

## AGENDA

### General Policy Committee Meeting

April 10, 2024

9:00 AM

Location

San Bernardino County Transportation Authority

*First Floor Lobby Board Room*

1170 W. 3rd Street, San Bernardino, CA 92410

### *General Policy Committee Membership*

*Chair – Vice President*

Ray Marquez, Council Member  
*City of Chino Hills*

*President*

Dawn Rowe, Supervisor  
*County of San Bernardino*

*Past President*

Art Bishop, Mayor Pro Tem  
*Town of Apple Valley*

*West Valley Representatives*

Acquanetta Warren, Mayor  
*City of Fontana*

Alan Wapner, Council Member  
*City of Ontario*

Curt Hagman, Supervisor  
*County of San Bernardino*

*Mt./Desert Representatives*

Debra Jones, Council Member  
*City of Victorville*

Rick Denison, Council Member  
*Town of Yucca Valley*

Paul Cook, Supervisor  
*County of San Bernardino*

*East Valley Representatives*

Frank Navarro, Mayor  
*City of Colton*

Larry McCallon, Mayor Pro Tem  
*City of Highland*

Joe Baca, Jr., Supervisor  
*County of San Bernardino*

**San Bernardino County Transportation Authority  
San Bernardino Council of Governments**

**AGENDA**

**General Policy Committee Meeting**

**April 10, 2024**

**9:00 AM**

**Location**

**SBCTA**

**First Floor Lobby Board Room**

**1170 W. 3rd Street, San Bernardino, CA 92410**

Items listed on the agenda are intended to give notice to members of the public of a general description of matters to be discussed or acted upon. The posting of the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

To obtain additional information on any items, please contact the staff person listed under each item. You are encouraged to obtain any clarifying information prior to the meeting to allow the Board to move expeditiously in its deliberations. Additional “*Meeting Procedures*” and agenda explanations are attached to the end of this agenda.

**CALL TO ORDER**

(Meeting Chaired by Ray Marquez)

- i. Pledge of Allegiance
- ii. Attendance
- iii. Announcements
- iv. Agenda Notices/Modifications - Ashley Izard

**Public Comment**

**Brief Comments from the General Public**

**Note: Public Comment on items listed on this agenda will be allowed only during this committee meeting. No public comment will be allowed on committee items placed on the Consent Agenda at the Board of Directors meeting. If an item has substantially changed after consideration during the committee meeting, the item will be placed on Discussion for Board and public comment will be allowed.**

## **Possible Conflict of Interest Issues**

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

### **1. Information Relative to Possible Conflict of Interest**

Pg. 12

Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

**This item is prepared monthly for review by Board and Committee members.**

## **INFORMATIONAL ITEMS**

Items listed are receive and file items and are expected to be routine and non-controversial. Unlike the Consent Calendar, items listed as Informational Items do not require a vote.

## **Administrative Matters**

### **2. March 2024 Procurement Report**

Pg. 14

Receive the March 2024 Procurement Report.

**Presenter: Shaneka Morris**

**This item is not scheduled for review by any other policy committee or technical advisory committee.**

## **DISCUSSION ITEMS**

## **Discussion - Administrative Matters**

### **3. Fiscal Year 2024/2025 Budget Action Plan**

Pg. 22

Receive the Fiscal Year 2024/2025 Budget Action Plan.

**Presenter: Raymond Wolfe**

**This item is not scheduled for review by any other policy committee or technical advisory committee.**

### **4. Fiscal Year 2023/2024 Budget Amendments**

Pg. 27

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Approve the creation of the new fund, Fund 2201 Federal Railroad Administration, to accommodate the Rebuilding American Infrastructure with Sustainability and Equity Grant Program funding for the Brightline West High Desert Stations project.

B. Approve the creation of new funds, Fund 2750 Transit and Intercity Rail Capital Program Senate Bill 125 and Fund 2751 Senate Bill 125 Zero Emission Transit Capital Program, to account for funds for allocated projects.

C. Approve two checking bank accounts with Wells Fargo for the Transit and Intercity Rail Capital Program and Zero Emission Transit Capital Program funds with designated signers Executive Director, Deputy Executive Director, and Chief Financial Officer and related investment accounts with California Asset Management Program.

Agenda Item 4 (cont.)

D. Approve an amendment to the Fiscal Year 2023/2024 Budget for Task No. 0315 – Transit Capital to increase Federal Transit Administration 5309 (Fund 2130) by \$3,000,000, Federal Railroad Administration (Fund 2201) by \$1,781,000, Local Project Funds (Fund 6010) by \$1,500,000, Transit and Intercity Rail Capital Program (Fund 2565) by \$250,000, Transit and Intercity Rail Capital Projects Senate Bill 125 (Fund 2750) by \$1,000,000, and decrease Solutions to Congested Corridors Program (Fund 2705) by \$7,531,000, for a zero net increase to the fiscal year budget.

**Presenter: Hilda Flores**

**This item is not scheduled for review by any other policy committee or technical advisory committee.**

**5. Revisions to Investment Policy No. 20100 & Investment Portfolio Update**

Pg. 30

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA), effective July 1, 2024:

A. Approve revision to Investment Policy No. 20100, to make clarification to section IX.Q.

B. Delegate to SBCTA’s Chief Financial Officer, who shall serve as SBCTA’s Treasurer, authority for a one-year period to invest or reinvest SBCTA funds and to sell or exchange securities so purchased, pursuant to Policy No. 20100.

That the General Policy Committee recommend the Board, acting as the San Bernardino Associated Governments (SBCOG), effective July 1, 2024.

C. Reauthorize pooling SBCOG funds with SBCTA funds, to be invested in accordance with SBCTA’s Investment Policy No. 20100.

D. Delegate to SBCTA’s Chief Financial Officer, who shall serve as SBCOG’s Treasurer, authority for a one-year period to invest or reinvest SBCOG funds and to sell or exchange securities so purchased, pursuant to Policy No. 20100.

**Presenter: Lisa Lazzar**

**This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the revised policy.**

**6. Capital Projects and Reserves Based on Policy No. 20600 Funding Indirect Costs**

Pg. 55

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority and the San Bernardino Associated Governments:

A. Approve reserves for capital costs of \$295,000 and for emergency purposes of \$500,000 based on Policy No. 20600, Funding Indirect Costs and Establishing Fund Balance Reserves and a Capital Improvement Plan.

B. Review and provide direction relative to budgetary information to be included in the Indirect Fund for the Fiscal Year 2024/2025 Budget.

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

C. Approve the updated Capital Improvement Plan for the Santa Fe Depot and for the Agency’s Information Technology systems.

**Presenter: Lisa Lazzar**

**This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item.**

**7. Renewal of Annual Insurance Policies & Increase for Interstate 10 Express Lanes**

Pg. 63

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Authorize the Enterprise Risk Manager to approve and execute binding insurance coverage for the existing coverages and limits through the policies and premiums up to 10% over the estimate of \$667,881, and authorize the Executive Director, or his/her designee, to bind the policies should the amount exceed \$734,669, for the periods of July 1, 2024 through June 30, 2025, for Cyber Liability, Workers' Compensation, Property, and Employee Crime; and September 29, 2024 through September 28, 2025, for Commercial General Liability and Excess Liability.

B. Authorize the Enterprise Risk Manager to approve and execute binding insurance coverage for the Express Lanes through the policies and premiums up to 10% over the estimate of \$800,000, and authorize the Executive Director, or his/her designee, to bind the policies should the amount exceed \$880,000, for the period of July 1, 2024 through September 28, 2025.

C. Authorize the issuance of Purchase Orders to process payments for securing the insurance policies.

\* Start date for Express Lane coverage will be the date the Express Lanes are completed and may be later than July 2024.

**Presenter: Steven Keller**

**This item is not scheduled for review by any other policy committee, or technical advisory committee. SBCTA General Counsel and Enterprise Risk Manager have reviewed this item.**

**8. Hewlett Packard Enterprise Company-Award Purchase Order for Servers and SAN Replacement**

Pg. 67

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Approve Purchase Order No. 4002448 with Hewlett Packard Enterprise Company for the Server and Storage Area Network (SAN) Upgrade in an amount not-to-exceed \$117,000.

B. Approve contingency in the amount of \$11,700 for Purchase Order No. 4002448 and authorize the Executive Director, or his/her designee, to release contingency as necessary for the project. **Presenter: Matt Farokhmanesh**

**This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft agreement.**

**Discussion - Air Quality/Traveler Services**

**9. Award Freeway Service Patrol Contract No. 23-1002945 for FSP Beat No. 5 & Contract 23-1002946 for FSP Beat No. 27**

Pg. 100

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Award Contract No. 23-1002945 to Pepe's Inc., DBA Pepe's Towing Service for Freeway Service Patrol (FSP) services along Beat No. 5 from January 1, 2025, through December 31, 2029, for a not-to-exceed amount of \$3,946,240, to be funded with State FSP Funds.

Agenda Item 9 (cont.)

B. Approve a contract contingency for a not-to-exceed amount of \$685,430 for Contract No. 23-1002945 for construction support and authorize the Executive Director, or his designee, to release contingency as necessary.

C. Award Contract No. 23-1002946 to Pepe's Inc., DBA Pepe's Towing Service for FSP services along Beat No. 27, from January 1, 2025, through December 31, 2029, for a not-to-exceed amount of \$2,358,495 to be funded with State FSP Funds.

D. Approve a contract contingency for a not-to-exceed amount of \$685,430 for Contract No. 23-1002946 for construction support and authorize the Executive Director, or his designee, to release contingency as necessary.

**Presenter: Kelly Lynn**

**This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager and Enterprise Risk Manager have reviewed this item and the draft contracts.**

**10. Amendment No. 2 to Contract No. 22-1002736 and Amendment No. 5 to Contract No. 20-1002323 for Freeway Service Patrol** Pg. 200

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Approve Amendment No. 2 to Contract No. 22-1002736 for Freeway Service Patrol (FSP) Beat No. 9 with Royal Coaches Auto Body & Towing to provide regular FSP and Construction Freeway Service Patrol (CFSP) service, increasing the contract amount by \$704,500 for a new not-to-exceed amount of \$3,807,014 to be funded with State FSP funds, Department of Motor Vehicle (DMV) Safe Funds for regular FSP services, and Measure I Valley Freeway and Measure I Valley Interchange Program funds for SBCTA CFSP support.

B. Approve Amendment No. 5 to Contract No. 20-1002323 for FSP Beat No. 11 with Carpe Carma LLC, DBA Pomona Valley Towing to provide regular FSP and CFSP service, increasing the contract amount by \$87,898 for a new not-to exceed amount of \$2,420,105 to be funded with State FSP funds, DMV Safe Funds for regular FSP services, and Measure I Valley Freeway Program funds for SBCTA CFSP Express Lanes support.

**Presenter: Kelly Lynn**

**This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft amendments.**

**Discussion - Regional/Subregional Planning**

**11. Award Contract No. 24-1003069 for State Route 247/62 Emergency Bypass Study** Pg. 211

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Approve the award of Contract No. 24-1003069 to WSP USA, Inc., for the State Route 247/62 (SR 247/62) Emergency Bypass Study to develop a bypass strategy for Interstate 15/Cajon Pass closures and identify potential geometric and operational improvements on SR 247 and SR 62, for a not-to-exceed amount of \$762,899, to be funded by State earmark funds from the Priority Legislative Budget Projects Program, for a term ending June 30, 2026.

**Presenter: Ginger Koblasz**

**This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft contract.**

## **Discussion - Council of Governments**

### **12. San Bernardino Council of Governments Inland Regional Energy Network 2023/2024 Annual Activity Update** Pg. 247

Receive an update on the San Bernardino Council of Governments Inland Regional Energy Network activities from January 2023 through March 2024.

**Presenter: Cheryl Chesnut**

**This item is not scheduled for review by any other policy committee or technical advisory committee.**

### **13. Status of the Outdoor Equity Grant Program** Pg. 255

Receive a report on the status of the Outdoor Equity Grant Program.

**Presenter: Monique Reza-Arellano**

**This item is not scheduled for review by any other policy committee or technical advisory committee.**

## **Comments from Board Members**

**Brief Comments from Board Members**

## **ADJOURNMENT**

## **Additional Information**

Attendance

Pg. 258

Acronym List

Pg. 259

Mission Statement

Pg. 261

**The next General Policy Committee Meeting is scheduled for May 8, 2024.**

## Meeting Procedures and Rules of Conduct

**Meeting Procedures** - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

**Accessibility & Language Assistance** - The meeting facility is accessible to persons with disabilities. If assistive listening devices, other auxiliary aids or language assistance services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk can be reached by phone at (909) 884-8276 or via email at [clerkoftheboard@gosbcta.com](mailto:clerkoftheboard@gosbcta.com) and office is located at 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, CA.

**Accesibilidad y asistencia en otros idiomas** - Las instalaciones para las reuniones son accesibles para las personas con discapacidades. Si se necesitan dispositivos de escucha asistida, otras ayudas auxiliares o servicios de asistencia en otros idiomas para participar en la reunión pública, las solicitudes deben ser presentados a la Secretaria de la Junta al no menos de tres (3) días de apertura antes de la reunión de la Junta. La Secretaria esta disponible por teléfono al (909) 884-8276 o por correo electrónico a [clerkoftheboard@gosbcta.com](mailto:clerkoftheboard@gosbcta.com) y la oficina se encuentra en 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, CA.

**Agendas** – All agendas are posted at [www.gosbcta.com/board/meetings-agendas/](http://www.gosbcta.com/board/meetings-agendas/) at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed online at that web address. Agendas are also posted at 1170 W. 3<sup>rd</sup> Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting.

**Agenda Actions** – Items listed on both the “Consent Calendar” and “Discussion” contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

**Closed Session Agenda Items** – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the President of the Board or Committee Chair (“President”) will announce the subject matter of the closed session. If reportable action is taken in closed session, the President shall report the action to the public at the conclusion of the closed session.

**Public Testimony on an Item** – Members of the public are afforded an opportunity to speak on any listed item, except Board agenda items that were previously considered at a Policy Committee meeting where there was an opportunity for public comment. Individuals in attendance at SBCTA who desire to speak on an item may complete and turn in a "Request to Speak" form, specifying each item an individual wishes to speak on. Individuals may also indicate their desire to speak on an agenda item when the President asks for public comment. When recognized by the President, speakers should be prepared to step forward and announce their name for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The President or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Any individual who wishes to share written information with the Board may provide 35 copies to



the Clerk of the Board for distribution. If providing written information for distribution to the Board, such information must be emailed to the Clerk of the Board, at [clerkoftheboard@gosbcta.com](mailto:clerkoftheboard@gosbcta.com), no later than 5:00 pm the day before the meeting in order to allow sufficient time to distribute the information. Information provided as public testimony is not read into the record by the Clerk. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda. Any consent item that is pulled for discussion shall be treated as a discussion item, allowing further public comment on those items.

**Public Comment** –An opportunity is also provided for members of the public to speak on any subject within the Board’s jurisdiction. Matters raised under “Public Comment” will not be acted upon at that meeting. See, “Public Testimony on an Item,” above.

**Disruptive or Prohibited Conduct** – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the President may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Your cooperation is appreciated!

**General Practices for Conducting Meetings  
of  
Board of Directors and Policy Committees**

**Attendance.**

- The President of the Board or Chair of a Policy Committee (Chair) has the option of taking attendance by Roll Call. If attendance is taken by Roll Call, the Clerk of the Board will call out by jurisdiction or supervisorial district. The Member or Alternate will respond by stating his/her name.
- A Member/Alternate who arrives after attendance is taken shall announce his/her name prior to voting on any item.
- A Member/Alternate who wishes to leave the meeting after attendance is taken but before remaining items are voted on shall announce his/her name and that he/she is leaving the meeting.

**Basic Agenda Item Discussion.**

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on “Request to Speak” forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee. Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.
- The “aye” votes in favor of the motion shall be made collectively. Any Member who wishes to oppose or abstain from voting on the motion shall individually and orally state the Member’s “nay” vote or abstention. Members present who do not individually and orally state their “nay” vote or abstention shall be deemed, and reported to the public, to have voted “aye” on the motion.
- Votes at teleconferenced meetings shall be by roll call, pursuant to the Brown Act, or, at any meeting, upon the demand of five official representatives present or at the discretion of the presiding officer.

**The Vote as specified in the SBCTA Administrative Code and SANBAG Bylaws.**

- Each Member of the Board of Directors shall have one vote. In the absence of the official representative, the Alternate shall be entitled to vote. (Note that Alternates may vote only at meetings of the Board of Directors, Metro Valley Study Session and Mountain/Desert Policy Committee.)

### **Amendment or Substitute Motion.**

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the Chair shall ask the maker of the original motion if he or she would like to amend the motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is voted upon first, and if it fails, then the original motion is considered.
- Occasionally, a motion dies for lack of a second.

### **Call for the Question.**

- At times, a Member of the Board/Committee may “Call for the Question.”
- Upon a “Call for the Question,” the Chair may order that the debate stop or may allow for limited further comment to provide clarity on the proceedings.
- Alternatively, and at the Chair’s discretion, the Chair may call for a vote of the Board/Committee to determine whether or not debate is stopped.
- The Chair re-states the motion before the Board/Committee and calls for the vote on the item.

### **The Chair.**

- At all times, meetings are conducted in accordance with the Chair’s direction.
- These general practices provide guidelines for orderly conduct.
- From time to time, circumstances may require deviation from general practice (but not from the Brown Act or agency policy).
- Deviation from general practice is at the discretion of the Chair.

### **Courtesy and Decorum.**

- These general practices provide for business of the Board/Committee to be conducted efficiently, fairly and with full participation.
- It is the responsibility of the Chair and Members to maintain common courtesy and decorum.

*Adopted By SANBAG Board of Directors January 2008*

*Revised March 2014*

*Revised May 4, 2016*

*Revised June 7, 2023*

## *Minute Action*

AGENDA ITEM: 1

**Date:** April 10, 2024

**Subject:**

Information Relative to Possible Conflict of Interest

**Recommendation:**

Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

**Background:**

In accordance with California Government Code 84308, members of the Board may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve months from an entity or individual, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Principals & Agents	Subcontractors
7	23-1002957	Alliant Insurance Services, Inc. <i>Courtney Ramirez, Senior Vice President</i>	Kroll, LLC
8	Purchase Orders	Hewlett Packard Enterprise Company	None
9	23-1002945	Pepe's Inc., DBA Pepe's Towing Service <i>Jose Acosta</i>	None
	23-1002946	Pepe's Inc., DBA Pepe's Towing Service <i>Jose Acosta</i>	None
10	22-1002736-02	Royal Coaches Auto Body & Towing <i>William Salazar</i>	None
	20-1002323-05	Carpe Carma LLC, DBA Pomona Valley Towing <i>Marc A. Weiss</i> <i>Edward Carpinelli</i>	None
11	24-1003069	WSP USA, Inc. <i>Ali Mur</i>	None

**Financial Impact:**

This item has no direct impact on the Budget.

**Reviewed By:**

This item is prepared monthly for review by Board and Committee members.

**Responsible Staff:**

Carrie Schindler, Deputy Executive Director

*Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority*

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Approved  
General Policy Committee  
Date: April 10, 2024  
Witnessed By:

## *Minute Action*

AGENDA ITEM: 2

***Date:*** April 10, 2024

***Subject:***

March 2024 Procurement Report

***Recommendation:***

Receive the March 2024 Procurement Report.

***Background:***

The Board of Directors adopted the Contracting and Procurement Policy (Policy No. 11000) on January 3, 1997, and approved the last revision on January 4, 2023. The Board of Directors authorized the Executive Director, or his designee, to approve: a) contracts and purchase orders up to \$100,000; b) Contract Task Orders (CTO) up to \$500,000 and for CTOs originally \$500,000 or more, increasing the CTO amount up to \$250,000; c) amendments with a zero dollar value; d) amendments to exercise the option term if the option term was approved by the Board of Directors in the original contract; e) amendments that cumulatively do-not-exceed 50% of the original contract or purchase order value or \$100,000, whichever is less; f) amendments that do-not-exceed contingency amounts authorized by the Board of Directors; and g) release Request for Proposals (RFP), Request for Qualifications (RFQ), and Invitation for Bids (IFB) for proposed contracts from which funding has been approved and the solicitation has been listed in the Annual Budget, and are estimated not-to-exceed \$1,000,000.

The Board of Directors further authorized General Counsel to award and execute legal services contracts up to \$100,000 with outside counsel as needed, and authorized Department Directors to approve and execute Contingency Amendments that do-not-exceed contingency amounts authorized by the Board of Directors.

Lastly, the Board of Directors authorized CityCom Real Estate Services, Inc. (CityCom) to issue contracts and purchase orders.

Below is a summary of the actions taken by SBCTA authorized staff:

- Three new contracts were executed.
- One contract amendment was executed.
- 14 CTO's were executed.
- One CTO amendment was executed.
- Two contingency amendments were executed.
- Six purchase orders were executed.
- One purchase order amendment was executed.
- No IFB/RFP's were released.

Below is a summary of the actions taken by CityCom:

- No new contracts were executed.
- Two new purchase orders were executed.

*Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority*

General Policy Committee Agenda Item

April 10, 2024

Page 2

A list of all Contracts and Purchase Orders that were executed by the Executive Director, Department Director, and/or General Counsel during the month of March 2024 are presented herein as Attachment A, all RFPs and IFBs are presented in Attachment B, and all CityCom's contracts and purchase orders are presented in Attachment C.

***Financial Impact:***

This item is consistent with the adopted Budget for Fiscal Year 2023/2024. Presentation of the monthly procurement report demonstrates compliance with the Contracting and Procurement Policy.

***Reviewed By:***

This item is not scheduled for review by any other policy committee or technical advisory committee.

***Responsible Staff:***

Shaneka Morris, Procurement Manager

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Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:

San Bernardino Council of Governments  
San Bernardino County Transportation Authority

**Attachment A - 1**  
**March 2024 Contract/Amendment/CTO Actions**

Type	Contract Number	Amendment/CTO	Vendor Name	Contract Description	Original Amount	Prior Amendments	Current Amendment	Total Amount	Total On-Call Contract Amount*
New Agreement	23-1003013		G/M Business Interiors	SBCTA New Furniture Installation & Reconfiguration of Existing Furniture	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	N/A
New Agreement	24-1003123		Omnitrans	Funding agreement to reimburse for Federal Adovacy Services related to public transit	\$ 66,000.00	\$ -	\$ -	\$ 66,000.00	N/A
New Agreement	24-1003124		Omnitrans	Funding agreement to reimburse for state Adovacy Services related to public transit	\$ 44,000.00	\$ -	\$ -	\$ 44,000.00	N/A
Contract Amendment	19-1002091	2	Royal Coaches Auto Body & Towing	To increase the contract amount for Freeway Service Patrol Beat 23 construction support along the Interstate 15 Express Lanes Project	\$ 1,570,683.00	\$ -	\$ 22,000.00	\$ 1,592,683.00	N/A
CTO	20-1002377	CTO No. 11	VCS Environmental	Interstate 10 Eastbound Truck Climbing Lane On-Call Environmental Services for Bat Eviction, Exclusion, and Monitoring	\$ 14,500.00	\$ -	\$ -	\$ 14,500.00	\$3,000,000.00 (available \$2,347,330.06)
CTO	22-1002707	CTO No. 10	TRC Engineers, Inc	Construction Claim and Litigation Support for the Monte Vista Avenue Grade Separation Project	\$ 28,731.16	\$ -	\$ -	\$ 28,731.16	\$5,000,000.00 (available \$4,679,146.48)
CTO	19-1002009	CTO No. 9	Paragon Partners Consultants, Inc.	On-Call Appraisal & Title Services to support non-capital project Right-of-Way programs and tasks	\$ 38,200.00	\$ -	\$ -	\$ 38,200.00	\$7,500,000.00 (available \$740,626.53)
CTO	23-1002995	CTO No. 5	Costin Public Outreach Group, Inc.	Public Outreach Support for Interstate 10 Express Lanes Project Contract - Phase 1	\$ 350,000.00	\$ -	\$ -	\$ 350,000.00	\$5,000,000.00 (available \$4,170,000.00)
CTO	23-1002995	CTO No. 6	Costin Public Outreach Group, Inc.	Marketing support for service derived from Interstate 10 Express Lanes Project – Phase I	\$ 410,000.00	\$ -	\$ -	\$ 410,000.00	\$5,000,000.00 (available \$3,760,000.00)
CTO	23-1002995	CTO No. 7	Costin Public Outreach Group, Inc.	Public outreach support to set up communication channels associated with the Interstate 15 Express Lanes Project	\$ 250,000.00	\$ -	\$ -	\$ 250,000.00	\$5,000,000.00 (available \$3,510,000.00)
CTO	23-100995	CTO No. 8	Costin Public Outreach Group, Inc.	Public outreach support for construction activities associated with Interstate 10 Cedar Avenue Interchange	\$ 55,060.00	\$ -	\$ -	\$ 55,060.00	\$5,000,000.00 (available \$3,454,940.00)
CTO	23-1002995	CTO No. 9	Costin Public Outreach Group, Inc.	Public outreach support for construction activities associated with Mt. Vernon Avenue Bridge (Viaduct)	\$ 184,000.00	\$ -	\$ -	\$ 184,000.00	\$5,000,000.00 (available \$3,270,940.00)
CTO	23-1002995	CTO No. 10	Costin Public Outreach Group, Inc.	Public outreach support for construction activities associated with Interstate 10 Truck Climbing Lane	\$ 54,940.00	\$ -	\$ -	\$ 54,940.00	\$5,000,000.00 (available \$3,216,000.00)

Attachment: March Procurement Report - PDF (10266 : March 2024 Procurement Report)

\*Total amount authorized for the associated on-call services bench which is typically shared with multiple vendors and controlled via contract task orders (CTO).



**Attachment A - 1**  
**March 2024 Contract/Amendment/CTO Actions**

Type	Contract Number	Amendment/CTO	Vendor Name	Contract Description	Original Amount	Prior Amendments	Current Amendment	Total Amount	Total On-Call Contract Amount*
CTO	23-1002995	CTO No. 11	Costin Public Outreach Group, Inc.	Public outreach support for construction activities associated with the North First Avenue Bridge Project	\$ 69,930.00	\$ -	\$ -	\$ 69,930.00	\$5,000,000.00 (available \$2,769,450.00)
CTO	23-1002995	CTO No. 12	Costin Public Outreach Group, Inc.	Project outreach support for the Interstate 215 University Pkwy Interchange Project (Diverging Diamond Interchange)	\$ 95,030.00	\$ -	\$ -	\$ 95,030.00	\$5,000,000.00 (available \$2,674,420.00)
CTO	23-1002995	CTO No. 20	Costin Public Outreach Group, Inc.	Public outreach support for the construction of West Valley Connector Project	\$ 210,660.00	\$ -	\$ -	\$ 210,660.00	\$5,000,000.00 (available \$3,005,340.00)
CTO	23-1002995	CTO No. 21	Costin Public Outreach Group, Inc.	Public outreach support for the ZEMU Implementation Project	\$ 165,960.00	\$ -	\$ -	\$ 165,960.00	\$5,000,000.00 (available \$2,839,380.00)
CTO	22-1002707	CTO No. 9	TRC Engineers, Inc.	Construction Management Services for Interstate 10 Alabama to Establish Existing Planting Project	\$ 292,122.36	\$ -	\$ -	\$ 292,122.36	\$5,000,000.00 (available \$4,679,146.48)
CTO Amendment	19-1002189	CTO No. 21.1	Dudek	To increase the amount of On-Call Sustainability Grant Writing	\$ 100,000.00	\$ -	\$ 147,000.00	\$ 247,000.00	\$6,460,390.00 (available \$10,372.03)

Attachment: March Procurement Report - PDF (10266 : March 2024 Procurement Report)

\*Total amount authorized for the associated on-call services bench which is typically shared with multiple vendors and controlled via contract task orders (CTO).

**Attachment A - 2**  
**March 2024 Contingency Released Actions**

<b>Contract No. &amp; Contingency No.</b>	<b>Reason for Contingency Amendment (Include a Description of the Contingency Amendment)</b>	<b>Vendor Name</b>	<b>Original Contract Amount</b>	<b>Prior Amendments</b>	<b>Prior Contingencies</b>	<b>Current Contingencies</b>	<b>Amended Contract Amount</b>
19-1002005 No. 2B	Additional scope for Interstate 215 Bi-County/Segment Landscape Project - Environmental, Design, and Right-of-Way Services	EXP U.S. Services, Inc.	\$ 1,155,065.42	\$ 885,686.65	\$ 50,171.45	\$ 53,456.00	\$ 2,144,379.52
21-1002452 No. 1C	To continue ONT Connector Project - Footprint Analysis in Support of Environmental Clearance through February 2024	HNTB Corporation	\$ 26,940,428.00	\$ 1,100,000.00	\$ 166,070.00	\$ 741,441.00	\$ 28,947,939.00

Attachment: March Procurement Report - PDF (10266 : March 2024 Procurement Report)

Attachment A - 3

March 2024 Purchase Order and Purchase Order Amendment Actions

Type	PO No.	PO Posting Date	Vendor Name	Description of Services	Original Purchase Order Amount	Prior Amendments	Current Amendment	Total Purchase Order Amount
PO Amendment	4002419	11/13/23	CDW Government, LLC	Adobe Acrobat Pro Creative Cloud	\$ 13,169.87	\$ -	\$ 61.98	\$ 13,231.85
New PO	4002440	3/1/24	Environmental Systems Research	ARCGIS Online Credits	\$ 4,200.00	\$ -	\$ -	\$ 4,200.00
New PO	4002441	3/7/24	ADA Compliance Group, LLC	Exterior and Interior Accessibility Compliance Inspection	\$ 1,750.00	\$ -	\$ -	\$ 1,750.00
New PO	4002442	3/8/24	CDW Government, LLC	Visio Licenses	\$ 795.20	\$ -	\$ -	\$ 795.20
New PO	4002443	3/18/24	Autonation Toyota Buena Park	New Agency Pool Vehicle Purchase	\$ 50,779.90	\$ -	\$ -	\$ 50,779.90
New PO	4002444	3/18/24	CDW Government, LLC	MS Office 365 G3 Step-Up, Final Annual	\$ 15,488.55	\$ -	\$ -	\$ 15,488.55
New PO	4002454	3/28/24	Faust Media Services, LLC	FSP TIP Envelopes 20,000 Count	\$ 2,401.54	\$ -	\$ -	\$ 2,401.54

Attachment: March Procurement Report - PDF (10266 : March 2024 Procurement Report)

**Attachment B**  
**March 2024 RFP's, RFQ's and IFB's**

Release Date	RFP/RFQ/IFB No.	Anticipated Dollar Amount	Anticipated Award Date	Description of Overall Program and Program Budget
None				

**Attachment C**

**March 2024 CityCom's Issued Purchase Orders/Contracts**

<b>PO/Contract No.</b>	<b>Vendor Name</b>	<b>Description of Services</b>	<b>Total Amount</b>
SBCTA49612	Schindler Elevator Corporation	Replace Damaged Elevator Phone	\$ 3,943.65
SBCTA49757	Weatherite Corp.	Annual Boiler Maintenance	\$ 3,596.19

### ***Minute Action***

AGENDA ITEM: 3

***Date:*** April 10, 2024

***Subject:***

Fiscal Year 2024/2025 Budget Action Plan

***Recommendation:***

Receive the Fiscal Year 2024/2025 Budget Action Plan.

***Background:***

The San Bernardino County Transportation Authority’s (SBCTA) Fiscal Year 2024/2025 Budget Action Plan (BAP) establish the Board of Directors priorities for the year. The annual budget process includes updating the BAP to set main goals for the following fiscal year. The Executive Director uses this as a tool with the Executive Management Team to evaluate SBCTA’s progress in achieving the Board’s priorities. The Executive Director or his designee will provide quarterly updates on the status of the goals as listed in the attached BAP.

***Financial Impact:***

This item has no financial impact on the proposed Budget for Fiscal Year 2024/2025.

***Reviewed By:***

This item is not scheduled for review by any other policy committee or technical advisory committee.

***Responsible Staff:***

Raymond Wolfe, Executive Director

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Approved  
General Policy Committee  
Date: April 10, 2024  
Witnessed By:

*Entity: San Bernardino County Transportation Authority*

## Budget Action Plan FY 2024/2025

Action Plan		Milestones	Responsibility
<b>Initiative #1: Transparent and Accountable Allocation Strategies</b>			
Division Strategy: Complete timely audits of Measure I and Transportation Development Act recipients			
1A	Manage and communicate with audit firm to plan and complete annual audits.	Q2	Finance
	Inform Committees and Board of status of audits.	Q3	
Division Strategy: Use strategic programming to ensure that no funds are lost			
1B	Manage projects closely with California Department of Transportation (Caltrans) to ensure adequate resources are available when projects are ready.	May 1 is Caltrans' deadline for guaranteed access to federal Obligation Authority (OA) – Q4	Fund Administration, Project Delivery, Transit, Planning
		June 30 is California Transportation Commission (CTC) deadline for project allocation or extension requests – Q4	
	Manage projects to ensure funds are not lost.	Request allocation of competitive grant funds and State Transportation Improvement Program (STIP) for I-10 Contract 2 - Q4	Fund Administration
	Request allocation of competitive grant funds for US 395 Phase 2 - Q4		
		Request allocation of Planning, Programming and Monitoring funds for Fiscal Year 2025/2026 - Q4	
Division Strategy: Protect San Bernardino County's equitable share of available state and federal funds			
1C	Develop funding strategies that maximize resources available and result in opportunities to seize additional state and federal funds.	Release Request for Proposals for Air Quality Consultant to remain eligible for Federal Congestion Mitigation and Air Quality Improvement funding - Q4	Fund Administration
		Nominate projects to SCAG for programming of federal formula funds in accordance with the 2024 Update to the 10-Year Delivery Plan, and the 10-Year Plan for transit operators' implementation of the zero emission bus mandate (pending schedule for call for projects) - Q4	Fund Administration, Project Delivery, Transit
Division Strategy: Develop long-term bonding needs to help leverage other funds and deliver projects			
1D	Establish plan for sales tax revenue bond program through development of the 2024 Update to the 10-Year Delivery Plan.	Present final 2024 Update to the 10-Year Delivery Plan to the Board for approval - Q3	Fund Administration (Finance, Project Delivery, Transit, Planning)
		Monitor implementation of the 2024 Update to the 10-Year Delivery Plan and Measure I revenue receipts to identify need for short-term borrowing – Ongoing	
Division Strategy: Manage geographic equity in fund distribution across the county			
1E	Manage long-term strategy for ensuring geographic equity in fund distribution over the life of the Measure.	Monitor results of SCAG project selection for federal formula funds and ensure long-term equity between subareas of San Bernardino County is maintained - Q4	Fund Administration
Division Strategy: Manage SBCTA railroad right of way in an efficient and comprehensive fashion			
1F	Manage SBCTA railroad right of way in an efficient and comprehensive fashion.	Ongoing	Transit
<b>Initiative #2: Engender Public Trust</b>			
Division Strategy: Secure an unmodified opinion of Comprehensive Annual Financial Report (Annual Report)			
2A	Schedule a meeting with Executive Board officers and certified public accountant (CPA) firm to cover audit process and timing.	Q4	Finance
Division Strategy: Obtain Certificate of Achievement for Excellence in Financial Reporting			
2B	Apply for Government Finance Officers Association (GFOA) award for the Annual Financial Report (Annual Report).	Q3	Finance
Division Strategy: Obtain Distinguished Budget Presentation Award			
2C	Apply for GFOA award for annual budget.	Q1	Finance
Division Strategy: Complete internal control self-assessment to identify areas of improvement.			
2D	Complete review of annual internal control self-assessment (AICA).	Q3	Finance
Division Strategy: Implement the Records Retention Schedule			
2F	Continue with the implementation of the Records Retention Program, including establishing quarterly meetings with records coordinators, two annual clean up days, a system that will assist tracking which documents have passed retention.	Clean up day - Q1 & Q3	Executive Administration and Support Management Services
		Automate retention to remaining libraries in Laserfiche - Q4	
		Automate retention to four (4) department sites in SharePoint - Q4	
Division Strategy: Streamline Agency Operations			
2E	Update procurement templates.	Q4	Finance, General Counsel
	Begin implementation of new enterprise resource system (accounting system).	Q1	Finance, Project Delivery, Management Services
	Implement Microsoft 365 G5 Licenses.	Q4	Management Services

Budget Action Plan FY 2024/2025

Action Plan		Milestones	Responsibility
<b>Initiative #3: Focus on Creating and Strengthening Collaborative Partnerships with Governmental and Business Entities</b>			
Division Strategy: Work with other governments and business groups to leverage resources for our region's benefit			
3A	Prepare tools to assist local agencies with changes to statewide housing policies and environmental regulations.	Update Work Plan for the Council of Governments - Q3 Provide Technical Assistance to jurisdictions through REAP 2.0 Program - Ongoing (pending REAP funding)	COG, General Counsel
	Partner with local and government agencies to improve opportunities in workforce development.	Continue to incorporate small business interests into B2B - Q2 Small Business Study to be presented to CCMTAC and Board - Q1	
	Establish Housing Trust JPA	Execute JPA with member agencies - Q3 (pending REAP funding) Review draft Administrative Plan - Q4 (pending REAP funding)	
	Smart County Master Plan.	Complete Plan - Q3	
	Continue close coordination with Brightline West to support their construction along the San Gabriel Subdivision between I-15 and Cucamonga Station, as well as coordinated development of the Cucamonga Station.	Ongoing	
	Complete the RAISE grant agreement and subrecipient agreement for the construction of the Brightline West High Desert Stations.	Q1	Transit
	Division Strategy: Enhance COG role, and leverage synergy of being the CTA and COG		
3B	Plan annual City/County Conference.	In person conference set for Spring 2025.	Legislative/Public Affairs, COG
	Collaborate with member agencies through City/County Manager Technical Advisory Committee (CCMTAC).	Ongoing bi-monthly meetings	
Division Strategy: Enhance SBCOG's and the region's ability to compete for grant funding			
3C	Host Workshop.	Q3	COG
	Communicate grant opportunities to member agencies. - Expand the function of SBCOG with regard to grant and project development.	Establish a project development process and grant writing coordination through SBCOG on behalf of member agencies - Q3 Continue to provide updates to member agencies on new grant opportunities - Ongoing	
Division Strategy: Assist local governments with environmental and efficiency initiatives			
3D	Award contract for the replacement of the EV chargers in employee parking lot.	Q1	Transit
	Work with local agencies with Zero Emission Vehicle (ZEV) readiness plan and assist in identifying grant opportunities for charging infrastructure.	Ongoing	Air Quality/Mobility
	Assist local agencies with reducing energy consumption and achieving savings through formation of the Inland Regional Energy Network (I-REN).	Ongoing	
<b>Initiative #4: Accelerate Delivery of Capital Projects</b>			
Division Strategy: Support Delivery the West Valley Connector Phase I			
4A	Complete Stage 1 (North Side of Holt Blvd)	Q2	Transit
Division Strategy: Produce Zero Emission Multiple Unit			
4B	Complete ZEMU testing program	Q2	Transit
	Complete construction of hydrogen fuel station	Q4	
	Complete construction of maintenance facility retrofit	Q4	
Division Strategy: Deliver the Tunnel to ONT Project			
4C	Environmental Document approval	Q2	Transit
	Award design-build contract	Q4	
Division Strategy: Delivery of Capital Projects - Plans, Specifications and Estimate (PS&E); Engineering Reports Milestones:			
4D	I-10 Mount Vernon Avenue	PS&E approval - Q1	Project Delivery
	US-395 Widening Project - Phase 2	PS&E approval - Q4	
Division Strategy: Delivery of Capital Projects - Construction Milestones:			
4E	SR-210 Waterman Avenue	Start construction - Q1	Project Delivery
	I-215 University Parkway	Start construction - Q1	
	I-10 Mount Vernon Avenue	Start construction - Q2	
	I-215 Bi-County/Segment 5 Landscaping	Start construction - Q3	
	North First Avenue Bridge over BNSF	Complete for Beneficial Use - Q1	
	SR-210 Waterman Avenue	Complete for Beneficial Use - Q3	
	Metrolink ATP - Phase 2	Complete for Beneficial Use - Q3	
	I-10 Cedar Avenue	Complete for Beneficial Use - Q4	
I-10 Eastbound Truck Climbing Lane	Complete for Beneficial Use - Q4		
Division Strategy: Delivery of Express Lanes Projects			
4F	I-10 Corridor Freight and Express Lanes Project (Contract 2) Segment 2a	PS&E approval - Q2	Project Delivery
	I-10 Corridor Freight and Express Lanes Project (Contract 2) Segment 2b	PS&E approval - Q4	Project Delivery
	I-15 Corridor Freight and Express Lanes Project (Contract 1)	Start construction- Q2	Project Delivery
	I-10 Corridor Freight and Express Lanes Project (Contract 1)	Complete for Beneficial Use - Q1	Express Lanes

Attachment: FY2024-2025 Initiatives and Action Plan - from Budget (10157 : Fiscal Year 2024/2025 Budget Action Plan)



## Budget Action Plan FY 2024/2025

Action Plan		Milestones	Responsibility
Division Strategy: Support Delivery of Gold Line			
4G	Present Funding Agreement and Operations and Maintenance Agreement to SBCTA Board	Q1	Transit
	Monitor SBCTA funding gap and LA Metro funding commitment to build to the County line.	Q3	Transit
<b>Initiative #5: Maximize Funding Opportunities and Cost-Effectiveness of Investments</b>			
Division Strategy: Conduct regional forums to discuss issues of importance across our region			
5A	Advocate for policies and funding formulas at the state and federal levels that are favorable for SBCTA to construct and deliver transportation projects.	Ongoing	Legislative/Public Affairs
	Support for legislation regarding progressive design build delivery and oppose legislation that would adversely impact transportation funding. Build coalitions in support of state and federal transportation grant applications and budget items as well as additional transit operational funding. Maintain good working relationships and communication with state and federal officials.	Ongoing	Legislative/Public Affairs
Division Strategy: Operate and Maintain SB Express Lanes			
5B	I-10 Corridor Freight and Express Lanes Project (Contract 1) Operations and Maintenance.	Ongoing starting Q1	Express Lanes
<b>Initiative #6: Awareness of SBCTA Programs, Services, and Transit Options</b>			
Division Strategy: Build awareness of SBCTA programs and services			
6A	Highlight Measure I's contributions to the region's transportation system. Annual state of transportation event; monthly blog series "Measure I (Impact)".	Ongoing	Legislative/Public Affairs, Fund Administration
	Market SBCTA identity, promote awareness of programs and services. Employee spotlight blog series.	Ongoing	Legislative/Public Affairs
Division Strategy: Leverage and grow public outreach and communication services			
6B	Continue to enhance traditional and social media presence by providing project updates, alerts, and information.	Ongoing	Legislative/Public Affairs
	Utilize On-Call Public Outreach Contracts, On-Call Graphic Design Services Contracts, Marketing & Branding Services Contract to utilize new tools and capitalize on communication opportunities throughout the region.	Ongoing	Legislative/Public Affairs, Transi
	Utilize On-Call Graphic Design Services Contracts & Marketing and Branding Services Contract to support each department in their efforts to communicate internally and externally.	Ongoing	Legislative/Public Affairs, Fund Administration
Division Strategy: Highlight transit options in San Bernardino County			
6C	In partnership with transit operators, highlight transit connectivity options in the region. Provide legislative information and updates, advocate at the state and federal levels for transit maintenance and operations funding.	Ongoing	Legislative/Public Affairs, Transi
Division Strategy: SB Express Lanes Customer Support			
6D	Manage SB Express Lanes Walk-In Center.	Ongoing	Express Lanes
	Manage SB Express Lanes Website.	Ongoing	Express Lanes
<b>Initiative #7: Long Range Strategic Planning</b>			
Division Strategy: Analyze long range transportation strategy in a financially constrained framework			
7A	Prepare a Long Range Multimodal Transportation Plan (LRMTP).	Draft LRMTP - Q3	Planning, Transit, Fund Administrat
		Final LRMTP - Q4	
	Prepare for the 2028 Southern California Association of Governments (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).	Work with SCAG to establish project schedule - Q3	Planning, Fund Administration
	Begin setting up San Bernardino County Growth Projection Model - Q4		
Division Strategy: Conduct strategic planning of Measure I projects and update policies to be consistent with practice			
7B	Maintain Measure I Strategic Plan Parts 1 and 2.	Ongoing	Planning, Fund Administration
Division Strategy: Provide current, quality planning data			
7C	Support other departments with data analysis and mapping/Geographic Information System (GIS).	Ongoing	Planning
	Update SBTAM "Plus" modeling system.	Model Validation Report - Q1	
		Vehicle Miles Traveled/Land Use Model and Scenario Samples - Q2	
		Final Documentation & Presentation - Q4	
Incrementally implement an SBCTA agency-wide data and analytics dashboard.	Ongoing		
Division Strategy: Conduct subarea and modal studies			
7D	State Route 247/62 Emergency Bypass Lane Study.	Phase 1 report - Q4	Planning
<b>Initiative #8: Environmental Stewardship, Sustainability, and Grant Applications</b>			
Division Strategy: Monitor and Provide Input to State, Federal, and Regional Plans and Guidelines			
8A	Provide technical comments on draft reports, plans, and guidelines from Caltrans, CTC, OPR, CARB, CalSTA, and other state agencies.	Ongoing	Planning, COG
	Prepare Grant Applications for state (e.g. SB 1, Active Transportation, etc.), federal (e.g. RAISE, INFRA/Mega, etc.) and other funding.	Senate Bill 1 (SB1) Grant(s) Submitted - Q2	Planning, Fund Administration
		Other state and federal grants - Ongoing	

## Budget Action Plan FY 2024/2025

Action Plan		Milestones	Responsibility
Division Strategy: Assist jurisdictions, developers, and other stakeholders with area-wide sustainability studies			
8B	Begin development of Vehicle Miles Traveled (VMT) mitigation bank and/or approaches to mitigation under SB 743	Establishment of the Program Structure - Q2 (pending REAP funding)	Planning
		Start VMT App Development - Q3 (pending REAP funding)	
	Countywide Evacuation Route Study and Modelling for Member Jurisdictions	Initiate project - Q1	
		Begin Modelling Work - Q3	
Assist local agencies with housing initiatives under Regional Early Action Plan (REAP) 2.0.	Begin Project - Q1 (pending REAP funding)		
Division Strategy: Prepare effective active transportation plans			
8C	Implement Safe Routes to School Program (with SBCSS and the County DPH).	Complete Programs - Q4	Planning
	Manage Transit Development Act (TDA) Article 3 bike/ped project invoicing.	Ongoing	
Division Strategy: Implement components of ATP Metrolink Station Accessibility Grant			
8D	Implementation of Phase 2 of the Bicycle and Pedestrian improvements around the Metrolink Stations on the San Bernardino and Riverside Lines.	Construction Completion for Beneficial Use - Q3	Planning, Project Delivery
Division Strategy: Develop and administer programs to improve the efficient use of our existing freeway network			
8E	Manage the Southern California 511 (SoCal 511) program with other County Commissions	Ongoing	Air Quality/Mobility
	Administer Freeway Service Patrol (FSP) and call box system to improve traffic safety, reduce congestion and traffic delays.	Ongoing. Present annual report on programs to Board - Q4	
Division Strategy: Support access to jobs, healthcare, and education while reducing roadway congestion.			
8F	Administer multi-modal programs to reduce congestion and improve quality of life including coordination with transit providers and Consolidated Transportation Service Agencies (CTSA) serving San Bernardino County.	Work with the transit providers and CTSA's, to identify key activities for inclusion in the SBCTA LRMTTP based on the approved Public Transit-Human Services Transportation Coordination Plan – Q3	Planning
<b>Initiative #9 Meet Equity Goals of SBCTA/SBCOG</b>			
Division Strategy: Ensure Equity goals met for internal structure and policies			
9A	Establish equity goals and policies for ensuring structural equity within the business processes and procedures within SBCTA/SBCOG.	Project outreach in Q1 and Q2	COG
Division Strategy: Ensure Equity goals met for projects and programs implemented in collaboration with SBCOG/SBCTA member agencies.			
9B	Small Business Program	Study to be presented - Q1	COG

## *Minute Action*

AGENDA ITEM: 4

***Date:*** April 10, 2024

***Subject:***

Fiscal Year 2023/2024 Budget Amendments

***Recommendation:***

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Approve the creation of the new fund, Fund 2201 Federal Railroad Administration, to accommodate the Rebuilding American Infrastructure with Sustainability and Equity Grant Program funding for the Brightline West High Desert Stations project.

