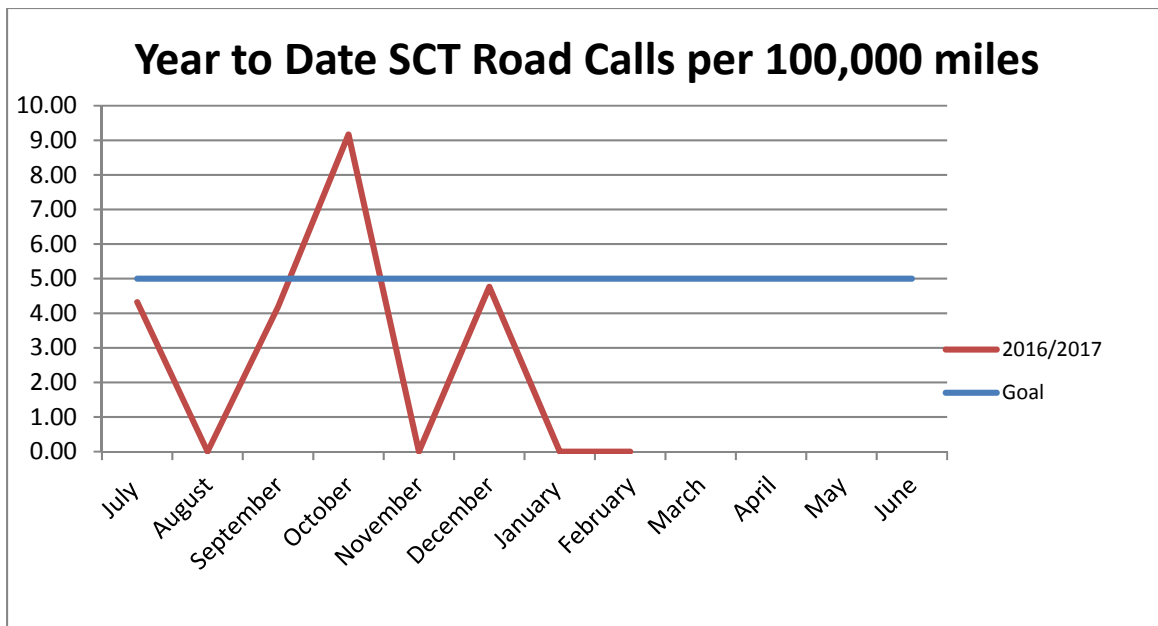
As of February 28, 2017 the average SCT fixed route vehicle age is 6.5 years with an average of 237,000 miles. The design life of a fixed route bus is 12 years/500,000 miles.

Standard 2: Road calls will not exceed 5 per 100,000 miles of vehicle service miles.

Measurement: Objective.

- Administrator will report biannually.

The average for SCT so far in FY16-17 is 2.8, which is well below the limit of 5. RTA's reporting (on behalf of SCT) matches the definition 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.

Report on SCT Performance Standards

July 2016 through February 2017

Measurement: Subjective.

- As measured by employee and customer feedback.

The first comprehensive Customer Perception Survey was completed in 2013. As mentioned above, the next Customer Perception Survey will be completed in October 2017.

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 annual Community Evaluation conducted by Marketing.

As mentioned above, the next Customer Perception Survey will be completed in October 2017.

Standard 5: Achieve all federal, state-mandated maintenance practices, as well as vendor recommended maintenance schedules for our fleet and facilities.

Measurement: Objective.

- No negative FTA or TDA audit findings.
- Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

There were no negative findings in the previous 2014 TDA Triennial Audit nor in the recent 2016 FTA Triennial Review. RTA is currently working with SLOCOG's contractor to complete a TDA Triennial Audit, which should be completed in early 2017. Preventable maintenance has been completed on a timely basis with no CHP findings in at least the last four years.

South County Transit Standards of Excellence: 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, our community, with our stakeholders and 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 SCT Board.

Staff believes that we have maintained strong relationships with most local, state and federal agencies. Staff has completed updates to the South County Transit JPA, which was presented to the three City Councils and the Board of Supervisors. Staff has also submitted a grant application to fund an update to the 2011 SCT SRTP. RTA staff (on behalf of SCT) continues to manage State and Federal grant programs for the region, including FTA Section 5307, 5311, 5339 and TIGER.

Report on SCT Performance Standards

July 2016 through February 2017

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

Measurement: Subjective.

- To be evaluated and monitored by SCT Board.

The Administrator and other senior staff attend City Council and other policy board meetings throughout the county, as well as civic group meetings, as appropriate. An on-going example is SCT's participation in Arroyo Grande Halcyon Corridor study meetings and correspondence. Another example is the shared Road Supervisor program between RTA and SCT, which has improved Bus Operator support and customer service in the entire South County area.

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

Measure: Subjective.

- To be evaluated by the Administrator.

Senior staff members engaged SCT Bus Operators and riders on March 17 as the culmination of the Driver Appreciation Week. One issue involving SLOCOG's Unmet Transit Needs program was effectively addressed while the SCT Administrator rode a Route 27 bus. Administrative staff are required to ride an SCT or RTA bus at least once every quarter, and to report any findings back to senior management for resolution.

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

Measurement: Subjective.

- To be evaluated by the Administrator and SCT Board.

To ensure that each JPA jurisdiction's policy board is informed about regional transit issues, the SCT Administrator occasionally attends City Council meetings or as requested by City officials. The Administrator also attends County Supervisor agenda review meetings with the SLOCOG Executive Director to ensure we understand and support each other's efforts. Finally, RTA staff provides comments to City and County planning departments on behalf of SCT to ensure that transit amenities are considered in planning documents and development proposals.

SOUTH COUNTY TRANSIT
April 26, 2017
STAFF REPORT

AGENDA ITEM: C-3

TOPIC: Amend Transfer Agreement with LOSSAN

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Execute Agreement Amendment between SCT and LOSSAN

BACKGROUND/DISCUSSION:

On May 5, 2016, the SCT Board of Directors joined other transit agencies along the Amtrak-operated Surfliner passenger train corridor to provide fare-free transfers between train and local fixed-route bus services. This arrangement essentially provides “first-mile” and “last-mile” options for train riders, which reduces automobile traffic on area roadways and frees up car parking spaces at the three train stations in the county (Paso Robles, San Luis Obispo and Grover Beach). The new proposal is to extend the current agreement period for an additional 12 months.

The original one-year agreement allows train passengers to board local fixed-route buses fare-free (by merely showing the Bus Operator a valid Amtrak train ticket), and the fare is then reimbursed by LOSSAN on a quarterly basis. LOSSAN is responsible for all marketing efforts and costs. Ten riders have transferred to/from SCT buses since the program began in June 2016.

The established reimbursement rate of \$0.70 per boarding was calculated by dividing the number of FY14-15 passenger boardings by the actual fare revenues collected. The original program was effective from July 1, 2017 through June 30, 2018 or until the \$5,000 cap was met. If the program is extended an additional 12 months, it would not result in additional costs to SCT; it would merely result in lost fare revenues that might have accrued in the absence of this fare cooperation and enhanced marketing arrangement.

Staff Recommendation

Authorize the Administrator and Counsel to execute an amendment to the agreement with LOSSAN for an additional 12 months.

DRAFT
SOUTH COUNTY TRANSIT
MINUTES OF October 19, 2016 BOARD MEETING
City Council Chambers, Pismo Beach
C-4

Directors Present:	Jim Guthrie, Chairperson	City Council Member, Arroyo Grande
	Lynn Compton, Vice Chair	County Supervisor, District 4
	Shelly Higginbotham	Mayor, Pismo Beach

Directors Absent:	Barbara Nicolls	City Council Member, Grover Beach
-------------------	-----------------	-----------------------------------

Staff Present:	Geoff Straw	Administrator
	Tania Arnold	RTA Deputy Director and CFO
	Phil Moores	RTA Operations Manager
	Shelby Walker	RTA Administrative Assistant
	Mary Gardner	RTA Marketing Manager
	Paul Lockett	SCT Bus Operator

CALL TO ORDER AND ROLL CALL: Chairperson Jim Guthrie called the meeting to order at 1:32 p.m. Roll call was taken; a quorum was present.