B. Approve the creation of new funds, Fund 2750 Transit and Intercity Rail Capital Program Senate Bill 125 and Fund 2751 Senate Bill 125 Zero Emission Transit Capital Program, to account for funds for allocated projects.

C. Approve two checking bank accounts with Wells Fargo for the Transit and Intercity Rail Capital Program and Zero Emission Transit Capital Program funds with designated signers Executive Director, Deputy Executive Director, and Chief Financial Officer and related investment accounts with California Asset Management Program.

D. Approve an amendment to the Fiscal Year 2023/2024 Budget for Task No. 0315 – Transit Capital to increase Federal Transit Administration 5309 (Fund 2130) by \$3,000,000, Federal Railroad Administration (Fund 2201) by \$1,781,000, Local Project Funds (Fund 6010) by \$1,500,000, Transit and Intercity Rail Capital Program (Fund 2565) by \$250,000, Transit and Intercity Rail Capital Projects Senate Bill 125 (Fund 2750) by \$1,000,000, and decrease Solutions to Congested Corridors Program (Fund 2705) by \$7,531,000, for a zero net increase to the fiscal year budget.

***Background:***

The Finance Department is responsible for the preparation and administration of the San Bernardino County Transportation Authority (SBCTA) Budget. Subsequent to adoption of the budget, adjustments are requested by departments and approved by the SBCTA Board of Directors (Board) or by the authority granted to the Executive Director, or his designee, under Policy No. 20000, Financial Policies.

In order to identify any major budgetary changes during the fiscal year, the Finance Department compares actual expenditures and revenues to the budget. All other departments are responsible for identifying other budget adjustments necessary as a result of: 1) programmatic adjustments required to maintain compliance with applicable federal and state law and internal policies such as Measure I (MSI) Policies; 2) additional funds made available from allocations or grants; 3) unforeseen costs; or 4) other unexpected changes.

Staff is requesting approval of the following budget increases necessary to carry out the administrative and programmatic functions of the agency:

*Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority*

**Recommendation A:**

On January 4, 2023, the SBCTA Board approved the authorization to submit a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program application to the Federal Railroad Administration (FRA) on behalf of DesertXpress Enterprises, Limited Liability Company (DesertXpress Enterprises), to provide federal grant funding to the Brightline West – High Desert Stations capital project (Brightline West). SBCTA staff submitted the RAISE grant application on March 1, 2023, and received notice on July 11, 2023, that SBCTA’s application was selected for the Fiscal Year 2023 grant award. Staff is currently seeking pre-award authorization and expect to use RAISE funding to accommodate frontload design costs accrued in Fiscal Year 2023/2024. Staff will return to the Board seeking authorization to execute the FRA RAISE funding agreement and sub-recipient agreement with DesertXpress Enterprises/Brightline West once all collaboration efforts have been finalized. Recommendation A allows SBCTA to create and establish the new fund code for the FRA funds to support the fiscal year budget for the Brightline West project.

**Recommendations B, C, and D:**

The Transit and Intercity Rail Capital Program (TIRCP) was created by Senate Bill (SB) 862 and modified by SB 9 to provide grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California’s intercity, commuter, and urban rail systems and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. Assembly Bill 398 extended the Cap-and-Trade Program that supports the TIRCP from 2020 through 2030.

SB 125 amended the Budget Act of 2023 to appropriate \$4 billion from the General Fund to the TIRCP over the next two fiscal years as well as \$910 million of GGRF funding and \$190 million of Public Transportation Account funding over the next four fiscal years to establish the Zero-Emission Transit Capital Program (ZETCP). These funds are formula funds that are to be administered by SBCTA. The TIRCP portion is distributed to SBCTA based on a population formula and the ZETCP is distributed to SBCTA based on the State Transit Assistance formula, which is 50% based on population and 50% based on transit operator revenues. The total amount to be received by SBCTA through Fiscal Year 2026/2027 is estimated at \$259 million; however, while the first year of funds totaling \$122 million were appropriated in the Fiscal Year 2023/2024 State Budget, recent State revenue shortfalls put future appropriations at risk. Projects are allocated funds by the Board and then submitted to California State Transportation Agency (CalSTA) for an eligibility determination and approval. Once approved by CalSTA, the State Controller’s Office distributes the funds to SBCTA for disbursement to project sponsors. The Board has apportioned and allocated the Fiscal Year 2023/2024 TIRCP and ZETCP funds to capital and operations needs for all of the transit operators in San Bernardino County.

CalSTA guidelines for TIRCP and ZETCP require separate cash accounts, and for the funds to earn interest. Recommendation C is to authorize the Chief Financial Officer to open new checking accounts with our current bank, Wells Fargo, to account for TIRCP and ZETCP funds separately. Recommendation C will also authorize the Chief Financial Officer to open two separate accounts with the California Asset Management Program to invest idle funds.

The budgeting process for the Fiscal Year 2023/2024 Budget began in December 2022 with final expense forecasts due no later than February 2023. With this early preparation, staff must project anticipated expenses through the end of the existing fiscal year and for the upcoming fiscal year for a period of approximately 18 months. This has a direct impact on the budget needed for projects in Fiscal Year 2023/2024 as staff worked with vendors to determine expenditures through the end of June 2023, and to identify forecasted costs for the upcoming year through June 2024. Now that all expenses for Fiscal Year 2022/2023 have been incurred and reconciled, the Transit and Rail Department has reviewed all projects and their respective budgets for the current Fiscal Year 2023/2024, and determined a need for a fund swap budget amendment for the West Valley Connector, Brightline West, and the Diesel Multiple Unit (DMU) to Zero Emission Multiple Unit (ZEMU) vehicle conversion projects. Recommendation D requests a reallocation of selected funds to accommodate the aforementioned capital projects with a no net increase to the fiscal year budget.

**Financial Impact:**

The budget for West Valley Connector and the DMU to ZEMU vehicle conversion projects are included in the adopted Budget for Fiscal Year 2023/2024 and funded with various funds in Program 30. The Brightline West - High Desert Stations capital project was not included in the adopted Budget for Fiscal Year 2023/2024. A budget amendment is required as described in recommendation D as described in the background section of this item.

**Reviewed By:**

This item is not scheduled for review by any other policy committee or technical advisory committee.

**Responsible Staff:**

Hilda Flores, Chief Financial Officer

Approved  
General Policy Committee  
Date: April 10, 2024  
Witnessed By:

## *Minute Action*

AGENDA ITEM: 5

**Date:** *April 10, 2024*

**Subject:**

Revisions to Investment Policy No. 20100 & Investment Portfolio Update

**Recommendation:**

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA), effective July 1, 2024:

- A. Approve revision to Investment Policy No. 20100, to make clarification to section IX.Q.
- B. Delegate to SBCTA's Chief Financial Officer, who shall serve as SBCTA's Treasurer, authority for a one-year period to invest or reinvest SBCTA funds and to sell or exchange securities so purchased, pursuant to Policy No. 20100.

That the General Policy Committee recommend the Board, acting as the San Bernardino Associated Governments (SBCOG), effective July 1, 2024.

- C. Reauthorize pooling SBCOG funds with SBCTA funds, to be invested in accordance with SBCTA's Investment Policy No. 20100.
- D. Delegate to SBCTA's Chief Financial Officer, who shall serve as SBCOG's Treasurer, authority for a one-year period to invest or reinvest SBCOG funds and to sell or exchange securities so purchased, pursuant to Policy No. 20100.

**Background:**

The California Government Code, which governs the investment and the deposit of public funds (Section 53600 et seq.) (Code), requires that the agency's governing body annually review the investment policy at a public meeting.

San Bernardino County Transportation Authority's (SBCTA) staff and investment advisor, PFM Asset Management LLC (PFM), have reviewed the current SBCTA Investment Policy No. 20100 (Policy) and concur that the Policy meets all requirements as outlined in the memo, included as Attachment 1. However, there were recent changes to the Code that clarified that mortgage-backed securities issued by federal agencies and certain other investment securities identified in Senate Bill 882, are excluded from the Code's requirements for privately issued assets and mortgage-backed securities. As such, staff is recommending an update to Section IX.Q. of the Policy to clarify that mortgage-backed securities issued by federal agencies are excluded from the Code's requirements for privately issued asset and mortgage-backed securities.

In addition, PFM will present a market update and overview of SBCTA's investment portfolio.

**Financial Impact:**

This item has no financial impact on the adopted Budget for Fiscal Year 2023/2024 or the proposed Budget for Fiscal Year 2024/2025.

**Reviewed By:**

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the revised policy.

*Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority*

General Policy Committee Agenda Item  
April 10, 2024  
Page 2

**Responsible Staff:**

Lisa Lazzar, Chief of Fiscal Resources

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Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:

San Bernardino Council of Governments  
San Bernardino County Transportation Authority

San Bernardino County Transportation Authority	<b>Policy</b>	<b>20100</b>
Adopted by the Board of Directors      October 2, 1996	Revised	05/0301/2324
<b>Investment Policy</b>	Revision No.	<b>2728</b>

**Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.**

#### Table of Contents

[Purpose](#) | [Policy](#) | [Investment Goals](#) | [Prudent Investor Standard](#) | [Scope](#) | [Delegation of Authority](#) | [Conflicts of Interest](#) | [Portfolio Maturity Limits](#) | [Allowable Investments for SBCTA and SBCOG Operating Funds](#) | [Additional Allowable Investments for Bond Proceeds](#) | [Prohibited Investment Transactions](#) | [Investment in "Derivative" Securities](#) | [Leveraging](#) | [Safekeeping of Securities](#) | [Competitive Bidding of Investments](#) | [Broker/Dealers](#) | [Reporting](#) | [Annual Submission of Investment Policy](#) | [Revision History](#) |

## I. PURPOSE

The purpose of this policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes.

## II. POLICY

The Board of Directors of the San Bernardino County Transportation Agency (SBCTA) and of the San Bernardino Council of Governments (SBCOG) recognize their responsibility to direct the investment of funds under their care. This policy is designed to meet the specific needs of SBCTA and SBCOG while ensuring the safety of funds. This revised policy is effective July 1, 2019.

## III. INVESTMENT GOALS

The investment of funds by SBCTA and SBCOG shall be guided by the goals of safety, liquidity, diversification, and a reasonable market rate of return.

**Safety:** Safety of principal is the foremost objective of the investment program. Investments of SBCTA and SBCOG will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

**Liquidity:** SBCTA's and SBCOG's investment portfolio will remain sufficiently liquid to enable SBCTA and SBCOG to meet all operating requirements and budgeted expenditures, including an additional amount to cover reasonably estimated contingencies.

**Diversification:** The investment portfolio will be diversified to avoid risk regarding specific security types or individual financial institutions.

**Reasonable Market Rate of Return:** The investment portfolio will be designed to attain a market average rate of return through economic cycles which is consistent with SBCTA's and SBCOG's primary goals of safety, liquidity and diversification.

## IV. PRUDENT INVESTOR STANDARD

SBCTA and SBCOG investments are governed by the prudent investor standard, set forth as follows:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the investment of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.



## V. SCOPE

The investment policy applies to all financial assets held by SBCTA and SBCOG, including bond proceeds. Funds specifically exempt from this policy include employee deferred compensation plans, employee pension plans, or assets held in trust by SBCTA and SBCOG with specific investment instructions.

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## VI. DELEGATION OF AUTHORITY

SBCTA's Board Administrative Code and SBCOG's Bylaws designate the SBCTA Chief Financial Officer (CFO) as Treasurer for each Agency.

Under the direction and oversight of the Chief Financial Officer, and in consultation with SBCTA's and SBCOG's investment adviser, the Chief Financial Officer or designee shall direct the investment of SBCTA and SBCOG combined operating funds, which are not invested in the County Pool or in LAIF ("DIRECT INVESTMENTS") in accordance with this Policy. All officials, staff members and consultants are directly accountable to the SBCTA and SBCOG Boards for investment functions.

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## VII. CONFLICTS OF INTEREST

All officials, staff members and consultants involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which could impair their ability to make impartial investment decisions. Officials, staff members, and consultants will disclose to the Executive Director any financial interest with a financial institution or broker that conducts business with SBCTA and SBCOG. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the performance of SBCTA's and SBCOG's portfolio.

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## VIII. PORTFOLIO MATURITY LIMITS

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit SBCTA and SBCOG to meet all projected obligations.

The maximum maturity of any other investment of operating funds ("direct investments") may not exceed five years unless otherwise noted in Paragraph IX.

Investment of bond proceeds shall be made in consideration of the liquidity needs of the bond fund, and may not exceed five years, except for securities to be held in a defeasance escrow for refunded bonds and bond debt service reserve funds.

Investments in the San Bernardino County Pool and in LAIF are subject to maturity limits and other investment restrictions as imposed by the governing bodies of those agencies.

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## IX. ALLOWABLE INVESTMENTS FOR SBCTA and SBCOG OPERATING FUNDS

Investment of SBCTA's and SBCOG's funds is governed by the California Government Code, Sections 53600 et seq. and 53635 et seq. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

The following investment vehicles are permitted for the investment of operating funds.

- A. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 40% of SBCTA's and SBCOG's combined investment portfolio may be invested in the obligations of any one federal agency or United States government-sponsored enterprise.
- C. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations of the State of California or any California local agency may not represent more than 20%

of SBCTA's and SBCOG's combined portfolio and no more than 10% may be invested in the obligations of any one issuer.

- D. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations of the other 49 states may not represent more than 20% of SBCTA's and SBCOG's combined portfolio and no more than 10% may be invested in the obligations of any one issuer.

- E. Repurchase Agreements used solely as short-term investments not to exceed 30 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Paragraph IX. A and B, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SBCTA's custodian bank by book entry, physical delivery, or held by a third party custodial agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds borrowed against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

SBCTA and SBCOG or their trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the Repurchase Agreement.

SBCTA and SBCOG may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York.

SBCTA and SBCOG will have specific written agreements with each firm with which it enters into Repurchase Agreements.

Reverse repurchase agreements will not be allowed.

Repurchase agreements may not represent more than 20% of SBCTA's and SBCOG's combined investment portfolio.

- F. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical-rating organization (NRSRO).

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA and SBCOG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

- G. Commercial paper rated in the highest short-term rating category, as provided by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

- (1) The entity meets the following criteria: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars (\$500,000,000); (c) has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.
- (2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company; (b) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity.

Purchases of commercial paper may not exceed 40% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities on any one non-government issuer regardless of security type.

H. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A", or its equivalent or better, by a NRSRO.

Purchase of medium-term corporate notes may not exceed 30% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

I. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally- or state-licensed branch of a foreign bank. Investments under this subdivision shall be rated in a rating category of "A" for long-term, "A-1" for short-term, their equivalent or better by a NRSRO.

Purchase of negotiable certificates of deposit may not exceed 30% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

J. State of California's Local Agency Investment Fund (LAIF)

Investment in LAIF may not exceed 60% of SBCTA's and SBCOG's combined operating funds or up to the maximum amount permitted by the State Treasurer, whichever is less.

K. California Asset Management Program (CAMP) Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible under California Government Code Section 53601 (p): the joint powers authority (CAMP), issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

L. San Bernardino County Investment Pool.

M. Insured savings accounts.

N. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares of beneficial interest purchased shall not include any commission that the companies may charge and shall not exceed 20% of SBCTA's and SBCOG's combined investment portfolio. Further, no more than 10% of SBCTA's and SBCOG's combined investment portfolio may be invested in shares of beneficial interest of any one money market fund.

O.

(1) Bonds issued by SBCTA, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by SBCTA or by a department, board, agency, or authority of SBCTA, provided the SBCTA Board first specifically approves investing in such bonds.

(2) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency, provided the SBCTA Board first specifically approves of SBCTA investing in such bonds, notes, warrants or other evidences of indebtedness of SBCTA.

- P. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AAA" or its equivalent by a NRSRO and may not exceed 30% of SBCTA's and SBCOG's combined investment portfolio.
- Q. A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. For securities eligible for investment under this subsection not issued or guaranteed by an agency or issuer identified in subsection (A.) or (B.), above, the following limitations apply:
- (1) The security shall be rated "AAA" or its equivalent by a NRSRO and have of a maximum remaining maturity of five years' maturity or less.
  - (2) Securities eligible for investment under this subdivision shall be rated "AAA" or its equivalent by a NRSRO and may shall not exceed 20% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

For purposes of determining compliance with this policy, where this section specifies a percentage limitation for a particular category of investment, that percentage is applied on the date of purchase. Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

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#### **X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS**

- A. Investment agreement with an AA rated bank or collateralized investment agreement with an A rated bank or an investment acceptable to a bond insurance company and approved specifically by the SBCTA and SBCOG Board.
- B. Debt service reserve funds and debt service funds may be invested longer than five years as long as they are permitted by state law and investments are readily available for bond payments and other bond purposes (refundings, defeasance, etc.).
- C. U.S. Treasury Securities and State and Local Government Securities having a maturity longer than five years are permitted for escrowed defeasances.
- D. Forward purchase agreements, forward delivery agreements and debt service reserve agreements approved specifically by the SBCTA and SBCOG Board.
- E. Other investments as permitted by bond indentures.

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#### **XI. PROHIBITED INVESTMENT TRANSACTIONS**

Any investment not specifically allowed by this policy is prohibited.

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#### **XII. INVESTMENT IN "DERIVATIVE" SECURITIES**

Direct investment in derivative securities is prohibited. A "derivative security" is any investment the value of which is derived from an underlying security, commodity or index. For purposes of this policy, a derivative is any security that has principal and/or interest payments which are subject to significant uncertainty as to timing, and/or amount.

It is understood that the County Pool and LAIF may invest in certain derivative securities.

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#### **XIII. LEVERAGING**

All forms of portfolio leverage, including, but not limited to, securities lending programs, reverse repurchase agreements, and margin accounts, are prohibited.

#### **XIV. SAFEKEEPING OF SECURITIES**

SBCTA shall enter into an agreement with a bank trust department to serve as the safekeeping agent for all deliverable investments. The safekeeping agent shall hold all investments in an account for the sole benefit of SBCTA and SBCOG. All deliverable investments shall be delivered by the broker to SBCTA's and SBCOG's combined safekeeping account on a delivery versus payment basis.

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#### **XV. COMPETITIVE BIDDING OF INVESTMENTS**

The investment procedures require that approved broker/dealers compete for direct investment purchases and sales to ensure that all investment transactions are free from favoritism. The CFO in conjunction with SBCTA's and SBCOG's investment advisor shall determine the best execution price for SBCTA and SBCOG, and act accordingly.

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#### **XVI. BROKER/DEALERS**

A. If a third party investment advisor is authorized to conduct investment transactions on SBCTA's and SBCOG's behalf, the investment advisor may use their own list of approved issuers, broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to SBCTA and SBCOG upon request.

B. For any investment transactions conducted by the Treasurer on behalf of SBCTA and SBCOG, and not conducted directly with the issuer, the Treasurer shall comply with the following requirements:

C. Transactions initiated by SBCTA and SBCOG shall be executed through government securities dealers reporting as primary dealers to the New York Federal Reserve Bank of New York or direct issuers (defined as corporations that issue their own securities) and through secondary dealers who have received prior approval to do business with SBCTA and SBCOG.

D. Primary dealers wishing to do business with SBCTA and SBCOG must meet the following criteria:

1. The primary dealer representative must have demonstrated experience providing investment services to public agencies in California.
2. The primary dealer representative must provide SBCTA and SBCOG with a minimum of three references of finance officials from public agencies in California.

E. Secondary dealers must complete a broker/dealer application provided by SBCTA and SBCOG, and must meet the following criteria to the satisfaction of SBCTA's Chief Financial Officer:

1. The broker/dealer must qualify under SEC Rule 15C3-1 (uniform net capital rule).
2. The broker/dealer and the broker/dealer representative must be properly registered with the appropriate state and federal regulatory bodies.
3. The broker/dealer should be a market maker and have a strong market presence in one or more product areas that are pertinent to SBCTA's and SBCOG's investment goals.
4. The broker/dealer and its representative should be well established in the business and have an acceptable track record.

F. Each broker/dealer will be sent a copy of this Policy, a broker/dealer application, and a list of persons authorized to execute transactions on SBCTA's and SBCOG's behalf. In order to be considered for investment business opportunities with SBCTA and SBCOG, each firm must acknowledge receipt of such materials.

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#### **XVII. REPORTING**

##### **A. Quarterly Report**

The CFO will provide a quarterly report to the General Policy Committee and to the Board of Directors providing the following information:

1. Breakout of all securities, investments and moneys held by SBCTA and SBCOG by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.

2. A description of all SBCTA's and SBCOG's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.
3. A statement of compliance with investment policy and a statement denoting the ability of SBCTA and SBCOG to meet all expenditures for the next six months.

#### B. Monthly Report

The CFO will provide a monthly list of investment transactions to the Board of Directors as required by the California Government Code §53607 when investment authority has been delegated by the Board.

### XVIII. SUBMISSION OF INVESTMENT POLICY

SBCTA's CFO shall render a statement of investment policy to the Board of Directors of SBCTA and SBCOG as required by the California Government Code. If changes are proposed, the Board shall consider the policy, and proposed changes, in a public meeting.

### XIX. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	10/02/96
1	20100: Added paragraph starting with "It shall be SANBAG's long term objective . . .".	09/03/97
2	No changes.	12/02/98
3	20100.10: Changed percentage of operating funds amount to 20%. 20100.10: Changed percentage of San Bernardino portfolio to 20%.	11/03/99
4	No changes. Re-approved by the Board of Directors.	11/01/00
5	Added Para. 20100.16 Qualifications of Broker/Dealers; re-sequenced existing paragraphs. 20100.16, 20100.17, 20100.18, 20100.19, 20100.20, and 20100.21 to 20100.17, 20100.18, 20100.19, 20100.20, and 20100.22. Revised Par. 20100.10: Revised "...not to exceed 20% of SANBAG's operating funds..." to "...not to exceed 30% of SANBAG's operating funds...", and "Portion of Portfolio: 20% maximum" to "Portion of Portfolio: 30% maximum".	11/07/01
6	Changed paragraph numbering style from 20100.1,20100.2, 20100.3 etc. to I, II, III, etc. Par. IX: Changed "one year" to "two years". Par. X.4: Changed "1 year maximum" to "2 year maximum". Par. X.5: Changed "1 year maximum" to "2 year maximum". Par. X.6: Changed "180 days maximum" to "270 day maximum".	11/06/02
7	No changes. Re-approved by the Board of Directors	11/05/03
8	No changes. Re-approved by the Board of Directors	01/05/05
9	No changes. Re-approved by the Board of Directors	11/02/05
10	Paragraphs on DEFINITIONS, ANNUAL MANAGEMENT REVIEW AND AUDIT, AND SEGREGATED INVESTMENT, and EXECUTION AND RECORD KEEPING: Deleted. Paragraphs III, IV, IX, and XVII: Minor revisions. Paragraphs VIII, IX, and XVI: Major revisions.	07/05/06
11	Par. IX.J: Removed limitation.	09/13/06
12	No changes. Re-approved by the Board of Directors	01/09/08
13	Par. VI: Delete "In addition, the CFO, under the direction and oversight of the Executive Director, and consultation with SANBAG's investment advisor, shall review the alternatives for the investment of bond proceeds, and shall recommend such investments to the SANBAG Board for approval'. The investment of bond proceeds is identified under par. X. and will be authorized by bond covenant. Par. IX: Add (C) Obligations of the State of California or any local agency within the state and (D) Registered treasury notes or bonds of other states in addition to California to diversify the number of sectors and issuers; revise (C) to be (E) and add "held" before "by a third party custodial agreement". Also add "Repurchase agreements may not represent more than 20% of SANBAG's investment portfolio", to limit the amount to be invested in repurchase agreements; delete "(G) "provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by a nationally recognized statistical rating organization." This is also stated in paragraphs (G) (1) and (2); increase (J) from \$40 million to \$50 million limitation	09/01/10

Revision No.	Revisions	Adopted
	<p>on LAIF investment per State Treasurer's Office authorization to increase the dollar amount for investment.</p> <p>Par. X: Change (A) For CAMP, rating from AAA to AAAM and average maturity from one year to 60 days or less. This is to improve safety and liquidity.</p> <p>Par. XV: Add "in conjunction with SANBAG's investment advisor" for clarification purposes.</p>	
14	<p>Par. VIII: Changed four years to five years and added "unless otherwise noted in Par. IX.</p> <p>Par. IX.B: Changed 10% to 40%.</p> <p>Par. IX.F: Changed 20% to 40% and changed "No more than 5% of SANBAG's investment portfolio may be invested in the Bankers' Acceptances of any one commercial bank." to "No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type."</p> <p>Par. IX.G: Changed "No more than 5% of SANBAG's investment portfolio may be invested in commercial paper of one issuer." to "No more than 3% of SANBAG's investment portfolio may be invested in the securities on any one non-government issuer regardless of security type."</p> <p>Par. IX.H: Changed 20% to 30 and changed "No more than 5% of SANBAG's investment portfolio may be invested in a medium-term note of any one corporation." to "No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type."</p> <p>Par. IX.I: Changed 20% to 30% and added "No more than 3% of SANBAG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type."</p> <p>Par. XVII: Removed 'QUARTERLY' from title, renumbered paragraphs, and added "B. Monthly Report. The CFO will provide a monthly list of investment transactions to the Board of Directors as required by the California Government Code 53607 when investment authority has been delegated by the Board.</p>	07/06/11
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16	No changes. Re-approved by the Board of Directors on 9/4/13, Agenda Item 5.	09/04/13
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18	Re-approved by the Board of Directors on 9/2/15, Agenda Item 6. Updated Par. IX – Allowable Investments for SANBAG Operating Funds, including modifications to subparagraph I, and adding subparagraphs N and O.	09/02/15
19	BOD approved on 11/05/15, Agenda Item 3. Updated Par. IX section N permitting investment in certain obligations issued by SANBAG entities.	11/04/15
20	BOD approved on 9/07/16, Agenda Item 8. Updated Par. IX – Allowable Investments for SANBAG Operating Funds, modifying subparagraph J and to Par. XVIII – Annual Submission of Investment Policy.	09/07/16
21	BOD approved on 3/01/17, Agenda Item 6. Updated entity name from SANBAG to SBCTA, Par. IX section K allowing investment in CAMP, Par. VI – designate the CFO as Treasurer of SBCTA & SBCOG with one year authority to invest or reinvest SBCTA and SBCOG funds.	03/01/17
22	BOD approved on 6/6/18, Agenda Item 4. Minor modifications for clarification purposes to Paragraphs IX (sections F, G, H, I, N, P, and Q).	06/06/18
23	BOD approved on 6/05/19, Agenda Item 24. Minor modification to paragraphs VI and IX, K..	06/05/19
24	BOD approved on 05/06/20 agenda item 5.	05/06/20
25	BOD approved on 5/5/21 agenda item 6. Amend Section IX, G to comply with SB998 allowing to invest in commercial paper up to 40% and eliminate 10% limit on any one issuer.	05/05/21
26	BOD approved on 5/4/22 Agenda Item 4. No Changes	05/04/22
27	BOD approved on 5/3/23 Agenda Item 6. Amend Section IX.K modified to include California Asset Management Program (CAMP)'s term investments.	05/03/23
<u>28</u>	<u>BOD approved on X05/X01/24 Agenda Item X. Amend Section IX.Q modified to provide clarity to the current practice for mortgage pass-through securities, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.</u>	<u>05/01/24</u>

San Bernardino County Transportation Authority	<b>Policy</b>	<b>20100</b>
Adopted by the Board of Directors	October 2, 1996	Revised
		05/01/24
<b>Investment Policy</b>	Revision No.	28

**Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.**

#### Table of Contents

[Purpose](#) | [Policy](#) | [Investment Goals](#) | [Prudent Investor Standard](#) | [Scope](#) | [Delegation of Authority](#) | [Conflicts of Interest](#) | [Portfolio Maturity Limits](#) | [Allowable Investments for SBCTA and SBCOG Operating Funds](#) | [Additional Allowable Investments for Bond Proceeds](#) | [Prohibited Investment Transactions](#) | [Investment in "Derivative" Securities](#) | [Leveraging](#) | [Safekeeping of Securities](#) | [Competitive Bidding of Investments](#) | [Broker/Dealers](#) | [Reporting](#) | [Annual Submission of Investment Policy](#) | [Revision History](#) |

## I. PURPOSE

The purpose of this policy is to provide guidelines for the investment of funds based upon prudent cash management practices and in conformity with all applicable statutes.

## II. POLICY

The Board of Directors of the San Bernardino County Transportation Agency (SBCTA) and of the San Bernardino Council of Governments (SBCOG) recognize their responsibility to direct the investment of funds under their care. This policy is designed to meet the specific needs of SBCTA and SBCOG while ensuring the safety of funds. This revised policy is effective July 1, 2019.

## III. INVESTMENT GOALS

The investment of funds by SBCTA and SBCOG shall be guided by the goals of safety, liquidity, diversification, and a reasonable market rate of return.

**Safety:** Safety of principal is the foremost objective of the investment program. Investments of SBCTA and SBCOG will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

**Liquidity:** SBCTA's and SBCOG's investment portfolio will remain sufficiently liquid to enable SBCTA and SBCOG to meet all operating requirements and budgeted expenditures, including an additional amount to cover reasonably estimated contingencies.

**Diversification:** The investment portfolio will be diversified to avoid risk regarding specific security types or individual financial institutions.

**Reasonable Market Rate of Return:** The investment portfolio will be designed to attain a market average rate of return through economic cycles which is consistent with SBCTA's and SBCOG's primary goals of safety, liquidity and diversification.

## IV. PRUDENT INVESTOR STANDARD

SBCTA and SBCOG investments are governed by the prudent investor standard, set forth as follows:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the investment of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.



## V. SCOPE

The investment policy applies to all financial assets held by SBCTA and SBCOG, including bond proceeds. Funds specifically exempt from this policy include employee deferred compensation plans, employee pension plans, or assets held in trust by SBCTA and SBCOG with specific investment instructions.

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## VI. DELEGATION OF AUTHORITY

SBCTA's Board Administrative Code and SBCOG's Bylaws designate the SBCTA Chief Financial Officer (CFO) as Treasurer for each Agency.

Under the direction and oversight of the Chief Financial Officer, and in consultation with SBCTA's and SBCOG's investment adviser, the Chief Financial Officer or designee shall direct the investment of SBCTA and SBCOG combined operating funds, which are not invested in the County Pool or in LAIF ("DIRECT INVESTMENTS") in accordance with this Policy. All officials, staff members and consultants are directly accountable to the SBCTA and SBCOG Boards for investment functions.

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## VII. CONFLICTS OF INTEREST

All officials, staff members and consultants involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which could impair their ability to make impartial investment decisions. Officials, staff members, and consultants will disclose to the Executive Director any financial interest with a financial institution or broker that conducts business with SBCTA and SBCOG. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the performance of SBCTA's and SBCOG's portfolio.

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## VIII. PORTFOLIO MATURITY LIMITS

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit SBCTA and SBCOG to meet all projected obligations.

The maximum maturity of any other investment of operating funds ("direct investments") may not exceed five years unless otherwise noted in Paragraph IX.

Investment of bond proceeds shall be made in consideration of the liquidity needs of the bond fund, and may not exceed five years, except for securities to be held in a defeasance escrow for refunded bonds and bond debt service reserve funds.

Investments in the San Bernardino County Pool and in LAIF are subject to maturity limits and other investment restrictions as imposed by the governing bodies of those agencies.

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## IX. ALLOWABLE INVESTMENTS FOR SBCTA and SBCOG OPERATING FUNDS

Investment of SBCTA's and SBCOG's funds is governed by the California Government Code, Sections 53600 et seq. and 53635 et seq. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

The following investment vehicles are permitted for the investment of operating funds.

- A. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 40% of SBCTA's and SBCOG's combined investment portfolio may be invested in the obligations of any one federal agency or United States government-sponsored enterprise.
- C. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations of the State of California or any California local agency may not represent more than 20%

of SBCTA's and SBCOG's combined portfolio and no more than 10% may be invested in the obligations of any one issuer.

- D. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations of the other 49 states may not represent more than 20% of SBCTA's and SBCOG's combined portfolio and no more than 10% may be invested in the obligations of any one issuer.

- E. Repurchase Agreements used solely as short-term investments not to exceed 30 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Paragraph IX. A and B, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SBCTA's custodian bank by book entry, physical delivery, or held by a third party custodial agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds borrowed against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

SBCTA and SBCOG or their trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the Repurchase Agreement.

SBCTA and SBCOG may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York.

SBCTA and SBCOG will have specific written agreements with each firm with which it enters into Repurchase Agreements.

Reverse repurchase agreements will not be allowed.

Repurchase agreements may not represent more than 20% of SBCTA's and SBCOG's combined investment portfolio.

- F. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical-rating organization (NRSRO).

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA and SBCOG's investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

- G. Commercial paper rated in the highest short-term rating category, as provided by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

- (1) The entity meets the following criteria: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars (\$500,000,000); (c) has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.
- (2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company; (b) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity.

Purchases of commercial paper may not exceed 40% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities on any one non-government issuer regardless of security type.

- H. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A", or its equivalent or better, by a NRSRO.

Purchase of medium-term corporate notes may not exceed 30% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

- I. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally- or state-licensed branch of a foreign bank. Investments under this subdivision shall be rated in a rating category of "A" for long-term, "A-1" for short-term, their equivalent or better by a NRSRO.

Purchase of negotiable certificates of deposit may not exceed 30% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

- J. State of California's Local Agency Investment Fund (LAIF)

Investment in LAIF may not exceed 60% of SBCTA's and SBCOG's combined operating funds or up to the maximum amount permitted by the State Treasurer, whichever is less.

- K. California Asset Management Program (CAMP) Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible under California Government Code Section 53601 (p): the joint powers authority (CAMP), issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

- L. San Bernardino County Investment Pool.

- M. Insured savings accounts.

- N. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares of beneficial interest purchased shall not include any commission that the companies may charge and shall not exceed 20% of SBCTA's and SBCOG's combined investment portfolio. Further, no more than 10% of SBCTA's and SBCOG's combined investment portfolio may be invested in shares of beneficial interest of any one money market fund.

- O.

(1) Bonds issued by SBCTA, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by SBCTA or by a department, board, agency, or authority of SBCTA, provided the SBCTA Board first specifically approves investing in such bonds.

(2) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency, provided the SBCTA Board first specifically approves of SBCTA investing in such bonds, notes, warrants or other evidences of indebtedness of SBCTA.

- P. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AAA" or its equivalent by a NRSRO and may not exceed 30% of SBCTA's and SBCOG's combined investment portfolio.
- Q. A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. For securities eligible for investment under this subsection not issued or guaranteed by an agency or issuer identified in subsection A. or B., above, the following limitations apply:
- (1) The security shall be rated "AAA" or its equivalent by a NRSRO and have a maximum remaining maturity of five years or less.
  - (2) Securities eligible for investment under this subdivision shall not exceed 20% of SBCTA's and SBCOG's combined investment portfolio. No more than 3% of SBCTA's and SBCOG's combined investment portfolio may be invested in the securities of any one non-government issuer regardless of security type.

For purposes of determining compliance with this policy, where this section specifies a percentage limitation for a particular category of investment, that percentage is applied on the date of purchase. Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

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#### **X. ADDITIONAL ALLOWABLE INVESTMENTS FOR BOND PROCEEDS**

- A. Investment agreement with an AA rated bank or collateralized investment agreement with an A rated bank or an investment acceptable to a bond insurance company and approved specifically by the SBCTA and SBCOG Board.
- B. Debt service reserve funds and debt service funds may be invested longer than five years as long as they are permitted by state law and investments are readily available for bond payments and other bond purposes (refundings, defeasance, etc.).
- C. U.S. Treasury Securities and State and Local Government Securities having a maturity longer than five years are permitted for escrowed defeasances.
- D. Forward purchase agreements, forward delivery agreements and debt service reserve agreements approved specifically by the SBCTA and SBCOG Board.
- E. Other investments as permitted by bond indentures.

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#### **XI. PROHIBITED INVESTMENT TRANSACTIONS**

Any investment not specifically allowed by this policy is prohibited.

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#### **XII. INVESTMENT IN "DERIVATIVE" SECURITIES**

Direct investment in derivative securities is prohibited. A "derivative security" is any investment the value of which is derived from an underlying security, commodity or index. For purposes of this policy, a derivative is any security that has principal and/or interest payments which are subject to significant uncertainty as to timing, and/or amount.

It is understood that the County Pool and LAIF may invest in certain derivative securities.

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#### **XIII. LEVERAGING**

All forms of portfolio leverage, including, but not limited to, securities lending programs, reverse repurchase agreements, and margin accounts, are prohibited.

#### **XIV. SAFEKEEPING OF SECURITIES**

SBCTA shall enter into an agreement with a bank trust department to serve as the safekeeping agent for all deliverable investments. The safekeeping agent shall hold all investments in an account for the sole benefit of SBCTA and SBCOG. All deliverable investments shall be delivered by the broker to SBCTA's and SBCOG's combined safekeeping account on a delivery versus payment basis.

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#### **XV. COMPETITIVE BIDDING OF INVESTMENTS**

The investment procedures require that approved broker/dealers compete for direct investment purchases and sales to ensure that all investment transactions are free from favoritism. The CFO in conjunction with SBCTA's and SBCOG's investment advisor shall determine the best execution price for SBCTA and SBCOG, and act accordingly.

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#### **XVI. BROKER/DEALERS**

A. If a third party investment advisor is authorized to conduct investment transactions on SBCTA's and SBCOG's behalf, the investment advisor may use their own list of approved issuers, broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to SBCTA and SBCOG upon request.

B. For any investment transactions conducted by the Treasurer on behalf of SBCTA and SBCOG, and not conducted directly with the issuer, the Treasurer shall comply with the following requirements:

C. Transactions initiated by SBCTA and SBCOG shall be executed through government securities dealers reporting as primary dealers to the New York Federal Reserve Bank of New York or direct issuers (defined as corporations that issue their own securities) and through secondary dealers who have received prior approval to do business with SBCTA and SBCOG.

D. Primary dealers wishing to do business with SBCTA and SBCOG must meet the following criteria:

1. The primary dealer representative must have demonstrated experience providing investment services to public agencies in California.
2. The primary dealer representative must provide SBCTA and SBCOG with a minimum of three references of finance officials from public agencies in California.

E. Secondary dealers must complete a broker/dealer application provided by SBCTA and SBCOG, and must meet the following criteria to the satisfaction of SBCTA's Chief Financial Officer:

1. The broker/dealer must qualify under SEC Rule 15C3-1 (uniform net capital rule).
2. The broker/dealer and the broker/dealer representative must be properly registered with the appropriate state and federal regulatory bodies.
3. The broker/dealer should be a market maker and have a strong market presence in one or more product areas that are pertinent to SBCTA's and SBCOG's investment goals.
4. The broker/dealer and its representative should be well established in the business and have an acceptable track record.

F. Each broker/dealer will be sent a copy of this Policy, a broker/dealer application, and a list of persons authorized to execute transactions on SBCTA's and SBCOG's behalf. In order to be considered for investment business opportunities with SBCTA and SBCOG, each firm must acknowledge receipt of such materials.

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#### **XVII. REPORTING**

##### **A. Quarterly Report**

The CFO will provide a quarterly report to the General Policy Committee and to the Board of Directors providing the following information:

1. Breakout of all securities, investments and moneys held by SBCTA and SBCOG by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.

2. A description of all SBCTA's and SBCOG's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.
3. A statement of compliance with investment policy and a statement denoting the ability of SBCTA and SBCOG to meet all expenditures for the next six months.

#### B. Monthly Report

The CFO will provide a monthly list of investment transactions to the Board of Directors as required by the California Government Code §53607 when investment authority has been delegated by the Board.

### XVIII. SUBMISSION OF INVESTMENT POLICY

SBCTA's CFO shall render a statement of investment policy to the Board of Directors of SBCTA and SBCOG as required by the California Government Code. If changes are proposed, the Board shall consider the policy, and proposed changes, in a public meeting.

### XIX. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	10/02/96
1	20100: Added paragraph starting with "It shall be SANBAG's long term objective . . .".	09/03/97
2	No changes.	12/02/98
3	20100.10: Changed percentage of operating funds amount to 20%. 20100.10: Changed percentage of San Bernardino portfolio to 20%.	11/03/99
4	No changes. Re-approved by the Board of Directors.	11/01/00
5	Added Para. 20100.16 Qualifications of Broker/Dealers; re-sequenced existing paragraphs. 20100.16, 20100.17, 20100.18, 20100.19, 20100.20, and 20100.21 to 20100.17, 20100.18, 20100.19, 20100.20, and 20100.22. Revised Par. 20100.10: Revised "...not to exceed 20% of SANBAG's operating funds..." to "...not to exceed 30% of SANBAG's operating funds...", and "Portion of Portfolio: 20% maximum" to "Portion of Portfolio: 30% maximum".	11/07/01
6	Changed paragraph numbering style from 20100.1,20100.2, 20100.3 etc. to I, II, III, etc. Par. IX: Changed "one year" to "two years". Par. X.4: Changed "1 year maximum" to "2 year maximum". Par. X.5: Changed "1 year maximum" to "2 year maximum". Par. X.6: Changed "180 days maximum" to "270 day maximum".	11/06/02
7	No changes. Re-approved by the Board of Directors	11/05/03
8	No changes. Re-approved by the Board of Directors	01/05/05
9	No changes. Re-approved by the Board of Directors	11/02/05
10	Paragraphs on DEFINITIONS, ANNUAL MANAGEMENT REVIEW AND AUDIT, AND SEGREGATED INVESTMENT, and EXECUTION AND RECORD KEEPING: Deleted. Paragraphs III, IV, IX, and XVII: Minor revisions. Paragraphs VIII, IX, and XVI: Major revisions.	07/05/06
11	Par. IX.J: Removed limitation.	09/13/06
12	No changes. Re-approved by the Board of Directors	01/09/08
13	Par. VI: Delete "In addition, the CFO, under the direction and oversight of the Executive Director, and consultation with SANBAG's investment advisor, shall review the alternatives for the investment of bond proceeds, and shall recommend such investments to the SANBAG Board for approval". The investment of bond proceeds is identified under par. X. and will be authorized by bond covenant. Par. IX: Add (C) Obligations of the State of California or any local agency within the state and (D) Registered treasury notes or bonds of other states in addition to California to diversify the number of sectors and issuers; revise (C) to be (E) and add "held" before "by a third party custodial agreement". Also add "Repurchase agreements may not represent more than 20% of SANBAG's investment portfolio", to limit the amount to be invested in repurchase agreements; delete "(G) "provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by a nationally recognized statistical rating organization." This is also stated in paragraphs (G) (1) and (2); increase (J) from \$40 million to \$50 million limitation	09/01/10

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	<p>on LAIF investment per State Treasurer's Office authorization to increase the dollar amount for investment.</p> <p>Par. X: Change (A) For CAMP, rating from AAA to AAAM and average maturity from one year to 60 days or less. This is to improve safety and liquidity.</p> <p>Par. XV: Add "in conjunction with SANBAG's investment advisor" for clarification purposes.</p>	
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18	Re-approved by the Board of Directors on 9/2/15, Agenda Item 6. Updated Par. IX – Allowable Investments for SANBAG Operating Funds, including modifications to subparagraph I, and adding subparagraphs N and O.	09/02/15
19	BOD approved on 11/05/15, Agenda Item 3. Updated Par. IX section N permitting investment in certain obligations issued by SANBAG entities.	11/04/15
20	BOD approved on 9/07/16, Agenda Item 8. Updated Par. IX – Allowable Investments for SANBAG Operating Funds, modifying subparagraph J and to Par. XVIII – Annual Submission of Investment Policy.	09/07/16
21	BOD approved on 3/01/17, Agenda Item 6. Updated entity name from SANBAG to SBCTA, Par. IX section K allowing investment in CAMP, Par. VI – designate the CFO as Treasurer of SBCTA & SBCOG with one year authority to invest or reinvest SBCTA and SBCOG funds.	03/01/17
22	BOD approved on 6/6/18, Agenda Item 4. Minor modifications for clarification purposes to Paragraphs IX (sections F, G, H, I, N, P, and Q).	06/06/18
23	BOD approved on 6/05/19, Agenda Item 24. Minor modification to paragraphs VI and IX, K..	06/05/19
24	BOD approved on 05/06/20 agenda item 5.	05/06/20
25	BOD approved on 5/5/21 agenda item 6. Amend Section IX, G to comply with SB998 allowing to invest in commercial paper up to 40% and eliminate 10% limit on any one issuer.	05/05/21
26	BOD approved on 5/4/22 Agenda Item 4. No Changes	05/04/22
27	BOD approved on 5/3/23 Agenda Item 6. Amend Section IX.K modified to include California Asset Management Program (CAMP)'s term investments.	05/03/23
28	BOD approved on 05/01/24 Agenda Item X. Amend Section IX.Q modified to provide clarity to the current practice for mortgage pass-through securities, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.	05/01/24

March 11, 2024

## Memorandum

**To:** Lisa Lazzar, CPA, Chief of Fiscal Resources  
*San Bernardino County Transportation Authority*

**From:** Monique Spyke, Managing Director  
Richard Babbe, CCM, Senior Managing Consultant  
*PFM Asset Management LLC*

**RE:** 2024 Investment Policy Review

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At your request, we reviewed the San Bernardino County Transportation Authority's ("Authority") Investment Policy ("Policy"), as part of the Authority's annual review process. As written, the Policy follows the applicable California Government Code ("Code") sections regulating the investment of public funds.

We are, however, recommending that the Authority update the language used in Section IX.Q Asset- and Mortgage-Backed Securities of the Policy to incorporate a recent Code change that took effect January 1, 2024. Senate Bill 882, *Local Government Omnibus Act of 2023*, made various minor edits to state statutes, including a change to Code Section 53601(o). The Bill clarified that mortgage-backed securities issued by federal agencies are excluded from the Code's requirements for privately issued asset- and mortgage-backed securities. The change does not otherwise modify the Code's or the Policy's requirements for the purchase of mortgage-backed securities.

We have attached a marked up copy of the Policy to illustrate our recommended changes.

Please let us know if you have any questions or if you would like to set up a time to discuss.





# San Bernardino County Transportation Authority

## Market & Portfolio Update

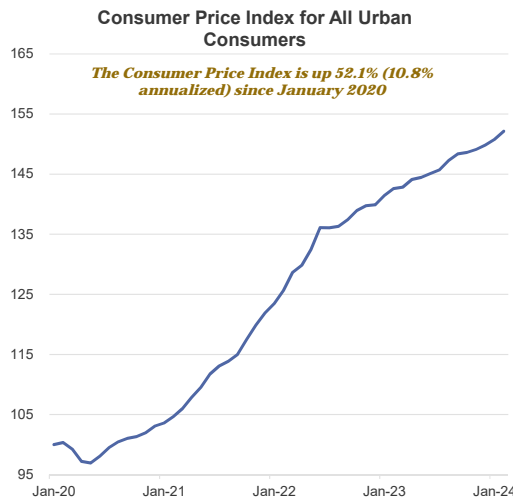
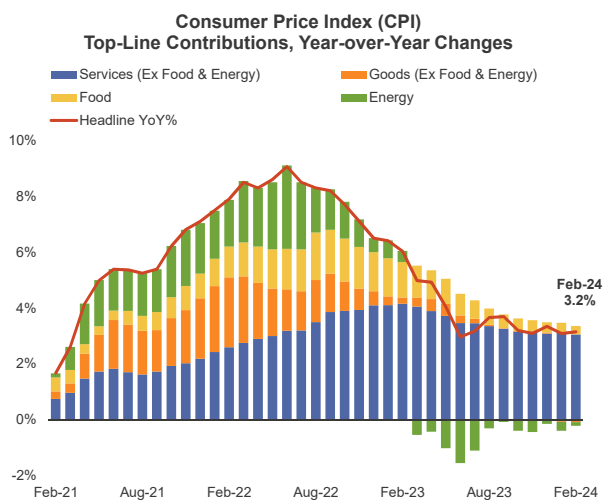
April 10, 2024

949.230.6896 | pfmam.com

PFM Asset Management LLC

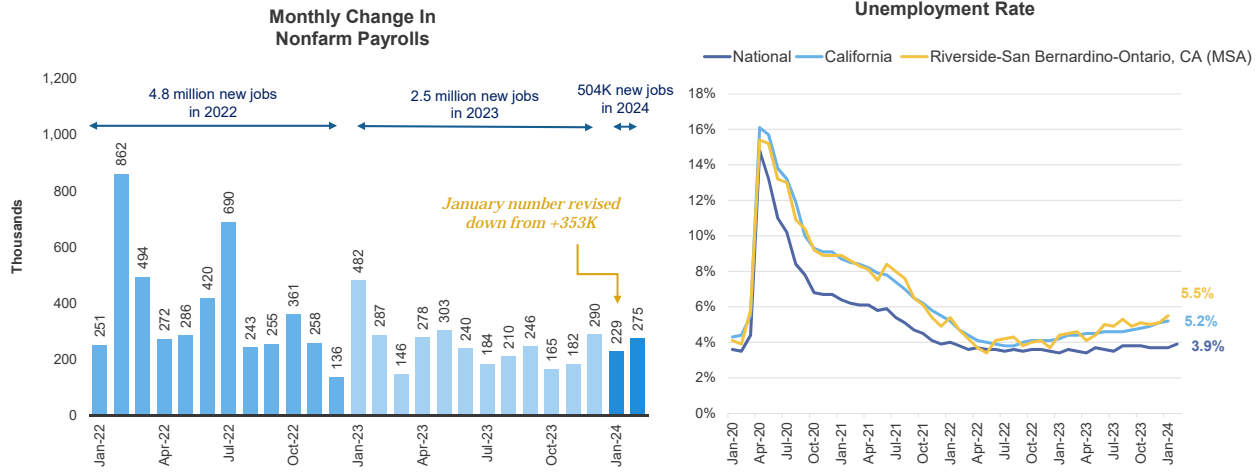
NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

### CPI Continues Trend of Coming in Above Expectations



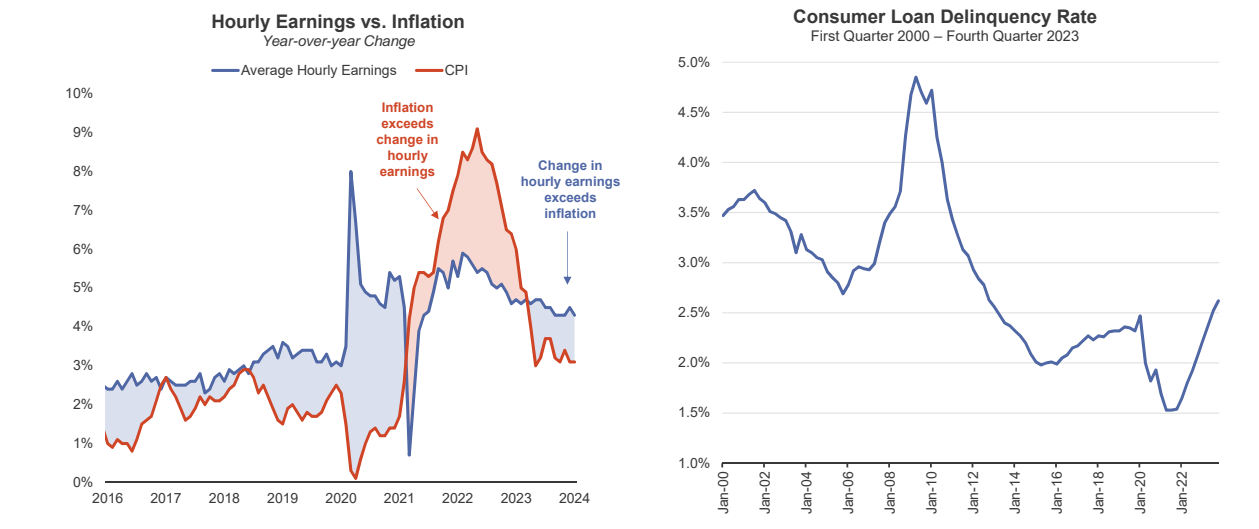
Source: Bloomberg, as of February 2024. Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis. January 2020 = 100.

## Large Revisions Temper Another Strong Jobs Report



Source: Bloomberg. Monthly change in nonfarm payrolls as of February 2024. Data is seasonally adjusted. The National unemployment rate is February 2024 and seasonally adjusted. The California rate is for January 2024 and is seasonally adjusted. The Riverside-San Bernardino-Ontario (MSA) unemployment rate is for January and is not seasonally adjusted.

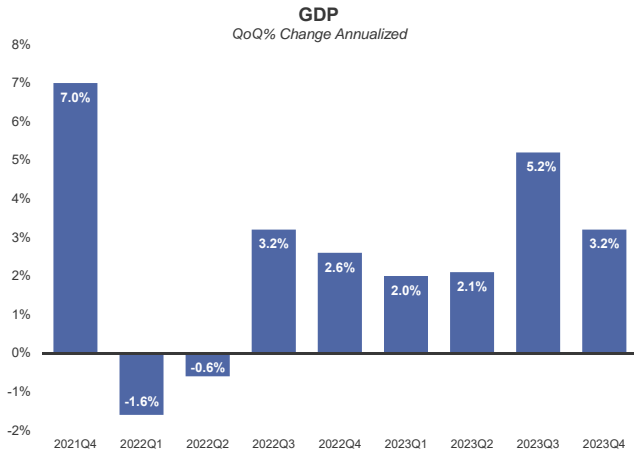
## Consumers' Health Key to Continued Economic Growth



Source: Left: Bloomberg, CPI data Bureau of Labor Statistics as of January 2024. Wage growth Atlanta Fed Wage tracker. Right: Delinquency rate: Delinquency Rate on Consumer Loans, All Commercial Banks [DRCLACBS], retrieved from FRED, Federal Reserve Bank of St. Louis.

Attachment: Finance PowerPoint - PDF (10428 : Revise Investment Policy No. 20100 & Investment Portfolio Update)

## Second Estimate of 4Q GDP Revised Slightly Lower

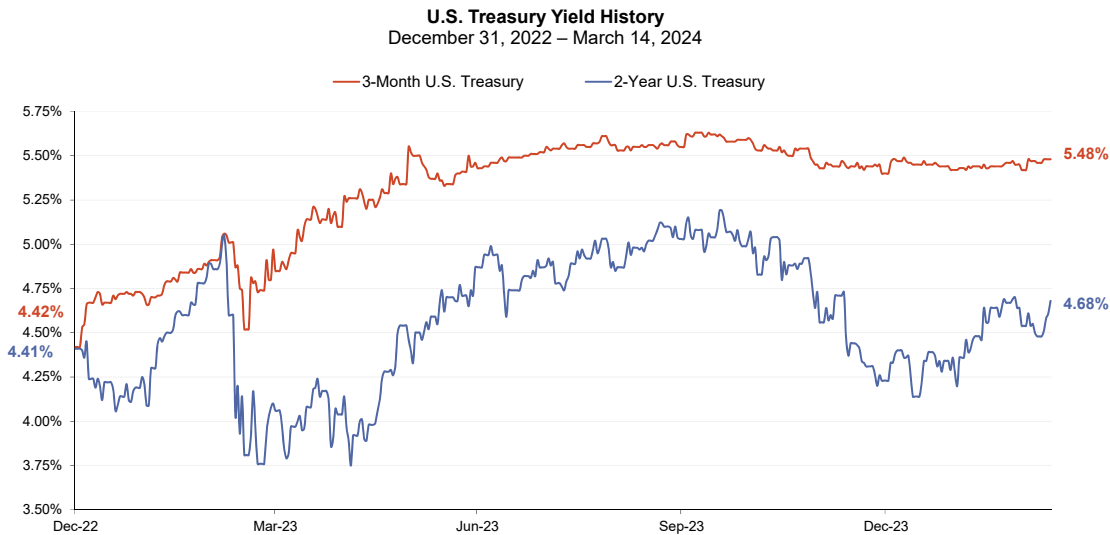


	23Q3	23Q4	Second Estimate 23Q4
GDP	4.9%	3.28%	3.20%
Consumer Spending	2.11%	1.91%	2.00%
Fixed Investment	0.46%	0.31%	0.43%
Gov't Expenditure	0.99%	0.56%	0.73%
Net Export	0.03%	0.43%	0.32%
Private Inventories	1.27%	0.07%	-0.27%

Source: Bureau of Economic Analysis, U.S. Department of Commerce; as of February 28, 2024.

4

## U.S. Treasury Yield History



Source: Bloomberg, as of 3/14/2024.

5

Attachment: Finance PowerPoint - PDF (10428 : Revise Investment Policy No. 20100 & Investment Portfolio Update)

## Portfolio Composition Overview

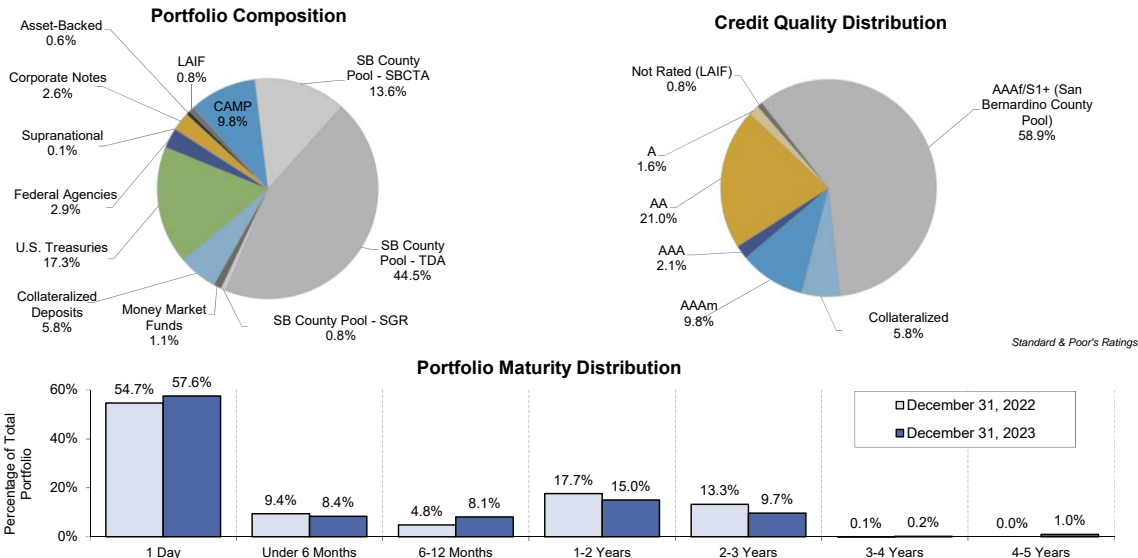
### Portfolio Composition and Credit Quality Characteristics including TDA

Security Type <sup>1</sup>	December 31, 2023	% of Portfolio	Change in \$'s	December 31, 2022	% of Portfolio	Permitted by Policy
U.S. Treasuries	\$166,782,628	17.3%	\$16,029,364	\$150,753,265	17.5%	100%
Federal Agencies	\$28,244,269	2.9%	(\$12,810,320)	\$41,054,589	4.8%	100%
Supranational	\$1,417,893	0.1%	(\$1,081,224)	\$2,499,117	0.3%	30%
Corporate Notes	\$25,013,363	2.6%	\$8,482,677	\$16,530,686	1.9%	25%
Certificates of Deposit	\$0	0.0%	(\$821,987)	\$821,987	0.1%	30%
Asset-Backed Securities	\$5,666,038	0.6%	\$4,905,194	\$760,844	0.1%	40%
Municipal Obligations	\$0	0.0%	(\$196,642)	\$196,642	0.0%	20%
Commercial Paper	\$0	0.0%	(\$4,970,293)	\$4,970,293	0.6%	30%
<b>Subtotal PFMAM-Managed</b>	<b>\$227,124,192</b>	<b>23.5%</b>	<b>\$9,536,769</b>	<b>\$217,587,423</b>	<b>25.2%</b>	
LAIF	\$7,759,489	0.8%	\$219,724	\$7,539,765	0.9%	\$65 million
CAMP	\$94,887,739	9.8%	\$62,289,017	\$32,598,722	3.8%	100%
San Bernadino County Pool	\$568,125,316	58.9%	\$67,054,358	\$501,070,958	58.1%	100%
Money Market Funds	\$11,001,409	1.1%	\$641,182	\$10,360,227	1.2%	20%
Collateralized Deposits	\$55,623,596	5.8%	(\$38,053,642)	\$93,677,239	10.9%	100%
<b>Totals</b>	<b>\$964,521,742</b>	<b>100.0%</b>	<b>\$101,687,408</b>	<b>\$862,834,334</b>	<b>100.0%</b>	



Notes:  
1. End of quarter trade-date market values of portfolio holdings.

## Portfolio Overview



Source: PFMAM Monthly Reports. Portfolio Composition and Credit Quality Distribution are as of December 31, 2023. End of quarter trade-date market values of portfolio holdings. All securities held in the Authority's portfolio carry the credit ratings required by Authority's investment policy from at least one rating agency.

## Performance Overview

### Portfolio Performance: Book Return and Yield (excluding TDA)

Book Return <sup>1,2,3,4,5,6</sup>	Quarter Ended December 31, 2023	Past 1 Year	Past 3 Years	Past 5 Years	Since Inception
SBCTA (PFMAM)	0.77%	2.65%	1.83%	1.87%	1.97%
San Bernardino County Pool	0.98%	3.54%	1.91%	1.87%	1.66%
LAIF	0.96%	3.37%	1.59%	1.70%	1.49%
Weighted Average Book Return	0.85%				

Effective Duration <sup>6</sup>	December 31, 2023	December 31, 2022	SBCTA (PFMAM) Yields <sup>7</sup>	December 31, 2023	December 31, 2022
SBCTA (PFMAM)	1.05	1.19	Yield at Market	4.94%	4.61%
San Bernardino County Pool	1.20	1.21	Yield at Cost	3.92%	2.01%
LAIF	0.63	0.79	Apportionment Rates <sup>8</sup>		
Weighted Average Duration	1.09	1.19	LAIF	4.00%	2.07%
			San Bernardino County Pool	3.90%	1.66%

### Portfolio Performance: Total Return

Total Return <sup>8,9,10,11,12,13</sup>	Quarter Ended December 31, 2023	Past Year	Past 3 Years	Past 5 Years
SBCTA (PFM)	2.05%	4.66%	0.57%	1.60%
ICE BofAML U.S. Treasury Index <sup>5</sup>	2.49%	4.26%	-0.03%	1.30%

Notes:

- Book return on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Quarterly returns are presented on an unannualized basis. Performance numbers for one year and greater are presented on an annualized basis.
- Weighted average book return calculation is based on the December 31, 2022 and 2023 balances in the San Bernardino County Pool and LAIF and the quarterly apportionment rates.
- Performance inception date is June 30, 2006.
- Book return includes realized gains/losses and interest income for the period measured. Returns for LAIF are based on the pool's apportionment rate. Returns for the County Pool for the current quarter are based on an estimate of the pool's apportionment rate.
- Return and duration calculations exclude Short-Term, CAMP, and LAIF, San Bernardino County, TDA, and collateralized deposit balances.
- Yield calculation excludes the Short-Term, CAMP, LAIF, the San Bernardino County Pool, money market fund, and collateralized bank deposits.
- Total return on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Quarterly returns are presented on an unannualized basis. Performance numbers for one year and greater are presented on an annualized basis.
- Performance inception date is June 30, 2006.
- Total return includes realized gains/losses and interest income as well as the market value fluctuations of the portfolio's securities for the period measured.
- Since 6/30/18, the portfolio benchmark has been the ICE BofAML 1-3 U.S. Treasury Index. Between 6/30/18 and 6/30/13, the portfolio benchmark was the ICE BofAML 1-5 U.S. Treasury Index. Prior to 6/30/13, there was no benchmark.
- Total return and duration calculations excludes Short-Term, CAMP, and LAIF, San Bernardino County, TDA, and collateralized deposit balances.

8

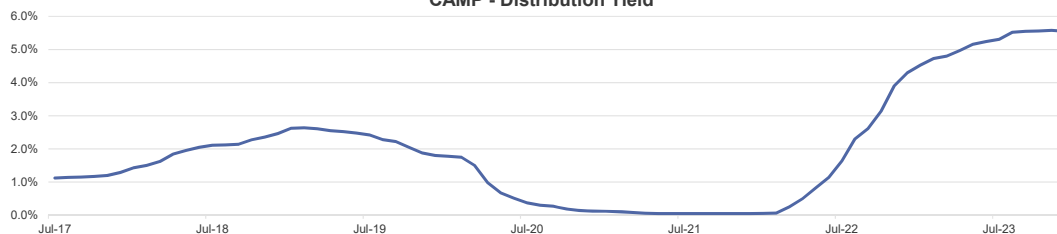
## CAMP Yield Information

Current 7-Day Yield <sup>1</sup>	December 31, 2023
CAMP Pool	5.56%

Average Distribution Yield <sup>3,4</sup>	Quarter Ended December 31, 2023	Past 1 Year	Since Inception
CAMP Pool	5.56%	5.21%	1.94%

### CAMP - Distribution Yield



Notes:

- The current seven-day yield of the CAMP Cash Reserve Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The current seven-day yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. Past performance is not indicative of future results and yields may vary.
- The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month. The monthly distribution yields are sourced from CAMP's website at: <https://www.camponline.com>.
- The average yield for the CAMP Pool (the "Pool") for any period is the average of the monthly distribution yields for that period.
- The since inception date is July 2017 when the operating account was opened.

9

## Disclaimer

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## *Minute Action*

AGENDA ITEM: 6

***Date:*** April 10, 2024

***Subject:***

Capital Projects and Reserves Based on Policy No. 20600 Funding Indirect Costs

***Recommendation:***

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority and the San Bernardino Associated Governments:

A. Approve reserves for capital costs of \$295,000 and for emergency purposes of \$500,000 based on Policy No. 20600, Funding Indirect Costs and Establishing Fund Balance Reserves and a Capital Improvement Plan.

B. Review and provide direction relative to budgetary information to be included in the Indirect Fund for the Fiscal Year 2024/2025 Budget.

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

C. Approve the updated Capital Improvement Plan for the Santa Fe Depot and for the Agency's Information Technology systems.

***Background:***

San Bernardino County Transportation Authority (SBCTA) Policy No. 20600, Funding Indirect Costs and Establishing Fund Balance Reserves and a Capital Improvement Plan (CIP), delineates how indirect costs will be funded; establishes reserves for general purposes and capital improvements; establishes a fund to account for the indirect costs and the allocated revenue, fund balance, and reserves; and requires adoption of a five-year CIP as part of the annual budget to identify and plan accordingly for building improvements, maintenance, and information technology needs. Furthermore, the policy establishes a fund balance reserve policy for capital costs and general purposes such as emergencies and unexpected costs. The General Purpose Reserve shall be at least \$500,000 and shall not exceed 20% of indirect costs budgeted for the next budgetary fiscal year. A Capital Improvement Reserve is established for capital costs anticipated in the CIP. The fund balance is available to pay for unexpected costs or cost increases due to cyclical activities.

Exhibit A is a summary of indirect costs of \$10,030,467, proposed for Fiscal Year 2024/2025. This represents an increase of \$39,845 from the current budget of \$9,990,622. Cost increases are primarily related to salaries, security, memberships, and utilities, which are offset by decreases in professional services, consulting services, and computer hardware and software. CIP costs include paint/stain projects, workstation replacement (Group B), Office 365 G5 implementation, heating ventilation and air conditioning equipment upgrades (Phase 2), elevator modernization, and parking lot slurry seal.

Exhibit B is a listing of capital improvement projects for the next five years. Capital projects for Fiscal Year 2024/2025 in the amount of \$822,618 are included in the Proposed Fiscal Year 2024/2025 Budget.

In accordance with Policy No. 20600, the allocation of revenue to the Indirect Fund is based on the percentage of full time equivalents budgeted for each major program of SBCTA, except for

*Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority*

## General Policy Committee Agenda Item

April 10, 2024

Page 2

Finance Department Indirect Costs, which are allocated based on number of transactions for the recently audited fiscal year. The allocation of revenue for Fiscal Year 2024/2025 also accounts for a “true-up” of the Fiscal Year 2022/2023 Indirect Fund allocations based on the actual staff time expended, per program, in that year. This resulted in increases to the Local Transportation Fund (LTF) and Service Authority for Freeway Emergencies fund allocations, decreases to the Council of Governments and overall Measure I Fund allocations, and a reallocation of funds between various Measure I Programs. The Finance Department indirect cost “true up” of the Fiscal Year 2022/2023 Indirect Fund allocation was based on the number of transactions for the recently audited fiscal year for Finance Department. The Finance Department “true up” resulted in increases to the LTF, Service Authority for Freeway Emergencies Fund, Council of Governments, and Express Lanes Funds allocations and an overall decrease within the various Measure I Programs. Additionally, staff recommends to budget revenues at less than the budgeted expenditures since staff anticipates a carryover balance (revenue exceeding expenditures) of \$2,889,029 in the Indirect Fund from current fiscal year operations. Combined with the projected revenue allocation of \$7,936,438, less estimated indirect costs of \$10,030,467, a balance of \$795,000 remains for recommended reserves. Staff will continue to monitor fund balances and indirect expenses to mitigate any funding shortfalls.

Per Policy No. 20600, the revenue that can be allocated to fund indirect costs and the reserves is derived from the various funding sources as shown below. The Measure I allocation is 1.3% of projected Measure I Revenue, which is slightly above the calculated share of 1.2% and less than the maximum allowed of 3%. Fiscal Year 2023/2024 Indirect Budget included a MSI transfer of \$75,915 to cover estimated cost for the Express Lanes, this is the financial responsibility of the Enterprise Fund and will be reimbursed in Fiscal Year 2025/2026 when there are operations revenue. A reconciliation of Fiscal Year 2022/2023 actual Indirect Fund allocations is included in the amounts allocated:

Funding Source	Indirect Costs by full time equivalents	FY 2022/2023 Actual Adjustments	Indirect Costs by # of transactions	FY 2022/2023	Total
				Actual Adjustments By # of transactions	
Local Transportation Fund-Administration *	1,711,358	(152,776)	130,857	97,688	1,787,127
Local Transportation Fund-Planning	(139,291)	335,415	265,867	3,267	465,258
Service Authority for Freeway Emergencies	268,319	103,312	362,942	350,793	1,085,366
Council of Governments-Assessment Dues	144,490	(60,826)	146,660	141,768	372,092
Council of Governments-Grants	246,971	(210,090)	127,710	125,002	289,593
Council of Governments-Housing Trust	119,752	-	-	-	119,752
Enterprise Fund - Express Lanes	341,755	-	6,591	6,452	354,798
Sales Tax MSI-Valley Freeway	1,699,173	203,575	307,733	(219,871)	1,990,610
Sales Tax MSI-Valley Interchange	1,068,870	321,855	330,431	(229,235)	1,491,921
Sales Tax MSI-Valley Grade Separation	47,325	(7,401)	-	-	39,924
Sales Tax MSI-Valley Arterial	116,911	(71,540)	49,761	(66,432)	28,700
Sales Tax MSI-Valley Rail	71,711	(108,008)	141,863	(84,841)	20,725
Sales Tax MSI-Valley Bus Rapid Transit	56,739	(306,356)	41,468	(44,943)	(253,092)
Sales Tax MSI-Victor Valley Major Local Highway	81,615	7,047	49,761	(60,510)	77,913
Sales Tax MSI-North Desert Major Local Highway	53,914	(27,703)	29,682	4,052	59,945
Sales Tax MSI-Colorado River Major Local Highway	4,550	(13,766)	10,040	(8,596)	(7,772)
Sales Tax MSI-Morongo Basin Major Local Highway	9,099	(7,971)	10,476	(9,484)	2,120
Sales Tax MSI-Mountain Major Local Highway	9,099	(2,176)	10,913	(5,110)	12,726
Sales Tax MSI-Cajon Pass	1,323	(2,591)	-	-	(1,268)
Total	5,913,683	-	2,022,755	-	7,936,438

\* Indirect costs by number of transactions to Local Transportation Fund-Administration was transferred to Local Transportation Fund-Planning.



General Policy Committee Agenda Item  
April 10, 2024  
Page 3

Staff recommends approval of the Capital Improvement Projects listed in Exhibit B and to maintain a General Purpose Reserve for emergencies of \$500,000 and a Capital Improvement Reserve of \$295,000 for future projects.

**Financial Impact:**

This item has no financial impact on the adopted Budget for Fiscal Year 2023/2024. Capital Projects and Indirect Fund expenditures are included in the proposed Budget for Fiscal Year 2024/2025.

**Reviewed By:**

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item.

**Responsible Staff:**

Lisa Lazzar, Chief of Fiscal Resources

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Approved  
General Policy Committee  
Date: April 10, 2024  
Witnessed By:

San Bernardino County Transportation Authority	<b>Policy</b>	<b>20600</b>
Adopted by the Board of Directors 1/4/2018	Revised	06/01/2022
Funding Indirect Costs and Establishing Fund Balance Reserves and a Capital Improvement Plan	Revision No.	2

**Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA Intranet.**

<b>Table of Contents</b>
<a href="#">Purpose</a>   <a href="#">Definitions</a>   <a href="#">References</a>   <a href="#">Policy</a>   <a href="#">Revision History</a>

**I. PURPOSE**

The purpose of this policy is to define the appropriate charging of indirect costs and the funding sources to be used to cover these costs. This policy also establishes a minimum level of unassigned fund balance designated as a general purpose reserve to meet revenue shortfalls, unanticipated expenditures, economic downturns, or emergencies and establishes an assigned reserve to fund capital improvements necessary for the general operation of San Bernardino County Transportation Authority (SBCTA) and San Bernardino Council of Governments (SBCOG). Furthermore, the policy also addresses the circumstances under which the unassigned fund balance can be expended and how it will be replenished if it falls below the established minimum.

**II. DEFINITIONS**

**Capital Improvement Plan:** A five year plan for acquisition, improvement, and renovation of the Santa Fe Depot and other infrastructure, as well as capital items such as equipment, vehicles, and technology items in excess of \$5,000. It excludes any capital improvements already included in other plans such as the 10-Year Delivery Plan. The approved capital items are to be included in the budget for the Indirect Fund. Improvements to the Santa Fe Depot may include items such as structural improvements; replacement of the roof, HVAC system, carpet, tile, communication systems, or alarm systems; and remodels. Information technology improvements may include items such as software, computers, and servers.

**Indirect Costs:** Expenses incurred that are not readily identifiable with a particular project or activity but are necessary to the general operation of SBCTA and SBCOG and necessary for staff to perform daily job duties and functions. Costs may include items such as staffing costs, office equipment, professional services, consulting services, maintenance of office equipment, postage, dues and subscriptions, county fee, auditing and accounting, utilities, training/membership, printing, travel, record/equipment storage, meeting, legal fees, maintenance of motor vehicle, advertising, office expense, bank charges, public information activities, contributions/subsidies, computer hardware/software, building maintenance, building structures, and insurance for property, general, umbrella, crime, public official liability, and cyber.

**Indirect Fund:** A governmental fund that will be used to budget indirect costs and capital improvements necessary for the daily operations of SBCTA and SBCOG and the corresponding revenue allocated to fund those costs.

**III. REFERENCES**

Ordinance 04-01 provides for the renewal of the half-cent (0.5%) sales tax on taxable retail transactions within the County. Ordinance 04-01 expires on March 31, 2040.

Policy No. 20200 - Fund Balance Reporting

Attachment: Policy 20600 (10429 : Capital Projects and Reserves based on Policy No. 20600 Funding Indirect Costs)

## IV. POLICY

### A. Indirect Costs and Funding Sources

Indirect costs will be budgeted at whatever is reasonable and necessary for the general operation of SBCTA and SBCOG and will include capital improvements identified in a five year capital improvement plan that will be updated annually during the budget process. The revenue sources necessary to fund indirect costs will be allocated to the Indirect Fund based on the percentage of full time equivalents (FTE) budgeted for each major program of SBCTA except for the Finance department indirect costs, which will be allocated based on number of transactions in the recently audited fiscal year.

1. In general, the percentage of FTE and Finance department indirect costs allocated based on number of transactions related to delivery of the Measure I programs will be used to determine the revenue required from Measure I to fund indirect costs. Up to three percent (3%) of Measure I sales tax revenues will be used to fund these costs. The revenue apportioned to the Senior and Disabled and Local Street Projects (pass through) Programs will continue to be based on the total revenue received. The maximum 3% is in addition to the 1% for administrative costs per Ordinance 04-01. Fund balance in the Measure I Administration fund may be used to buy down the calculated requirement from Measure I programs for funding indirect costs.
2. In general, the percentage of FTE and Finance department indirect costs allocated based on number of transactions related to the general transit, planning, fund administration, and traveler services functions will be used to determine the revenue required from the Local Transportation Fund (LTF) to fund indirect costs. Up to one percent (1%) will be funded from an allocation for LTF Administration and up to two percent (2%) will be funded from the allocation for LTF Planning.
3. In general, the percentage of FTE and Finance department indirect costs allocated based on number of transactions related to Council of Governments (COG) activities will be used to determine the revenue required from the COG Dues to fund indirect costs.
4. In general, the percentage of FTE and Finance department indirect costs allocated based on number of transactions related to the Freeway Service Patrol and Call Box System programs will be used to determine the revenue required from the Service Authority for Freeway Emergencies fund to fund indirect costs.
5. SBCTA staff will continue to actively seek other funding sources as appropriate to fund indirect costs. Any other funding sources added to fund indirect costs will also be based on a percentage of FTE and Finance department indirect costs allocated based on number of transactions

### B. Capital Improvement Plan

A five year capital improvement plan will be developed and presented annually during the budget process to the Board for consideration. The plan will identify present and future needs requiring capital infrastructure and options for financing the plan. The plan will be prioritized based on projects that have an associated funding source, elimination of health/safety hazards, and projects that will increase efficiency or reduce operations and maintenance costs.

### C. Unassigned Fund Balance –General Purpose Reserve:

An adequate amount of General Purpose Reserve is essential to the financial strength and flexibility of SBCTA. This reserve is intended for unanticipated emergencies and to allow a transition period to fund indirect costs when revenues are reduced due to economic factors or legislation outside of SBCTA's control.

1. When developing the fiscal year budget, SBCTA shall establish an unassigned fund balance designated as General Purpose Reserve for the General Fund targeted at least at \$500,000 but not exceeding 20% of the indirect costs budgeted for that fiscal year. A one-time allocation of revenue can be used to establish the reserve or it shall be built-up with fund balance from the Indirect Fund until the established target is achieved. An increase to fund balance results when revenues allocated to the Indirect Fund exceed expenditures. In the event the budgeted expenditures for the Indirect Fund decline from the previous fiscal year, the reserve shall have no

downward adjustments. Any necessary increases to the reserve shall be made annually during the budget process.

2. Use of the General Purpose Reserve will be limited to nonrecurring expenditures, debt reduction, one-time capital costs, or emergency situations (such as economic conditions or natural disasters). In the event of a decline in revenue that is used to fund the Indirect Fund, the General Purpose Reserve may be used as a temporary means to fund indirect costs until a corrective action is determined.
3. A one-time allocation of revenue can be used to replenish the General Purpose Reserve or it shall be built-up with fund balance from the Indirect Fund.

**D. Assigned Fund Balance – Capital Improvement Reserve**

A Capital Improvement Reserve will be established to cover forecast costs identified in the capital improvement plan. The Chief Financial Officer, as authorized by Policy 20200 – Fund Balance Reporting, will assign fund balance for specific capital improvement projects based on the approved capital improvement plan for those projects that would not normally be feasible without reserving funding over a multiple year period.

**V. REVISION HISTORY**

<b>Revision No.</b>	<b>Revisions</b>	<b>Adopted</b>
0	Adopted.	1/4/2018
1	Revised Section IV, Subsection A to include that when an estimated fund balance is available in the Measure I Administration fund, it may be used to buy down the calculated requirement of Measure I programs to fund indirect costs.	4/1/2020
2	Include Finance department indirect costs allocated based on number of transactions	6/1/2022

Exhibit A

																Fiscal Year																
Budgeted Tasks to Indirect Fund																2024/2025	2023/2024															
Object Code	0200	0206	0312	0313	0350	0400	0430	0450	0470	0500	0501	0503	0605	0805	Budget	Budget																
51010	Salaries	\$ 558,243	\$ 1,918	\$ 5,032	\$ 2,160	\$ 255,911	\$ 791,220	\$ 40,809	\$ 130,765	\$ 129,583	\$ 1,902	\$ 65,931	\$ 226,526	\$ 80,433	\$ 141,661	\$ 2,432,094	\$ 2,291,608															
51030	Overtime	14,850	185	-	-	-	14,850	-	-	-	-	-	-	-	-	29,885	29,700															
51990	Fringe	423,514	1,554	3,719	1,596	189,118	595,685	30,158	96,635	95,762	1,406	48,723	167,403	59,440	104,687	1,819,400	1,822,228															
52001	Professional Services	30,000	-	-	-	7,470	129,000	50,000	456,650	4,980	-	50,000	164,328	120,000	11,500	1,023,928	1,120,199															
52005	Consulting Services	20,000	-	-	-	-	20,000	-	-	-	-	250,000	-	-	-	290,000	360,000															
52015	County Fees	-	-	-	-	-	100,000	-	-	-	-	-	-	-	-	100,000	100,000															
52100	Auditing & Accounting	-	-	-	-	-	315,000	-	-	-	-	-	-	-	-	315,000	300,000															
52200	Legal Fees	-	-	-	-	85,000	-	15,000	-	25,000	-	-	-	-	-	135,000	125,000															
52300	Claims	-	-	-	-	-	-	50,000	-	-	-	-	-	-	10,000	50,000	50,000															
52500	Security	-	-	-	-	-	-	-	-	-	-	-	-	-	242,510	242,510	192,716															
52700	Information Technology Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
53120	Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	185,000	185,000	147,000															
53400	Maintenance-Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	998,528	998,528	972,472															
53450	Maintenance-Motor Vehicles	-	-	-	-	-	-	-	2,500	-	-	-	-	-	-	2,500	2,500															
53465	Maintenance-Office Equipment	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,500															
53610	Rentals-Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
53670	Rentals-Office Equipment	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	20,000															
54010	General Liability Insurance	-	-	-	-	-	-	250,000	-	-	-	-	-	-	-	250,000	255,000															
54020	Umbrella Liability Insurance	-	-	-	-	-	-	120,000	-	-	-	-	-	-	-	120,000	120,000															
54030	Property Insurance	-	-	-	-	-	-	64,209	-	-	-	-	-	-	-	64,209	64,209															
54040	Crime Insurance	-	-	-	-	-	-	12,000	-	-	-	-	-	-	-	12,000	12,000															
54050	Public Officials Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
54060	Automotive Insurance	-	-	-	-	-	-	1,500	-	-	-	-	-	-	-	1,500	1,500															
54070	Cyber Insurance	-	-	-	-	-	-	26,400	-	-	-	-	-	-	-	26,400	26,400															
54100	Dues/Memberships	35,000	-	-	-	2,090	13,000	400	-	2,180	-	-	2,000	10,000	-	64,670	48,765															
54200	Training/Registration	7,500	-	-	-	5,400	20,000	3,000	10,000	33,250	-	-	3,000	14,000	-	96,150	83,550															
54300	Postage	1,250	-	-	-	100	2,000	100	3,500	200	-	-	-	-	200	7,350	8,850															
54410	Travel Expense - Employee	8,000	-	-	-	5,500	8,000	3,000	1,000	7,000	-	-	1,500	10,000	-	44,000	45,500															
54420	Travel Expense - Non-Employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
54430	Travel Expense-Mileage-Employee	1,500	-	-	-	200	4,000	500	200	500	-	-	2,000	2,500	-	11,400	10,900															
54440	Travel Expense-Mileage-Non-Employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
54450	Travel Expense-Other-Metrolink Tickets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
54500	Advertising	1,000	-	-	-	-	2,000	-	-	15,800	-	-	-	-	-	18,800	18,300															
54520	Public Information Activities	-	-	-	-	-	-	-	-	-	-	-	-	60,000	-	60,000	60,000															
54590	Printing - External	5,000	-	-	-	-	5,000	-	-	-	-	-	-	-	-	10,000	14,500															
54595	Printing - Internal	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	10,200															
54620	Contributions/Sponsorships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
54640	Communications	-	-	-	-	-	-	-	41,400	-	-	-	-	-	8,600	50,000	68,500															
54655	Record/Equipment Storage	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000															
54900	Bank charges	-	-	-	-	-	1,000	-	-	-	-	-	-	-	-	1,000	5,000															
54910	Other Service Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
54980	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
55005	Office Expense	15,000	-	-	-	-	-	-	1,500	1,000	-	-	-	-	14,639	32,139	37,019															
55410	Meeting Expense	3,000	-	-	-	500	2,000	-	200	20,000	-	-	1,000	2,500	-	29,200	24,700															
56100	Building & Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
56200	Improvements OTBS	-	-	-	-	-	-	-	-	-	-	-	-	-	744,618	744,618	717,000															
56600	Office Furniture & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	65,000	65,000	65,000															
56650	Office Equipment/Software-Inventorial	15,000	-	-	-	10,000	-	-	398,686	-	-	-	-	-	18,500	442,186	386,806															
56700	Computer Hardware & Software	-	-	-	-	-	-	-	225,000	-	-	-	-	-	-	225,000	352,000															
<b>Total</b>																\$ 10,030,467	\$ 9,990,622															
																\$ 1,169,857	\$ 3,657	\$ 8,751	\$ 3,756	\$ 561,289	\$ 2,022,755	\$ 667,076	\$ 1,368,036	\$ 335,255	\$ 3,308	\$ 414,654	\$ 567,757	\$ 358,873	\$ 2,545,443	\$ 10,030,467	\$ 5,749,088	
																\$ 173,250	\$ -	\$ -	\$ -	\$ 116,260	\$ 621,000	\$ 596,109	\$ 1,140,636	\$ 109,910	\$ -	\$ 300,000	\$ 173,828	\$ 219,000	\$ 2,299,095	\$ 4,281,379	\$ 4,281,379	salary only

Task Descriptions:  
0200 - Executive Administration and Support  
0206 - Data Program Management  
0312 - General Transit

0313 - Transit Right of Way Management  
0350 - General Counsel  
0400 - Financial Management

0450 - Management Services  
0470 - Human Resources  
0500 - Fund Administration

0501 - Intergovernmental  
0503 - Legislation  
0605 - Public Affairs  
0805 - Building Operation  
Increase from Fiscal Year 2023 Budget

\$ 39,845

## Exhibit B

## Capital Projects Plan

Fiscal Year	Item Description	Estimated Cost
2024/2025	Paint Lobby and Restroom Walls/Partition Doors Estimate Cost	67,618
	Stain/Refurbish All Interior/Exterior Benches and Lobby Doors	80,000
	Depot Elevator Modernization	100,000
	Depot Parking Lot Slurry Seal/Stencil & ADA Repairs	180,000
	Heating, Ventilation, & Air Conditioning (HVAC) Equipment Upgrade -Phase II	170,000
	Workstation Rotation Plan Group B	75,000
	Office 365 G5 Implementation (Setup/Labor)	150,000
	Total Fiscal Year 2024/2025	\$ 822,618
2025/2026	On-premise Backup Appliance/Data Domains	\$ 50,000
	Applicant Tracking System (Could be part of Enterprise Resource Planning	\$ 25,000
	Heating, Ventilation, & Air Conditioning (HVAC) Equipment Upgrade-Phase III	170,000
	Total Fiscal Year 2025/2026	\$ 245,000
2026/2027	Irrigation System Upgrade for All Landscaping (Drip System and Install a Smart Controller)	50,000
	Total Fiscal Year 2026/2027	\$ 50,000
2027/2028	Workstation Rotation Plan Group A	\$ 75,000
	Tile Lobby Exterior Door Restoration and Nearby Window Trim	25,000
	Parking Lot Slurry Seal/Stencil	200,000
	Pump House Chemical Treatment Equipment Upgrade	15,000
	Total Fiscal Year 2027/2028	\$ 315,000
2028/2029	Workstation Rotation Plan Group B	75,000
	Replace Depot's Roof	150,000
	Total Fiscal Year 2028/2029	\$ 225,000
	Total Capital Projects	\$ 1,657,618
Beginning Fund Balance		\$ 2,889,029
Estimated Revenues:		
	Measure I (MSI)	3,462,452
	Transportation Development Act (TDA)	2,252,385
	Service Authority for Freeway Emergencies (SAFE)	1,085,366
	Council of Governments (COG)	781,437
	Express Lanes	354,798
	Total revenues to fund indirect	7,936,438
	Indirect expenditures	10,030,467
	Amount available for Reserves	\$ 795,000
	Reserve for Emergencies	\$ 500,000
	Reserve for Capital Projects	\$ 295,000

## *Minute Action*

AGENDA ITEM: 7

***Date:*** April 10, 2024

***Subject:***

Renewal of Annual Insurance Policies & Increase for Interstate 10 Express Lanes

***Recommendation:***

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Authorize the Enterprise Risk Manager to approve and execute binding insurance coverage for the existing coverages and limits through the policies and premiums up to 10% over the estimate of \$667,881, and authorize the Executive Director, or his/her designee, to bind the policies should the amount exceed \$734,669, for the periods of July 1, 2024 through June 30, 2025, for Cyber Liability, Workers' Compensation, Property, and Employee Crime; and September 29, 2024 through September 28, 2025, for Commercial General Liability and Excess Liability.

B. Authorize the Enterprise Risk Manager to approve and execute binding insurance coverage for the Express Lanes through the policies and premiums up to 10% over the estimate of \$800,000, and authorize the Executive Director, or his/her designee, to bind the policies should the amount exceed \$880,000, for the period of July 1, 2024 through September 28, 2025.

C. Authorize the issuance of Purchase Orders to process payments for securing the insurance policies.

\* Start date for Express Lane coverage will be the date the Express Lanes are completed and may be later than July 2024.

***Background:***

The San Bernardino County Transportation Authority (SBCTA) utilizes a Board-approved insurance broker for procurement of insurance related products. The current Board-approved broker is Alliant Insurance Services, Inc., (Alliant) under Contract No. 23-1002957. Alliant assists SBCTA with marketing and securing the annual insurance policies.

The majority of SBCTA's insurance program renews every July 1<sup>st</sup> and the following insurance policies are set to expire on June 30, 2024: Cyber Liability, Workers' Compensation, Property, and Employee Crime. SBCTA's Commercial General Liability and Excess Liability policies will not expire until September 29, 2024. For this renewal, SBCTA has directed Alliant to obtain premium indicators for the same program structure as purchased last year, which includes Workers' Compensation, Commercial General Liability, Excess General Liability, Automobile Liability, Cyber Liability, Employment Practices Liability, Employee Crime Liability, and coverage for Public Officials Errors and Omissions Liability, and to explore risk pools and insurance products available in the current market. Further, with the completion of the Express Lanes during the upcoming policy period and the California Department of Transportation (Caltrans) requirement for minimum liability insurance limits that exceed the current limits carried by SBCTA, staff will be exploring an increased liability limit of \$25,000,000. The current limit carried is \$10,000,000.

*Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority*

General Policy Committee Agenda Item

April 10, 2024

Page 2

As of today, premium quotes are not yet available for SBCTA's Cyber Liability, Workers' Compensation, Property, or Crime policy renewals, nor for the Commercial General Liability and Excess Liability policy renewals. Alliant is estimating the renewal premiums at \$667,882 to renew the existing program and up to an additional \$800,000 to add the Express Lanes coverage in compliance with Caltrans' minimum insurance limit of \$25,000,000. Alliant's estimate is based on their knowledge of the current market, their experience with the renewals of other public sector clients, as well as conversations with the underwriting community. The estimate represents an 18% increase from last year's premium of \$564,256. The increase can be attributed to an overall continued tightening of the insurance market, reduced market capacity, upward trends in national jury verdicts, the number of times SBCTA is named a defendant, an increase in the number of SBCTA employees, and carriers' desire to shy away from California public entities.

Alliant reached out to eight insurance carriers ("carriers") as part of the marketing effort for SBCTA's insurance program. Carriers that were approached for bids were selected on the basis of their historical premium rates, coverage criteria, and underwriting background. In addition, carriers were required to have experience with public agencies, adequate financial reserves, and a rating by AM Best Company of excellent or better. Interviews were conducted with several of the carriers. Alliant anticipates receipt of quotes from two of the carriers by the end of June, and the other six carriers declined to quote.

The table on the following page provides a summary of the current year premiums and estimates for Fiscal Year 2024/2025.



San Bernardino County Transportation Authority			
2024 - 2025 Premium Projections (as of March 2024)			
		2023/2024	2024/2025
Excess Liability: (General, Automobile, Public Officials E&O, Employment Practices)			
Policy Limits: \$10 Million (\$50k Deductible)			
Primary \$5M (SLIP)	Premium:	\$ 216,261.36	\$ 259,513.63
\$5M x \$5M	Premium:	\$ 90,798.40	\$ 108,958.08
<b>\$10M limit</b>	<b>Premium:</b>	<b>\$ 307,060</b>	<b>\$ 368,472</b>
Cyber Liability (Information Security/Tech E&O, Data Breach)			
Policy Limits: \$2 Million Per Member Limit of Liability			
	Premium:	\$ 15,430	\$ 23,100
Workers Compensation			
Policy Limits: Statutory for WC and \$1Million for Employers Liability			
	Estimated Annual Payroll	\$ 10,931,548	\$ 11,259,494
	Avg. Rate:	\$ 0.418	\$ 0.438
	Premium:	\$ 45,645	\$ 49,365
Property			
	Total Insured Values	\$ 129,100,406	\$ 135,555,426
	Avg. Rate:	\$ 0.1357	\$ 0.1493
	Premium:	\$ 175,200	\$ 202,356
Property: Vacant Dwellings			
	Total Insured Values	\$ 1,225,640	\$ 1,286,922
	Avg. Rate:	\$ 0.9361	\$ 1.0297
	Premium:	\$ 11,473	\$ 13,252
Crime (Employee Dishonesty, Employee Theft)			
Policy Limits: \$10 Million			
	EE Count	108	108
	Premium	\$ 9,448	\$ 11,338
<b>Total Premium</b>		<b>\$ 564,256</b>	<b>\$ 667,881</b>

SBCTA staff recommends securing these insurance policies as they are necessary to protect the agency from significant losses, and proper insurance coverage is a requirement of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan that was secured for the Interstate 10 (I-10) Corridor Contract 1 Project. Further, staff recommends that when the Express Lanes are completed, the additional liability coverage be secured to comply with Caltrans'

General Policy Committee Agenda Item

April 10, 2024

Page 4

minimum coverage requirement of \$25,000,000, at an estimated additional cost of up to \$800,000.

Due to the changing insurance market conditions, these estimated premiums may be exceeded; therefore, staff is requesting to bind the coverages equal to the existing program even if the cost exceeds the estimate of \$667,881. Further, staff is requesting authority to bind the Express Lanes coverage, upon completion of the Express Lanes for an additional \$800,000. If the premium(s) exceed this estimate by more than 10%, binding will require approval from the Executive Director. Staff will work to stay within the lower limit, but it is critical that coverage continue uninterrupted. If the lower limit estimate is exceeded, staff will return to the Board and report the actual cost, and all of the efforts undertaken to minimize said cost.

**Financial Impact:**

This item has no financial impact on the adopted Budget for Fiscal Year 2023/2024. The recommended amounts are included in the proposed Budget for Fiscal Year 2024/2025.

**Reviewed By:**

This item is not scheduled for review by any other policy committee, or technical advisory committee. SBCTA General Counsel and Enterprise Risk Manager have reviewed this item.

**Responsible Staff:**

Steven Keller, Enterprise Risk Manager

Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:

## *Minute Action*

AGENDA ITEM: 8

**Date:** *April 10, 2024*

**Subject:**

Hewlett Packard Enterprise Company-Award Purchase Order for Servers and SAN Replacement

**Recommendation:**

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

- A. Approve Purchase Order No. 4002448 with Hewlett Packard Enterprise Company for the Server and Storage Area Network (SAN) Upgrade in an amount not-to-exceed \$117,000.
- B. Approve contingency in the amount of \$11,700 for Purchase Order No. 4002448 and authorize the Executive Director, or his/her designee, to release contingency as necessary for the project.

**Background:**

Recognizing that the server and storage area network (SAN) equipment hosting the virtual server environment in use at San Bernardino County Transportation Authority (SBCTA) is nearing its end of life, SBCTA engaged with the Network Support vendor to provide recommendations on replacement.

Following a thorough evaluation, staff recommends continued partnership with Hewlett Packard Enterprise Company (HP). This recommendation is made to ensure the continuity and reliability of SBCTA's infrastructure, as well as to leverage the existing familiarity and compatibility with HP technology. This strategic approach not only addresses SBCTA's immediate infrastructure needs, it also aligns with long-term goals of efficiency, cost-effectiveness, and technological innovation.

In accordance with SBCTA Policy 11000, the acquisition of the new Hewlett Packard server and SAN equipment will be conducted as a "piggyback" under the terms of the National Association of State Procurement Officials (NASPO) contract. This approach ensures compliance with SBCTA Policy 11000, Section VI.B and leverages pre-negotiated pricing and terms, thereby maximizing the efficiency and value of the procurement process.

Conclusively, staff recommends HP be awarded Purchase Order No. 4002448 in an amount not-to-exceed \$117,000, for a term through May 1, 2025, and in addition, approve a contract contingency for a not-to-exceed amount of \$11,700 and authorize the Executive Director, or his/her designee, to release contingency as necessary.

**Financial Impact:**

The Project is included in the adopted Budget for Fiscal Year 2023/2024 and funded with indirect budget funds in Program 01, General Government.

**Reviewed By:**

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft agreement.

*Entity: San Bernardino County Transportation Authority*

General Policy Committee Agenda Item  
April 10, 2024  
Page 2

**Responsible Staff:**

Matt Farokhmanesh, Chief of Information Technology

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Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:

San Bernardino County Transportation Authority

**STATE OF CALIFORNIA  
PARTICIPATING ADDENDUM NUMBER 7-19-70-46-02  
AMENDMENT 2**

Copiers and Managed Print Services  
Colorado NASPO ValuePoint Master Agreement Number 140596  
**HP Inc. dba HP Computing and Printing Inc. (Contractor)**

The parties mutually agree to amend Participating Addendum 7-19-70-46-02 as follows:

- 1) Agreement is extended from December 31, 2022 to July 31, 2024. **Section 2. TERM, subparagraph A** is revised to read as follows:
  - A. The term of this Participating Addendum shall begin upon signature approval by the State and will end July 31, 2024, or upon termination by the State, whichever occurs first.
- 2) **Section 21. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS** is hereby added to read as follows:

**21. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Participating Addendum. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the State.

All other terms and conditions of the Participating Addendum shall remain in full force and effect.

**Participating Addendum 7-19-70-46-02  
Amendment 2**

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date of execution by both parties below.

**STATE OF CALIFORNIA**

Department of General Services

*Agency Name*

*Julie Matthews*                      11/29/2022  
*Authorized Signature*                      *Date Signed*

Julie Matthews, MAU2 Supervisor  
*Printed Name/Title of Person Signing*

707 Third Street  
West Sacramento, CA 95605  
*Address*

**CONTRACTOR**

HP Inc. dba HP Computing and Printing Inc.

*Contractor Name*

*Catherine Bingham*                      11/2/2022  
*Authorized Signature*                      *Date Signed*

Catherine Bingham, Contract Specialist  
*Printed Name/Title of Person Signing*

1501 Page Mill Road  
Palo Alto, CA 94304  
*Address*

Attachment: NASPO Contract (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

**STATE OF CALIFORNIA**  
**PARTICIPATING ADDENDUM NUMBER 7-19-70-46-02**  
**AMENDMENT 1**

Copiers and Managed Print Services  
Colorado NASPO ValuePoint Master Agreement Number 140596  
**HP Inc. dba HP Computing and Printing Inc. (Contractor)**

The parties mutually agree to amend Participating Addendum 7-19-70-46-02 as follows:

**Section 2. TERM, subparagraph A** is revised to read as follows:

- A. The term of this Participating Addendum shall begin upon signature approval by the State and will end December 31, 2022, or upon termination by the State, whichever occurs first.

All other terms and conditions of the Participating Addendum shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date of execution by both parties below.

**STATE OF CALIFORNIA**

**CONTRACTOR**

Department of General Services

*Agency Name*



11/29/2021

*Authorized Signature*

*Date Signed*

Stephanne Lim, MAU2 Supervisor

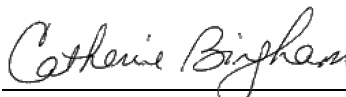
*Printed Name/Title of Person Signing*

707 Third Street  
West Sacramento, CA 95605

*Address*

HP Inc. dba HP Computing and Printing, Inc.

*Contractor Name*



Nov 17, 2021

*Authorized Signature*

*Date Signed*

Catherine Bingham, Contract Administrator

*Printed Name/Title of Person Signing*

1501 Page Mill Road  
Palo Alto, CA 94303

*Address*

Attachment: NASPO Contract (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

**STATE OF CALIFORNIA**  
**PARTICIPATING ADDENDUM NUMBER 7-19-70-46-02**  
 Copiers and Managed Print Services  
 Colorado NASPO ValuePoint Master Agreement Number 140596  
**HP Inc. dba HP Computing and Printing Inc. (Contractor)**

This Participating Addendum Number 7-19-70-46-02 is entered into between the state of California, Department of General Services (hereafter referred to as "State" or "DGS") and HP Inc. dba HP Computing and Printing Inc. (hereafter referred to as "Contractor") under the lead state of Colorado NASPO ValuePoint Master Agreement Number 140596.

**1. SCOPE**

- A. This Participating Addendum covers the purchase of Copiers and Managed Print Services under the Colorado NASPO ValuePoint Master Agreement. The Colorado NASPO ValuePoint Master Agreement Number 140596 is hereby incorporated by reference. Product/service categories included under this Participating Addendum are identified in Section 5 (Available Products and Services).
- B. This Participating Addendum is available for use by California state agencies and local governments. A local government is defined as any city, county, city and county, district, or other local governmental body, school district or corporation empowered to expend public funds. The State Agency Listing (<https://www.ca.gov/agenciesall/>) provides a comprehensive list of state agencies.
- C. Each local government is to make its own determination whether this Participating Addendum and the Colorado NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

**2. TERM**

- A. The term of this Participating Addendum shall begin upon signature approval by the State and will end December 31, 2021, or upon termination by the State, whichever occurs first.
- B. Lead State amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.
- C. Order placement and execution shall be on or before the expiration of this Participating Addendum. However, delivery of products or completion of services may be after the Participating Addendum expiration date.



## Participating Addendum 7-19-70-46-02

### 3. TERMS AND CONDITIONS/INCORPORATION OF DOCUMENTS

- A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.
- 1) General Provisions – Information Technology (GSPD-401IT) effective 9/5/2014. This document can be viewed on the DGS Procurement Division website (<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language>).
  - 2) Cloud Computing Software as a Service (SaaS) General Provisions effective 6/7/2019. This document can be viewed on the DGS Procurement Division website (<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language>).
  - 3) Cloud Computing Special Provisions for Software as a Service (SaaS) effective 03/15/18. This document can be viewed on the DGS Procurement Division website (<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language>).

### 4. ORDER OF PRECEDENCE

- A. In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:
- 1) California Participating Addendum Number 7-19-70-46-02
  - 2) Colorado NASPO ValuePoint Master Agreement Number 140596
  - 3) Colorado Solicitation RFP-NP-18-001 including all Addendums
  - 4) Contractor's response to the Colorado Solicitation

### 5. AVAILABLE PRODUCTS AND SERVICES

- A. The following product and service offerings from the Colorado NASPO ValuePoint Master Agreement Number 140596 are allowed under this Participating Addendum:
- 1) Group A - A3 Multifunction Devices
  - 2) Group B - A4 Multifunction Devices
  - 3) Group D - Single-function Printers
  - 4) Group E - Large/Wide Format Equipment
  - 5) Group F - Scanners
  - 6) Managed Print Services may be provided on Groups A - F

## Participating Addendum 7-19-70-46-02

### 6. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES

A. The following products or services are prohibited for purchase by state agencies under this Participating Addendum. These restrictions do not apply to local governmental entities.

- 1) Leasing and Rental Options
- 2) Products:
  - a) Remanufactured Equipment
  - b) Imaging equipment that does not meet or exceed Electronic Product Environmental Assessment Tool (EPEAT) Silver
  - c) Imaging equipment that is not Energy Star certified
  - d) Software containing "Clickwrap" Agreements
  - e) Not Specifically Priced (NSP) items not listed or priced in NVP Price Lists
- 3) Services:
  - a) Mail Room Services
  - b) Network and Data Security
  - c) Records Management

B. Product and service categories available on mandatory California statewide contracts cannot be purchased from this Participating Addendum by State agencies without an exemption. State agencies are responsible for obtaining an exemption from DGS prior to issuing a purchase order. This restriction is not applicable to local governments.

### 7. PRICING

Contractor is responsible for maintaining a current Price List of available products and services on the NASPO ValuePoint Copiers and Managed Print Services website.

### 8. CONTRACTOR SUPPLEMENTAL DOCUMENTS

Pursuant to the terms and conditions incorporated into this Participating Addendum, Contractor Supplemental Documents attached to the Colorado NASPO ValuePoint Master Agreement as Attachment A through Attachment D, shall be negotiated to the mutual agreement of the Contractor and ordering agency and attached to the purchase/contract document.

### 9. AUTHORIZED RESELLERS

- A. Contractor may use State-approved Authorized Resellers under this Participating Addendum for sales and service functions as defined herein.
- 1) Authorized Resellers must accept purchase orders and accept payment from ordering agencies for products offered under this Participating Addendum.

## Participating Addendum 7-19-70-46-02

- 2) Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.
  - 3) All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and Contractor Name.
- B. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Authorized Resellers. All State policies, guidelines, and requirements shall apply to Authorized Resellers.
  - C. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.
  - D. Subject to the approval of the State, Authorized Resellers may be added on a quarterly basis during the term of the contract. Contractors shall notify the State of any deleted Authorized Resellers or changes to current Authorized Resellers' contact information in writing at any time during the contract term.
  - E. Contractor will be required to submit Authorized Reseller requests, in a format specified by the State, to the State Contract Administrator for approval.
  - F. State-approved Authorized Resellers will be posted on the State's Cal eProcure website.

### 10. SUBCONTRACTORS

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor.
- B. The Contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted except for subcontractors listed on the Bidder Declaration, GSPD-05-105, provided to ordering agencies at the time an order is quoted.
- C. As the prime contractor, Contractor is responsible for reports and fees required by the terms and conditions of the NASPO ValuePoint Master Agreement and State Participating Addendum.

**Participating Addendum 7-19-70-46-02**

- D. Any subcontract in excess of \$25,000, entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement to be applicable to subcontractors.

**11. ORDERING AGENCY RESPONSIBILITIES**

- A. State agency and local government use of this Participating Addendum is optional.
- B. State agencies and local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum.

**12. STATE AGENCY BUY RECYCLED CAMPAIGN (SABRC)**

- A. State agencies are required to report purchases made within eleven product categories in the California Department of Resources Recycling and Recovery's SABRC per Public Contract Code Sections 12200-12217.
- B. Contractor will be required to complete and return a Recycled-Content Certification form (<https://www.calrecycle.ca.gov/contracts/forms>) upon request by the state agency.

**13. DELIVERY**

- A. Delivery shall occur within 30 days after receipt of order, or as negotiated between ordering agency and contractor and included in the purchase order, or as otherwise stipulated in the NASPO ValuePoint Master Agreement.
- B. F.O.B. (Free On Board) Destination

**14. INVOICING AND PAYMENT**

- A. Payment terms for this Participating Addendum are net forty-five (45) days. Payment will be made in accordance with IT Commodities General Provisions Paragraph 30 (Required Payment Date).
- B. Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government code Section 927 et.seq. Unless expressly exempted by statute, the Act requires state agencies to pay properly submitted, undisputed invoices not more than 45 days after (i) the date of acceptance of Deliverables or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.
- C. Invoices shall be sent to the address identified in the ordering agency's purchase order. The State Participating Addendum Number and ordering agency Purchase Order Number shall appear on each invoice for all purchases placed under this Participating Addendum.

**Participating Addendum 7-19-70-46-02**

- D. Contractor will accept the State of California credit card (CAL-Card) for payment of invoices.

**15. USAGE REPORTING**

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.
- B. The DGS Contract Administrator reserves the right to modify Attachment A and require Contractor to provide additional order information during the course of this Agreement.
- C. The report shall be an Excel spreadsheet transmitted electronically to the DGS Cooperatives mailbox (PDCooperatives@dgs.ca.gov).
- D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five business days of the date of written notification from the State.
- E. Tax must not be included in the report, even if it is on the purchase order.
- F. Reports are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

- G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this contract.
- H. Time extensions may be approved only if all due reports have been submitted to the State.

**16. ADMINISTRATIVE FEE**

- A. Contractor shall submit a check, payable to the State of California, remitted to the Cooperative Agreement Unit for the calculated amount equal to 1.25% of the sales for the quarterly period.
- B. Contractor must include the Participating Addendum Number on the check. Those checks submitted to the State without the Participating Addendum Number will be returned to Contractor for additional identifying information.

**Participating Addendum 7-19-70-46-02**

C. Administrative fee checks shall be submitted to:

State of California  
 Department of General Services, Procurement Division  
 Attention: Cooperative Agreement Program  
 707 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, MS 2-202  
 West Sacramento, CA 95605

- D. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.
- E. The administrative fee shall not be invoiced or charged to the ordering agency.
- F. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a purchasing entity.
- G. Administrative fee checks are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this contract.

**17. CONTRACT MANAGEMENT**

A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor	Contract Manager
Name:	Debra Lee
Phone:	(847) 537-0344
Fax:	(847) 572-1336
Email	debra.lee@hp.com
Address:	HP Inc. dba HP Computing and Printing Inc. 10300 Energy Dr. Spring, TX 77389

**Participating Addendum 7-19-70-46-02**

- B. The State Contract Administrator for this Participating Addendum shall be as follows:

<b>State</b>	<b>Contract Administrator</b>
Name:	Yolanda Tutt
Phone:	(916) 375-4408
Email	Yolanda.Tutt@dgs.ca.gov
Address:	State of California Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

- C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten business days after the change.

**18. TERMINATION OF AGREEMENT**

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible and intangible, as may facilitate the orderly, non-disrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

**19. AMENDMENT**

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

**20. AGREEMENT**

- A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or

Participating Addendum 7-19-70-46-02

amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

- B. By signing below Contractor agrees to offer the same products/and or services as on the Colorado NASPO ValuePoint Master Agreement Number 140596, at prices equal to or lower than the prices on that contract.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

Department of General Services

Agency Name

*[Handwritten Signature]* 12-20-19

Authorized Signature

Date Signed

*Patrick B. Mullen* Manager M&PS

Printed Name/Title of Person Signing

707 Third Street  
West Sacramento, CA 95605

Address

CONTRACTOR

HP Inc. dba HP Computing and Printing Inc.

Contractor Name

*[Handwritten Signature]* 12/10/19

Authorized Signature

Date Signed

*Colleen Fluevly* Contracts Adminis

Printed Name/Title of Person Signing

1501 Page Mill Road  
Palo Alto, CA 94303

Address

Attachment: NASPO Contract (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)



RECEIVED  
DEPT. OF GENERAL SERVICES  
PROCUREMENT DIVISION

2019 DEC 11 PM 2:11

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Attachment: NASPO Contract (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

Participating Addendum 7-19-70-46-02  
Attachment A  
Sheet 1 of 2  
Usage Report:

Contract Number:	_____
Contractor:	_____
Reporting Period:	_____
Report Value:	_____
Administrative Fee:	_____

Ordering Agency Name	State/Local Spend	Purchase Order / Service Contract Number	Order Date	Category/ Group	Manufacturer Part Number (OEM #)	Item Description	Unit of Measure	Quantity in Unit of Measure	Quantity	List Price/MS RP	Contract Unit Price	Extended Contract Price Paid	Index Date / Catalog Version

Usage Report (Template Key)

Contract Number: \_\_\_\_\_  
 Contractor: \_\_\_\_\_  
 Reporting Period: \_\_\_\_\_  
 Report Value: \_\_\_\_\_  
 Administrative Fee: \_\_\_\_\_

Column Number	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M
Column Name	Ordering Agency Name	State/Local Spend	Purchase Order / Service Contract Number	Order Date	Category/ Group	Manufacturer Part Number (OEM #)	Item Description	Unit of Measure	Quantity	List Price/MSRP	Contract Unit Price	Extended Contract Price Paid	Index Date / Catalog Version
<b>Description</b>	State Agency or Local Government name as described on the purchase document	Identify ordering agency as a "State" or "Local Government" entity, as applicable.	Ordering agency's unique purchase order or service contract number associated with item(s) purchased.	Date the ordering agency placed the order.	Category/Group for each line item (commodity/ service) that includes Contractor respective percent discount off MSRP.  This identifier should match the identifier provided in the Contractor's specific Control Set	Manufacturer's unique identifier for the line item.	Information about commodity/service purchased. Narrative should be descriptive enough to validate consistency with the Category/ Group ID stated in Column E	Packaging unit descriptor (i.e. each, box, dozen, case, lbs, pallet etc.).	Quantity purchased for each line item. All returned items are reported as a negative number. For service contracts, identify term in months.	An independently verifiable public price (MSRP) available to the general public.  When providing usage reports, this information should reflect list prices at time of order.	This is the price paid for given line item	Total Price ( Quantity X Contract Unit Price ); ( Column J x Column L )	Price or catalog effective date. Helps DGS track index price changes (historical frame of reference)
<b>Format</b>	Text	Text	Variable Characters	Date	Variable Characters	Variable Character	Variable Character	Variable Character	Number	Currency	Currency	Currency	Date / Variable Character
<b>Example</b>	Department of General Services	State	2832820	4/30/2013	5.2.1	ISINK34	Application Services	EA	1	\$55.00	\$48.95	\$48.95	7/19/2012
<b>Example</b>	Department of General Services	State	2832820	4/30/2013	5.3.1	Annual Maintenance	3-year Maintenance	EA	1	\$300	\$270.00	\$810.00	7/19/2012
<b>Example</b>	Department of General Services	State	2832820	4/30/2013	5.3.1	IS330AI + SP10	1-year Maintenance	EA	1	\$48.00	\$24.96	\$898.56	7/19/2012



# Hewlett Packard Enterprise

## Quote summary

Quote ID: NQ06671425-02

**In reply to your request:** San Bernardino CTA 02012024 dHCI 5010 42  
**Date:** March 4, 2024  
**Terms:** NT30 AFTER INVOICE DATE  
**Quote Segment:** SLED  
**Contract ID:** 7-23-70-55-03-CA  
**Estimated Delivery Time:** 71 - 89Days

**Expires On:** June 3, 2024  
**RFQ #:**  
**HPE Sales Contact:** Kurt Lovett  
**Phone:** +1 858 3449970  
**Fax:**  
**Email:** kurt.lovett@hpe.com

Estimated Delivery Time is purely an estimate. It can materially change based on when the order is placed and the ongoing evolving material supply situation.

## Customer details

**Sold To Address:** San Bernardino County Transportation Authority  
 1170 W 3RD ST FL 2  
 SAN BERNARDINO, California, 92410-1724  
 US  
 Matt Farokhmanesh  
 909-884-8276  
 mfarokhmanesh@gosbcta.com

**Ship To Address:** San Bernardino County Transportation Authority  
 1170 W 3RD ST FL 2  
 SAN BERNARDINO, California, 92410-1724  
 US

## Solution Overview

Solution	Net Price
Hardware	68,128.15
Software	9,423.02
Support	24,415.23
Installation	13,433.60
Services, Training, & Other	1,600.00
Sub-total	USD 117,000.00
Shipping and Handling Estimated	USD 0.00
Total weight	299.833 Kg
Grand Total:	USD 117,000.00

## Submit Purchase Order To:

Email PO to: [US-SLED-ORDERS@hpe.com](mailto:US-SLED-ORDERS@hpe.com)

**HPE Contact**  
**Phone:**  
**Fax Number:**  
**Email:**  
**Address:**

### Following are required with PO submissions to HPE:

- Hewlett Packard Enterprise listed as the Vendor
- Bill-to & ship-to addresses, End User name and address
- PO # with valid HPE quote # (incl. Contract ID where applicable)
- HPE Purchase Agreement # (if applicable)
- Contact name, phone # and email address
- Requested Delivery Date
- Tax Status (tax exemption requires a valid certificate)
- This quote contains electronic software and/or proactive support. This requires system manager name, email and phone

Attachment: NQ06671425-02 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

Quote details

The following structured solution is offered for sale with a defined configuration menu and solution adjustment. Changing the configuration may affect the offer.

Due to the level of special pricing provided in this quote, eligibility for flat support pricing at renewal is void.

No.	Qty	Product	Description	Ext Net Price	Estimated Delivery Time
CNFG	1	5136650486-02	San Bernardino CTA 02012024 dHCI 5010 42T 3N VMware 5YR 2nd	117,000.00	71 days
0100	1	R9Q10A	HPE NS dHCI w/ Alletra 5000 BC Trk	0.20	23 days
0200	3	P28948-B21	HPE DL360 Gen10+ 8SFF NC CTO Svr	3,933.66	23 days
	3	P28948-B21#ABA	DL360 Gen10 Plus 8SFF CTO Server	0.00	23 days
0201	3	P36926-B21	INT Xeon-G 6336Y CPU for HPE	8,092.83	23 days
	3	P36926-B21#0D1	Factory Integrated	0.00	23 days
0202	36	P06033-B21	HPE 32GB 2Rx4 PC4-3200AA-R Smart Kit	7,842.24	23 days
	36	P06033-B21#0D1	Factory Integrated	0.00	23 days
0203	3	P26427-B21	HPE DL360 Gen10+ 8SFF SAS/SATA BC BP Kit	216.09	23 days
	3	P26427-B21#0D1	Factory integrated	0.00	23 days
0204	3	P12965-B21	HPE NS204i-p Gen10+ Boot Ctrlr	1,017.96	23 days
	3	P12965-B21#0D1	Factory Integrated	0.00	23 days
0205	3	P26262-B21	BCM 57414 10/25GbE 2p SFP28 Adptr	949.35	23 days
	3	P26262-B21#0D1	Factory Integrated	0.00	23 days
0206	3	P10115-B21	BCM 57414 10/25GbE 2p SFP28 OCP3 Adptr	904.44	23 days
	3	P10115-B21#0D1	Factory Integrated	0.00	23 days
0207	3	P26477-B21	HPE DL36x Gen10+ High Perf Fan Kit	490.20	23 days
	3	P26477-B21#0D1	Factory integrated	0.00	23 days

Attachment: NQ06671425-02 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

No.	Qty	Product	Description	Ext Net Price	Estimated Delivery Time
0208	6	P38995-B21	HPE 800W FS Plat Ht Plg LH Pwr Sply Kit	662.10	23 days
	6	P38995-B21#0D1	Factory Integrated	0.00	23 days
0209	3	BD505A	HPE iLO Adv 1-svr Lic 3yr Support	716.10	23 days
	3	BD505A#0D1	Factory Integrated	0.00	23 days
0210	3	867998-B21	HPE 1U Gen10 Bezel Kit	94.71	23 days
	3	867998-B21#0D1	Factory Integrated	0.00	23 days
0211	3	875519-B21	HPE Bezel Lock Kit	101.43	23 days
	3	875519-B21#0D1	Factory Integrated	0.00	23 days
0212	3	P13771-B21	HPE Gen10 Plus TPM BR Module Kit	53.19	23 days
	3	P13771-B21#0D1	Factory Integrated	0.00	23 days
0213	3	P14604-B21	HPE Gen10+ Intrusion Detection Kit	70.92	23 days
	3	P14604-B21#0D1	Factory Integrated	0.00	23 days
0214	3	P26479-B21	HPE DL360 Gen10+ High Perf Heat Sink Kit	171.00	23 days
	3	P26479-B21#0D1	Factory integrated	0.00	23 days
0215	3	P26485-B21	HPE DL300 G10+ 1U SFF Easy Inst Rail Kit	240.27	23 days
	3	P26485-B21#0D1	Factory integrated	0.00	23 days
0216	3	P26489-B21	HPE DL300 Gen10+ 1U CMA for Rail Kit	256.23	23 days
	3	P26489-B21#0D1	Factory integrated	0.00	23 days
0217	3	P35876-B21	HPE CE Mark Removal FIO Enable Kit	1.11	23 days
0218	3	R8E93A	HPE NS dHCI w/ Add Cust ESXi 7.0 FIO SW	0.78	23 days
0300	2	R0P77A	HPE SN2010M 18SFP28 4QSFP28 P2C TAA Swch	8,008.66	22 days
0400	8	JD089B	HPE X120 1G SFP RJ45 T Transceiver	2,317.92	31 days

Attachment: NQ06671425-02 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

No.	Qty	Product	Description	Ext Net Price	Estimated Delivery Time
0500	4	Q6M30A	HPE 10GbE SFP+ SR MM 300m XCVR	855.00	23 days
0600	4	845970-B21	HPE QSFP28 to SFP28 Adapter	471.80	23 days
0700	1	Q2F25A	HPE SN2100M Rack Installation Kit	405.21	79 days
0800	2	JL271A	HPE X240 100G QSFP28 1m DAC Cable	839.52	31 days
0900	16	844477-B21	HPE 25Gb SFP28 to SFP28 3m DAC	1,567.52	23 days
1000	4	QK734A	HPE Premier Flex LC/LC OM4 2f 5m Cbl	139.04	23 days
1100	1	HU4A6A5	HPE 5Y Tech Care Essential SVC	0.00	
	3	HU4A6A5#ZSA	HPE Proliant DL360 Gen10+ Support	13,658.10	
	3	HU4A6A5#R2M	HPE iLO Advanced Non Blade Support	112.35	
	2	HU4A6A5#W0P	HPE SN2010M 25GbE Switch Support	5,734.40	
1200	1	HA124A1	HPE Technical Installation Startup SVC	0.00	
	1	HA124A1#5WX	HPE Nimble Storage dHCI Base Deploy SVC	13,289.60	
1300	1	HB983A1	HPE Installation Comm Svrs Hourly SVC	144.00	
1400	20	H33XSA1	HPE Learn Credits for Compute IT SVC	1,600.00	
1500	1	R7L31A	HPE NS dHCI w/ Alletra 5010 CTO Array	7,340.20	23 days
1501	1	R3Q00A	HPE NS 2x25GbE 2p SFP28 FIO Adptr Kit	1,695.63	23 days
1502	1	R4U47A	HPE Alletra 5000 2.88TB FIO Cache Bdl	6,234.44	23 days
1503	1	R8F35A	HPE Alletra 5000 1.44TB FIO Cache Bdl	3,281.37	23 days
1504	2	Q8J27A	HPE NS C13 to C14 FIO Power Cord	0.52	23 days
1505	1	R4U42A	HPE Alletra 5000 42TB SAS FIO HDD Bdl	8,225.41	23 days
1506	1	R9X15A	HPE Alletra Tier 1 Storage Array Std Trk	0.22	23 days
1507	1	S2V19B	HPE AL STG 5000 2x 1200W Ti FIO PS Kit	1,647.76	23 days

Attachment: NQ06671425-02 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

No.	Qty	Product	Description	Ext Net Price	Estimated Delivery Time
1508	1	R8E98A	HPE NS dHCI NOS PG for ESXi 7.0 FIO SW	0.20	23 days
1600	1	S0L75AAE	HPE Alletra 5010 SW/Sup 5yr SaaS	8,705.94	20 days
1700	1	HU4A6A5	HPE 5Y Tech Care Essential SVC	0.00	
	1	HU4A6A5#ZDW	HPE NS 2x25GbE 2p SFP28 FIO Adp Kit Supp	1,104.32	
1701	1	HU4A6A5007D	HPE Alletra 5010 CTO Base Array Supp	772.06	
1702	1	HU4A6A5007M	HPE Alletra 5000 42TB SAS HDD Bdl Supp	1,354.04	
1703	1	HU4A6A5007S	HPE Alletra 5000 1.44TB FIO CachBdl Supp	579.37	
1704	1	HU4A6A5007T	HPE Alletra 5000 2.88TB FIO CachBdl Supp	1,100.59	
<b>Sub-Total:</b>				USD 117,000.00	
Shipping and Handling		Estimated	Total weight	299.833 Kg	USD 0.00
<b>Grand Total:</b>				USD 117,000.00	

Attachment: NQ06671425-02 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)



## Terms & Conditions

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Quote contains special discounts. Unless the customer has another valid agreement with Hewlett Packard Enterprise, this quotation is governed by Hewlett Packard Enterprise Customer Terms - Portfolio. A copy of these terms can be found on-line at <https://www.hpe.com/us/en/about/end-user-agreement-terms.html>

For inquiries regarding this quote please contact your HPE sales rep

\*If quoted herein, Remarketed Products are fully remanufactured and carry new product warranty. Purchase is subject to inventory availability at receipt order. Inventory may not be reserved. Hewlett Packard Enterprise reserves the right to substitute new components if appropriate, or to cancel orders by notifying the customer if necessary components are unavailable.

\*If quoted herein, Hewlett Packard Enterprise Promotions must be ordered as quoted, no substitutions will be allowed. POs must be received on or prior to the expiration date of the quote or special promotion whichever comes first.

\*If quoted herein, Hewlett Packard Enterprise Consignment/Demo equipment is currently at the location listed on this quote. Issuing a PO against this formal quotation will imply acceptance and delivery of the Consignment/Demo inventory. The standard warranty applicable to new equipment will apply. Some demo equipment may contain products that are remanufactured to be functionally equivalent to new. If this quote contains Non-HPE branded products, Non-HPE branded products receive warranty coverage as provided by the relevant third party supplier.

The terms and conditions of the NASPO ValuePoint Agreement as set forth in your Contract ID as referenced in your quote from HPE applies to any or placed as a result of this inquiry. No other terms and conditions shall apply. Please reference this contract when placing an order.

Attachment: NQ06671425-02 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

**STATE OF CALIFORNIA**  
**PARTICIPATING ADDENDUM NUMBER 7-23-70-55-03**  
 Computer Equipment, Peripherals & Related Services  
 Minnesota NASPO ValuePoint Master Agreement Number 23008  
**Hewlett Packard Enterprise Company (Contractor)**

This Participating Addendum Number 7-23-70-55-03 is entered into between the State of California, Department of General Services (hereafter referred to as “State” or “DGS”) and Hewlett Packard Enterprise Company (hereafter referred to as “Contractor”) under the lead state of Minnesota NASPO ValuePoint Master Agreement Number 23008.

## 1. SCOPE

- A. This Participating Addendum covers the purchase of computer equipment (desktops, laptops, tablets, servers, and storage, including related peripherals & services) under the Minnesota NASPO ValuePoint Master Agreement. The Minnesota NASPO ValuePoint Master Agreement is hereby incorporated by reference. Product/service categories included under this Participating Addendum are identified in Section 5 (Available Products and Services).
- B. This Participating Addendum is available for use by California state agencies and local governments. A local government is defined as any city, county, city and county, district, or other local governmental body, school district or corporation empowered to expend public funds. The [State Agency Listing](https://www.ca.gov/agenciesall/) (https://www.ca.gov/agenciesall/) provides a comprehensive list of state agencies.
- C. Each local government is to make its own determination whether this Participating Addendum and the Minnesota NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

## 2. TERM

- A. The term of this Participating Addendum shall begin February 1, 2024, or upon signature approval by the State whichever occurs later, and will end June 30, 2025, or upon termination by the State, whichever occurs first.
- B. Lead state amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.
- C. Order placement and execution shall be on or before the expiration of this Participating Addendum. However, delivery of products or completion of services may be up to 120 days after the Participating Addendum expiration date.

## Participating Addendum 7-23-70-55-03

### 3. TERMS AND CONDITIONS/INCORPORATION OF DOCUMENTS

- A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.
- 1) General Provisions – Information Technology (GSPD-401IT) effective 6/21/2022
  - 2) Cloud Computing Software as a Service (SaaS) General Provisions effective 6/21/2022
  - 3) Cloud Computing Special Provisions for Software as a Service (SaaS) effective 03/15/2018
- B. Terms can be viewed on the [DGS Procurement Division website](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Required-Language-for-Solicitations-and-Contracts) (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Required-Language-for-Solicitations-and-Contracts).

### 4. ORDER OF PRECEDENCE

- A. In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:
- 1) California Participating Addendum Number 7-23-70-55-03
  - 2) Minnesota NASPO ValuePoint Master Agreement Number 23008

### 5. AVAILABLE PRODUCTS AND SERVICES

- A. The following product and service offerings from the Minnesota NASPO ValuePoint Master Agreement Number 23008 are allowed under this Participating Addendum:
- 1) Band 3, Servers and Storage

### 6. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES

- A. Configuration limits: The dollar limits identified below are based on a SINGLE computer/system configuration. This is NOT a restriction on the purchase of multiple configurations (e.g., an entity could purchase 10 laptops at \$15,000 each, for a total purchase price of \$150,000)

ITEM	CONFIGURATION
Band 3	\$1,000,000
Peripherals	\$10,000
Services	Addressed in the customer specific Purchase Orders

- B. Services must be related to the procurement of equipment.

**Participating Addendum 7-23-70-55-03**

C. The following restrictions apply to state agency purchases under this Participating Addendum:

- 1) Product and service categories that are available on mandatory California statewide contracts cannot be purchased from this Participating Addendum by state agencies without an exemption. State agencies are responsible for obtaining a mandatory statewide contract exemption from DGS prior to issuing a purchase order.
- 2) Service-only purchases are disallowed. (Exception: Equipment maintenance service purchases are allowed).
- 3) Services that fall within the definition of “public works” as defined in Public Contract Code section 1101 and Labor Code section 1720 are disallowed under this Participating Addendum and must be procured by alternate means. This restriction is not applicable to local governments.
- 4) Leasing/rental is not allowed.
- 5) Professional services are not allowed.

**7. PRICING**

- A. Contractor’s pricing is outlined in the Minnesota NASPO ValuePoint Master Agreement Number 23008.
- B. Contractor shall notify the State Contract Administrator of any amendments and pricing adjustments approved and executed by the state of Minnesota.

**8. AUTHORIZED RESELLERS**

- A. Contractor may use State-approved Authorized Resellers under this Participating Addendum for sales and service functions as defined herein.
  - 1) Authorized Resellers must accept purchase orders and accept payment from ordering agencies for products and services offered under this Participating Addendum.
  - 2) Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.
  - 3) All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and Contractor Name.

**Participating Addendum 7-23-70-55-03**

- B. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Authorized Resellers. All State policies, guidelines, and requirements shall apply to Authorized Resellers.
- C. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.
- D. Subject to the approval of the State, Authorized Resellers may be added on a quarterly basis during the term of the Participating Addendum. Contractors shall notify the State in writing of any deleted Authorized Resellers or changes to current Authorized Resellers' information at any time.
- E. Contractor will be required to submit Authorized Reseller requests, in a format specified by the State, to the State Contract Administrator for approval.
- F. State-approved Authorized Resellers will be posted on the State's Cal eProcure website.

**9. SUBCONTRACTORS**

- A. Nothing contained in this Participating Addendum or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor.
- B. Contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted except for subcontractors listed on the Bidder Declaration (GSPD-05-105) provided to ordering agencies at the time an order is quoted.
- C. As the prime Contractor, Contractor is responsible for reports and fees required by the terms and conditions of the NASPO ValuePoint Master Agreement and Participating Addendum.
- D. Any subcontract in excess of \$25,000, entered into as a result of this Participating Addendum, shall contain all the provisions stipulated in this Participating Addendum to be applicable to subcontractors.

**Participating Addendum 7-23-70-55-03****10. ORDERING AGENCY RESPONSIBILITIES**

- A. State agency and local government use of this Participating Addendum is optional.
- B. State agencies and local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum. User Instructions are posted on the State's Cal eProcure website.
- C. All purchase orders executed under this Participating Addendum shall include the Participating Addendum Number 7-23-70-55-03.

**11. STATE AGENCY BUY RECYCLED CAMPAIGN (SABRC)**

- A. State agencies are required to report purchases made within the eleven product categories in the California Department of Resources Recycling and Recovery's State Agency Buy Recycled Campaign (SABRC) per Public Contract Code sections 12200-12217.
- B. Contractor will be required to complete and return a [Postconsumer Recycled-Content Certification form](https://calrecycle.ca.gov/buyrecycled/stateagency/vendored/form74guide/) (<https://calrecycle.ca.gov/buyrecycled/stateagency/vendored/form74guide/>) upon request by the state agency.

**12. DELIVERY**

- A. Delivery shall occur within 30 days after receipt of order, or as negotiated between ordering agency and Contractor and included in the purchase order, or as otherwise stipulated in the NASPO ValuePoint Master Agreement.
- B. Free On Board (F.O.B.) Destination, freight prepaid by the Contractor, to the ordering agency's receiving point.

**13. INVOICING AND PAYMENT**

- A. Payment will be made in accordance with IT General Provisions Paragraph 30 (Required Payment Date).
- B. Invoices shall be sent to the address identified in the ordering agency's purchase order. The Participating Addendum Number and ordering agency purchase order number shall appear on each invoice for all purchases placed under this Participating Addendum.
- C. Contractor will accept the State of California credit card (CAL-Card) for payment of invoices.

## Participating Addendum 7-23-70-55-03

**14. USAGE REPORTING**

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.
- B. The State Contract Administrator reserves the right to modify Attachment A and require Contractor to provide additional order information during the course of this Participating Addendum.
- C. The report shall be an Excel spreadsheet transmitted electronically to the [DGS Cooperatives mailbox](mailto:PD Cooperatives@dgs.ca.gov) (PD Cooperatives@dgs.ca.gov).
- D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five (5) business days of the date of written notification from the State.
- E. Tax must not be included in the report, even if it is on the purchase order.
- F. Reports are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

- G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this Participating Addendum.
- H. Time extensions may be approved only if all due reports have been submitted to the State.

**15. ADMINISTRATIVE FEE**

- A. Contractor is required to remit to DGS an administrative fee amount equal to 1.25% of the sales for the quarterly reporting period less freight, taxes, returned products and credits. (For example, if the net sales for the reporting quarter totals \$100,000.00, the incentive fee due to DGS would be \$1,250.00.)
- B. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.
- C. The administrative fee shall not be invoiced or charged to the ordering agency.

**Participating Addendum 7-23-70-55-03**

- D. Payment of the administrative fee is due irrespective of payment status from ordering agencies.
- E. Payment may be made in the form of an electronic payment using the [LPA Payment Portal website](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal) (https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal) or by submitting a check payable to the State of California, Department of General Services.
- F. Administrative fee payments made by check must include the Participating Addendum Number on the check and be submitted to the following address:

Department of General Services  
 Procurement Division  
 Attn: MAPS Payment Processing  
 707 Third Street, 2nd Floor  
 West Sacramento, CA 95605

- G. Administrative fee payments are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

- H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this Participating Addendum.

**16. CONTRACT MANAGEMENT**

- A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor	Contract Manager
Name:	Nancy Schwarz
Phone:	(480) 636-0267
Fax:	n/a
Email	nancy.schwarz@hpe.com
Address:	Hewlett Packard Enterprise Company Attn: Nancy Schwarz 1701 East Mossy Oaks Road Spring, TX 77389



## Participating Addendum 7-23-70-55-03

- B. The State Contract Administrator for this Participating Addendum shall be as follows:

State	Contract Administrator
Name:	Katelynne Leisenring
Phone:	(279) 946-8129
Email	katelynne.leisenring@dgs.ca.gov
Address:	State of California Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

- C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten (10) business days after the change.

### 17. TERMINATION OF AGREEMENT

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible, and intangible, as may facilitate the orderly, non-disrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

### 18. AMENDMENT

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

### 19. NEWS RELEASES

Unless otherwise exempted, news releases, endorsements, advertising, and social media content pertaining to this Participating Addendum shall not be made without prior written approval from the State.

**Participating Addendum 7-23-70-55-03****20. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Participating Addendum. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the State.

**21. AGREEMENT**

- A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations, or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.
- B. By signing this Participating Addendum, Contractor agrees to offer the same products/services available on the Minnesota NASPO ValuePoint Master Agreement Number 23008, at prices equal to or lower than the prices on that agreement.

Participating Addendum 7-23-70-55-03

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

CONTRACTOR

Department of General Services

Hewlett Packard Enterprise Company

Agency Name

Contractor Name

Julie Matthews Digitally signed by Julie Matthews Date: 2024.01.11 07:28:38 -08'00' 1/11/2024

*Debra Laird* 12/19/2023

Authorized Signature Date Signed

Authorized Signature Date Signed

Julie Matthews, MAU2 Supervisor

Debra Laird, Manager, Contract Negotiations

Printed Name/Title of Person Signing

Printed Name/Title of Person Signing

707 Third Street West Sacramento, CA 95605

1701 East Mossy Oaks Road Spring, TX 77389

Address

Address

Attachment: California HPE PA#7-23-70-55-03 (10300 : Hewlett Packard Enterprise Company-Award Contract, Servers and SAN Replacement)

## *Minute Action*

AGENDA ITEM: 9

**Date:** *April 10, 2024*

**Subject:**

Award Freeway Service Patrol Contract No. 23-1002945 for FSP Beat No. 5 & Contract 23-1002946 for FSP Beat No. 27

**Recommendation:**

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Award Contract No. 23-1002945 to Pepe’s Inc., DBA Pepe’s Towing Service for Freeway Service Patrol (FSP) services along Beat No. 5 from January 1, 2025, through December 31, 2029, for a not-to-exceed amount of \$3,946,240, to be funded with State FSP Funds.

B. Approve a contract contingency for a not-to-exceed amount of \$685,430 for Contract No. 23-1002945 for construction support and authorize the Executive Director, or his designee, to release contingency as necessary.

C. Award Contract No. 23-1002946 to Pepe’s Inc., DBA Pepe’s Towing Service for FSP services along Beat No. 27, from January 1, 2025, through December 31, 2029, for a not-to-exceed amount of \$2,358,495 to be funded with State FSP Funds.

D. Approve a contract contingency for a not-to-exceed amount of \$685,430 for Contract No. 23-1002946 for construction support and authorize the Executive Director, or his designee, to release contingency as necessary.

**Background:**

The Freeway Service Patrol (FSP) Program consists of a fleet of tow trucks patrolling urban freeways for the purpose of assisting motorists with their disabled vehicles during peak periods of congestion. The stretch of highway that the fleet patrols up and down is referred to as a “Beat.” The FSP Program is extremely beneficial to the motoring public by reducing the amount of time a motorist is in an unsafe condition in traffic lanes, reducing traffic delays, as well as decreasing fuel consumption, vehicular emissions, and secondary incidents. San Bernardino County Transportation Authority (SBCTA) began its program in January 2006 and has eight separate Beats in operation assisting more than 6,000 motorists each month. The current contracts for FSP Beat No. 5 and Beat No. 27 are set to expire on December 31, 2024.

Prior to the release of a Request for Proposals (RFP), staff performed outreach that consisted of various components with the goal of increasing the participation of tow operators in the SBCTA FSP Program.

These efforts helped in bringing knowledge and awareness about the FSP Program to various companies in the area. Although they may not have proposed this time around, more companies are now aware and can better prepare for future opportunities.

On October 25, 2023, RFP No. 23-1002945 for Beat No. 5 and Beat No. 27 was released to cover the following areas:

1. Beat 5: State Route 60 Reservoir Street (Los Angeles County line) to Milliken Avenue.
2. Beat 27: Interstate 15 (I-15) from Sierra Avenue to Oak Hill Road.

*Entity: San Bernardino County Transportation Authority*

General Policy Committee Agenda Item

April 10, 2024

Page 2

The RFP was sent electronically to approximately 49 consultants and contractors registered on Planet Bids. The solicitation was downloaded by 10 firms. The solicitation was issued in accordance with current SBCTA policies and procedures for professional services.

The RFP was posted on the SBCTA website as well. A Pre-Proposal meeting took place on November 8, 2023, and was attended by one firm. A Question and Answer period was open through November 28, 2023. Addendum No. 1 was issued on November 14, 2023.

Three proposals for Beat 5 and three proposals for Beat 27 were received by the date and time specified in the RFP. The following is a summary of the events that transpired in the evaluation and selection process. A responsiveness review was conducted by the Procurement Professional and found all firms responsive.

The Evaluation Committee that reviewed the proposals consisted of one representative from the California Highway Patrol (CHP) local office, one staff member from Riverside County Transportation Commission (RCTC), and one staff member from SBCTA. After an initial review, the Evaluation Committee made their “short list” recommendations based on the following criteria:

1. Qualifications of the Firm - experience in performing FSP and similar work, working with public agencies, and review of client references.
2. Staffing and Project Organization - qualifications of key staff assigned and adequacy of labor commitment.
3. Work Plan - depth of Proposer’s understanding of requirements and overall quality of work plan, ability to recruit and retain drivers, and ability to meet backup vehicle requirements.
4. Cost and Price - reasonableness of the total price and competitiveness of this amount with other proposals received and the basis on which prices are quoted (labor, equipment, materials, gas, profit, and so on).

All proposing firms made the short-list. The Evaluation Committee conducted interviews at SBCTA’s office. Each Proposer was asked a series of questions, and the Evaluation Committee reviewed a video tour of each tow yard.

Pepe’s Inc. ranked number one for FSP Beat No. 5. Pepe’s Inc. is best suited to perform the services for FSP Beat No. 5 for a variety of reasons, including that the firm ranked first in technical score and overall score. The firm clearly demonstrated a thorough understanding of the scope of work (SOW), proposed an overall solid team, and has demonstrated exceptional experience.

Pepe’s Inc. has extensive experience with law enforcement tow programs. They emphasized the importance of maintaining high standards and providing great customer service. In addition, Pepe’s Inc. received excellent references. The hourly rates for Contract No. 23-1002945 are as follows: Years one through three of the contract are contracted at \$125.00 per hour, and the hourly rate for years four through five of the contract is \$132.50 per hour.

Pepe’s Inc. ranked number one for FSP Beat No. 27. Pepe’s Inc. is best suited to perform the services for FSP Beat No. 27 for a variety of reasons, including that the firm ranked first in technical score and overall score. The firm clearly demonstrated a thorough understanding of the SOW, proposed an overall solid team, and has demonstrated exceptional experience.

Pepe’s Inc. has experience with law enforcement tow programs. They emphasized the importance of maintaining high standards and providing great customer service. In addition, Pepe’s Inc. received excellent references. The hourly rates for Contract No. 23-1002946 are as

San Bernardino County Transportation Authority

follows: Years one through three of the contract are contracted at \$145.00 per hour, and the hourly rate for years four through five of the contract is \$165.00 per hour.

Staff recommends the approval of Contract No. 23-1002945 and Contract No. 23-1002946 with Pepe’s Inc. for FSP Beat No. 5 and FSP Beat No. 27, respectively.

Staff is also recommending a contingency amount for the contracts for Beat No. 5 and Beat No. 27 for SBCTA led Construction FSP (CFSP) services. When it is determined CFSP services are needed, then staff will coordinate with the project team to determine the best hours of operation needed for these services.

Staff is also recommending that the Board approve and authorize the Executive Director, or his designee, to release contingency funds for Contracts No. 23-1002945 and No. 23-1002946, in a not-to-exceed amount of \$685,430 for each contract.

The SOW is attached and incorporated into each contract as Exhibit A. The pricing information is attached and incorporated into each contract as Exhibit B. Upon SBCTA Board of Director approval, the contracts will be executed, and mobilization will start in May 2024, with full FSP service for FSP Beat No. 5 and FSP Beat No. 27 starting on January 1, 2025. The approval of these contracts will ensure no disruption of service to the motoring public.

***Financial Impact:***

This project is funded with 80% State FSP funds and 20% DMV Safe funds for regular FSP services in Program 15, Commuter and Motorist Assistance and is included in the adopted Budget for Fiscal Year 2023/2024, and the proposed Budget for Fiscal Year 2024/2025.

***Reviewed By:***

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager and Enterprise Risk Manager have reviewed this item and the draft contracts.

***Responsible Staff:***

Kelly Lynn, Chief of Air Quality & Mobility Programs

Approved  
General Policy Committee  
Date: April 10, 2024  
Witnessed By:

**General Contract Information**

Contract No: 23-1002945 Amendment No.: \_\_\_\_\_  
 Contract Class: Payable Department: Air Quality and Mobility  
 Vendor No.: 01718 Vendor Name: Pepe's Inc.  
 Description: Freeway Service Patrol Beat No. 5  
 List Any Related Contract Nos.: \_\_\_\_\_

Dollar Amount					
Original Contract	\$	3,946,240.00	Original Contingency	\$	685,430.00
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
<b>Total/Revised Contract Value</b>	<b>\$</b>	<b>3,946,240.00</b>	<b>Total Contingency Value</b>	<b>\$</b>	<b>685,430.00</b>
<b>Total Dollar Authority (Contract Value and Contingency)</b>				<b>\$</b>	<b>4,631,670.00</b>

**Contract Authorization**

Board of Directors \_\_\_\_\_ Date: 05/01/2024 \_\_\_\_\_ Committee \_\_\_\_\_ Item # \_\_\_\_\_

**Contract Management (Internal Purposes Only)**

Other Contracts \_\_\_\_\_ Sole Source? No \_\_\_\_\_ N/A \_\_\_\_\_  
 State/Local \_\_\_\_\_ Freeway Service Patrol \_\_\_\_\_ N/A \_\_\_\_\_

**Accounts Payable**

Estimated Start Date: 01/01/2025 Expiration Date: 12/31/2029 Revised Expiration Date: \_\_\_\_\_  
 NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	Total Contract Funding:		Total Contingency:	
								\$		\$	
GL: 2810	15	0704	0000	52001	42212001		Safe	789,248.00		-	
GL: 2820	15	0704	0000	52001	42213019		SP24-6507(042).24-100308	631,399.00		-	
GL: 2702	15	0704	0170	52001	42217718		1.FSP23SB1-6507(038).23-1	631,399.00		-	
GL: 2702	15	0704	0171	52001	42217718		1.FSP23SB1-6507(038).23-1	631,398.00		-	
GL: 2702	15	0704	0170	52001	42217720		1.FSP24SB1-6507(043).24-1	631,398.00		-	
GL: 2702	15	0704	0171	52001	42217720		1.FSP24SB1-6507(043).24-1	631,398.00		-	
GL:								-		-	
GL: 4110	40	0820	0821	52001	41100000		Sales Tax-MSI	-		685,430.00	
GL:								-		-	
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GL:								-		-	
GL:								-		-	
GL:								-		-	

Rana Semaan \_\_\_\_\_ Steve Smith \_\_\_\_\_  
 Project Manager (Print Name) Task Manager (Print Name)  
 Additional Notes: \_\_\_\_\_

Attachment: CSS 23-1002945 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**CONTRACT NO. 23-1002945****BY AND BETWEEN****SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY****AND****PEPE'S INC.  
(DBA PEPE'S TOWING SERVICE)****FOR****FREEWAY SERVICE PATROL BEATS 5**

This contract (referred to as "Contract"), is made and entered into by and between the San Bernardino County Transportation Authority ("SBCTA"), whose address is: 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, California 92410-1715; and Pepe's Inc. dba Pepe's Towing Service ("CONTRACTOR"), whose address is: 2000 W. Key St., Colton, California 92410. SBCTA and CONTRACTOR are each a "Party" and collectively the "Parties".

**RECITALS:**

**WHEREAS**, SBCTA requires certain work services as described in Exhibit "A" of this Contract and;

**WHEREAS**, CONTRACTOR has confirmed that CONTRACTOR has the requisite professional qualifications, personnel and experience and is fully capable and qualified to perform the services identified herein; and

**WHEREAS**, CONTRACTOR desires to perform all Work identified herein and to do so for the compensation and in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, the Parties agree as follows:

**ARTICLE 1. PROJECT DESCRIPTION/SCOPE OF WORK**

- 1.1 CONTRACTOR agrees to perform the work and services set forth in Exhibit A "Scope of Work" ("Work"), in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with the terms and conditions expressed herein and in the sequence, time, and manner defined herein. The word "Work" includes without limitation, the performance, fulfillment and discharge by CONTRACTOR of all obligations, duties, tasks, and services imposed upon or assumed by CONTRACTOR hereunder; and the Work performed hereunder shall be completed to the satisfaction of SBCTA, with SBCTA's satisfaction being based on prevailing applicable professional standards.



- 1.2 CONTRACTOR warrants that all employees shall have sufficient skill and experience to perform the Work assigned to them. CONTRACTOR further represents and warrants to SBCTA that its employees have all licenses, permits, qualifications (including medical certification) and approvals of whatever nature that are required to perform the Work, and that such licenses and approvals shall be maintained throughout the term of this Contract. CONTRACTOR shall perform, at its own cost and expense and without compensation from SBCTA, any Work necessary to correct errors or omissions which are caused by the CONTRACTOR's failure to comply with the standard of care provided for herein, and shall be fully responsible to SBCTA for all damages and other liabilities provided for in the indemnification provisions of this Contract arising from the CONTRACTOR's errors and omissions. Any employee of CONTRACTOR who is determined by SBCTA to be a threat to the safety of persons or property shall be promptly removed by the CONTRACTOR from the duties under the Freeway Services Patrol ("FSP") Program as defined in Exhibit "A" and shall not be re-employed to perform any of the Work on the FSP Program.
- 1.3 The Project Manager for this Contract is Kelly Lynn or such other designee as shall be designated in written notice to CONTRACTOR from time to time by the Executive Director of SBCTA or his or her designee. The Project Manager shall have authority to act on behalf of SBCTA in administering this Contract, including giving notices (including without limitation, notices of default and/or termination), technical directions and approvals; demanding performance and accepting work performed, but is not authorized to receive or issue payments or execute amendments to the Contract itself.

## **ARTICLE 2. CONTRACT TERM**

The Contract term shall commence upon issuance of the first of the following two written Notice To Proceed (NTP) issued by SBCTA's Procurement Analyst: NTP No. 1 for mobilization and NTP No. 2 for the start of service. The Contract shall continue in full force and effect through December 31, 2029 or until otherwise terminated, or unless extended as hereinafter provided by written amendment, except that all indemnity and defense obligations hereunder shall survive termination of this Contract. CONTRACTOR shall not be compensated for any Work performed or costs incurred prior to issuance of the applicable NTP.

## **ARTICLE 3. COMPENSATION**

- 3.1 Total compensation to CONTRACTOR for full and complete performance of the Scope of Work, identified herein and, in compliance with all the terms and conditions of this Contract, shall be on a FSP Time & Materials basis for all obligations incurred in, or application to, CONTRACTOR's performance of Work, and for which CONTRACTOR shall furnish all personnel, facilities, equipment, materials, supplies, and Services (except as may be explicitly set forth in this Contract as furnished by SBCTA) shall not exceed the amount set forth in section 3.2 below.
- 3.2 The total Contract Not-To-Exceed Amount is Three Million Nine Hundred Forty Six Thousand Two Hundred Forty Dollars (\$3,946,240). All Work provided under this Contract is to be performed as set forth in Exhibit A "Scope of Work". The hourly labor rates identified in Exhibit B shall remain fixed for the term of this Contract and include CONTRACTOR's

direct labor costs, indirect costs, and profit. SBCTA will not compensate CONTRACTOR for any expenses not shown in Exhibit B or agreed to and approved by SBCTA as required under this Contract.

- 3.3 The hourly rates under this contract are identified in Exhibit “B”. Identified below are the amounts authorized to be compensated for the following:
- 3.3.1 Extra Time: Will be compensated in one-minute increments when a truck goes beyond the end of its normal shift.
  - 3.3.2 Non-Penalized Down Time: Assessed in one-minute increments when a truck is “out of service” without violation, as set forth in Exhibit “C”.
  - 3.3.3 Penalized Down Time: Assessed at five (5) times the hourly rate, broken down into one minute increments, when a truck is “out of service” in violation of the Contract, as set forth in Exhibit “C”.
  - 3.3.4 Final extra time and penalty times shall be assessed at the sole discretion of SBCTA.
- 3.4 Intentionally Omitted
- 3.5 The Cost Principles and Procedures set forth in 48 CFR, Ch. 1, subch. E, Part 31, as constituted on the effective date of this Contract, shall be utilized to determine allowability of costs under this Contract and may be modified from time to time by written amendment of the Contract.
- 3.5.1 CONTRACTOR agrees to comply with Federal requirements in accordance with 2 CFR, Parts 200 and 1201, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
  - 3.5.2 Any costs for which payment has been made to CONTRACTOR that are determined by subsequent audit to be unallowable under 48 CFR, Ch. 1, subch. E, Part 31, or 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, shall be repaid by CONTRACTOR to SBCTA.
- 3.6 Any Work provided by CONTRACTOR not specifically covered by the Scope of Work shall not be compensated without prior written authorization from SBCTA. It shall be CONTRACTOR’s responsibility to recognize and notify SBCTA in writing when services not covered by the Scope of Work have been requested or are required. All changes and/or modifications to the Scope of Work shall be made in accordance with the “CHANGES” Article in this Contract. Any additional services agreed to in accordance with this Contract shall become part of the Work.
- 3.7 All subcontracts in excess of \$25,000 shall contain the above provisions.

## ARTICLE 4. INVOICING

- 4.1 Payment to CONTRACTOR as provided herein shall be payable in monthly billing period payments, forty-five (45) calendar days after receipt of an acceptable invoice by SBCTA prepared in accordance with the instructions below. Payment shall not be construed to be an acceptance of Work.
- 4.2 CONTRACTOR shall prepare invoices in a form satisfactory to and approved by SBCTA, and it shall be accompanied by documentation supporting each element of measurement and/or cost. Each invoice will be for a monthly billing period and will be marked with SBCTA'S contract number, description and task order number, if applicable. Invoices shall be submitted within fifteen (15) calendar days for the period covered by the invoice, except for the month of June, for which the invoice must be submitted by July 10<sup>th</sup>. Invoices shall include request for payment for Work (including additional services authorized by SBCTA) completed by CONTRACTOR during each billing period and shall include back-up information sufficient to establish the validity of the invoice. Any invoice submitted which fails to comply with the terms of this Contract, including the requirements of form and documentation, may be returned to CONTRACTOR. Any costs incurred by CONTRACTOR in connection with the resubmission of a proper invoice shall be at CONTRACTOR'S sole expense. The final invoice shall be marked "FINAL" and will be submitted within 60 calendar days after SBCTA has received and approved all Work and deliverables. Invoices should be e-mailed to SBCTA at the following address:  
[ap@gosbcta.com](mailto:ap@gosbcta.com)
- 4.3 CONTRACTOR shall include a statement and release with each invoice, satisfactory to SBCTA, that CONTRACTOR has fully performed the Work invoiced pursuant to the Contract for the period covered, that all information included with the invoice is true and correct, and that all payments to and claims of CONTRACTOR for its Work during the period will be satisfied upon making of such payment. SBCTA shall not be obligated to make payments to CONTRACTOR until CONTRACTOR furnishes such statement and release.
- 4.4 INTENTIONALLY OMITTED
- 4.5 No payment will be made prior to approval of any Work, nor for any Work performed prior to issuance of the applicable NTP or an applicable CTO, nor for any Work under any amendment to the Contract until SBCTA'S Awarding Authority takes action.
- 4.6 INTENTIONALLY OMITTED
- 4.7 INTENTIONALLY OMITTED
- 4.8 CONTRACTOR agrees that throughout the term of this Contract, it shall not enter into any other FSP service contracts with any other public entities within the Southern California region, pursuant to which CONTRACTOR agrees to charge "FSP" service fees less than those charged under this Contract for substantially the same level of "FSP" services contemplated by this Contract. Should SBCTA establish that CONTRACTOR has agreed to charge such lower fees to another government agency, CONTRACTOR agrees to reduce its fees under the Contract to the lower fees charged to the other governmental agency and

to refund SBCTA an amount equal to the difference between the fees provided in this Contract and the lower fees charged to the other government agency.

#### 4.9 **EXTRA WORK:**

At any time during the term of this Contract, SBCTA may request CONTRACTOR to perform Extra Work. "Extra Work" shall mean any work which is determined by SBCTA to be necessary for proper completion of the Work, but which the parties did not reasonably anticipate would be necessary at the time of the execution of this Contract. Such work includes Construction FSP services, Weekend FSP services, and coverage of other Beats for which Contractors are selected in SBCTA's sole determination based on their Beat proximity and performance. "Extra Work" shall be compensated at the hourly rate as identified in Exhibit "B". CONTRACTOR shall not perform, nor be compensated for, Extra Work except as specifically authorized by SBCTA in writing prior to performance. Authorization for Extra Work up to \$25,000.00 will be subject to prior verification of then-existing contract authority and must be pursuant to SBCTA program manager's prior written approval, which may be provided via email. Authorization for "Extra Work" above \$25,000.00 must be issued by a written contingency amendment or contract amendment as applicable. All terms and conditions of this Contract shall apply to any "Extra Work" performed.

#### 4.10 **COVERAGE OF OTHER BEATS**

At times, other FSP Contractors will not be able to cover their shifts or complete their contractual obligations. A CONTRACTOR assigned to provide coverage on another contract/Beat is considered Extra Work and required to follow all FSP operational rules, policies and procedures for that Beat. CONTRACTOR's hourly rate for coverage shall be contracted FSP service hourly rate in this agreement.

In order for a CONTRACTOR to be considered for coverage of other Beats, the following criteria must be followed:

- CONTRACTOR is willing to provide coverage;
- CONTRACTOR is in good standing with CHP and SBCTA;
- There are funds available to cover the cost of the providing the coverage;
- CONTRACTORS should consider distance to the location of additional coverage and Log Book requirements before accepting service under this section;

4.11 **CONSTRUCTION FSP:** Construction FSP (CFSP) services are FSP services that are provided along a segment of highway that falls within a construction zone. This work is paid for with funds from specific projects and not the FSP State Highway Account/FSP SB1 funds. This is considered to be Extra Work as described in Section 4.9, and will all require the authorization of SBCTA's Program Manager in writing as well as a written contingency amendment or contract amendment as appropriate. There are three types of CFSP services that can occur:

1. Caltrans requested CFSP: Caltrans led projects that are part of a Caltrans/SBCTA CFSP Cooperative agreement. These projects will require a

cooperative agreement with Caltrans and the issuance of a Caltrans Task Order (CTO).

2. SBCTA requested CFSP: SBCTA led projects that will be funded by SBCTA.
3. City requested CFSP: City led projects that will be funded by the City.

Construction FSP services will typically be performed during non-regular SBCTA FSP hours. Should there be any cancellation of work, the following schedule will be followed for compensation of cancelled work:

- If the CONTRACTOR is scheduled to patrol the construction site, and is notified of a cancellation with less than a 24-hour notice, the CONTRACTOR will be compensated for three (3) hours of the agreed upon hourly truck rate.
- If the CONTRACTOR is notified during a CFSP beat that CFSP has been cancelled, the FSP operator will be paid for the entire shift period up to a maximum of eight (8) hours.

For purposes of CFSP, a shift period is defined as: the actual time of the CFSP shift assigned or a maximum of eight (8) contract truck hours, whichever is less.

The supervising FSP CHP Officer for the CFSP beat will make the final determination as to whether the CONTRACTOR will continue the CFSP beat or will return to its office.

#### **ARTICLE 5. MOBILIZATION COSTS PAYMENT**

The mobilization costs advance payment was made to CONTRACTOR to help offset pre-start date costs. CONTRACTOR shall pay back the zero Dollar (\$0) advance payment made at the time that the NTP No. 1 was provided. CONTRACTOR shall pay back this payment in twelve (12) equal monthly installments to be deducted from their monthly invoice by the Project Manager.

Failure to pay back the entirety of the Mobilization costs will result in withholding remaining balance from the final payment in the event of early termination.

#### **ARTICLE 6. TAXES, DUTIES AND FEES**

Except to the extent expressly provided elsewhere in this Contract, CONTRACTOR shall pay when due, and the compensation set forth herein, shall be inclusive of all: a) local, municipal, State, and federal sales and use taxes; b) excise taxes; c) taxes on personal property owned by CONTRACTOR; and d) other governmental fees and taxes or charges of whatever nature applicable to CONTRACTOR to enable it to conduct business.

#### **ARTICLE 7. AVAILABILITY OF FUNDS**

The award and performance of this Contract is contingent on the availability of funds. If funds are not appropriated and/or allocated and available to SBCTA for the continuance of Work performed by CONTRACTOR, Work directly or indirectly involved may be suspended or terminated by SBCTA at the end of the period for which funds are available. When SBCTA becomes aware that any portion of Work will or may be affected by a shortage of funds, it will promptly notify CONTRACTOR. Nothing herein shall relieve SBCTA from its obligation to compensate

CONTRACTOR for work already performed pursuant to this Contract. No penalty shall accrue to SBCTA in the event this provision is exercised.

#### **ARTICLE 8. PERMITS AND LICENSES**

CONTRACTOR shall, without additional compensation, keep current all governmental permits, certificates and licenses (including professional licenses) and required registrations necessary for CONTRACTOR to perform Work identified herein.

#### **ARTICLE 9. DOCUMENTATION AND RIGHT TO AUDIT**

- 9.1 CONTRACTOR shall maintain all records related to this Contract in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment by SBCTA, or until the conclusion of all litigation, appeals or claims related to this Contract, whichever is longer. CONTRACTOR shall provide SBCTA, the California State Auditor, or other authorized representatives of SBCTA, access to CONTRACTOR's records which are directly related to this Contract for the purpose of inspection, auditing or copying during the entirety of the records maintenance period above. CONTRACTOR further agrees to maintain separate records for costs of Work performed by amendment. CONTRACTOR shall allow SBCTA, its representatives and agents to reproduce any materials as reasonably necessary.
- 9.2 The cost proposal and/or invoices for this Contract are subject to audit by SBCTA and/or any state or federal agency funding this Project at any time. After CONTRACTOR receives any audit recommendations, the cost or price proposal shall be adjusted by CONTRACTOR and approved by SBCTA's Project Manager to conform to the audit recommendations. CONTRACTOR agrees that individual items of cost identified in the audit report may be incorporated into the Contract at SBCTA's sole discretion. Refusal by CONTRACTOR to incorporate the audit or post award recommendations will be considered a breach of the Contract and cause for termination of the Contract. Any dispute concerning the audit findings of this Contract shall be reviewed by SBCTA's Chief Financial Officer. CONTRACTOR may request a review by submitting the request in writing to SBCTA within thirty (30) calendar days after issuance of the audit report

#### **ARTICLE 10. RESPONSIBILITY OF CONTRACTOR**

- 10.1 CONTRACTOR shall be responsible for the professional quality, technical accuracy, and assurance of compliance with all applicable federal, State and local laws and regulations and other Work furnished by CONTRACTOR under the Contract. The Contract includes reference to the appropriate standards for Work performance stipulated in the Contract.
- 10.2 Damage Complaints – CONTRACTOR shall notify CHP of a damage complaint from a motorist assisted by CONTRACTOR within eight (8) hours of CONTRACTOR's receipt of the complaint. CONTRACTOR's notice to CHP shall include the nature of the damage alleged. CONTRACTOR shall call the complainant within 24 hours of receipt of the complaint. If necessary, within 48 hours of receipt of the complaint, CONTRACTOR shall send an authorized representative and/or a representative of CONTRACTOR's insurer to inspect the vehicle and complete an incident report. If the investigation shows that CONTRACTOR caused the damage to the vehicle, CONTRACTOR shall negotiate in a

good faith effort to resolve the claim, and shall report to the CHP the result of the negotiations. All complaints shall be resolved within a reasonable period of time after original notice.

- 10.3 Damage Complaint Review Committee –The committee is comprised of CHP and SBCTA representatives. The committee will investigate damage complaints if necessary and make recommendations to the CONTRACTOR.
- 10.4 In addition to any other requirements of this Contract or duties and obligations imposed on CONTRACTOR by law, CONTRACTOR shall, as an integral part of its Work, employ quality control procedures that identify potential risks and uncertainties related to scope, schedule, cost, quality and safety of the Project and the Work performed by CONTRACTOR within the areas of CONTRACTOR’s expertise. At any time during performance of the Scope of Work, should CONTRACTOR observe, encounter, or identify any unusual circumstances or uncertainties which could pose potential risk to SBCTA or the Project, CONTRACTOR shall immediately document such matters and notify SBCTA in writing. CONTRACTOR shall also similarly notify SBCTA in regard to the possibility of any natural catastrophe, or potential failure, or any situation that exceeds assumptions and could precipitate a failure of any part of the Project. Notifications under this paragraph shall be specific, clear and timely, and in a form which will enable SBCTA to understand and evaluate the magnitude and effect of the risk and/or uncertainties involved.

#### **ARTICLE 11. REPORTING**

All reports shall be submitted in accordance with Exhibit A “Scope of Work”. At a minimum, CONTRACTOR shall submit quarterly asset inventory reports. The report shall be sufficiently detailed for SBCTA to sufficiently address any difficulties or problems encountered with SBCTA owned property, so remedies can be developed.

#### **ARTICLE 12. TECHNICAL DIRECTION**

- 12.1 Performance of Work under this Contract shall be subject to the technical direction of SBCTA’s Project Manager who is identified in Section 1.2, above. The term “Technical Direction” is defined to include, without limitation:
- 12.1.1 Directions to CONTRACTOR, which redirect the Contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details or otherwise serve to accomplish the Scope of Work.
- 12.1.2 Provision of written information to CONTRACTOR, which assists in the interpretation of reports, or technical portions of the Scope of Work described herein.
- 12.1.3 Review and, where required by the Contract, approval of technical reports, and technical information to be delivered by CONTRACTOR to SBCTA under the Contract.
- 12.1.4 SBCTA’s Project Manager may modify this Contract for certain administrative modifications without issuing a written amendment. Administrative modifications

are limited to: substitutions of personnel identified in the Contract, including Key Personnel; modifications to classifications, hourly rates and names of personnel; and modifications of the address of the CONTRACTOR. All such modifications will be documented in writing between the Parties.

- 12.2 Technical Direction must be within the Scope of Work under this Contract. Except as provided with regard to Extra Work in Section 4.9, SBCTA's Project Manager does not have the authority to, and may not, issue any Technical Direction which:
- 12.2.1 Increases or decreases the Scope of Work;
  - 12.2.2 Directs CONTRACTOR to perform Work outside the original intent of the Scope of Work;
  - 12.2.3 Constitutes a change as defined in the "CHANGES" Article of the Contract;
  - 12.2.4 In any manner causes an increase or decrease in the Contract price as identified in the "COMPENSATION" Article or the time required for Contract performance;
  - 12.2.5 Changes any of the expressed terms, conditions or specifications of the Contract; unless identified herein;
  - 12.2.6 Interferes with CONTRACTOR's right to perform the terms and conditions of the Contract unless identified herein; or
  - 12.2.7 Approves any demand or claims for additional payment.
- 12.3 Failure of CONTRACTOR and SBCTA's Project Manager to agree that the Technical Direction is within the scope of the Contract, or a failure to agree upon the Contract action to be taken with respect thereto, shall be subject to the provisions of "DISPUTES" Article herein.
- 12.4 All Technical Direction shall be issued in writing by SBCTA's Project Manager.
- 12.5 CONTRACTOR shall proceed promptly with the performance of Technical Direction issued by SBCTA's Project Manager, in the manner prescribed by this Article and within their authority under the provisions of this Article. If, in the opinion of CONTRACTOR, any instruction or direction by SBCTA's Project Manager falls within one of the categories defined in sections 11.2.1 through 11.2.7 above, CONTRACTOR shall not proceed but shall notify SBCTA in writing within five (5) working days after receipt of any such instruction or direction and shall request SBCTA to modify the Contract accordingly. Upon receiving the notification from CONTRACTOR, SBCTA shall:
- 12.5.1 Advise CONTRACTOR in writing within thirty (30) calendar days after receipt of CONTRACTOR's letter that the Technical Direction is or is not within the scope of this Contract.
  - 12.5.2 Advise CONTRACTOR within a reasonable time whether SBCTA will or will not issue a written amendment.



## **ARTICLE 13. CHANGES**

- 13.1 The Work shall be subject to changes by additions, deletions, or revisions made by SBCTA. CONTRACTOR will be advised of any such changes by written notification from SBCTA describing the change. Except as provided in Section 4.9, this notification will not be binding on SBCTA until SBCTA's Awarding Authority has approved an amendment to this Contract.
- 13.2 Promptly after such written notification of change is given to CONTRACTOR by SBCTA, the Parties will attempt to negotiate a mutually agreeable adjustment to compensation or time of performance, and amend the Contract accordingly, except as provided in Section 4.9.

## **ARTICLE 14. EQUAL EMPLOYMENT OPPORTUNITY**

- 14.1 During the term of this Contract, CONTRACTOR shall not willfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, gender, sex, marital status, gender identity, gender expression, sexual orientation, age, or military and veteran status. CONTRACTOR agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.
- 14.2 The CONTRACTOR shall comply with all provisions of Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, and national origin. In addition, CONTRACTOR will ensure their services are consistent with and comply with obligations and procedures outlined in SBCTA's current Board-adopted Title VI Program, including the Public Participation Plan and the Language Assistance Plan.

## **ARTICLE 15. CONFLICT OF INTEREST**

CONTRACTOR agrees that it presently has no interest, financial or otherwise, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Work required under this Contract or be contrary to the interests of SBCTA. CONTRACTOR further agrees that no person having any such interest shall be employed in the performance of this Contract. CONTRACTOR is obligated to fully disclose to SBCTA, in writing, any conflict of interest issues as soon as they are known to CONTRACTOR. .

## **ARTICLE 16. KEY PERSONNEL**

The personnel specified below are considered to be essential to the Work being performed under this Contract. Prior to diverting any of the specified individuals to other projects, or reallocation of any tasks or hours of Work that are the responsibility of key personnel to other personnel, CONTRACTOR shall notify SBCTA in writing in advance and shall submit justifications (including proposed substitutions, resumes and payroll information to support any changes to the

labor rates) in sufficient detail to permit evaluation of the impact on the Project. Diversion or reallocation of key personnel shall not be made without prior written consent of SBCTA's Project Manager. CONTRACTOR shall not substitute any key personnel without the prior written consent of SBCTA. In the event that the Parties cannot agree as to the substitution of key personnel, SBCTA may terminate this Contract. Key Personnel are:

Name	Job Classification/Function
Manuel Acosta	Program Support
Lorenzo Navarro	Program Support
Pete Ortiz	Program Support
Fernando Soria	Program Support
Christopher Navarro	Supervisor
Jose Suarez	Supervisor
Dustin Diodato	FSP Program Manager
Robert Stutz	FSP Program Manager
David Camberos	Lead Driver
Carmen Reyes	Accounts Receivable
Marcos Lara	Fleet Manager

#### **ARTICLE 17. REPRESENTATIONS**

All Work supplied by CONTRACTOR under this Contract shall be supplied by personnel who are qualified, careful, skilled, experienced and competent in their respective trades or professions. CONTRACTOR agrees that they are supplying professional services in the performance of this Contract and agrees with SBCTA that the same shall conform to professional standards that are generally accepted in the profession in the State of California.

#### **ARTICLE 18. PROPRIETARY RIGHTS/CONFIDENTIALITY**

- 18.1 If, as a part of this Contract, CONTRACTOR is required to produce materials, documents data, or information ("Products"), then CONTRACTOR, if requested by SBCTA, shall deliver to SBCTA the original of all such Products which shall become the sole property of SBCTA.
- 18.2 All materials, documents, data or information obtained from SBCTA's data files or any SBCTA-owned medium furnished to CONTRACTOR in the performance of this Contract will at all times remain the property of SBCTA. Such data or information may not be used or copied for direct or indirect use outside of this Project by CONTRACTOR without the express written consent of SBCTA.
- 18.3 Except as reasonably necessary for the performance of the Work, CONTRACTOR agrees that it, its employees and agents will hold in confidence and not divulge to third parties without prior written consent of SBCTA, any information obtained by CONTRACTOR from or through SBCTA unless (a) the information was known to CONTRACTOR prior to obtaining same from SBCTA pursuant to a prior contract; or (b) the information was at the time of disclosure to CONTRACTOR, or thereafter becomes, part of the public domain, but not as a result of the fault or an unauthorized disclosure of CONTRACTOR or its employees and agents, or (c) the information was obtained by CONTRACTOR from a third

party who did not receive the same, directly or indirectly, from SBCTA and who had, to CONTRACTOR 's knowledge and belief, the right to disclose the same. Any materials and information referred to in this Article, which are produced by CONTRACTOR, until released in writing by SBCTA, except to the extent such materials and information become subject to disclosure by SBCTA under the California Public Records Act, or other law, or otherwise become public information through no fault of CONTRACTOR, or its employees or agents.

- 18.4 CONTRACTOR shall not use SBCTA's name or photographs in any professional publication, magazine, trade paper, newspaper, seminar or other medium without first receiving the express written consent of SBCTA.
- 18.5 All press releases, or press inquiries relating to the Project or this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only by SBCTA unless otherwise agreed to in writing by both Parties.

## **ARTICLE 19. TERMINATION**

- 19.1 Termination for Convenience - SBCTA shall have the right at any time, with or without cause, to terminate further performance of Work by giving thirty (30) calendar days written notice to CONTRACTOR specifying the date of termination. On the date of such termination stated in said notice, CONTRACTOR shall promptly discontinue performance of Work.
- 19.1.1 If CONTRACTOR has fully and completely performed all obligations under this Contract up to the date of termination, CONTRACTOR shall be entitled to receive from SBCTA as complete and full settlement for such termination a pro rata share of the Contract cost based upon the percentage of all contracted Work satisfactorily executed to the date of termination.
- 19.1.2 CONTRACTOR shall be entitled to receive the actual costs incurred by CONTRACTOR to return CONTRACTOR's tools and equipment, if any, to it or its suppliers' premises in accordance with SBCTA's instructions plus the actual cost necessarily incurred in effecting the termination.
- 19.2 Termination for Cause - In the event CONTRACTOR shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against CONTRACTOR or a receiver shall be appointed on account of its insolvency, or if CONTRACTOR shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within ten (10) calendar days following written notice, SBCTA may, without prejudice to any other rights or remedies SBCTA may have, and in compliance with applicable Bankruptcy Laws: (a) hold in abeyance further payments to CONTRACTOR; (b) stop any Work of CONTRACTOR related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to CONTRACTOR specifying the date of termination. In the event of such termination by

SBCTA, SBCTA may take possession of SBCTA owned tools and equipment by whatever method SBCTA may deem expedient. A waiver by SBCTA of one default of CONTRACTOR shall not be considered to be a waiver of any subsequent default of CONTRACTOR, of the same or any other provision, nor be deemed to waive, amend, or modify any term of this Contract.

19.2.1 CONTRACTOR shall deliver to SBCTA all SBCTA owned tools and equipment under this Contract prepared by CONTRACTOR or furnished to CONTRACTOR by SBCTA within ten (10) working days of said notice.

19.3 All claims for compensation of costs under any of the foregoing provisions shall be supported by documentation submitted to SBCTA, satisfactory in form and content to SBCTA and verified by SBCTA. In no event shall CONTRACTOR be entitled to any payment for prospective profits or any damages because of such termination.

## **ARTICLE 20. STOP WORK ORDER**

Upon failure of CONTRACTOR to comply with any of the requirements of this Contract, SBCTA shall have the right to stop any or all Work affected by such failure until such failure is remedied or to terminate this Contract in accordance with section "Termination For Cause" above.

## **ARTICLE 21. CLAIMS**

SBCTA shall not be bound to any adjustments in the Contract amount or schedule unless expressly agreed to by SBCTA in writing. SBCTA shall not be liable to CONTRACTOR for any claim asserted by CONTRACTOR after final payment has been made under this Contract.

## **ARTICLE 22. INSURANCE**

22.1 Prior to commencing the Work, at all times during the performance of the Work and for such additional periods as required herein, CONTRACTOR shall, at CONTRACTOR's sole expense, procure and maintain road form insurance coverage at least as broad as the following minimum requirements specified below:

22.1.1 Worker's Compensation/Employer's Liability Insurance – The policies must include the following:

- Coverage A. Statutory Benefits
- Coverage B. Employer's Liability
- Bodily Injury by accident - \$1,000,000 per accident
- Bodily Injury by disease - \$1,000,000 policy limit/\$1,000,000 each employee

Such policies shall contain a waiver of subrogation in favor of the parties named as Indemnitees below. Such insurance shall be in strict accordance with the applicable workers' compensation laws in effect during performance of the Work by CONTRACTOR or any subcontractor of any tier. All subconsultants of any tier performing any portion of the Work for CONTRACTOR shall also obtain and maintain the same insurance coverage as specified in this subparagraph, with a waiver of subrogation in favor of CONTRACTOR

and all parties named as Indemnitees below. Where coverage is provided through the California State Compensation Insurance Fund, the requirement for a minimum A.M. Best rating does not apply.

22.1.2 Garage Liability/Commercial General Liability. The policy must include the following:

- CONTRACTOR shall maintain commercial general liability (CGL) insurance (Insurance Services Office (ISO) Form CG 00 01), and if necessary excess/umbrella commercial liability insurance, with a combined limit of liability of not less than **\$5,000,000 each occurrence**.
- The policy shall be appropriate for the CONTRACTORS business and at a minimum shall include, coverage for any and all of the following: bodily injury, property damage, personal injury, broad form contractual liability (including coverage to the maximum extent possible for the indemnifications in the CONTRACT), premises-operations (including explosion, collapse and underground coverage), duty to defend in addition to (without reducing) the limits of the policy (ies), and products and completed operations.
  - \$5,000,000 per occurrence for property damage or bodily injury
  - \$1,000,000 per occurrence limit for personal injury and advertising injury
  - \$2,000,000 per occurrence limits for products/completed operations coverage (ISO Form 20 37 10 01) if SBCTA's Risk Manager determines it is in SBCTA's best interests to require such coverage.
  - If a general aggregate applies, it shall apply separately to this project/location. The project name must be indicated under "Description of Operations/Locations" (ISO Form CG 25 03 or CG 25 04).
- Coverage is to be on an "occurrence" form. "Claims made" and "modified occurrence" forms are not acceptable.
- A copy of the declaration page or endorsement page listing all policy endorsements for the CGL policy must be included.

All sub-contractors of any tier performing any portion of the WORK for CONTRACTOR shall also obtain and maintain the CGL insurance coverage with limits equal to or above the limits required of the CONTRACTOR.

22.1.3 Umbrella/Excess CGL Insurance:

If the CONTRACTOR elects to include an umbrella policy to cover any of the excess limits required beyond the commercial general liability policy and/or the commercial tow truck automobile liability policy, then the policy must include the following:

- The umbrella or excess policy shall follow form over the CONTRACTOR's primary general liability coverage and shall provide a separate aggregate limit for products and completed operations coverage.
- The umbrella or excess policy shall not contain any restrictions or exclusions beyond what is contained in the primary policy.
- The umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.
- There shall be no statement limiting the coverage provided to the parties listed as additionally insured or as indemnitees below.

22.1.4 Commercial Tow Truck Auto Insurance. The policy must include the following and may be combined with the excess liability policy to provide limits of coverage not less than:

- Auto Liability limits of not less than \$5,000,000 each accident. Combined Bodily Injury and Property Damage Liability insurance
- Coverage must include scheduled autos, hired or non-owned autos
- Garage Keepers liability shall be provided under this policy or the Commercial General liability policy as a result of an endorsement or in a stand-alone Garage Keepers Coverage policy. Garage Keepers liability limits shall be equal to the estimated value of all vehicles that could be located at a single location or \$300,000, whichever is greater.
- On-Hook/Tow & Hitch Coverage -The policy must include or a stand alone policy be issued that includes the following:
  - \$100,000 Limit
  - Coverages for physical damages from accidents or damages to property occurring while a vehicle is in tow with limits of no less than the replacement cost coverage with no coinsurance penalty provisions, or depreciation costs.
  - Cargo coverage shall be provided under this policy as a result of an endorsement or in a stand-alone Cargo Coverage policy.

The commercial tow truck automobile liability insurance shall be written on the most recent edition of ISO form or equivalent acceptable to SBCTA and shall include, without limitation, contractual liability coverage and additional insured status for the Additional Insureds named below. CONTRACTOR waives all rights of subrogation against the Additional Insureds named below, for recovery of loss, injury and/or damages to the extent such loss, injury and/or damages are covered by the commercial tow truck automobile liability insurance required herein.

22.1.5 Pollution Liability. The policy must include the:

- \$1,000,000 per claim or occurrence limits/\$2,000,000 in the aggregate.
- Coverage shall be written on an ISO form appropriate for the CONTRACTOR's business and work under this contract.

## 22.2 General Provisions

22.2.1 Qualifications of Insurance Carriers. If policies are written by insurance carriers authorized and admitted to do business in the state of California, then the insurance carriers must have a current A.M. Best rating of A-VII or better and if policies are written by insurance carriers that are non-admitted but authorized to conduct business in the state of California, then they must meet the current A.M. Best rating of A-: X or better, unless otherwise approved in writing by SBCTA's Risk Manager.

- 22.2.2 Additional Insured Coverage. All policies, except those for Workers' Compensation insurance and pollution liability insurance shall be endorsed by ISO Form CG 20 10 11 85, or if not available, then ISO Form that is substantially equivalent to name San Bernardino County Transportation Authority and California Highway Patrol (CHP) and California Department of Transportation (Caltrans) their officers, directors, members, employees, and agents, as additional insureds ("Additional Insureds"). with respect to all liability, claims or losses arising out of or connected with work or operations performed by or on behalf of the CONTRACTOR permitted under this CONTRACT, coverage for such Additional Insureds shall not extend to liability to the extent prohibited by section 11580.04 of the Insurance Code. The additional insured endorsements shall not limit the scope of coverage for any additional insured to vicarious liability, but shall allow coverage for SBCTA to the full extent provided by the policy.
- 22.2.3 Proof of Coverage. Evidence of insurance in a form acceptable to SBCTA's Risk Manager, including certificates of insurance and the required endorsements, shall be provided to SBCTA's Procurement Analyst prior to issuance of the NTP No. 2 or prior to commencing any Work, as SBCTA specifies. Certificate(s) of insurance, as evidence of the required insurance shall: be executed by a duly authorized representative of each insurer; show compliance with the insurance requirements set forth in this Article; set forth deductible amounts applicable to each policy; list all exclusions which are added by endorsement to each policy; and also include the Contract Number and the SBCTA Project Manager's name on the face of the certificate. If requested in writing by SBCTA, CONTRACTOR shall submit complete copies of all required insurance policies within ten (10) business days of a written request by SBCTA.
- 22.2.4 Deductibles. Regardless of the allowance of exclusions or deductibles by SBCTA, CONTRACTOR shall be responsible for any deductible or self-insured retention (SIR) amount and shall warrant that the coverage provided to SBCTA is consistent with the requirements of this Article. CONTRACTOR will pay, and shall require its sub-CONTRACTORS to pay, all deductibles, co-pay obligations, premiums and any other sums due under the insurance required in this Article. Any deductibles or self-insured retentions must be declared to and approved in writing by SBCTA's Risk Manager. Without SBCTA's Risk Manager's expressed written approval no deductibles or SIR will be allowed. At the option of SBCTA, if the deductible or SIR is greater than \$10,000 or one (1) percent of the amount of coverage required under this Contract, whichever is less, the CONTRACTOR shall guarantee that either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to SBCTA, its directors, officials, officers, employees and agents; or, (2) the CONTRACTOR shall procure a bond guaranteeing the amount of the deductible or self-insured retention. SBCTA shall have the right to review any and all financial records that SBCTA, at its sole discretion deems necessary to approve any deductible or SIR. SBCTA will have the right, but not the obligation, to pay any deductible or SIR due under any insurance policy. If SBCTA pays any sums due under any insurance required above, SBCTA may withhold said sums from any amounts due to CONTRACTOR. The Contractor's policies will neither

obligate nor prohibit SBCTA or any other Additional Insured, from paying any portion of any Contractor's deductible or SIR.

- 22.2.5 CONTRACTOR's and Sub-contractor's Insurance will be Primary. All policies required to be maintained by the CONTRACTOR or any subconsultant with the exception of Professional Liability and Worker's Compensation shall be endorsed, with a form at least as broad as ISO Form CG 20 01 04 13), to be primary coverage, and any coverage carried by any of the Additional Insureds shall be excess and non-contributory. Further, none of CONTRACTOR's or subconsultants' pollution, automobile, general liability or other liability policies (primary or excess) will contain any cross-liability exclusion barring coverage for claims by an additional insured against a named insured.
- 22.2.6 Waiver of Subrogation Rights. To the fullest extent permitted by law, CONTRACTOR hereby waives all rights of recovery under subrogation against the Additional Insureds named herein, and any other consultant, subconsultant or sub-subconsultant performing work or rendering services on behalf of SBCTA, in connection with the planning, development and construction of the Project. To the fullest extent permitted by law, CONTRACTOR shall require similar written express waivers and insurance clauses from each of its subconsultants of every tier. CONTRACTOR shall require all of the policies and coverages required in Article 22 of this CONTRACT to waive all rights of subrogation against the Additional Insureds (ISO Form CG 24 04 05 09). Such insurance and coverages provided shall not prohibit CONTRACTOR from waiving the right of subrogation prior to a loss or claim.
- 22.2.7 Cancellation. If any insurance company elects to cancel or non-renew coverage for any reason, CONTRACTOR will provide SBCTA thirty (30) days prior written notice of such cancellation or nonrenewal. If the policy is cancelled for nonpayment of premium, CONTRACTOR will provide SBCTA ten (10) days prior written notice. In any event, CONTRACTOR will provide SBCTA with a copy of any notice of termination or notice of any other change to any insurance coverage required herein which CONTRACTOR receives within one business day after CONTRACTOR receives it by submitting it to SBCTA at [procurement@SBCTA.ca.gov](mailto:procurement@SBCTA.ca.gov) to the attention of SBCTA's Procurement Analyst, and by depositing a copy of the notice in the U.S. Mail in accordance with the notice provisions of this Contract.
- 22.2.8 Enforcement. SBCTA may take any steps as are necessary to assure CONTRACTOR's compliance with its insurance obligations as identified within this Article. Failure to continuously maintain insurance coverage as provided herein is a material breach of contract. In the event the CONTRACTOR fails to obtain or maintain any insurance coverage required, SBCTA may, but is not required to, maintain this coverage and charge the expense to the CONTRACTOR or withhold such expense from amounts owed CONTRACTOR, or terminate this Contract. The insurance required or provided shall in no way limit or relieve CONTRACTOR of its duties and responsibility under the Contract, including but not limited to obligation to indemnify, defend and hold harmless the Indemnitees named below.



Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude SBCTA from taking other actions as available to it under any other provision of the Contract or law. Nothing contained herein shall relieve CONTRACTOR, of their obligations to exercise due care in the performance of their duties in connection with the Work, and to complete the Work in strict compliance with the Contract.

- 22.2.9 No Waiver. Failure of SBCTA to enforce in a timely manner any of the provisions of this Article shall not act as a waiver to enforcement of any of these provisions at a later date.
- 22.2.10 Higher limits. If CONTRACTOR maintains higher limits than the minimums shown above, SBCTA shall be entitled to coverage for the higher limits maintained by CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SBCTA.
- 22.2.11 Special Risks or Circumstances. SBCTA reserves the right to modify any or all of the above insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- 22.2.12 Project Specific Insurance - All insurance coverage required to be provided by CONTRACTOR, with the exception of automobile liability, pollution liability and worker's compensation, shall apply specifically and exclusively for the Project and extend to all aspects of the Work, with coverage limits dedicated solely to the Project. Use of other insurance programs is acceptable, provided that coverage under such programs provides dedicated Project-specific limits and identified premiums and meets all requirements described in contract.

## ARTICLE 23. INDEMNITY

### 23.1 INTENTIONALLY OMITTED.

- 23.2 For all Work and obligations under this Contract, CONSULTANT agrees to indemnify, defend (with legal counsel reasonably approved by SBCTA) and hold harmless SBCTA, California Highway Patrol (CHP) and California Department of Transportation (Caltrans) and their respective authorized officers, employees, agents and volunteers ("Indemnitees"), from any and all claims, actions, losses, damages and/or liability (Claims) arising out of this Contract from any cause whatsoever, including acts, errors, or omissions of any person and for any costs or expenses incurred by an indemnified party on account of any claim, except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of Indemnitees. CONSULTANT's indemnification obligation applies to an indemnified party's "active" as well as "passive" negligence, but does not apply to an indemnified party's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

## **ARTICLE 24. ERRORS AND OMISSIONS**

CONTRACTOR shall be responsible for the professional quality, technical accuracy, and coordination of all Work required under this Contract. CONTRACTOR shall be liable for SBCTA costs resulting from errors or deficiencies, in Work furnished under this Contract, including, but not limited to any fines, penalties, damages, and costs required because of an error or deficiency in the Work provided by CONTRACTOR under this Contract.

## **ARTICLE 25. OWNERSHIP OF DOCUMENTS**

All deliverables, including but not limited to, drawings, reports, worksheets, and other data developed by CONTRACTOR under this Contract shall become the sole property of SBCTA when prepared, whether delivered to SBCTA or not.

## **ARTICLE 26. SUBCONTRACTS**

CONTRACTOR shall not subcontract performance of all or any portion of work/employees under this contract.

## **ARTICLE 27. RECORD INSPECTION AND AUDITING**

SBCTA, or any of its designees, representatives or agents shall at all times have access during normal business hours to CONTRACTOR's operations and products wherever they are in preparation or progress, and CONTRACTOR shall provide sufficient, safe, and proper facilities for such access and inspection thereof. Inspection or lack of inspection by SBCTA shall not be deemed to be a waiver of any of their rights to require CONTRACTOR to comply with the Contract or to subsequently reject unsatisfactory Work or products.

## **ARTICLE 28. INDEPENDENT CONTRACTOR**

CONTRACTOR is and shall be at all times an independent contractor. Accordingly, all Work provided by CONTRACTOR shall be done and performed by CONTRACTOR under the sole supervision, direction and control of CONTRACTOR. SBCTA shall rely on CONTRACTOR for results only, and shall have no right at any time to direct or supervise CONTRACTOR or CONTRACTOR's employees in the performance of Work or as to the manner, means and methods by which Work is performed. All personnel furnished by CONTRACTOR pursuant to this Contract, and all representatives of CONTRACTOR, shall be and remain the employees or agents of CONTRACTOR at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SBCTA.

## **ARTICLE 29. ATTORNEY'S FEES**

If any legal action is instituted to enforce or declare any Party's rights under the Contract, each Party, including the prevailing Party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under the "Indemnity" provision of the Contract.

### **ARTICLE 30. GOVERNING LAW AND VENUE**

This Contract shall be subject to the law and jurisdiction of the State of California. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The Parties agree that the venue for any action or claim brought by any Party to this Contract will be the Superior Court of California, San Bernardino County. Each Party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County.

### **ARTICLE 31. FEDERAL, STATE AND LOCAL LAWS**

CONTRACTOR warrants that in the performance of this Contract, it shall comply with all applicable federal, State and local laws, ordinances, rules and regulations.

### **ARTICLE 32. PRECEDENCE**

- 31.1 The Contract consists of this Contract's Articles, Exhibit A "Scope of Work", and Exhibit B "Price Form for Time and Materials", Exhibit "C" Summary of FSP Violations and Penalties, the Standard Operating Procedures Manual, issued by the California Highway Patrol, SBCTA's Request for Proposal and CONTRACTOR's proposal, all of which are incorporated into this Contract by this reference.
- 31.2 The following order of precedence shall apply: first, the Contract Articles; second the Standard Operating Procedures (SOP) manual; third, Exhibits A and B and C (equal precedence); fourth, SBCTA's Request for Proposal; and last, CONTRACTOR's proposal. In the event of a conflict between the Contract Articles and the Scope of Work, the Contract Articles will prevail.
- 31.3 In the event of an express conflict between the documents listed in this Article, or between any other documents, which are a part of the Contract, CONTRACTOR shall notify SBCTA in writing within three (3) business days of its discovery of the conflict and shall comply with SBCTA's resolution of the conflict.

### **ARTICLE 33. COMMUNICATIONS AND NOTICES**

Notices sent by mail shall be by United States Mail, postage paid, certified mail (return receipt requested). Any and all notices permitted or required to be given hereunder shall be deemed duly given and received: (a) upon actual delivery, if delivery is personally made or if made by fax or email during regular business hours; (b) the first business day following delivery by fax when not made during regular business hours; or (c) on the fourth business day after deposit of such notice into the United States Mail. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective Parties may designate from time to time by a notice given in accordance with this Article. CONTRACTOR shall notify SBCTA of any contact information changes within ten (10) business days of the change.

<b>To PEPE’S , INC.</b>	<b>To SBCTA</b>
<b>2000 W. Key St.</b>	<b>1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor</b>
<b>Colton, CA 92410</b>	<b>San Bernardino, CA 92410-1715</b>
<b>Attn: Fernando Soria/fsoria@pepestow.com</b>	<b>Attn: Kelly Lynn/klynn@gosbcta.com</b>
<b>cc: Lorenzo Navarro</b>	<b>cc: Procurement Manager</b>
<b>Phone: (951) 682-5682</b>	<b>Phone: (909) 884-8276</b>
<b>Email: lnavarro@pepestow.com</b>	<b>Email: procurement@gosbcta.com</b>

**ARTICLE 34. DISPUTES**

- 33.1 In the event any dispute, other than an audit, arises between the Parties in connection with this Contract (including but not limited to disputes over payments, costs, expenses, work to be performed, Scope of Work and/or time of performance), the dispute shall be decided by SBCTA’s Procurement Manager within thirty (30) calendar days after notice thereof in writing which shall include a particular statement of the grounds of the dispute. If CONTRACTOR does not agree with the decision, then CONTRACTOR shall have ten (10) calendar days after receipt of the decision in which to file a written appeal thereto with SBCTA’s Executive Director. If the Executive Director fails to resolve the dispute in a manner acceptable to CONTRACTOR, then such dispute is reviewable by a court of competent jurisdiction.
- 33.2 During resolution of the dispute, CONTRACTOR shall proceed with performance of this Contract with due diligence.

**ARTICLE 35. GRATUITIES**

CONTRACTOR, its employees, agents, or representatives shall not offer or give to any officer, official, agent or employee of SBCTA, any gift, entertainment, payment, loan, or other gratuity.

**ARTICLE 36. REVIEW AND ACCEPTANCE**

All Work performed by CONTRACTOR shall be subject to periodic review and approval by SBCTA at any and all places where such performance may be carried on. Failure of SBCTA to make such review, or to discover defective work, shall not prejudice the rights of SBCTA at the time of final acceptance. All Work performed by CONTRACTOR shall be subject to periodic and final review.

**ARTICLE 37. CONFIDENTIALITY**

Any SBCTA communications or materials to which CONTRACTOR or agents have access, or materials prepared by CONTRACTOR under the terms of this Contract, shall be held in confidence by CONTRACTOR, who shall exercise reasonable precautions to prevent the disclosure of confidential information to anyone except as expressly authorized by SBCTA. Any communications with or work product of SBCTA’s legal counsel to which CONTRACTOR or agents have access in performing work under this Contract shall be subject to the attorney-client privilege and attorney work product doctrine, and shall be confidential. CONTRACTOR shall not release any reports, information or promotional material or allow for the use of any photos related to this Contract for any purpose without prior written approval of SBCTA.

**ARTICLE 38. EVALUATION OF CONTRACTOR**

CONTRACTOR's performance may be evaluated by SBCTA periodically throughout the Contract performance period. A copy of the evaluation will be given to CONTRACTOR for its information. The evaluation information shall be retained as part of the Contract file and may be used to evaluate CONTRACTOR if it submits a proposal on a future RFP issued by SBCTA.

**ARTICLE 39. DRIVING RECORD AND CRIMINAL HISTORY CHECK**

Pursuant to California Vehicle Code Sections 2430 *et seq.*, CONTRACTOR and its employees performing Work under this Contract are required to have a current, valid California driver's license and must undergo a Criminal History Check and driver's license check. Only after a completed CHP 234F and CHP 234 supplemental is received and accepted by CHP will a check of driver's license and criminal history be performed. Criminal history checks will be completed by CHP upon the acceptance of a CHP 234F. Any employee of the CONTRACTOR not meeting the requirements identified herein will be automatically excluded from performing Work under this Contract. In addition, SBCTA and/or CHP may, in their sole discretion, require CONTRACTOR to replace any employee or potential employee who is determined to be unsuitable to represent the FSP Program based on the Criminal History Check.

**ARTICLE 40. SAFETY**

CONTRACTOR shall strictly comply with OSHA regulations and local, municipal, state, and federal safety and health laws, orders and regulations applicable to CONTRACTOR's operations in the performance of Work under this Contract. CONTRACTOR shall comply with all safety instructions issued by SBCTA or their representatives.

**ARTICLE 41. DRUG FREE WORKPLACE**

CONTRACTOR agrees to comply with the Drug Free Workplace Act of 1990 per Government Code section 8350 *et seq.*

**ARTICLE 42. ASSIGNMENT**

CONTRACTOR shall not assign this Contract in whole or in part, voluntarily, by operation of law, or otherwise, without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Contract. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and assigns of the Parties.

**ARTICLE 43. AMENDMENTS**

The Contract may only be changed by a written amendment duly executed by the Parties. Work authorized under an amendment shall not commence until the amendment has been duly executed.

**ARTICLE 44. PREVAILING WAGES**

INTENTIONALLY OMITTED

#### **ARTICLE 45. CONTINGENT FEE**

CONTRACTOR warrants, by execution of this Contract, that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, SBCTA has the right to terminate this Contract without liability, pay only for the value of the Work actually performed, or in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

#### **ARTICLE 46. FORCE MAJEURE**

CONTRACTOR shall not be in default under this Contract in the event that the Work performed by CONTRACTOR is temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, acts of terrorism, civil disturbances, insurrection, explosion, pandemics, quarantines, acts of God, acts of government or governmental restraint, and natural disasters such as floods, earthquakes, landslides, and fires, or other catastrophic events which are beyond the reasonable control of CONTRACTOR and which CONTRACTOR could not reasonably be expected to have prevented or controlled. "Other catastrophic events" does not include the financial inability of CONTRACTOR to perform or failure of CONTRACTOR to obtain either any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of CONTRACTOR.

#### **ARTICLE 47. WARRANTY**

CONTRACTOR warrants that all Work performed shall be in accordance with the Contract and all applicable professional standards. In the event of a breach of this provision, CONTRACTOR shall take the necessary actions to correct the breach at CONTRACTOR's sole expense. If CONTRACTOR does not take the necessary action to correct the breach, SBCTA, without waiving any other rights or remedies it may have, may take the necessary steps to correct the breach, and the CONTRACTOR shall promptly reimburse SBCTA for all expenses and costs incurred.

#### **ARTICLE 48. ENTIRE DOCUMENT**

- 48.1 This Contract constitutes the sole and only agreement governing the Work and supersedes any prior understandings, written or oral, between the Parties respecting the Project. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been expressly incorporated into this Contract.
- 48.2 No agent, official, employee or representative of SBCTA has any authority to bind SBCTA to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and CONTRACTOR hereby stipulates that it has not relied, and will not rely, on same.

48.3 Both Parties have been represented or had the full opportunity to be represented by legal counsel of their own choosing in the negotiation and preparation of this Contract. Therefore, the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either Party.

**ARTICLE 49. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT**

CONTRACTOR shall comply with all applicable provisions of the Americans with Disabilities Act in performing Work under this Contract.

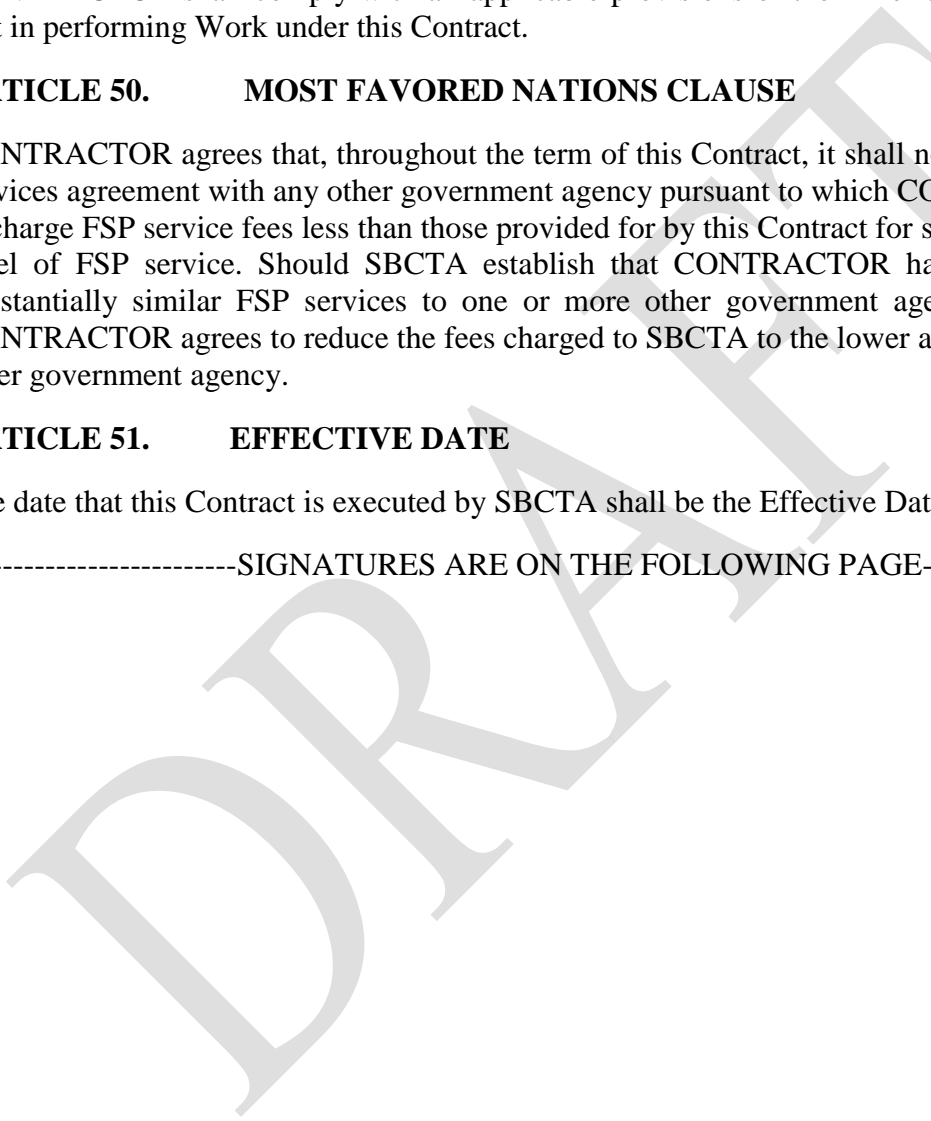
**ARTICLE 50. MOST FAVORED NATIONS CLAUSE**

CONTRACTOR agrees that, throughout the term of this Contract, it shall not enter into any FSP services agreement with any other government agency pursuant to which CONTRACTOR agrees to charge FSP service fees less than those provided for by this Contract for substantially the same level of FSP service. Should SBCTA establish that CONTRACTOR has agreed to provide substantially similar FSP services to one or more other government agencies at lower fees, CONTRACTOR agrees to reduce the fees charged to SBCTA to the lower amount charged to the other government agency.

**ARTICLE 51. EFFECTIVE DATE**

The date that this Contract is executed by SBCTA shall be the Effective Date of the Contract.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----



Attachment: 23-1002945 Beat 5 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

IN WITNESS WHEREOF, the Parties hereto have executed this Contract below.

**PEPE'S INC., dba PEPE'S TOWING SERVICE**

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Jose Acosta  
President

By: \_\_\_\_\_  
Dawn M. Rowe  
President, Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Manuel Acosta  
Treasurer

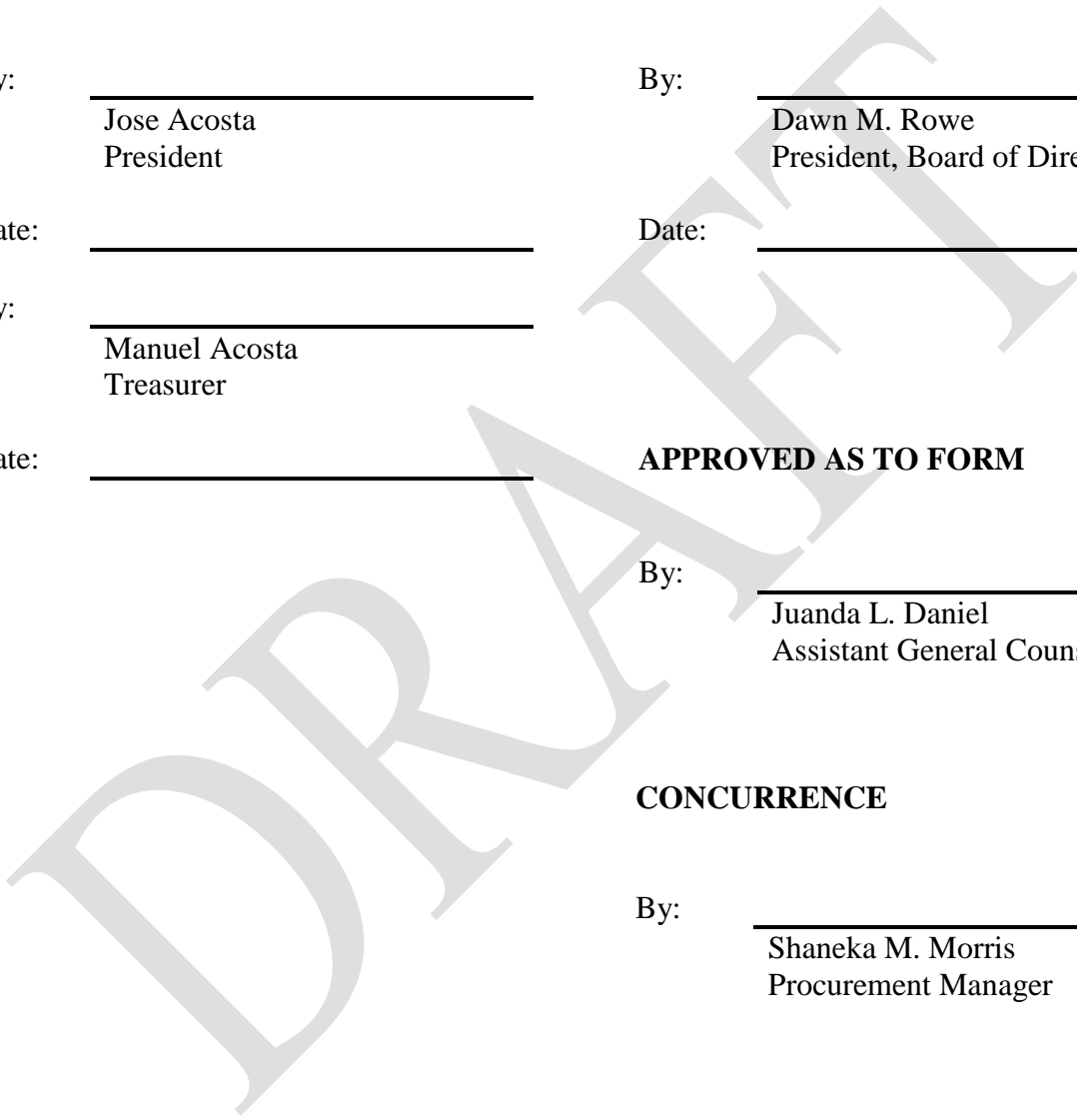
Date: \_\_\_\_\_

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Juanda L. Daniel  
Assistant General Counsel

**CONCURRENCE**

By: \_\_\_\_\_  
Shaneka M. Morris  
Procurement Manager



Attachment: 23-1002945 Beat 5 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)



**EXHIBIT A  
SCOPE OF WORK**

DRAFT

Attachment: 23-1002945 Exhibit A Beat 5 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT A**  
**SCOPE OF WORK**  
**RFP NO. 23-1002945**  
**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY**  
**(SBCTA)**  
**FREEWAY SERVICE PATROL (FSP)**  
**BEAT NO. 5- STATE ROUTE 60 (SR-60) RESERVOIR STREET**  
**(LOS ANGELES COUNTY LINE) TO MILLIKEN AVENUE**

---

**BEAT NO. 5**

**1.0 SUMMARY SCOPE OF WORK**

**FSP PROGRAM PURPOSE SUMMARY**

The purpose of the SBCTA FSP Program is offered in partnership by SBCTA, California Highway Patrol (CHP), and the California Department of Transportation (Caltrans). The goal of this partnership and of the SBCTA FSP Program is to keep the freeways moving and reduce the chance of secondary accidents. FSP is a team of tow trucks that travel on select San Bernardino County freeways during peak commute hours to assist motorists with car trouble. FSP Tow Truck Drivers will assist the motorists by providing services ranging from changing a flat tire to providing minor mechanical assistance, at no cost to the motorist.

**NOTICE TO PROCEED (NTP) NO. 1 (ESTIMATED MAY 2024)**

The deliverables associated with NTP No. 1 of this CONTRACT include the project ramp-up/preparation, the purchase of the required number of FSP certified tow trucks, and equipment installations in accordance with section 4.0 “Equipment Requirements”. Moreover driver trainings, and inspections in accordance with section 5.0 “Drivers.”

**NTP NO. 2 (ESTIMATED DECEMBER 1, 2024):**

The deliverable associated with NTP No. 2 is proof of required insurance coverage to SBCTA, sent to insurance@gosbcta.com, at a minimum of no less than ten (10) business days prior to the start date of providing FSP services to motorists. FSP services for Beats 5 and 27 are scheduled to begin on Tuesday January 2, 2025 (Monday, January 1, 2025 is a scheduled holiday for the FSP Program).

CONTRACTOR's FSP Certified Tow Truck Drivers (“Driver or Drivers”) shall assist motorists involved in minor accidents and those with disabled vehicles. When and where conditions warrant, service may take place on the freeway shoulders. Where conditions **DO NOT** warrant, Drivers will move the vehicles from the freeway to provide services pursuant to the Standard Operating Procedures (SOP) Manual. The Drivers shall continuously patrol their assigned Beat, respond to California Highway Patrol (CHP) dispatched calls for service, and use the designated turnaround locations and designated drop points assigned by CHP.

The CONTRACTOR's FSP trucks shall be exclusively dedicated to providing FSP services during the designated hours of operation. All FSP tow truck maintenance activities for the primary and back-up tow trucks shall be conducted during non-designated service hours.

The Drivers may be required to change flat tires, provide "jump" starts, provide one gallon of gasoline or diesel fuel, temporarily tape cooling system hoses, and refill radiators. These services are not all-inclusive. Where conditions permit, safe removal of small debris may also be required. The Drivers are to spend a maximum of ten (10) minutes per disablement in attempting to mobilize a vehicle.

If a disabled vehicle cannot be mobilized within the ten-minute (10) time limit, it shall be offered to be towed to a designated drop point identified by the CHP. The motorist can request the FSP Driver to contact the CHP Communications Center to request a CHP Rotation Tow or other services. A Driver shall not be allowed to tow as an independent CONTRACTOR from an incident that occurred during the FSP shift. This is only allowed after the shift is over and the CONTRACTOR is called as a Rotation Tow by CHP. If called as a Rotation Tow Operator after an FSP shift, the Driver must remove all FSP markings such as vests, uniforms and any sort of FSP signage.

All FSP services shall be provided at no cost to the motorist. The Drivers shall not accept any gratuities, gifts or money to perform any other services, recommend secondary tows, or recommend repair/body shop businesses. The CONTRACTOR shall follow the SOP Manual. The CHP is responsible for the day-to-day field supervision of the FSP Program; therefore, policies and procedures are outlined in the SOP Manual. To promote a safe work environment and to maintain a high level of professionalism, the CONTRACTOR and their Drivers must follow the SOP Manual as this document and all updates will be incorporated into the CONTRACTOR's agreement. Please note that the SOP Manual is updated as needed, and that the CONTRACTOR is responsible to operate and adhere to the most recent version of the SOP Manual at all times.

There may be some instances where the Driver may be requested to provide assistance to CHP Officers in the field. When a CHP Officer in the field directs a Driver to complete a task, the Driver shall follow those directions provided, given the task does not endanger the Driver or the public and is within the Driver's skills and training. The Driver shall only advise the officer of the possible dangers. If the task is not within the FSP policy, an FSP CHP Officer should be notified of the incident. Drivers should not tell the CHP Officer they will not perform the task requested UNLESS they believe they are unable to perform the task safely. Afterwards, FSP CHP Officers will take the necessary steps to avoid future misunderstandings between the Officer and FSP.

CONTRACTOR shall provide the rapid removal of disabled vehicles and those involved in minor accidents from the freeway. The required number of FSP certified Trucks for Beat No. 5 is two (2) primary certified FSP Trucks and one (1) certified back-up FSP Tow Truck.

At times, SBCTA, a city, and/or the California Department of Transportation (Caltrans) will have construction projects on the highways that may require Construction FSP. Typically this will take place along a highway segment that is a construction zone with no inside or outside shoulder areas, or the shoulders available are not wide enough to accommodate vehicles. This work is paid for with funds from specific projects and not the FSP State Highway Account/FSP SB1 funds. This is considered to be Extra Work as described in Section 4.9 of the contract, and will all require the

authorization of SBCTA's FSP Program Manager in writing as well as a written contingency amendment or contract amendment as appropriate. There are three types of CFSP services that can occur:

1. Caltrans requested CFSP: Caltrans led projects that are part of the Caltrans/SBCTA CFSP Cooperative agreement. These projects will also require the issuance of an executed Caltrans Cooperative Agreement and Caltrans task order.
2. SBCTA requested CFSP: SBCTA led projects that will be funded by SBCTA.
3. City requested CFSP: City led projects that will be funded by the City.

### **FSP HOURS OF OPERATION**

FSP standard hours of operation are:

- Monday through Friday morning shift hours are scheduled from 5:30 am to 8:30 am;
- Monday through Thursday afternoon shift hours are slated from 2:00 pm to 6:30 pm;
- Friday afternoon shift is scheduled from 12:00 pm to 6:30 pm;
- Saturday and Sunday shifts (If applicable to the primary FSP Beat) are scheduled from 10:00 am to 6:00 pm.

**SBCTA reserves the right to change Beat hours and operational requirements during the course of the Contract. Written notice from SBCTA shall be required for commencement and termination of "Extra Work".**

### **FSP TECHNICAL ADVISORY COMMITTEE (TAC) MEETING**

CONTRACTOR or its designated management-level representative shall attend the required FSP Technical Advisory Committee (TAC) meetings scheduled every other month. The FSP TAC will encompass focused and informal/formal discussions concerning but not limited to: scope, services, schedule, safety and current progress of services, relevant cost issues, and future project objectives. CONTRACTOR shall be responsible for having a representative attend all FSP TAC meetings who have the ability to make management-level decisions on the behalf of the CONTRACTOR while at the meeting. If the CONTRACTOR cannot have a management-level representative at a FSP TAC meeting, CONTRACTOR shall notify SBCTA and FSP CHP at least two (2) business days prior to the meeting. Management-level attendance at these meetings shall be considered part of the CONTRACTOR's contractual responsibility. Meetings are scheduled for the entire calendar year; FSP CHP provides the schedule via email.

Please refer to Contract Exhibit "C" for further details on violations and penalties.

### **2.0 CONTRACT REPRESENTATIVES**

SBCTA, Caltrans, and the CHP will jointly oversee the FSP services (referred to, singularly or jointly, as "FSP Management"). CHP is responsible for dispatch services to incident locations within the tow truck's patrol limits, otherwise referred to as "Beats". The dispatching will be done in accordance with the contract for the service. An SOP Manual will be provided to the successful CONTRACTOR explaining the types of incidents to which a Driver may be dispatched. Please note that this SOP Manual is updated as needed and that the CONTRACTOR is responsible to adhere to the most current version of the SOP Manual at all times. Also note that SBCTA's contract with the successful Proposer(s) will incorporate the SOP Manual and any updates; thus, adhering to the SOP Manual is a contractual requirement.

### 3.0 SERVICE LOCATION

SBCTA FSP operates on selected freeway segments referred to as “Beats”. Each Beat has specific turnaround locations and designated drop points identified by the CHP. The Beat limits for FSP Beat No. 5 is at State Route-60 (SR-60) from Reservoir Street (LA County Line) to Milliken Avenue. Additional information regarding the beat limit service location is identified in section 8.0 Beat Description and section 9.0 Beat Map of the SOW.

SBCTA reserves the right, at any time during the contract's term, to adjust Beat specifications (length of the Beat for example) and Beat hours to better accommodate demand for the service. These changes can occur during the course of the contract through written notification (e.g., email). The CONTRACTOR may be requested by CHP to go beyond the limits of its assigned Beat area to assist a motorist in an adjacent Beat area. Drivers may be permitted to do this only upon CHP request. SBCTA reserves the right to add or delete holidays to the work schedule. Travel time to and from the Beat will be at the expense of the CONTRACTOR.

### 4.0 TOW YARD LOCATION AND SECURITY

The CONTRACTOR shall be responsible for the security of vehicles and property at their facility. At a minimum, must have a secure area to store FSP tow vehicles at their facility, including CONTRACTOR controlled access, fencing or physical barrier separating public access from tow yard, security system, sufficient lighting, and security cameras to where vehicles are stored such as a fenced or enclosed area. The CONTRACTOR is responsible for the reasonable care, custody, and control of any property contained in its facility.

The CONTRACTOR will be responsible for assuring that all SBCTA FSP related equipment is contained in a secure environment and protected from theft or damage. The CONTRACTOR will be responsible for any replacement or repair cost for SBCTA provided equipment that is not considered normal wear and tear.

### 5.0 EQUIPMENT REQUIREMENTS

#### A. Tow Truck Requirements.

Primary FSP Tow Trucks will be exclusively dedicated to FSP services during the hours of FSP operations. They are not required to be exclusive during non-FSP hours.

All trucks proposed for use in the FSP program should be less than a year old with a maximum of 50,000 miles on the chassis and working parts of the truck at the onset of the contract. Extenuating circumstances dictating departure from this specification should be at the consensus of the local FSP partners. The age limit for a FSP truck shall be no longer than 5 years for cab, chassis, and bed components. Trucks are required to be fully equipped according to contract requirements prior to the beginning of each shift. Refer to Attachment B: TOW TRUCK INSPECTION GUIDE FOR FREEWAY SERVICE PATROL CONTRACT OPERATION 818-FSP-TIG, contained in the FSP SOP.

The CHP, in conjunction with SBCTA, will verify the original purchase dates to ensure compliance. All FSP Tow Trucks must be Department of Transportation (DOT) compliant, as well as California Air Resources Board (CARB) compliant. This includes an engine that has been certified by CARB, as required by law in the State of California. Any tow truck that is utilized for

the FSP Program must comply with emission standards set forth by DOT and CARB, as well as all Local, State and Federal laws applicable to that truck, and as outlined in the RFP.

Prior to commencement of service, the CHP will inspect each tow truck designated for the FSP Program in San Bernardino County to ensure that it meets the tow truck specifications and to ensure that it meets or exceeds safety requirements. These inspections will occur prior to the start of service. Succeeding inspections will occur periodically as determined by the FSP CHP officers. Documentation of the vehicle identification number and successful completion of the inspection will be kept on file at the CHP office and CONTRACTOR's local office. Any unsafe, poorly maintained FSP Certified Tow Truck(s) or improperly equipped FSP Certified Tow Truck(s) shall not be allowed into service, and if discovered during the shift, shall be removed from service or repaired as directed by the CHP. The CONTRACTOR shall be fined three (3) times the hourly contract rate in one (1) minute increments for ALL service time lost. The CONTRACTOR will be required to have a FSP Certified Back-Up Tow Truck available for service during their FSP Beat(s) shift(s).

Please note that FSP Certified Back-Up Tow Trucks for existing FSP tow operator contracts with other FSP agencies (i.e., not with SBCTA) do not qualify as meeting the certified SBCTA FSP back-up truck requirement(s). Only the FSP Beat No. 5 FSP Certified Back-Up Tow Truck should be utilized.

FSP tow trucks bearing the service patrol title, the FSP logo, and the vehicle identification number shall be painted all white (includes the hood, fenders, doors, boom and bed area). No trim will be allowed. Lettering shall be in block lettering and shall be no less than two inches by two inches and no greater than four inches in height. Lettering can **ONLY** be black in color and will be bold style parallel to the ground. Letters shall be placed on the lower body of the truck toward the cab. Names, phone numbers, advertising of any kind or any other lettering on the boom shall be prohibited during FSP operational hours. The overall look of the truck must be approved by CHP prior to service implementation; therefore, any questions regarding this policy is highly recommended to be discussed with the FSP CHP officers prior to implementing, as truck compliance with current State FSP standards is required. No other accessory equipment or signage (bumper stickers, mud flaps, employment advertisement, and so forth) shall be mounted or installed without prior FSP CHP officer approval. This includes but is not limited to brass, chrome wheel covers, window tint, etc.

Please refer to Contract Exhibit "C" for further details on violations and penalties.

SBCTA follows and relies on the policies and procedures set forth in the SOP Manual developed by the County of San Bernardino FSP CHP Program. Please note that the SBCTA FSP equipment list is subject to change at any time, and may be different from FSP Program equipment lists found in other counties. For the most updated SBCTA FSP equipment list, please refer to the latest SOP Manual.

Each FSP tow truck shall be equipped in accordance with the SOP Manual and shall include the following equipment on the following equipment list. Please note that if a company decides to add on any of the OPTIONAL equipment, and is something CHP would test for proficiency, they will do so for every driver that is tested from that company.

### SBCTA CERTIFIED FSP TOW TRUCK EQUIPMENT LIST

**Each FSP tow truck shall be equipped in accordance with the SOP Manual and shall include the following equipment on the following equipment list. Please note that if a company decides to add on any of the OPTIONAL equipment, and is something CHP would test for proficiency, they will do so for every driver that is tested from that company.**

Current Registration/ Insurance	Fire Extinguisher: 4BC Rating, new or exp:
Age limit: 5 years for cab, chassis, and bed components	Broom: 24 inches wide, coarse bristle
Minimum seating capacity for 5 adults	Shovel: Square point
Paint: White Only, 4" max black lettering	Large Pry Bar: Minimum 36-inch length
Rubber faced push bumper(s)	Wood Crossbeams: 1 ea., 4"x4"x48" and 4"x4"x60"
Vehicle numbers on both sides	Hydraulic Floor Jack: 2-Ton capacity
2 FSP signs or 3 FSP signs for flatbeds	Portable air tank: 80 psi. min, or compressor w/ 50' min hose
Headlights	Bolt Cutters
Turn Signals	Trailer Hitch Balls: 1 7/8" and 2", with mount
Reflectors, Front and Side	One 4 -Ton snatch block
Clearance Lamps (>80" Wide)	Flares: Total burn time of 360 minutes minimum
Amber Warning Lights: Front/rear selectable, rear directional, in-cab controls	Metric and Standard 4-way Lug Wrenches
License Plate Lamp	Sledgehammer: 4 pounds
Tail Lamps	Utility/ Motorcycle Straps
Stop Lamps	Steering Wheel Securement Device
Backup Lamps	Funnel with flexible spout
Rear work lights	Water Container: Plastic, 5 gallons
Reflectors, Rear	Fuel in Approved Plastic Containers: Gas/Diesel, 5 gal. each
Extension Tail/ Stop Lamps	Absorbent Can with lid: 5 gal. of clean absorbent
Fenders / Mudguards	Trash Can with lid: 5 gal., empty
Windshield	Cones: 6 ea., 18-inch height, reflectorized w/ tape
Windshield Wipers	Booster cables: 3 ga. Cu., 25 ft., H-D clamps, fit truck
Spotlight: Body mounted, front to rear coverage	Flashlight
Service Brakes	Spare batteries/ Charger for rechargeable
Parking Brake	First Aid kit: 5"x9"
Mirrors	Lockout Tool Set
Horn	Warning Devices (Reflectors)
Beam Indicator	Jack stand: 2-Ton capacity
Cab interior lighting suitable for reading and writing	
Truck to Shop Communications System	
FSP Two-Way Radios / Terminals	
Scanner: Operating and properly programmed	Each FSP Certified Tow Truck will be required to have a toolbox with the following minimum number of tools/supplies. A tool kit for small equipment items is required. The TOOLBOX list may be supplemented at the CONTRACTOR's option and expense
Public Address System	<b>Tool Kit</b>
Booster Cable Connectors: mounted front and rear	Screwdrivers: 1/8", 3/16", 1/4", 5/16" Flat; #1, #2 Philips
Battery Rating: 60 Amp-hour or greater	Adjustable Wrenches: 8" and 12"

Tire Tread	Pliers: Needle nose and adjustable rib joint, 2-inch capacity
Wheels	Duct tape, Electrical tape, mechanics wire: 1 roll each
Suspension	Rubber Mallet
Steering	Tire Pressure Gauge
Frame	Safety glasses
Exhaust System	Wheel chock
Fuel Cap(s)	

#### WRECKER - GENERAL

Manufacturer Rating Plates	Throttle Control
Wrecker Controls on both sides of vehicle	Hydraulic Rams, Hoses, Valves
Control Labels	Winch: Type:
Body and Towing Equipment Mounting Bolts	Winch: Rated 8,000 pounds on first cable layer
Cable Sheaves	Safety chain D-ring or eyelet mounted on rear of truck

#### WHEEL LIFT

Minimum GVWR: 14,000 lbs.	"L" Arms
Wheel Lift Assembly; Rated 4,000 Pounds-Extended	Cradle / Straps/ Chains
Pivot Pin	Claw
(2) Wheel Tie Down Safety Straps with ratchets	100' 3/8" 6x19 Wire rope or OEM Specifications
4-Ton Boom Assembly (if equipped)	(2) Tow Chains 5/16" Grade 70 with J/T Hooks
Sling Assembly; Rating: 4,000 Pounds (if equipped)	Tow Dolly (with wheel tie down straps)
One pair of spacer blocks or 2 wood blocks 4"x6"x12"	(2) Safety Chains: 5/16" Alloy or OEM Specifications 5-foot min. length

#### CAR CARRIER/TWO VEHICLE

GVWR: Minimum. 23,500 lbs. Chassis	50' 3/8" 6X19 Wire rope or OEM Specifications
Carrier Bed Frame	J/T Hook Loading Bridle Chains
Bed Material: Steel or Aluminum	4 Safety Chains 5/16" Alloy or OEM Specifications
Bed Length: 19.5 ft. minimum	(4) Wheel Tie Down Safety Straps with ratchets
Bed Hinges	One pair of spacer blocks or 2 wood blocks 4"x6"x12"
Bed Safety Lock	Motorcycle loader for flatbeds with (6) Utility/ Motorcycle straps
Tie Downs: 8 each, one near each corner of the bed, two each side of bed distributed between corner tie downs, each must accommodate snatch blocks	(2) Safety Chains: 5/16" Alloy or OEM Specifications 5-foot min. length
Wheel Lift Assembly; Rated 4,000 Pounds-Extended	"L" Arms
Pivot Pin	Cradle / Straps/ Chains
(2) Wheel Tie Down Safety Straps with ratchets	Claw

The Driver shall be required to complete a pre-operation shift inspection log of the vehicle as well as inventory of the required equipment prior to the start of each and every shift. An Inspection form, which is in the tablet FSP data collection software, shall be completed by the Driver prior to the start of each shift and be available for inspection by the CHP and/or SBCTA. Any equipment that is malfunctioning or missing must be replaced prior to the start of the shift. All equipment on the truck shall be secured.

#### **Installation of FSP related equipment:**

Upon execution of the contract, SBCTA will designate and cover the cost of the selected installer



for the SBCTA FSP digital radio equipment and SBCTA's Automatic Vehicle Locator (AVL) equipment. SBCTA covers the initial cost of the FSP digital radio and the AVL equipment as well. Please note that SBCTA, along with the installer, must be able to access the required primary and back up FSP Tow Trucks no later than ten (10) business days prior to the start date of the Beat(s). No exceptions. If SBCTA is not able to access the required primary and back up FSP tow trucks by the tenth (10<sup>th</sup>) business day deadline, the CONTRACTOR shall be assessed a fine as detailed in Exhibit "C" of the contract.

At times, equipment such as an "outside speaker", or a handheld "mic," and/or "FSP Tablet" for example, may need to be replaced due to normal wear and tear. If SBCTA-provided equipment needs to be replaced due to normal wear and tear, SBCTA will provide the CONTRACTOR with replacement equipment at no charge. However, please note that if FSP-related equipment needs to be replaced due to negligence by the CONTRACTOR or any of its staff, including Drivers, the cost of the equipment and the installation expense will be deducted from the CONTRACTOR'S invoice/payment that same month or the following month (depending on when the incident occurred). CONTRACTORS, Supervisors and Drivers are required to contact SBCTA and one of the FSP CHP officers immediately when any SBCTA FSP equipment is damaged, failing or has failed, and the CONTRACTOR will be provided with a replacement part by SBCTA or by one of the FSP CHP officers. If a replacement part is not immediately available, then the CONTRACTOR will be asked to have their "FSP Certified Back-Up Tow Truck" on the Beat to cover the shift.

With the written permission of SBCTA (email is allowed), the CONTRACTOR may install some replacement equipment (e.g., an "outside speaker" or a "mic") as long as the CONTRACTOR installs the equipment per SBCTA and SBCTA FSP standards. If a CONTRACTOR is given the authorization to install FSP-related equipment, and has any questions regarding "installation standards", the CONTRACTOR is to contact SBCTA or one of the FSP CHP officers for further instructions/information. If provided the authorization by SBCTA or FSP CHP Officer, the CONTRACTOR must install equipment in the safest possible manner, and the installation of the equipment must comply with all FSP equipment guidelines and San Bernardino FSP installation standards for safety reasons.

Please note that equipment requirements are subject to change at any time. For the most updated equipment list, please refer to the latest SOP Manual.

### **B. FSP Certified Back-Up Tow Truck**

The CONTRACTOR shall be required to have one FSP Certified Back-Up Tow Truck available for each Beat during FSP service hours that is in full compliance with this Contract, unless otherwise authorized by SBCTA in writing. The FSP Certified Back-Up Tow Truck should be used when a primary FSP Certified Tow Truck is unavailable. The FSP Certified Back-Up Tow Truck shall meet the same requirements for equipment, set-up and color as a primary Certified FSP Tow Truck. It shall meet all the vehicle equipment specifications. Please refer to Exhibit "C" of the contract for further details on violations and penalties. FSP Certified Tow Trucks are subject to inspections during FSP services hours and non-FSP service hours by CHP.

As noted above, Primary FSP Tow Trucks will be exclusively dedicated to SBCTA FSP services during the hours of FSP operations. However, FSP Certified Back-Up Tow Trucks are not required to be exclusive to the SBCTA FSP Program during FSP service hours and non-FSP service hours.

If a FSP Certified Back-Up Tow Truck is needed to replace one of the primary FSP Certified Tow Trucks on Beat, the CONTRACTOR shall meet all Contract obligations as outlined, which includes the vehicle's availability to work the Beat area within the 45 (forty-five) minute time period (after which point penalties begin to accrue).

### **C. Vehicle Breakdown and Other Missed Service**

A FSP Certified Back-Up Tow Truck must be in service on the Beat within 45 (forty-five) minutes of the time when a primary FSP Tow Truck is taken out of service for any reason. The CONTRACTOR shall not be paid for the time period that the contractually required trucks are not in service. If a vehicle is not made available within the 45 (forty-five) minute time period, the CONTRACTOR shall be fined three (3) times the hourly contract rate in one (1) minute increments until a FSP Certified Back-Up Tow Truck is provided. This 45 (forty-five) minute period prior to the imposition of fines shall not apply to trucks removed from service for failure to meet specifications or safety requirements as set forth in accordance with section 4.0 "Equipment Requirements" paragraph A "Tow Truck Requirements", in which case fines shall begin immediately. If a FSP Certified Tow Truck is not ready due to a breakdown at the start of a shift, the fine time will be calculated from the start of the shift. If the entire shift is missed, the CONTRACTOR shall be fined for the entire shift at three (3) times the hourly rate. FSP Tow Truck maintenance shall be performed during non-FSP service hours.

In the event that a FSP Certified Back-Up Tow Truck is required to continue the shift, the Driver must complete a new inspection worksheet and mileage log prior to the commencement of driving the tow truck and notify one of the FSP CHP Officers/Supervisors immediately. In addition, the Driver must indicate in the "notes" section of the FSP Tablet (per section 4.0 "Equipment Requirements" paragraph E "Communications Equipment") that the CONTRACTOR has switched to an FSP Certified Back-Up Tow Truck.

In addition, failure to have a FSP Certified Back-Up Tow Truck Driver available is not an allowable excuse for failing to have a FSP Certified Back-Up Tow Truck on the Beat within the 45 (forty-five) minute time period.

Please refer to Contract Exhibit "C" for further details on violations and penalties.

Please note: Existing FSP tow operator contracts with the Riverside County Transportation Commission (RCTC) or any other FSP service do not qualify as meeting the back-up tow truck requirement noted above.

### **D. Vehicle Identification.**

It shall be the Driver's sole responsibility to place detachable FSP markings on each vehicle during the service hours and to remove or cover the FSP markings immediately upon completion of each shift. SBCTA will supply each CONTRACTOR with the appropriate number of detachable markings for each Beat(s). If a marking is lost or damaged, the CONTRACTOR shall be responsible for the cost of the replacement markings. All FSP markings shall be returned immediately at the termination of the contract. The cost of any item or equipment supplied by SBCTA, Caltrans or CHP that is not returned shall be deducted from the CONTRACTOR's final payment.

FSP markings as well as vehicle numbers shall be required on both sides of all FSP tow trucks. The detachable markings (magnetic or other forms of FSP signage) provided by SBCTA must be placed on the center of both doors (front driver and passenger doors) of the vehicle. The Driver shall be required to keep the title and logos clean, straight and in readable condition throughout the service patrol's operation. The CONTRACTOR is also required to keep all FSP-related signage completely flat, clean, out of direct sunlight and out of public view when being stored.

### **E. Communications Equipment**

Each FSP vehicle shall be equipped with various communication devices that will enable the Driver to communicate with the CHP Communications Center and FSP CHP Officers. All vehicles shall be equipped with an AVL system, radios, and handheld Tablet Computers for data collection. The AVL system, radio system, and handheld Tablet Computers shall be purchased, owned, supplied, and installed by SBCTA only. SBCTA shall select the equipment installation vendor.

The CONTRACTOR shall be responsible for maintaining the security of the SBCTA-owned vehicle communication equipment. The CONTRACTOR shall be liable for any damage other than normal wear and tear to the communication equipment. The CONTRACTOR shall also be liable for the full replacement value of the communication equipment installed in the trucks while in the care, custody and control of the equipment. SBCTA shall pay for repair of normal wear and tear to equipment. However, SBCTA will deduct from CONTRACTOR's monthly invoice, any repair fees and/or the full replacement cost of any SBCTA equipment damaged or altered due to CONTRACTOR's improper use or negligence. SBCTA-supplied vehicle equipment shall be returned immediately (within one to three business days – pursuant to direction by SBCTA FSP staff) upon contract termination. The cost of any equipment not returned shall be deducted from the CONTRACTOR's final payment.

Programmable scanners capable of scanning between the 39 and 48 MHz used by CHP shall be supplied by the CONTRACTOR and shall be installed and securely mounted in all FSP Certified Tow Trucks by the CONTRACTOR.

The CONTRACTOR is also required to use Push to Talk Plus for Verizon Wireless (or equivalent direct connect device that will pair with Verizon Push to Talk Plus CHP devices). ***Special Note: If you are considering purchasing something else other than a Verizon Push to Talk Plus device, please confirm with SBCTA and/or CHP as to whether or not the device will be compatible with existing CHP equipment. Equipment purchased for the FSP Program must be compatible with FSP CHP officer devices which are currently Verizon Push to Talk Plus devices*** in order to facilitate proper communication with the CHP Communications Center and FSP CHP field supervisors. Verizon phones shall be purchased, owned, maintained, and paid for by the CONTRACTOR. The CONTRACTOR will also be responsible for all operating costs of the Verizon cell phones. In addition, Drivers are not permitted to take pictures or video, or to capture any other images while performing FSP duties during FSP operational hours, or capture any FSP-related images during non-FSP service hours. These actions will not be tolerated and a Driver that is found doing this will not be permitted to work in the FSP Program. Drivers are not permitted to download or share any data or images related to the FSP Program. If any FSP-related data or

images are found on any social media outlet or networks not authorized by SBCTA, the driver or drivers associated with the incident will be removed from the program.

Data input to the Tablet Computer shall not be allowed while the vehicle is being operated/driven. Use of other devices, such as cellphones, while driving/operating a vehicle is subject to California State Law.

The FSP vehicles shall be equipped with a public address system. The public address system shall have the capability to audibly transmit instructions from the cab of the FSP vehicle to the motorist of the disabled vehicle when the FSP vehicle is directly to the rear of the disabled vehicle.

The CONTRACTOR shall purchase and maintain a computer workstation (not a laptop) with high speed internet access and email to communicate with SBCTA, staff, and FSP CHP officers. Please note email is the primary means by which FSP Management (SBCTA, CHP, and Caltrans) communicate various operations messages. It is essential that a representative of the CONTRACTOR check the email daily.

It is the CONTRACTOR's responsibility to ensure that all Tablet Computers are operational at all times. The exterior protective case of the Tablet Computer shall be cleaned regularly, and the screen protector shall be inspected for functionality and serviceability. **Damaged/Worn items shall be reported to SBCTA within three (3) hours of identification of a problem.** All Tablet Computers must be kept in a secure location. Tablet Computers shall not be left in any tow truck or during non-FSP operational hours. During FSP operational hours, Tablet Computers must be with the Driver in their FSP Tow Truck; at all other times, Tablet Computers must be connected to a battery charger in the designated secure workstation of the CONTRACTOR'S facility. Any other location is not permitted.

CONTRACTOR shall immediately report any issues with the Tablet Computers to SBCTA or the FSP CHP Officers. CONTRACTOR is responsible for ensuring its Tablet Computers are operating at all times.

The CONTRACTOR shall provide SBCTA, FSP CHP Officers, and their designees, access to the Tablet Computers at any time during the course of the contract. If upon inspection SBCTA determines that the Tablet Computers are not being properly charged/stored, the CONTRACTOR will be subject to fines as outlined in Exhibit "C" of the Contract.

The CONTRACTOR shall provide a quarterly inspection report to SBCTA indicating the status of all equipment. SBCTA will provide the quarterly report submittal form to the CONTRACTOR. Accurate completion and timely return of this form is a contract requirement.

#### **F. Equipment Tampering**

Tampering with FSP communication/tracking equipment so that it does not function properly to SBCTA's specifications, and/or is disconnected, or is moved (without FSP Management authorization) from its original installed location is strictly prohibited. This includes, but is not limited to: breaking evidence tape/connection sealer on equipment connections, cutting wires or cable, moving mounted equipment (speakers, microphones, antennas, etc.), rerouting any wiring, not putting radio equipment back in its original installed location, disconnecting any connectors, etc. Interfering with the operations of the equipment is strictly prohibited.

If modification and/or interference is suspected, SBCTA shall conduct an inspection of the equipment on/near the Beat area or the vehicle may be sent to a designated location determined by SBCTA. CONTRACTOR shall not access the AVL equipment in any way until SBCTA has arranged an inspection.

- 1) If any alterations are found with AVL-related equipment owned by SBCTA, the CONTRACTOR shall be fined, at a minimum, two complete FSP shifts (7 - 9 hours) at three (3) times the hourly penalty rate. The final penalty shall be determined and assessed by FSP Management.
- 2) SBCTA shall designate the AVL installer and technician that will review and repair the AVL systems.
- 3) In the event of alterations, CONTRACTOR is responsible for any expenses, including but not limited to transportation, labor, repair, and replacement, incurred to repair the AVL equipment/system for the SBCTA FSP tow operations. Costs incurred to repair and document the equipment will be deducted from payment of the CONTRACTORS monthly invoice. Please refer to Contract Exhibit "C" for further details on violations and penalties.

## 6.0 DRIVERS

All Drivers shall be required to have a safe driving record and valid California Class C driver's license. All Drivers shall be at least 18 years of age at the time of background check. All Drivers shall be subject to driving record and criminal background checks through the CHP.

### FSP Driver Certification Requirements

The following are required to be completed before the issuing of a California Tow Truck FSP driver Certificate DL64:

1. CHP 234F Form (Tow FSP Driver/FSP Driver Information) submitted to CHP.
2. Successfully pass a driving record and criminal history check.
3. Pay all processing fees.
4. Submit to fingerprinting.
5. Successfully pass a CHP-administered Proficiency Test.
6. Complete a SHRP 2 /TIMS training course and provide a certificate of completion.
7. Attend and pass a FSP driver certification class.
8. Obtain a Medical Examiner's Certificate (MEC) MCSA-5875.
9. Issued a FSP Driver Identification Card.
10. Successfully complete ten (10) shifts of ride-a-longs with an approved FSP driver trainer.
11. As required by California Vehicle Code Sections 2430.5 and 2431, all applicants and owners are required to have a valid California driver's license and criminal history check. After CHP receives and accepts a completed CHP 234F, CHP will perform a California driver's license and criminal history check. CHP will perform background checks ONLY upon acceptance of a CHP 234F.
12. The California driver's license check will consist of confirming that the applicant has a valid driver's license and the applicant's point count is within standards set forth in the SOP.
13. The criminal history check will consist of a livescan background check to determine whether

the applicant meets the criteria for a Driver Certificate, as outlined in California Vehicle Code Section 13377 and the FSP contract. **The cost of the livescan and DL will be at the CONTRACTOR's expense.**

14. If the applicant passes the preliminary check, then the applicant shall submit to fingerprinting to complete the background check at the CONTRACTOR's expense.
15. In addition, SBCTA and/or CHP may, in their sole discretion, require a CONTRACTOR to replace any Driver or potential Driver who is determined not to be a suitable representative of the FSP Program to the public based on the background check or any other reason.

Drivers shall be sufficiently experienced in the tasks of tow truck operations and proficient with all required FSP equipment to provide safe and proper service. Drivers from other FSP service areas will be evaluated by the CHP FSP Officer on a case-by-case basis. All Drivers must be capable of demonstrating their tow operating abilities prior to formal CHP training. Additionally, the Drivers will be required to exercise good, sound judgment in carrying out their duties.

The CONTRACTOR's Drivers shall be required to inform the CHP Communications Center at any time they leave the assigned Beat, whether to replenish expendable items such as gasoline or radiator water, to take breaks, etc. The Driver shall be required to immediately notify the CHP Communications Center upon a tow truck breakdown.

Each Driver shall be responsible for accurately entering the following into their Tablet Computer:

- Pre-shift inspection worksheet prior to the commencement of driving the tow truck. This must be completed at the tow yard, prior to leaving the yard and driving to the Beat.
- Log of mileage prior to commencement of driving the tow truck on the Beat and at the end of the shift. This must be completed in a safe location at or near the Beat location, prior to beginning the shift and at the end of the shift.

The Driver shall also be required to complete an assist record, on the Tablet Computer, for each incident.

Driver will be required to utilize a Tablet Computer to input the mileage log, inspection worksheet, and each assist, which will include location, vehicle make, model, license number, type of assistance provided, etc. Driver will be trained to use the Tablet Computers to enter accurate data using SBCTA data collection software.

Other important forms Driver must complete and turn in when assisting motorists are the FSP Tow Truck Release Forms and the Damage Release Forms. It is critical these forms are completed in a clear and accurate manner and returned to the FSP CHP Officers by the 10<sup>th</sup> day of the preceding month as quickly as possible as and no longer than a maximum of thirty (30) business days from the date of the assist. Any CONTRACTOR who fails to complete and turn in these required forms may be subject to penalties as outlined in Exhibit "C" of the contract.

The CONTRACTOR is required to participate in the California Department of Motor Vehicles (DMV) Pull Notice Program.

If a Driver is convicted of a crime listed in California Public Resources Code Section 5164 or California Vehicle Code 13377, the CONTRACTOR may be required to remove that Driver from

the FSP program. If a Driver is charged with any such crimes, the CONTRACTOR may be required to suspend that Driver from duties under this Contract pending the outcome of the criminal case. If the Driver is not convicted, or is ultimately convicted of a lesser crime not described above, CHP may direct SBCTA to have the CONTRACTOR remove that Driver from the duties under the FSP program.

Mandatory CHP refresher training classes/meetings shall be scheduled during non-FSP hours. A minimum of four (4) hours refresher training per year is required. The SBCTA FSP Program conducts a one hour refresher training class/meeting each quarter, for a total of four hours of on-going training each year. CONTRACTOR shall pay all Drivers and Back-Up Drivers for attendance at the required training.

### **Driver Equipment**

CONTRACTOR is responsible for providing Drivers with specified uniforms, black protective toe boots, nameplates, and other equipment. The equipment includes navy blue jump suits or shirts and pants. If coveralls are worn, they shall have a collar with a zipper. All uniforms shall be clean, properly maintained, and replaced whenever excessively worn.

A detachable brass or gold in color nameplate shall be worn with the first initial of the first name and full last name of the Driver. Letters shall not exceed ½" tall; nameplate must be approved by an FSP CHP officer. The nameplate shall be worn above the right chest pocket on the vest.

A safety vest with reflective stripes shall be worn; SBCTA will supply vests. A small FSP logo shall be sewn/silkscreened on the front of the safety vest over the left front pocket of the uniform, and a small FSP logo shall be sewn/silkscreened on the left sleeve of the vest. A large FSP logo shall be sewn/silkscreened across the middle portion of the back of each safety vest. SBCTA will supply vests to the CONTRACTOR with the FSP logos already sewn/silkscreened on per CHP's required FSP logo placement locations. The brass or gold nameplate with the Driver's first initial of first name and full last name shall be displayed on the front of the safety vest over the right front pocket. **The CONTRACTOR is responsible for obtaining FSP CHP officer approval of the Driver nameplates, and the CONTRACTOR is responsible for the purchase and placement of the Driver nameplate.** An FSP logo is not required to be sewn/applied on the navy blue Driver uniform.

All Drivers shall wear black work boots with protective (steel or composite) toe.

During cold weather, a navy blue jacket may also be worn at the Driver's option, if it meets all the uniform specifications. The CONTRACTOR and/or the Driver may contact CHP for any uniform questions or clarifications.

Rain gear shall be waterproofed material, navy blue or yellow in color.

Hats, if worn, shall be baseball type cap, navy blue in color. An "FSP" logo may be sewn/silkscreened on the hat above the brim. No other logos/names shall be accepted. A beanie

may also be worn which must be navy blue in color and worn only with a jacket or long sleeve shirt under the vest. A picture of the uniform is provided toward the end of this scope of work.

CONTRACTOR should refer to the most current SOP Manual in making sure it is following the most recent Driver equipment requirements.

## 7.0 LOCAL OFFICE

The CONTRACTOR shall provide a local office for contract administration purposes. This office shall be staffed by either the CONTRACTOR or its representative, who is authorized to conduct business and make decisions on behalf of the CONTRACTOR. The office shall have business hours coinciding with CONTRACTOR's Beat(s) hours of operation. The office shall be established within close proximity to the CONTRACTOR's Beat(s) and shall be located in Riverside, San Bernardino, Los Angeles or Orange counties. An FSP Certified Back-Up Tow Truck and an FSP Certified Back-Up Tow Truck Driver must be available within a 45 minute request regardless of the CONTRACTOR's office location.

The CONTRACTOR shall also provide telephone, scanner and email through which they, or a responsible representative authorized to conduct business and make decisions on behalf of the CONTRACTOR, can be reached during the non-service hours of operation for the length of the contract. During non-business hours, an answering machine, provided at the CONTRACTOR'S expense, shall be available to log calls, take complaints, etc. An email address that is monitored throughout each day shall be provided for "noticing" purposes during operational and non-service hours. The CONTRACTOR will be responsible for having a company representative monitor and review messages/notices on a daily basis and respond in a timely manner. Please see Exhibit "C" of this contract for penalties associated with failure to respond to communications from CHP and/or SBCTA.



### 8.0 BEAT DESCRIPTIONS

Beat #	Beat Description	One-Way Length in Miles	No. of Primary FSP Trucks in both AM and PM	No. of FSP certified Back-Up Tow Trucks
5	State Route 60 (SR-60) Reservoir Street (Los Angeles County Line) to Milliken Avenue	9.96	2	1

Please refer to Attached Map of Beat No. 5 area

Beat 5 is currently scheduled to operate from **5:30 a.m. to 8:30 a.m.** and from 2:00 p.m. to 6:30 pm (Monday through Thursdays). On Fridays, the PM shift begins at 12:00 p.m. to 6:30 p.m.

FSP Beat No. 5 requires two (2) Primary FSP Certified Tow Trucks and one (1) Primary FSP Certified Back up Tow Truck available during all FSP operational service hours.

### 9.0 BEAT MAP



Attachment: 23-1002945 Exhibit A Beat 5 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

## 10.0 FSP SERVICE HOURS AND EXTRA WORK HOURS

Approximate total service hours per primary vehicle per year is estimated to be as follows:

- Approximate Service Hours (Monday-Friday) per primary vehicle per year: 2,116 hours
- Approximate “Extra Work” Contingency weekend hours (Saturday- Sunday) per primary vehicle per year: 765 hours

**SBCTA reserves the right to change Beat operating times and operational requirements (i.e., length of Beat and hours of operation) during the course of the Contract.**

All Beats may be asked to participate in possible SBCTA’s “FSP Extra Work weekend contingency services”, on an as needed basis. Possible hours of operation may include Saturdays and Sundays from 10:00 a.m. to 6:00 p.m. Extra work is not guaranteed. The actual amount of weekend hours or number of weekend trucks are not guaranteed. Written notice from SBCTA shall be required for commencement and termination of “FSP Extra Work weekend contingency services”.

“Extra Work” for emergency coverage may be assigned for any of the nine (9) SBCTA FSP service areas:

1. Beat 5: SR-60 from Milliken Avenue to Reservoir Street (Los Angeles County line)
2. Beat 9: I-10 from Indian Hill Boulevard (Los Angeles County line) to Haven Avenue
3. Beat 10: I-10 from Haven Avenue to Sierra Avenue
4. Beat 11: I-10 from Sierra Avenue to Waterman Avenue
5. Beat 14: I-215 Center Street from the Riverside County line to Devore Road
6. Beat 23: I-15 from the Riverside County line to Sierra Avenue
7. Beat 27: I-15 from Sierra Avenue to Oak Hill Road
8. Beat 29: I-10 from Waterman Avenue to County Line Road (Riverside County line)
9. Beat 31: SR-210 from the Los Angeles County line to Citrus Avenue

FSP Beat No. 5 is the priority Beat for this RFP, which means that should a primary truck go down; the “Extra Work” Beat truck shall be deployed back to the primary Beat. SBCTA shall evaluate all travel times made from the “Extra Work” Beat to the primary Beat in a penalty time situation on a monthly basis. Final penalty determination shall be made by CHP and SBCTA.

The contractor shall hold to all required standards addressing truck image and maintenance for the FSP Certified Back-Up Tow Truck being used during “Extra Work”, as CHP shall retain all rights to inspect and put the trucks out of service for non-compliance. Penalties shall still apply. In the event that the “Extra Work” Beat truck must be sent to cover the primary Beat, no penalty time shall be assessed for not having that back-up truck on the “Extra Work” Beat.

Each SBCTA tow operator agreement contains a clause regarding the Construction Freeway Service Patrol (CFSP). The goal of CFSP is to assist in construction zones outside of regular FSP hours or locations. The work is provided as “Extra Work” due to the uncertainty of the hours or changes in construction related to CFSP “Extra Work” projects.

**SBCTA reserves the right to change Beat hour, the length of the Beat, and operational requirements during the course of the Contract. Written notice from SBCTA shall be required for commencement and termination of “Extra Work”.**

## 11.0 FSP HOLIDAYS

### PRELIMINARY LIST OF FSP HOLIDAYS

Services are to be provided on the days and hours designated in the Contract with the exception of the following holidays:

1. Martin Luther King, Jr. Day (Monday)
2. Presidents' Day (Monday)
3. Memorial Day (Monday)
4. Independence Day (July 4 - varies)
5. Labor Day (Monday)
6. Veterans Day (varies)
7. Thanksgiving Day (Thursday)
8. Day after Thanksgiving (Friday)
9. Christmas Day (December 25 - varies)
10. New Year's Day (January 1 – varies)

In addition to the above service hours, at the discretion of SBCTA and the FSP CHP Officers, additional service may be requested on certain “high traffic days” prior to or following certain holidays (e.g., July 4th, Labor Day, Sunday following Thanksgiving Day, Memorial Day).

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**Exhibit B**

Price Form for Time and Materials  
 Contract: 23-1002945  
 Compensation and Payment  
 Overview Contract No. 23-1002945 with Pepe's Inc. for Beat 5  
 Beat 5 Term  
 NTP I: May,2024-December 31, 2024  
 NTP II: Jan 1, 2025-December 31, 2029

NTP I May 2024- December 31, 2024						
PERIOD OF PERFORMANCE/ NTP I DELIVERABLES FSP Tow Truck Purchase, Mobilization, AVL and Radio installation, FSP Driver Training, Project ramp-up, and Tow Vehicle inspections	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS SUBJECT TO SBTA APPROVAL	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO EXCEED AMOUNT
May 2024- December 31, 2024	N/A	N/A	N/A	N/A	\$0.00	\$0

BEAT 5- FSP SUPPORT NTP II JANUARY 1, 2025- DECEMBER 31, 2029 Two Primary FSP Tow Trucks plus one certified FSP Back Up Tow Truck is required						
PERIOD OF PERFORMANCE/ NTP II DELIVERABLES FSP SUPPORT SERVICES	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS *Subject to SBCTA Approval*	7% MORE HOURS	ESTIMATED TOTAL HOURS (1 Truck)	HOURLY RATE	NOT-TO-EXCEED AMOUNT (TOTAL HOURS X HOURLY RATE) X 2 TRUCKS
YEAR 1: FY 24/25-FY 25/26 (1/1/25-12/31/25)	2,116	765	202	3,083	\$125.00	\$770,750
YEAR 2: FY 25/26-FY 26/27 (1/1/26-12/31/26)	2,116	765	202	3,083	\$125.00	\$770,750
YEAR 3: FY 26/27-FY 27/28 (1/1/27-12/31/27)	2,116	765	202	3,083	\$125.00	\$770,750
YEAR 4: FY 27/28-FY 28/29 (1/1/28-12/31/28)	2,116	765	202	3,083	\$132.50	\$816,995
YEAR 5: FY 28/29-FY 29/30 (1/1/29-12/31/29)	2,116	765	202	3,083	\$132.50	\$816,995
<b>CONTRACT TOTAL</b>	<b>10,580</b>	<b>3,825</b>	<b>1008</b>	<b>15,413</b>		<b>\$3,946,240</b>

**NTP II YEAR 1-3**  
**EXTRA TIME, NON PENALIZED DOWN TIME AND PENALIZED DOWN TIME PER MINUTE RATES**  
 Extra Time: \$(2.08) per minute  
 Non-Penalized Down Time: \$(2.08) per minute  
 Penalized Down Time: \$(6.24) Per Minute

**NTP II YEAR 4-5**  
**EXTRA TIME, NON PENALIZED DOWN TIME AND PENALIZED DOWN TIME PER MINUTE RATES**  
 Extra Time: \$(2.21) per minute  
 Non-Penalized Down Time: \$(2.21) per minute  
 Penalized Down Time: \$(6.63) Per Minute

**WEEKEND HOURS, EXTRA WORK HOURS, CFSP CALTRANS LED, AND SBCTA LED SUPPORT PROJECTS ARE NOT GUARANTEED AND SUBJECT TO SBCTA APPROVAL**

Attachment: 23-1002945 Beat 5 Exhibit B (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT C  
PENALTIES**

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Attachment: 23-1002945 Exhibit C (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT C**  
**SUMMARY OF FSP VIOLATIONS AND PENALTIES**

Below is a list of penalties that can be assessed to a Contractor if not in compliance with the policies and procedures of the Freeway Service Patrol Program. All final penalties shall be assessed by the determination of SBCTA.

<b>Relevant section</b>	<b>Description of violation</b>	<b>Penalty</b>
12.0	Contractor does not have two (2) primary and one (1) back-up (wheel lift) tow trucks "FSP" ready for SBCTA to install equipment and for CHP to inspect ten (10) business days prior to the start of a Beat.	Flat \$1,000 fine. In addition, should the trucks not be ready by the start of shift, the Contractor shall be fined three times the hourly rate in one minute increments for every minute compliance is not met.
5.0	Not meeting tow truck requirements outlined in the contract.	Three (3) times the hourly contract rate in one (1) minute increments until requirement is met.  If entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate.
5.0 B	Not having a certified FSP "back-up" tow truck and/or Driver	Three (3) times the hourly contract rate in one (1) minute increments until requirement is met.  If entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate.
5.0 C	Wheel lift tow truck not made available <u>within 45 minutes</u> due to equipment/truck breakdown.	The CONTRACTOR has 45 minutes to correct the problem if the breakdown occurs during the shift, the penalty for the forty five (45) minute period will be calculated in one (1) minute increments on a straight hourly rate.  Time beyond 45 minutes will be calculated as penalized time (Three (3) times the hourly contract rate in one (1) minute increments). Exact penalized down time rate is detailed in the Contract.  If a truck is not ready due to a breakdown at the beginning of a shift, penalty will begin at the beginning of the shift at the penalized rate.  If entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate
12.0	Contractor fines 9.B.4 Contractor fines are assessed for violations of the FSP contract or the SOP that are not directly related to FSP truck operations. This includes but not limited to: Failing to turn required paperwork in on time (Surveys, inspection sheets, etc.), damage to FSP Program equipment, or not supplying Driver the proper equipment as required in the FSP Contract.	The fine amount shall not exceed \$50.00 for each individual occurrence or violation, with the exception of replacement costs.
5.0 E	Tablet Computers not being charged in designated location during non-FSP operational hours.	\$50.00 per tablet
5.0 E	Email correspondence from CHP/SBCTA not being acknowledged.  It is critical that the email address that the CONTRACTOR provides is working at all times. CONTRACTOR is required to report problems with email system immediately to SBCTA.	\$100.00 per day of no response
5.0 E	Lost/damaged equipment	Full cost if lost or damaged beyond normal wear and tear. If equipment is repairable, the cost of the repair shall be deducted from contractors invoice.

SOP	Contractor did not follow proper tip procedure per the SOP on Page 40, Section 6.B.	\$50.00 per occurrence
5.0 F	Tampering with FSP AVL equipment	2 FSP shifts (7 hours) at the CONTRACTOR'S penalty rate (3 times the normal hourly rate) plus AVL Technician's transportation, labor, repair and/or replacement costs.
5.0 G	Damage Release/Release of liability forms not completed, not filled out properly, or not submitted within thirty (30) calendar days from the date on the form.	\$5.00-50.00 per incident at the discretion of Commission.
5.0 G	Duplicate customer unique digit survey number >10%	\$50 and up. Case by case basis as determined by FSP Management.

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Attachment: 23-1002945 Exhibit C (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**General Contract Information**

Contract No: 23-1002946 Amendment No.: \_\_\_\_\_  
 Contract Class: Payable Department: Air Quality and Mobility  
 Vendor No.: 01718 Vendor Name: Pepe's Inc.  
 Description: Freeway Service Patrol Beat No. 27  
 List Any Related Contract Nos.: \_\_\_\_\_

Dollar Amount					
Original Contract	\$	2,358,495.00	Original Contingency	\$	685,430.00
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
<b>Total/Revised Contract Value</b>	<b>\$</b>	<b>2,358,495.00</b>	<b>Total Contingency Value</b>	<b>\$</b>	<b>685,430.00</b>
<b>Total Dollar Authority (Contract Value and Contingency)</b>				<b>\$</b>	<b>3,043,925.00</b>

**Contract Authorization**

Board of Directors \_\_\_\_\_ Date: 05/01/2024 \_\_\_\_\_ Committee \_\_\_\_\_ Item # \_\_\_\_\_

**Contract Management (Internal Purposes Only)**

Other Contracts \_\_\_\_\_ Sole Source? No \_\_\_\_\_ N/A \_\_\_\_\_  
 State/Local \_\_\_\_\_ Freeway Service Patrol \_\_\_\_\_ N/A \_\_\_\_\_

**Accounts Payable**

Estimated Start Date: 01/01/2025 Expiration Date: 12/31/2029 Revised Expiration Date: \_\_\_\_\_  
 NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	Total Contract Funding:		Total Contingency:	
								\$		\$	
GL: 2810	15	0704	0000	52001	42212001		Safe	471,699.00		-	
GL: 2820	15	0704	0000	52001	42213019		FSP Grant	377,360.00		-	
GL: 2702	15	0704	0170	52001	42217718		FSP Grant	377,359.00		-	
GL: 2702	15	0704	0171	52001	42217718		FSP Grant	377,359.00		-	
GL: 2702	15	0704	0170	52001	42217720		FSP Grant	377,359.00		-	
GL: 2702	15	0704	0171	52001	42217720		FSP Grant	377,359.00		-	
GL:								-		-	
GL: 4110	40	0820	0821	52001	41100000		Sales Tax-MSI	-		685,430.00	
GL:								-		-	
GL:								-		-	
GL:								-		-	
GL:								-		-	
GL:								-		-	
GL:								-		-	

Rana Semaan \_\_\_\_\_ Steve Smith \_\_\_\_\_  
 Project Manager (Print Name) Task Manager (Print Name)  
 Additional Notes: \_\_\_\_\_

Attachment: CSS 23-1002946 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)



**CONTRACT NO. 23-1002946****BY AND BETWEEN****SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY****AND****PEPE'S INC.  
(DBA PEPE'S TOWING SERVICE)****FOR****FREEWAY SERVICE PATROL BEAT 27**

This contract (referred to as "Contract"), is made and entered into by and between the San Bernardino County Transportation Authority ("SBCTA"), whose address is: 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, California 92410-1715; and Pepe's Inc. dba Pepe's Towing Service ("CONTRACTOR"), whose address is: 2000 W. Key St., Colton, California 92410. SBCTA and CONTRACTOR are each a "Party" and collectively the "Parties".

**RECITALS:**

**WHEREAS**, SBCTA requires certain work services as described in Exhibit "A" of this Contract and;

**WHEREAS**, CONTRACTOR has confirmed that CONTRACTOR has the requisite professional qualifications, personnel and experience and is fully capable and qualified to perform the services identified herein; and

**WHEREAS**, CONTRACTOR desires to perform all Work identified herein and to do so for the compensation and in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, the Parties agree as follows:

**ARTICLE 1. PROJECT DESCRIPTION/SCOPE OF WORK**

- 1.1 CONTRACTOR agrees to perform the work and services set forth in Exhibit A "Scope of Work" ("Work"), in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with the terms and conditions expressed herein and in the sequence, time, and manner defined herein. The word "Work" includes without limitation, the performance, fulfillment and discharge by CONTRACTOR of all obligations, duties, tasks, and services imposed upon or assumed by CONTRACTOR hereunder; and the Work performed hereunder shall be completed to the satisfaction of SBCTA, with SBCTA's satisfaction being based on prevailing applicable professional standards.

- 1.2 CONTRACTOR warrants that all employees shall have sufficient skill and experience to perform the Work assigned to them. CONTRACTOR further represents and warrants to SBCTA that its employees have all licenses, permits, qualifications (including medical certification) and approvals of whatever nature that are required to perform the Work, and that such licenses and approvals shall be maintained throughout the term of this Contract. CONTRACTOR shall perform, at its own cost and expense and without compensation from SBCTA, any Work necessary to correct errors or omissions which are caused by the CONTRACTOR's failure to comply with the standard of care provided for herein, and shall be fully responsible to SBCTA for all damages and other liabilities provided for in the indemnification provisions of this Contract arising from the CONTRACTOR's errors and omissions. Any employee of CONTRACTOR who is determined by SBCTA to be a threat to the safety of persons or property shall be promptly removed by the CONTRACTOR from the duties under the Freeway Services Patrol ("FSP") Program as defined in Exhibit "A" and shall not be re-employed to perform any of the Work on the FSP Program.
- 1.3 The Project Manager for this Contract is Kelly Lynn or such other designee as shall be designated in written notice to CONTRACTOR from time to time by the Executive Director of SBCTA or his or her designee. The Project Manager shall have authority to act on behalf of SBCTA in administering this Contract, including giving notices (including without limitation, notices of default and/or termination), technical directions and approvals; demanding performance and accepting work performed, but is not authorized to receive or issue payments or execute amendments to the Contract itself.

## **ARTICLE 2. CONTRACT TERM**

The Contract term shall commence upon issuance of the first of the following two written Notice To Proceed (NTP) issued by SBCTA's Procurement Analyst: NTP No. 1 for mobilization and NTP No. 2 for the start of service. The Contract shall continue in full force and effect through December 31, 2029 or until otherwise terminated, or unless extended as hereinafter provided by written amendment, except that all indemnity and defense obligations hereunder shall survive termination of this Contract. CONTRACTOR shall not be compensated for any Work performed or costs incurred prior to issuance of the applicable NTP.

## **ARTICLE 3. COMPENSATION**

- 3.1 Total compensation to CONTRACTOR for full and complete performance of the Scope of Work, identified herein and, in compliance with all the terms and conditions of this Contract, shall be on a FSP Time & Materials basis for all obligations incurred in, or application to, CONTRACTOR's performance of Work, and for which CONTRACTOR shall furnish all personnel, facilities, equipment, materials, supplies, and Services (except as may be explicitly set forth in this Contract as furnished by SBCTA) shall not exceed the amount set forth in section 3.2 below.
- 3.2 The total Contract Not-To-Exceed Amount is Two Million Three Hundred Fifty Eight Thousand Four Hundred Ninety Five Dollars (\$2,358,495). All Work provided under this Contract is to be performed as set forth in Exhibit A "Scope of Work". The hourly labor rates identified in Exhibit B shall remain fixed for the term of this Contract and include

CONTRACTOR's direct labor costs, indirect costs, and profit. SBCTA will not compensate CONTRACTOR for any expenses not shown in Exhibit B or agreed to and approved by SBCTA as required under this Contract.

- 3.3 The hourly rates under this contract are identified in Exhibit "B". Identified below are the amounts authorized to be compensated for the following:
- 3.3.1 Extra Time: Will be compensated in one-minute increments when a truck goes beyond the end of its normal shift.
  - 3.3.2 Non-Penalized Down Time: Assessed in one-minute increments when a truck is "out of service" without violation, as set forth in Exhibit "C".
  - 3.3.3 Penalized Down Time: Assessed at five (5) times the hourly rate, broken down into one minute increments, when a truck is "out of service" in violation of the Contract, as set forth in Exhibit "C".
  - 3.3.4 Final extra time and penalty times shall be assessed at the sole discretion of SBCTA.
- 3.4 Intentionally Omitted
- 3.5 The Cost Principles and Procedures set forth in 48 CFR, Ch. 1, subch. E, Part 31, as constituted on the effective date of this Contract, shall be utilized to determine allowability of costs under this Contract and may be modified from time to time by written amendment of the Contract.
- 3.5.1 CONTRACTOR agrees to comply with Federal requirements in accordance with 2 CFR, Parts 200 and 1201, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
  - 3.5.2 Any costs for which payment has been made to CONTRACTOR that are determined by subsequent audit to be unallowable under 48 CFR, Ch. 1, subch. E, Part 31, or 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, shall be repaid by CONTRACTOR to SBCTA.
- 3.6 Any Work provided by CONTRACTOR not specifically covered by the Scope of Work shall not be compensated without prior written authorization from SBCTA. It shall be CONTRACTOR's responsibility to recognize and notify SBCTA in writing when services not covered by the Scope of Work have been requested or are required. All changes and/or modifications to the Scope of Work shall be made in accordance with the "CHANGES" Article in this Contract. Any additional services agreed to in accordance with this Contract shall become part of the Work.
- 3.7 All subcontracts in excess of \$25,000 shall contain the above provisions.

## ARTICLE 4. INVOICING

- 4.1 Payment to CONTRACTOR as provided herein shall be payable in monthly billing period payments, forty-five (45) calendar days after receipt of an acceptable invoice by SBCTA prepared in accordance with the instructions below. Payment shall not be construed to be an acceptance of Work.
- 4.2 CONTRACTOR shall prepare invoices in a form satisfactory to and approved by SBCTA, and it shall be accompanied by documentation supporting each element of measurement and/or cost. Each invoice will be for a monthly billing period and will be marked with SBCTA'S contract number, description and task order number, if applicable. Invoices shall be submitted within fifteen (15) calendar days for the period covered by the invoice, except for the month of June, for which the invoice must be submitted by July 10<sup>th</sup>. Invoices shall include request for payment for Work (including additional services authorized by SBCTA) completed by CONTRACTOR during each billing period and shall include back-up information sufficient to establish the validity of the invoice. Any invoice submitted which fails to comply with the terms of this Contract, including the requirements of form and documentation, may be returned to CONTRACTOR. Any costs incurred by CONTRACTOR in connection with the resubmission of a proper invoice shall be at CONTRACTOR'S sole expense. The final invoice shall be marked "FINAL" and will be submitted within 60 calendar days after SBCTA has received and approved all Work and deliverables. Invoices should be e-mailed to SBCTA at the following address:  
[ap@gosbcta.com](mailto:ap@gosbcta.com)
- 4.3 CONTRACTOR shall include a statement and release with each invoice, satisfactory to SBCTA, that CONTRACTOR has fully performed the Work invoiced pursuant to the Contract for the period covered, that all information included with the invoice is true and correct, and that all payments to and claims of CONTRACTOR for its Work during the period will be satisfied upon making of such payment. SBCTA shall not be obligated to make payments to CONTRACTOR until CONTRACTOR furnishes such statement and release.
- 4.4 INTENTIONALLY OMITTED
- 4.5 No payment will be made prior to approval of any Work, nor for any Work performed prior to issuance of the applicable NTP or an applicable CTO, nor for any Work under any amendment to the Contract until SBCTA's Awarding Authority takes action.
- 4.6 INTENTIONALLY OMITTED
- 4.7 INTENTIONALLY OMITTED
- 4.8 CONTRACTOR agrees that throughout the term of this Contract, it shall not enter into any other FSP service contracts with any other public entities within the Southern California region, pursuant to which CONTRACTOR agrees to charge "FSP" service fees less than those charged under this Contract for substantially the same level of "FSP" services contemplated by this Contract. Should SBCTA establish that CONTRACTOR has agreed to charge such lower fees to another government agency, CONTRACTOR agrees to reduce its fees under the Contract to the lower fees charged to the other governmental agency and to refund SBCTA an amount equal to the difference between the fees provided in this Contract and the lower fees charged to the other government agency.

#### 4.9 **EXTRA WORK:**

At any time during the term of this Contract, SBCTA may request CONTRACTOR to perform Extra Work. "Extra Work" shall mean any work which is determined by SBCTA to be necessary for proper completion of the Work, but which the parties did not reasonably anticipate would be necessary at the time of the execution of this Contract. Such work includes Construction FSP services, Weekend FSP services, and coverage of other Beats for which Contractors are selected in SBCTA's sole determination based on their Beat proximity and performance. "Extra Work" shall be compensated at the hourly rate as identified in Exhibit "B". CONTRACTOR shall not perform, nor be compensated for, Extra Work except as specifically authorized by SBCTA in writing prior to performance. Authorization for Extra Work up to \$25,000.00 will be subject to prior verification of then-existing contract authority and must be pursuant to SBCTA program manager's prior written approval, which may be provided via email. Authorization for "Extra Work" above \$25,000.00 must be issued by a written contingency amendment or contract amendment as applicable. All terms and conditions of this Contract shall apply to any "Extra Work" performed.

#### 4.10 **COVERAGE OF OTHER BEATS**

At times, other FSP Contractors will not be able to cover their shifts or complete their contractual obligations. A CONTRACTOR assigned to provide coverage on another contract/Beat is considered Extra Work and required to follow all FSP operational rules, policies and procedures for that Beat. CONTRACTOR's hourly rate for coverage shall be contracted FSP service hourly rate in this agreement.

In order for a CONTRACTOR to be considered for coverage of other Beats, the following criteria must be followed:

- CONTRACTOR is willing to provide coverage;
- CONTRACTOR is in good standing with CHP and SBCTA;
- There are funds available to cover the cost of the providing the coverage;
- CONTRACTORS should consider distance to the location of additional coverage and Log Book requirements before accepting service under this section;

4.11 **CONSTRUCTION FSP:** Construction FSP (CFSP) services are FSP services that are provided along a segment of highway that falls within a construction zone. This work is paid for with funds from specific projects and not the FSP State Highway Account/FSP SB1 funds. This is considered to be Extra Work as described in Section 4.9, and will all require the authorization of SBCTA's Program Manager in writing as well as a written contingency amendment or contract amendment as appropriate. There are three types of CFSP services that can occur:

1. Caltrans requested CFSP: Caltrans led projects that are part of a Caltrans/SBCTA CFSP Cooperative agreement. These projects will require a cooperative agreement with Caltrans and the issuance of a Caltrans Task Order (CTO).
2. SBCTA requested CFSP: SBCTA led projects that will be funded by SBCTA.

3. City requested CFSP: City led projects that will be funded by the City.

Construction FSP services will typically be performed during non-regular SBCTA FSP hours. Should there be any cancellation of work, the following schedule will be followed for compensation of cancelled work:

- If the CONTRACTOR is scheduled to patrol the construction site, and is notified of a cancellation with less than a 24-hour notice, the CONTRACTOR will be compensated for three (3) hours of the agreed upon hourly truck rate.
- If the CONTRACTOR is notified during a CFSP beat that CFSP has been cancelled, the FSP operator will be paid for the entire shift period up to a maximum of eight (8) hours.

For purposes of CFSP, a shift period is defined as: the actual time of the CFSP shift assigned or a maximum of eight (8) contract truck hours, whichever is less.

The supervising FSP CHP Officer for the CFSP beat will make the final determination as to whether the CONTRACTOR will continue the CFSP beat or will return to its office.

#### **ARTICLE 5. MOBILIZATION COSTS PAYMENT**

The mobilization costs advance payment was made to CONTRACTOR to help offset pre-start date costs. CONTRACTOR shall pay back the zero Dollar (\$0) advance payment made at the time that the NTP No. 1 was provided. CONTRACTOR shall pay back this payment in twelve (12) equal monthly installments to be deducted from their monthly invoice by the Project Manager.

Failure to pay back the entirety of the Mobilization costs will result in withholding remaining balance from the final payment in the event of early termination.

#### **ARTICLE 6. TAXES, DUTIES AND FEES**

Except to the extent expressly provided elsewhere in this Contract, CONTRACTOR shall pay when due, and the compensation set forth herein, shall be inclusive of all: a) local, municipal, State, and federal sales and use taxes; b) excise taxes; c) taxes on personal property owned by CONTRACTOR; and d) other governmental fees and taxes or charges of whatever nature applicable to CONTRACTOR to enable it to conduct business.

#### **ARTICLE 7. AVAILABILITY OF FUNDS**

The award and performance of this Contract is contingent on the availability of funds. If funds are not appropriated and/or allocated and available to SBCTA for the continuance of Work performed by CONTRACTOR, Work directly or indirectly involved may be suspended or terminated by SBCTA at the end of the period for which funds are available. When SBCTA becomes aware that any portion of Work will or may be affected by a shortage of funds, it will promptly notify CONTRACTOR. Nothing herein shall relieve SBCTA from its obligation to compensate CONTRACTOR for work already performed pursuant to this Contract. No penalty shall accrue to SBCTA in the event this provision is exercised.

## **ARTICLE 8. PERMITS AND LICENSES**

CONTRACTOR shall, without additional compensation, keep current all governmental permits, certificates and licenses (including professional licenses) and required registrations necessary for CONTRACTOR to perform Work identified herein.

## **ARTICLE 9. DOCUMENTATION AND RIGHT TO AUDIT**

- 9.1 CONTRACTOR shall maintain all records related to this Contract in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment by SBCTA, or until the conclusion of all litigation, appeals or claims related to this Contract, whichever is longer. CONTRACTOR shall provide SBCTA, the California State Auditor, or other authorized representatives of SBCTA, access to CONTRACTOR's records which are directly related to this Contract for the purpose of inspection, auditing or copying during the entirety of the records maintenance period above. CONTRACTOR further agrees to maintain separate records for costs of Work performed by amendment. CONTRACTOR shall allow SBCTA, its representatives and agents to reproduce any materials as reasonably necessary.
- 9.2 The cost proposal and/or invoices for this Contract are subject to audit by SBCTA and/or any state or federal agency funding this Project at any time. After CONTRACTOR receives any audit recommendations, the cost or price proposal shall be adjusted by CONTRACTOR and approved by SBCTA's Project Manager to conform to the audit recommendations. CONTRACTOR agrees that individual items of cost identified in the audit report may be incorporated into the Contract at SBCTA's sole discretion. Refusal by CONTRACTOR to incorporate the audit or post award recommendations will be considered a breach of the Contract and cause for termination of the Contract. Any dispute concerning the audit findings of this Contract shall be reviewed by SBCTA's Chief Financial Officer. CONTRACTOR may request a review by submitting the request in writing to SBCTA within thirty (30) calendar days after issuance of the audit report

## **ARTICLE 10. RESPONSIBILITY OF CONTRACTOR**

- 10.1 CONTRACTOR shall be responsible for the professional quality, technical accuracy, and assurance of compliance with all applicable federal, State and local laws and regulations and other Work furnished by CONTRACTOR under the Contract. The Contract includes reference to the appropriate standards for Work performance stipulated in the Contract.
- 10.2 Damage Complaints – CONTRACTOR shall notify CHP of a damage complaint from a motorist assisted by CONTRACTOR within eight (8) hours of CONTRACTOR's receipt of the complaint. CONTRACTOR's notice to CHP shall include the nature of the damage alleged. CONTRACTOR shall call the complainant within 24 hours of receipt of the complaint. If necessary, within 48 hours of receipt of the complaint, CONTRACTOR shall send an authorized representative and/or a representative of CONTRACTOR's insurer to inspect the vehicle and complete an incident report. If the investigation shows that CONTRACTOR caused the damage to the vehicle, CONTRACTOR shall negotiate in a good faith effort to resolve the claim, and shall report to the CHP the result of the

negotiations. All complaints shall be resolved within a reasonable period of time after original notice.

- 10.3 Damage Complaint Review Committee –The committee is comprised of CHP and SBCTA representatives. The committee will investigate damage complaints if necessary and make recommendations to the CONTRACTOR.
- 10.4 In addition to any other requirements of this Contract or duties and obligations imposed on CONTRACTOR by law, CONTRACTOR shall, as an integral part of its Work, employ quality control procedures that identify potential risks and uncertainties related to scope, schedule, cost, quality and safety of the Project and the Work performed by CONTRACTOR within the areas of CONTRACTOR’s expertise. At any time during performance of the Scope of Work, should CONTRACTOR observe, encounter, or identify any unusual circumstances or uncertainties which could pose potential risk to SBCTA or the Project, CONTRACTOR shall immediately document such matters and notify SBCTA in writing. CONTRACTOR shall also similarly notify SBCTA in regard to the possibility of any natural catastrophe, or potential failure, or any situation that exceeds assumptions and could precipitate a failure of any part of the Project. Notifications under this paragraph shall be specific, clear and timely, and in a form which will enable SBCTA to understand and evaluate the magnitude and effect of the risk and/or uncertainties involved.

## **ARTICLE 11. REPORTING**

All reports shall be submitted in accordance with Exhibit A “Scope of Work”. At a minimum, CONTRACTOR shall submit quarterly asset inventory reports. The report shall be sufficiently detailed for SBCTA to sufficiently address any difficulties or problems encountered with SBCTA owned property, so remedies can be developed.

## **ARTICLE 12. TECHNICAL DIRECTION**

- 12.1 Performance of Work under this Contract shall be subject to the technical direction of SBCTA’s Project Manager who is identified in Section 1.2, above. The term “Technical Direction” is defined to include, without limitation:
- 12.1.1 Directions to CONTRACTOR, which redirect the Contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details or otherwise serve to accomplish the Scope of Work.
- 12.1.2 Provision of written information to CONTRACTOR, which assists in the interpretation of reports, or technical portions of the Scope of Work described herein.
- 12.1.3 Review and, where required by the Contract, approval of technical reports, and technical information to be delivered by CONTRACTOR to SBCTA under the Contract.
- 12.1.4 SBCTA’s Project Manager may modify this Contract for certain administrative modifications without issuing a written amendment. Administrative modifications are limited to: substitutions of personnel identified in the Contract, including Key



Personnel; modifications to classifications, hourly rates and names of personnel; and modifications of the address of the CONTRACTOR. All such modifications will be documented in writing between the Parties.

- 12.2 Technical Direction must be within the Scope of Work under this Contract. Except as provided with regard to Extra Work in Section 4.9, SBCTA's Project Manager does not have the authority to, and may not, issue any Technical Direction which:
- 12.2.1 Increases or decreases the Scope of Work;
  - 12.2.2 Directs CONTRACTOR to perform Work outside the original intent of the Scope of Work;
  - 12.2.3 Constitutes a change as defined in the "CHANGES" Article of the Contract;
  - 12.2.4 In any manner causes an increase or decrease in the Contract price as identified in the "COMPENSATION" Article or the time required for Contract performance;
  - 12.2.5 Changes any of the expressed terms, conditions or specifications of the Contract; unless identified herein;
  - 12.2.6 Interferes with CONTRACTOR's right to perform the terms and conditions of the Contract unless identified herein; or
  - 12.2.7 Approves any demand or claims for additional payment.
- 12.3 Failure of CONTRACTOR and SBCTA's Project Manager to agree that the Technical Direction is within the scope of the Contract, or a failure to agree upon the Contract action to be taken with respect thereto, shall be subject to the provisions of "DISPUTES" Article herein.
- 12.4 All Technical Direction shall be issued in writing by SBCTA's Project Manager.
- 12.5 CONTRACTOR shall proceed promptly with the performance of Technical Direction issued by SBCTA's Project Manager, in the manner prescribed by this Article and within their authority under the provisions of this Article. If, in the opinion of CONTRACTOR, any instruction or direction by SBCTA's Project Manager falls within one of the categories defined in sections 11.2.1 through 11.2.7 above, CONTRACTOR shall not proceed but shall notify SBCTA in writing within five (5) working days after receipt of any such instruction or direction and shall request SBCTA to modify the Contract accordingly. Upon receiving the notification from CONTRACTOR, SBCTA shall:
- 12.5.1 Advise CONTRACTOR in writing within thirty (30) calendar days after receipt of CONTRACTOR's letter that the Technical Direction is or is not within the scope of this Contract.
  - 12.5.2 Advise CONTRACTOR within a reasonable time whether SBCTA will or will not issue a written amendment.

## **ARTICLE 13. CHANGES**

- 13.1 The Work shall be subject to changes by additions, deletions, or revisions made by SBCTA. CONTRACTOR will be advised of any such changes by written notification from SBCTA describing the change. Except as provided in Section 4.9, this notification will not be binding on SBCTA until SBCTA's Awarding Authority has approved an amendment to this Contract.
- 13.2 Promptly after such written notification of change is given to CONTRACTOR by SBCTA, the Parties will attempt to negotiate a mutually agreeable adjustment to compensation or time of performance, and amend the Contract accordingly, except as provided in Section 4.9.

## **ARTICLE 14. EQUAL EMPLOYMENT OPPORTUNITY**

- 14.1 During the term of this Contract, CONTRACTOR shall not willfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, gender, sex, marital status, gender identity, gender expression, sexual orientation, age, or military and veteran status. CONTRACTOR agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.
- 14.2 The CONTRACTOR shall comply with all provisions of Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, and national origin. In addition, CONTRACTOR will ensure their services are consistent with and comply with obligations and procedures outlined in SBCTA's current Board-adopted Title VI Program, including the Public Participation Plan and the Language Assistance Plan.

## **ARTICLE 15. CONFLICT OF INTEREST**

CONTRACTOR agrees that it presently has no interest, financial or otherwise, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Work required under this Contract or be contrary to the interests of SBCTA. CONTRACTOR further agrees that no person having any such interest shall be employed in the performance of this Contract. CONTRACTOR is obligated to fully disclose to SBCTA, in writing, any conflict of interest issues as soon as they are known to CONTRACTOR. .

## **ARTICLE 16. KEY PERSONNEL**

The personnel specified below are considered to be essential to the Work being performed under this Contract. Prior to diverting any of the specified individuals to other projects, or reallocation of any tasks or hours of Work that are the responsibility of key personnel to other personnel, CONTRACTOR shall notify SBCTA in writing in advance and shall submit justifications (including proposed substitutions, resumes and payroll information to support any changes to the

labor rates) in sufficient detail to permit evaluation of the impact on the Project. Diversion or reallocation of key personnel shall not be made without prior written consent of SBCTA's Project Manager. CONTRACTOR shall not substitute any key personnel without the prior written consent of SBCTA. In the event that the Parties cannot agree as to the substitution of key personnel, SBCTA may terminate this Contract. Key Personnel are:

<b>Name</b>	<b>Job Classification/Function</b>
Manuel Acosta	Program Support
Lorenzo Navarro	Program Support
Pete Ortiz	Program Support
Fernando Soria	Program Support
Christopher Navarro	Supervisor
Jose Suarez	Supervisor
Dustin Diodato	FSP Program Manager
Robert Stutz	FSP Program Manager
David Camberos	Lead Driver
Carmen Reyes	Accounts Receivable
Marcos Lara	Fleet Manager

#### **ARTICLE 17. REPRESENTATIONS**

All Work supplied by CONTRACTOR under this Contract shall be supplied by personnel who are qualified, careful, skilled, experienced and competent in their respective trades or professions. CONTRACTOR agrees that they are supplying professional services in the performance of this Contract and agrees with SBCTA that the same shall conform to professional standards that are generally accepted in the profession in the State of California.

#### **ARTICLE 18. PROPRIETARY RIGHTS/CONFIDENTIALITY**

- 18.1 If, as a part of this Contract, CONTRACTOR is required to produce materials, documents data, or information ("Products"), then CONTRACTOR, if requested by SBCTA, shall deliver to SBCTA the original of all such Products which shall become the sole property of SBCTA.
- 18.2 All materials, documents, data or information obtained from SBCTA's data files or any SBCTA-owned medium furnished to CONTRACTOR in the performance of this Contract will at all times remain the property of SBCTA. Such data or information may not be used or copied for direct or indirect use outside of this Project by CONTRACTOR without the express written consent of SBCTA.
- 18.3 Except as reasonably necessary for the performance of the Work, CONTRACTOR agrees that it, its employees and agents will hold in confidence and not divulge to third parties without prior written consent of SBCTA, any information obtained by CONTRACTOR from or through SBCTA unless (a) the information was known to CONTRACTOR prior to obtaining same from SBCTA pursuant to a prior contract; or (b) the information was at the time of disclosure to CONTRACTOR, or thereafter becomes, part of the public domain, but not as a result of the fault or an unauthorized disclosure of CONTRACTOR or its employees and agents, or (c) the information was obtained by CONTRACTOR from a third

party who did not receive the same, directly or indirectly, from SBCTA and who had, to CONTRACTOR 's knowledge and belief, the right to disclose the same. Any materials and information referred to in this Article, which are produced by CONTRACTOR, until released in writing by SBCTA, except to the extent such materials and information become subject to disclosure by SBCTA under the California Public Records Act, or other law, or otherwise become public information through no fault of CONTRACTOR, or its employees or agents.

- 18.4 CONTRACTOR shall not use SBCTA's name or photographs in any professional publication, magazine, trade paper, newspaper, seminar or other medium without first receiving the express written consent of SBCTA.
- 18.5 All press releases, or press inquiries relating to the Project or this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only by SBCTA unless otherwise agreed to in writing by both Parties.

## **ARTICLE 19. TERMINATION**

- 19.1 Termination for Convenience - SBCTA shall have the right at any time, with or without cause, to terminate further performance of Work by giving thirty (30) calendar days written notice to CONTRACTOR specifying the date of termination. On the date of such termination stated in said notice, CONTRACTOR shall promptly discontinue performance of Work.
- 19.1.1 If CONTRACTOR has fully and completely performed all obligations under this Contract up to the date of termination, CONTRACTOR shall be entitled to receive from SBCTA as complete and full settlement for such termination a pro rata share of the Contract cost based upon the percentage of all contracted Work satisfactorily executed to the date of termination.
- 19.1.2 CONTRACTOR shall be entitled to receive the actual costs incurred by CONTRACTOR to return CONTRACTOR's tools and equipment, if any, to it or its suppliers' premises in accordance with SBCTA's instructions plus the actual cost necessarily incurred in effecting the termination.
- 19.2 Termination for Cause - In the event CONTRACTOR shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against CONTRACTOR or a receiver shall be appointed on account of its insolvency, or if CONTRACTOR shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within ten (10) calendar days following written notice, SBCTA may, without prejudice to any other rights or remedies SBCTA may have, and in compliance with applicable Bankruptcy Laws: (a) hold in abeyance further payments to CONTRACTOR; (b) stop any Work of CONTRACTOR related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to CONTRACTOR specifying the date of termination. In the event of such termination by

SBCTA, SBCTA may take possession of SBCTA owned tools and equipment by whatever method SBCTA may deem expedient. A waiver by SBCTA of one default of CONTRACTOR shall not be considered to be a waiver of any subsequent default of CONTRACTOR, of the same or any other provision, nor be deemed to waive, amend, or modify any term of this Contract.

19.2.1 CONTRACTOR shall deliver to SBCTA all SBCTA owned tools and equipment under this Contract prepared by CONTRACTOR or furnished to CONTRACTOR by SBCTA within ten (10) working days of said notice.

19.3 All claims for compensation of costs under any of the foregoing provisions shall be supported by documentation submitted to SBCTA, satisfactory in form and content to SBCTA and verified by SBCTA. In no event shall CONTRACTOR be entitled to any payment for prospective profits or any damages because of such termination.

## **ARTICLE 20. STOP WORK ORDER**

Upon failure of CONTRACTOR to comply with any of the requirements of this Contract, SBCTA shall have the right to stop any or all Work affected by such failure until such failure is remedied or to terminate this Contract in accordance with section "Termination For Cause" above.

## **ARTICLE 21. CLAIMS**

SBCTA shall not be bound to any adjustments in the Contract amount or schedule unless expressly agreed to by SBCTA in writing. SBCTA shall not be liable to CONTRACTOR for any claim asserted by CONTRACTOR after final payment has been made under this Contract.

## **ARTICLE 22. INSURANCE**

22.1 Prior to commencing the Work, at all times during the performance of the Work and for such additional periods as required herein, CONTRACTOR shall, at CONTRACTOR's sole expense, procure and maintain road form insurance coverage at least as broad as the following minimum requirements specified below:

22.1.1 Worker's Compensation/Employer's Liability Insurance – The policies must include the following:

- Coverage A. Statutory Benefits
- Coverage B. Employer's Liability
- Bodily Injury by accident - \$1,000,000 per accident
- Bodily Injury by disease - \$1,000,000 policy limit/\$1,000,000 each employee

Such policies shall contain a waiver of subrogation in favor of the parties named as Indemnitees below. Such insurance shall be in strict accordance with the applicable workers' compensation laws in effect during performance of the Work by CONTRACTOR or any subcontractor of any tier. All subconsultants of any tier performing any portion of the Work for CONTRACTOR shall also obtain and maintain the same insurance coverage as specified in this subparagraph, with a waiver of subrogation in favor of CONTRACTOR

and all parties named as Indemnitees below. Where coverage is provided through the California State Compensation Insurance Fund, the requirement for a minimum A.M. Best rating does not apply.

22.1.2 Garage Liability/Commercial General Liability. The policy must include the following:

- CONTRACTOR shall maintain commercial general liability (CGL) insurance (Insurance Services Office (ISO) Form CG 00 01), and if necessary excess/umbrella commercial liability insurance, with a combined limit of liability of not less than **\$5,000,000 each occurrence**.
- The policy shall be appropriate for the CONTRACTORS business and at a minimum shall include, coverage for any and all of the following: bodily injury, property damage, personal injury, broad form contractual liability (including coverage to the maximum extent possible for the indemnifications in the CONTRACT), premises-operations (including explosion, collapse and underground coverage), duty to defend in addition to (without reducing) the limits of the policy (ies), and products and completed operations.
  - \$5,000,000 per occurrence for property damage or bodily injury
  - \$1,000,000 per occurrence limit for personal injury and advertising injury
  - \$2,000,000 per occurrence limits for products/completed operations coverage (ISO Form 20 37 10 01) if SBCTA's Risk Manager determines it is in SBCTA's best interests to require such coverage.
  - If a general aggregate applies, it shall apply separately to this project/location. The project name must be indicated under "Description of Operations/Locations" (ISO Form CG 25 03 or CG 25 04).
- Coverage is to be on an "occurrence" form. "Claims made" and "modified occurrence" forms are not acceptable.
- A copy of the declaration page or endorsement page listing all policy endorsements for the CGL policy must be included.

All sub-contractors of any tier performing any portion of the WORK for CONTRACTOR shall also obtain and maintain the CGL insurance coverage with limits equal to or above the limits required of the CONTRACTOR.

22.1.3 Umbrella/Excess CGL Insurance:

If the CONTRACTOR elects to include an umbrella policy to cover any of the excess limits required beyond the commercial general liability policy and/or the commercial tow truck automobile liability policy, then the policy must include the following:

- The umbrella or excess policy shall follow form over the CONTRACTOR's primary general liability coverage and shall provide a separate aggregate limit for products and completed operations coverage.
- The umbrella or excess policy shall not contain any restrictions or exclusions beyond what is contained in the primary policy.
- The umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.

- There shall be no statement limiting the coverage provided to the parties listed as additionally insured or as indemnitees below.

22.1.4 Commercial Tow Truck Auto Insurance. The policy must include the following and may be combined with the excess liability policy to provide limits of coverage not less than:

- Auto Liability limits of not less than \$5,000,000 each accident. Combined Bodily Injury and Property Damage Liability insurance
- Coverage must include scheduled autos, hired or non-owned autos
- Garage Keepers liability shall be provided under this policy or the Commercial General liability policy as a result of an endorsement or in a stand-alone Garage Keepers Coverage policy. Garage Keepers liability limits shall be equal to the estimated value of all vehicles that could be located at a single location or \$300,000, whichever is greater.
- On-Hook/Tow & Hitch Coverage -The policy must include or a stand alone policy be issued that includes the following:
  - \$100,000 Limit
  - Coverages for physical damages from accidents or damages to property occurring while a vehicle is in tow with limits of no less than the replacement cost coverage with no coinsurance penalty provisions, or depreciation costs.
  - Cargo coverage shall be provided under this policy as a result of an endorsement or in a stand-alone Cargo Coverage policy.

The commercial tow truck automobile liability insurance shall be written on the most recent edition of ISO form or equivalent acceptable to SBCTA and shall include, without limitation, contractual liability coverage and additional insured status for the Additional Insureds named below. CONTRACTOR waives all rights of subrogation against the Additional Insureds named below, for recovery of loss, injury and/or damages to the extent such loss, injury and/or damages are covered by the commercial tow truck automobile liability insurance required herein.

22.1.5 Pollution Liability. The policy must include the:

- \$1,000,000 per claim or occurrence limits/\$2,000,000 in the aggregate.
- Coverage shall be written on an ISO form appropriate for the CONTRACTOR's business and work under this contract.

## 22.2 General Provisions

22.2.1 Qualifications of Insurance Carriers. If policies are written by insurance carriers authorized and admitted to do business in the state of California, then the insurance carriers must have a current A.M. Best rating of A-VII or better and if policies are written by insurance carriers that are non-admitted but authorized to conduct business in the state of California, then they must meet the current A.M. Best rating

of A-: X or better, unless otherwise approved in writing by SBCTA's Risk Manager.

- 22.2.2 Additional Insured Coverage. All policies, except those for Workers' Compensation insurance and pollution liability insurance shall be endorsed by ISO Form CG 20 10 11 85, or if not available, then ISO Form that is substantially equivalent, to name San Bernardino County Transportation Authority and California Highway Patrol (CHP) and California Department of Transportation (Caltrans) their officers, directors, members, employees, and agents, as additional insureds ("Additional Insureds"). with respect to all liability, claims or losses arising out of or connected with work or operations performed by or on behalf of the CONTRACTOR permitted under this CONTRACT, coverage for such Additional Insureds shall not extend to liability to the extent prohibited by section 11580.04 of the Insurance Code. The additional insured endorsements shall not limit the scope of coverage for any additional insured to vicarious liability, but shall allow coverage for SBCTA to the full extent provided by the policy.
- 22.2.3 Proof of Coverage. Evidence of insurance in a form acceptable to SBCTA's Risk Manager, including certificates of insurance and the required endorsements, shall be provided to SBCTA's Procurement Analyst prior to issuance of the NTP No. 2 or prior to commencing any Work, as SBCTA specifies. Certificate(s) of insurance, as evidence of the required insurance shall: be executed by a duly authorized representative of each insurer; show compliance with the insurance requirements set forth in this Article; set forth deductible amounts applicable to each policy; list all exclusions which are added by endorsement to each policy; and also include the Contract Number and the SBCTA Project Manager's name on the face of the certificate. If requested in writing by SBCTA, CONTRACTOR shall submit complete copies of all required insurance policies within ten (10) business days of a written request by SBCTA.
- 22.2.4 Deductibles. Regardless of the allowance of exclusions or deductibles by SBCTA, CONTRACTOR shall be responsible for any deductible or self-insured retention (SIR) amount and shall warrant that the coverage provided to SBCTA is consistent with the requirements of this Article. CONTRACTOR will pay, and shall require its sub-CONTRACTORS to pay, all deductibles, co-pay obligations, premiums and any other sums due under the insurance required in this Article. Any deductibles or self-insured retentions must be declared to and approved in writing by SBCTA's Risk Manager. Without SBCTA's Risk Manager's expressed written approval no deductibles or SIR will be allowed. At the option of SBCTA, if the deductible or SIR is greater than \$10,000 or one (1) percent of the amount of coverage required under this Contract, whichever is less, the CONTRACTOR shall guarantee that either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to SBCTA, its directors, officials, officers, employees and agents; or, (2) the CONTRACTOR shall procure a bond guaranteeing the amount of the deductible or self-insured retention. SBCTA shall have the right to review any and all financial records that SBCTA, at its sole discretion deems necessary to approve any deductible or SIR. SBCTA will have the right, but not the obligation,



to pay any deductible or SIR due under any insurance policy. If SBCTA pays any sums due under any insurance required above, SBCTA may withhold said sums from any amounts due to CONTRACTOR. The Contractor's policies will neither obligate nor prohibit SBCTA or any other Additional Insured, from paying any portion of any Contractor's deductible or SIR.

- 22.2.5 CONTRACTOR's and Sub-contractor's Insurance will be Primary. All policies required to be maintained by the CONTRACTOR or any subconsultant with the exception of Professional Liability and Worker's Compensation shall be endorsed, with a form at least as broad as ISO Form CG 20 01 04 13), to be primary coverage, and any coverage carried by any of the Additional Insureds shall be excess and non-contributory. Further, none of CONTRACTOR's or subconsultants' pollution, automobile, general liability or other liability policies (primary or excess) will contain any cross-liability exclusion barring coverage for claims by an additional insured against a named insured.
- 22.2.6 Waiver of Subrogation Rights. To the fullest extent permitted by law, CONTRACTOR hereby waives all rights of recovery under subrogation against the Additional Insureds named herein, and any other consultant, subconsultant or sub-subconsultant performing work or rendering services on behalf of SBCTA, in connection with the planning, development and construction of the Project. To the fullest extent permitted by law, CONTRACTOR shall require similar written express waivers and insurance clauses from each of its subconsultants of every tier. CONTRACTOR shall require all of the policies and coverages required in Article 22 of this CONTRACT to waive all rights of subrogation against the Additional Insureds (ISO Form CG 24 04 05 09). Such insurance and coverages provided shall not prohibit CONTRACTOR from waiving the right of subrogation prior to a loss or claim.
- 22.2.7 Cancellation. If any insurance company elects to cancel or non-renew coverage for any reason, CONTRACTOR will provide SBCTA thirty (30) days prior written notice of such cancellation or nonrenewal. If the policy is cancelled for nonpayment of premium, CONTRACTOR will provide SBCTA ten (10) days prior written notice. In any event, CONTRACTOR will provide SBCTA with a copy of any notice of termination or notice of any other change to any insurance coverage required herein which CONTRACTOR receives within one business day after CONTRACTOR receives it by submitting it to SBCTA at [procurement@SBCTA.ca.gov](mailto:procurement@SBCTA.ca.gov) to the attention of SBCTA's Procurement Analyst, and by depositing a copy of the notice in the U.S. Mail in accordance with the notice provisions of this Contract.
- 22.2.8 Enforcement. SBCTA may take any steps as are necessary to assure CONTRACTOR's compliance with its insurance obligations as identified within this Article. Failure to continuously maintain insurance coverage as provided herein is a material breach of contract. In the event the CONTRACTOR fails to obtain or maintain any insurance coverage required, SBCTA may, but is not required to, maintain this coverage and charge the expense to the CONTRACTOR or withhold such expense from amounts owed CONTRACTOR, or terminate this Contract. The

insurance required or provided shall in no way limit or relieve CONTRACTOR of its duties and responsibility under the Contract, including but not limited to obligation to indemnify, defend and hold harmless the Indemnitees named below. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude SBCTA from taking other actions as available to it under any other provision of the Contract or law. Nothing contained herein shall relieve CONTRACTOR, of their obligations to exercise due care in the performance of their duties in connection with the Work, and to complete the Work in strict compliance with the Contract.

22.2.9 No Waiver. Failure of SBCTA to enforce in a timely manner any of the provisions of this Article shall not act as a waiver to enforcement of any of these provisions at a later date.

22.2.10 Higher limits. If CONTRACTOR maintains higher limits than the minimums shown above, SBCTA shall be entitled to coverage for the higher limits maintained by CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SBCTA.

22.2.11 Special Risks or Circumstances. SBCTA reserves the right to modify any or all of the above insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

22.2.12 Project Specific Insurance - All insurance coverage required to be provided by CONTRACTOR, with the exception of automobile liability, pollution liability and worker's compensation, shall apply specifically and exclusively for the Project and extend to all aspects of the Work, with coverage limits dedicated solely to the Project. Use of other insurance programs is acceptable, provided that coverage under such programs provides dedicated Project-specific limits and identified premiums and meets all requirements described in contract.

## **ARTICLE 23. INDEMNITY**

23.1 INTENTIONALLY OMITTED.

23.2 For all Work and obligations under this Contract, CONSULTANT agrees to indemnify, defend (with legal counsel reasonably approved by SBCTA) and hold harmless SBCTA, California Highway Patrol (CHP) and California Department of Transportation (Caltrans) and their respective authorized officers, employees, agents and volunteers ("Indemnitees"), from any and all claims, actions, losses, damages and/or liability (Claims) arising out of this Contract from any cause whatsoever, including acts, errors, or omissions of any person and for any costs or expenses incurred by an indemnified party on account of any claim, except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of Indemnitees. CONSULTANT's indemnification obligation applies to an indemnified party's "active" as well as "passive" negligence, but does not apply to an indemnified party's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

**ARTICLE 24. ERRORS AND OMISSIONS**

CONTRACTOR shall be responsible for the professional quality, technical accuracy, and coordination of all Work required under this Contract. CONTRACTOR shall be liable for SBCTA costs resulting from errors or deficiencies, in Work furnished under this Contract, including, but not limited to any fines, penalties, damages, and costs required because of an error or deficiency in the Work provided by CONTRACTOR under this Contract.

**ARTICLE 25. OWNERSHIP OF DOCUMENTS**

All deliverables, including but not limited to, drawings, reports, worksheets, and other data developed by CONTRACTOR under this Contract shall become the sole property of SBCTA when prepared, whether delivered to SBCTA or not.

**ARTICLE 26. SUBCONTRACTS**

CONTRACTOR shall not subcontract performance of all or any portion of work/employees under this contract.

**ARTICLE 27. RECORD INSPECTION AND AUDITING**

SBCTA, or any of its designees, representatives or agents shall at all times have access during normal business hours to CONTRACTOR's operations and products wherever they are in preparation or progress, and CONTRACTOR shall provide sufficient, safe, and proper facilities for such access and inspection thereof. Inspection or lack of inspection by SBCTA shall not be deemed to be a waiver of any of their rights to require CONTRACTOR to comply with the Contract or to subsequently reject unsatisfactory Work or products.

**ARTICLE 28. INDEPENDENT CONTRACTOR**

CONTRACTOR is and shall be at all times an independent contractor. Accordingly, all Work provided by CONTRACTOR shall be done and performed by CONTRACTOR under the sole supervision, direction and control of CONTRACTOR. SBCTA shall rely on CONTRACTOR for results only, and shall have no right at any time to direct or supervise CONTRACTOR or CONTRACTOR's employees in the performance of Work or as to the manner, means and methods by which Work is performed. All personnel furnished by CONTRACTOR pursuant to this Contract, and all representatives of CONTRACTOR, shall be and remain the employees or agents of CONTRACTOR at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SBCTA.

**ARTICLE 29. ATTORNEY'S FEES**

If any legal action is instituted to enforce or declare any Party's rights under the Contract, each Party, including the prevailing Party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under the "Indemnity" provision of the Contract.

### **ARTICLE 30. GOVERNING LAW AND VENUE**

This Contract shall be subject to the law and jurisdiction of the State of California. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The Parties agree that the venue for any action or claim brought by any Party to this Contract will be the Superior Court of California, San Bernardino County. Each Party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County.

### **ARTICLE 31. FEDERAL, STATE AND LOCAL LAWS**

CONTRACTOR warrants that in the performance of this Contract, it shall comply with all applicable federal, State and local laws, ordinances, rules and regulations.

### **ARTICLE 32. PRECEDENCE**

- 31.1 The Contract consists of this Contract's Articles, Exhibit A "Scope of Work", and Exhibit B "Price Form for Time and Materials", Exhibit "C" Summary of FSP Violations and Penalties, the Standard Operating Procedures Manual, issued by the California Highway Patrol, SBCTA's Request for Proposal and CONTRACTOR's proposal, all of which are incorporated into this Contract by this reference.
- 31.2 The following order of precedence shall apply: first, the Contract Articles; second the Standard Operating Procedures (SOP) manual; third, Exhibits A and B and C (equal precedence); fourth, SBCTA's Request for Proposal; and last, CONTRACTOR's proposal. In the event of a conflict between the Contract Articles and the Scope of Work, the Contract Articles will prevail.
- 31.3 In the event of an express conflict between the documents listed in this Article, or between any other documents, which are a part of the Contract, CONTRACTOR shall notify SBCTA in writing within three (3) business days of its discovery of the conflict and shall comply with SBCTA's resolution of the conflict.

### **ARTICLE 33. COMMUNICATIONS AND NOTICES**

Notices sent by mail shall be by United States Mail, postage paid, certified mail (return receipt requested). Any and all notices permitted or required to be given hereunder shall be deemed duly given and received: (a) upon actual delivery, if delivery is personally made or if made by fax or email during regular business hours; (b) the first business day following delivery by fax when not made during regular business hours; or (c) on the fourth business day after deposit of such notice into the United States Mail. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective Parties may designate from time to time by a notice given in accordance with this Article. CONTRACTOR shall notify SBCTA of any contact information changes within ten (10) business days of the change.

<b>To PEPE'S INC.</b>	<b>To SBCTA</b>
<b>2000 W. Key St.</b>	<b>1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor</b>
<b>Colton, CA 92410</b>	<b>San Bernardino, CA 92410-1715</b>
<b>Attn: Fernando Soria/fsoria@pepestow.com</b>	<b>Attn: Kelly Lynn/klynn@gosbcta.com</b>
<b>cc: Lorenzo Navarro</b>	<b>cc: Procurement Manager</b>
<b>Phone: (951) 682-5682</b>	<b>Phone: (909) 884-8276</b>
<b>Email: lnavarro@pepestow.com</b>	<b>Email: procurement@gosbcta.com</b>

## **ARTICLE 34. DISPUTES**

- 33.1 In the event any dispute, other than an audit, arises between the Parties in connection with this Contract (including but not limited to disputes over payments, costs, expenses, work to be performed, Scope of Work and/or time of performance), the dispute shall be decided by SBCTA's Procurement Manager within thirty (30) calendar days after notice thereof in writing which shall include a particular statement of the grounds of the dispute. If CONTRACTOR does not agree with the decision, then CONTRACTOR shall have ten (10) calendar days after receipt of the decision in which to file a written appeal thereto with SBCTA's Executive Director. If the Executive Director fails to resolve the dispute in a manner acceptable to CONTRACTOR, then such dispute is reviewable by a court of competent jurisdiction.
- 33.2 During resolution of the dispute, CONTRACTOR shall proceed with performance of this Contract with due diligence.

## **ARTICLE 35. GRATUITIES**

CONTRACTOR, its employees, agents, or representatives shall not offer or give to any officer, official, agent or employee of SBCTA, any gift, entertainment, payment, loan, or other gratuity.

## **ARTICLE 36. REVIEW AND ACCEPTANCE**

All Work performed by CONTRACTOR shall be subject to periodic review and approval by SBCTA at any and all places where such performance may be carried on. Failure of SBCTA to make such review, or to discover defective work, shall not prejudice the rights of SBCTA at the time of final acceptance. All Work performed by CONTRACTOR shall be subject to periodic and final review.

## **ARTICLE 37. CONFIDENTIALITY**

Any SBCTA communications or materials to which CONTRACTOR or agents have access, or materials prepared by CONTRACTOR under the terms of this Contract, shall be held in confidence by CONTRACTOR, who shall exercise reasonable precautions to prevent the disclosure of confidential information to anyone except as expressly authorized by SBCTA. Any communications with or work product of SBCTA's legal counsel to which CONTRACTOR or agents have access in performing work under this Contract shall be subject to the attorney-client privilege and attorney work product doctrine, and shall be confidential. CONTRACTOR shall not release any reports, information or promotional material or allow for the use of any photos related to this Contract for any purpose without prior written approval of SBCTA.

**ARTICLE 38. EVALUATION OF CONTRACTOR**

CONTRACTOR's performance may be evaluated by SBCTA periodically throughout the Contract performance period. A copy of the evaluation will be given to CONTRACTOR for its information. The evaluation information shall be retained as part of the Contract file and may be used to evaluate CONTRACTOR if it submits a proposal on a future RFP issued by SBCTA.

**ARTICLE 39. DRIVING RECORD AND CRIMINAL HISTORY CHECK**

Pursuant to California Vehicle Code Sections 2430 *et seq.*, CONTRACTOR and its employees performing Work under this Contract are required to have a current, valid California driver's license and must undergo a Criminal History Check and driver's license check. Only after a completed CHP 234F and CHP 234 supplemental is received and accepted by CHP will a check of driver's license and criminal history be performed. Criminal history checks will be completed by CHP upon the acceptance of a CHP 234F. Any employee of the CONTRACTOR not meeting the requirements identified herein will be automatically excluded from performing Work under this Contract. In addition, SBCTA and/or CHP may, in their sole discretion, require CONTRACTOR to replace any employee or potential employee who is determined to be unsuitable to represent the FSP Program based on the Criminal History Check.

**ARTICLE 40. SAFETY**

CONTRACTOR shall strictly comply with OSHA regulations and local, municipal, state, and federal safety and health laws, orders and regulations applicable to CONTRACTOR's operations in the performance of Work under this Contract. CONTRACTOR shall comply with all safety instructions issued by SBCTA or their representatives.

**ARTICLE 41. DRUG FREE WORKPLACE**

CONTRACTOR agrees to comply with the Drug Free Workplace Act of 1990 per Government Code section 8350 *et seq.*

**ARTICLE 42. ASSIGNMENT**

CONTRACTOR shall not assign this Contract in whole or in part, voluntarily, by operation of law, or otherwise, without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Contract. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and assigns of the Parties.

**ARTICLE 43. AMENDMENTS**

The Contract may only be changed by a written amendment duly executed by the Parties. Work authorized under an amendment shall not commence until the amendment has been duly executed.

**ARTICLE 44. PREVAILING WAGES**

INTENTIONALLY OMITTED

#### **ARTICLE 45. CONTINGENT FEE**

CONTRACTOR warrants, by execution of this Contract, that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, SBCTA has the right to terminate this Contract without liability, pay only for the value of the Work actually performed, or in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

#### **ARTICLE 46. FORCE MAJEURE**

CONTRACTOR shall not be in default under this Contract in the event that the Work performed by CONTRACTOR is temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, acts of terrorism, civil disturbances, insurrection, explosion, pandemics, quarantines, acts of God, acts of government or governmental restraint, and natural disasters such as floods, earthquakes, landslides, and fires, or other catastrophic events which are beyond the reasonable control of CONTRACTOR and which CONTRACTOR could not reasonably be expected to have prevented or controlled. "Other catastrophic events" does not include the financial inability of CONTRACTOR to perform or failure of CONTRACTOR to obtain either any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of CONTRACTOR.

#### **ARTICLE 47. WARRANTY**

CONTRACTOR warrants that all Work performed shall be in accordance with the Contract and all applicable professional standards. In the event of a breach of this provision, CONTRACTOR shall take the necessary actions to correct the breach at CONTRACTOR's sole expense. If CONTRACTOR does not take the necessary action to correct the breach, SBCTA, without waiving any other rights or remedies it may have, may take the necessary steps to correct the breach, and the CONTRACTOR shall promptly reimburse SBCTA for all expenses and costs incurred.

#### **ARTICLE 48. ENTIRE DOCUMENT**

- 48.1 This Contract constitutes the sole and only agreement governing the Work and supersedes any prior understandings, written or oral, between the Parties respecting the Project. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been expressly incorporated into this Contract.
- 48.2 No agent, official, employee or representative of SBCTA has any authority to bind SBCTA to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and CONTRACTOR hereby stipulates that it has not relied, and will not rely, on same.
- 48.3 Both Parties have been represented or had the full opportunity to be represented by legal counsel of their own choosing in the negotiation and preparation of this Contract.

Therefore, the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either Party.

**ARTICLE 49. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT**

CONTRACTOR shall comply with all applicable provisions of the Americans with Disabilities Act in performing Work under this Contract.