PUBLIC COMMENT: None

A. INFORMATION AGENDA:

A-1 Recognize Directors Higginbotham and Guthrie for Their Years of Service(Receive): Mr. Geoff Straw stated that it is a great honor to recognize **Chairperson Guthrie** and **Director Shelly Higginbotham** for their years of service on the SCT Board. He mentioned that he has been working with both of them for the past five years and appreciates that neither is afraid to ask him the tough questions. Both played key roles a couple of years ago when the organization was going through a difficult employee relations situation. He presented both with a personalized SCT bus stop signs. He thanked them for their great work and stated that they will be missed on both the SCT and RTA Boards.

Chairperson Guthrie thanked everyone for the recognition and bus stop sign. He stated that SCT has come a long way in the twelve years that he has been on the Board, especially in the past five or six years and looks forward to seeing the future of SCT.

Director Shelly Higginbotham stated that she agrees with **Chairperson Guthrie**. She mentioned that she has worked with three different administrators and had to deal with the issues of the hybrid bus, but appreciates all the work that staff has done. It has been a pleasure to be part of the good changes that have happened.

Chairperson Guthrie closed Board and public comment.

A-2 Administrator's Report: Mr. Straw stated that on July 30, 2016 SCT successfully implemented the planned service and fare changes. The changes were made for a number of reasons; one important reason was to avoid projected farebox recovery ratio penalties. The Route 23 was replaced with weekday-only Route 27 and the 7 days/week Route 28. He stated that it typically takes 2 years for a service change to achieve the full impact. He stated that the chart on page A-2-2 lists some important information in regards to the use of the different types of passes. Average fare per passenger boarding has increased which means that we are most likely carrying the same number of passengers but not counting them twice due to our past practice of forced transfers.

He mentioned that the chart on page A-2-4 gives a good breakdown of ridership by route. He noted in particular that there has been a significant decrease in ridership on Route 24. Staff will continue to watch those numbers. It will take some time to see the ridership difference between Routes 23 and the new Routes 27/28. He then stated that the chart on page A-2-5 has a breakdown of passenger boardings at each bus stop. The GPS system has helped get that information and it started in September 2015 so October 2016 will be the first time we will be able to do a comparison of year over year for each stop. We will get some good numbers from the last quarter of 2016 and bring it back to the Board at the January 2017 meeting.

Mr. Straw discussed the marketing and service planning efforts that have taken place to promote the new routes and fares. In particular, he mentioned that staff passed out informational flyers to students at Arroyo Grande High School. He thanked **Chairperson Guthrie** for his help in this effort. Another piece of marketing he mentioned was installation of the new bus stops signs with the new SCT logo.

He stated that our operating costs for FY15-16 were below budget. Ridership is down, primarily due to the low cost of fuel. The low ridership has impacted our farebox recovery ratio and brought it down to about 14%. We are still above where we were in FY10-11. **Mr. Straw** stated that we seeing the greatest variance in fuel cost and maintenance. The three 2013 vehicles are coming out of warranty and these repair costs are hitting the bottom line. More appropriate levels are reflected in our current FY 2016-17 budget. Staff will continue to watch it and work with vendors to manage the costs. Currently, negotiations are occurring with Cummins to cover the cost of failing diesel particulate filters. For the current FY16-17 budget, SCT has expended only 14.7% of budget.

Mr. Straw stated that he would like to recognize **Mr. Paul Lockett** who is a recipient of an Outstanding Achievement Award. **Mr. Phil Moores** noted that **Mr. Lockett** received the award based on terrific feedback from other Bus Operators and passengers; it is a well-deserved award for him. **Mr. Lockett** has

worked for SCT for 10 years. **Director Higginbotham** asked if there is a particular route that **Mr. Lockett** drives. **Mr. Lockett** stated that he currently drives three different routes for SCT.

Mr. Straw stated that the last thing he wanted to discuss was on page A-2-12. Year-to-date, the farebox recovery ratio is at 17.9%, this is partly due to the bulk purchase of passes in the beginning of the fiscal year. He also noted that the riders per hour is currently at 16.61, which is above the adopted standard of 15. Lastly, the subsidy per passenger is currently at \$3.82 per rider.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board and public comment.

Director Higginbotham asked for a description of the road calls that were listed on A-2-8. **Mr. Straw** stated that road calls are any time when a bus breaks down and mechanic is dispatched to fix the issue or to complete a bus swap.

Director Higginbotham asked what the feedback has been for the new Routes 27/28. **Mr. Straw** stated that there is no formal survey currently but staff is looking for funding to do a Short Range Transit Plan for SCT, hoping it will fund a survey in October 2017. **Mr. Moores** stated that passengers are appreciating the fact that they only need one bus to get to Wal-Mart from the Oceano area. **Director Higginbotham** stated that when a new grocery store comes into that area, it could possibly impact the ridership. She also said that SCT should reach out to Arroyo Grande High School to see if they could participate in the next open house for incoming freshmen and their parents.

Chairperson Guthrie stated that we should also reach out the junior high and the PTA not just for marketing purposes but also about safety. He said that the Food 4 Less store should hopefully go in around February/March 2017 and they have experience with other transit systems. He said that in regards to the data, that staff looks at it more than just quarterly and react when necessary. **Mr. Straw** stated that we don't want to make any changes right away so we can get some solid information. One issue is that the ridership at the Halcyon Park and Ride stop is down and staff is keeping an eye on that. **Chairperson Guthrie** also asked about the ticket vending machine. **Mr. Straw** stated that first one will go in at the SLO Government Center, which will not go in until the first quarter of 2017.

Chairperson Guthrie closed Board and public comment.

B. ACTION AGENDA:

B-1 Fiscal Year 2016-17 Budget Amendment: **Mr. Straw** stated that Ms. Tania Arnold will be presenting a budget amendment request. He also mentioned that there is no financial impact on the jurisdictions. **Ms. Arnold** stated that some capital items are being carried over to FY16-17. A vast majority has to do with the implementation of the ITS system. There were some delays, but in the past two months we have achieved significant progress. Facility improvements are being carried over in regards to fixing the

gutters and windows at the SCT operating facility. Staff held off on making improvements in FY15-16 because of ongoing lease negotiations with the County. The amendment to the operating budget is for the RTA Operations Supervisor contribution, which is \$8,240. On page B-1-3 the amended revenue numbers are highlighted in gray. The majority of the funding for the amended capital budget was from FTA 5307 and 5339 funding. SCT did come in under budget for FY15-16, which was included in the FY16-17 budget. Pages B-1-4 and B-1-5 break down the numbers of the amended capital budget expenditures.

Chairperson Guthrie opened Board and public comment.

Director Lynn Compton asked about the RTA Operations Supervisor contribution and what it was for exactly. **Ms. Arnold** stated that when SCT made the change to the supervision structure from one Lead Supervisor and one Road Supervisor to two full time Operations Supervisors, RTA covered the of the cost increase because the supervisors can help with RTA Route 10. **Mr. Straw** stated that there are two new supervisors for SCT, and Mr. **Jon Mackenzie** is back at RTA and helping us better understand the SCT system.

Director Shelly Higginbotham asked if the lease for the property has been executed and its term length. **Mr. Straw** stated that it is done and that it is a five-year lease. **Chairperson Guthrie** asked if that means that SCT can use the lower parking lot. **Mr. Straw** stated it is a discussion that needs to happen with Arroyo Grande staff.

Chairperson Guthrie closed Board and public comment.

Director Higginbotham moved to approve Agenda Item B-1. **Director Compton** seconded and the motion carried on a roll call vote with **Director Nicolls** absent.

B-2 Five Cities Senior Shuttle Agreement (Approve): **Mr. Straw** stated that Ride-On Transportation has been operating the Five Cities Senior Shuttle (FCSS) services. In the past it has been operated without any formal agreement that includes obligations and protections. It came to light when Ride-On approached SCT staff in early 2016 to determine if additional funding could be secured to provide five days/week service (instead of previously identified three days/week) in the Five Cities area. After a review of historical documents, SCT staff discovered that a formal agreement for FCSS services has not been executed. Staff has started discussions with Ride-On to formalize this to make sure there are protections for the Cities and County in regards to liability and physical damage, as well as levels of service provided. Originally, Ride-On wanted to increase funding but has agreed to keep it the same for FY16-17 and will try to incorporate private transportation services. Included in the agenda is the scope of services, from here we would develop an Agreement document. He stated that staff is recommending the Board authorize him to negotiate an Agreement based on the Scope of Services and the maximum financial obligations presented herein.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board comment and public comment.

Director Higginbotham mentioned that in the staff report, it stated the possibilities of affecting our farebox recovery ratio and asked for an explanation of that. **Mr. Straw** stated that SLOCOG has control over community services like the Five Cities Shuttle. These services are not subject to meeting the farebox recovery ratio standard and it would be exempt from meeting the 20% standard. He stated that the three cities, the County, Ride-On staff, and the SCT Administrator would sign an Agreement and that would be brought back and every year based on the negotiated financial obligations.

Mr. Jim Lewis stated that the City Managers really looked over this thoroughly. **Mr. Straw** stated that we want to maintain service and cap the cost at a certain amount for the cities. **Mr. Lewis** noted staff did a great job on this and believe we will arrive at a positive solution.

Chairperson Guthrie remembers that this was previously an Unmet Transit Need, which evolved into the FCSS. There is a lot of performance standards in the scope of services and hopes there will be something easier to track. Hoping that there will be presentable items that can be brought back. **Mr. Straw** stated that page B-2-19 list the performance measures that we would be using.

Chairperson Guthrie closed Board and public comment.

Director Compton moved to approve Agenda Item B-2. **Director Higginbotham** seconded and the motion carried on a voice vote with **Director Nicolls** absent.

B-3 South County Urbanized Area Memorandum of Understanding (Approve): **Mr. Straw** stated that FTA is requiring the relatively small changes to the existing South County Urbanized Area (UZA) Memorandum of Understanding (MOU). The changes will get the region into compliance with the new requirements of the Fixing America's Surface Transportation (FAST) Act. The SLOCOG South County Transit Policy sub-committee would be used to decide funding disputes if there was not unanimous agreement. There are also some wording changes that are noted in the strikeout version of the MOU, which was provided in the agenda.

Public transportation operators that serve the UZA are eligible to apply for and receive FTA funds through SLOCOG, which is the governor-designated Metropolitan Planning Organization for San Luis Obispo County and its three UZAs. SLOCOG is also the governor-designated recipient of FTA funds in the county. The FTA requires that the MOU be updated periodically to capture the new Federal legislation requirements. Staff is requesting the authority to execute the updated draft MOU with RTA, SLOCOG and the County of San Luis Obispo to cooperatively plan and program Federal Transit Administration funds apportioned to the Arroyo Grande-Grover Beach Urbanized Area.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board comment and public comment.

Chairperson Guthrie closed Board and public comment.

Director Higginbotham moved to approve Agenda Item B-3. **Director Compton** seconded and the motion carried on a roll call vote with **Director Nicolls** absent.

C. CONSENT AGENDA:

Chairperson Guthrie opened Board and public comment on any items listed on the Consent agenda.

Mr. Straw stated that in regards to C-5, staff found out that Low Carbon Transit Operations Program (LCTOP) funding used for operating has been increased from 3 years to 5 years. This will allow LCTOP funding for the recently-implemented Route 27/28 expansion through FY20-21.

Chairperson Guthrie closed Board and public comment.

C-1 SCT Minutes of July 20, 2016 (Approve)

C-2 Conflict of Interest Policy (Adopt)

C-3 Annual Fiscal & Compliance Audit for Fiscal Year 2015-16 (Accept)

C-4 Seek Sustainable Transportation Planning Grant "Sustainable Communities" Grant to update SRTP (Due 11/4/2016)

C-5 Resolution Authorizing Executive Director to Submit Application for Low Carbon Transit Operations Grant Funds (Approve)

Director Compton moved to approve the Consent Agenda. **Director Higginbotham** seconded and the motion carried on a roll call vote with **Director Nicolls** absent.

D. DIRECTORS' COMMENTS:

Director Higginbotham stated that the Bus Roadeo was great event for staff. She enjoyed seeing the Cal Poly students volunteering. She also stated she was proud of SCT for winning overall again. She said she will miss being on the SCT Board.

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS:

Mr. Lewis thanked **Chairperson Guthrie** and **Director Higginbotham** for all their hard work on the SCT Board and stated that they will be missed.

ADJOURNMENT: The meeting was adjourned at 2:26 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant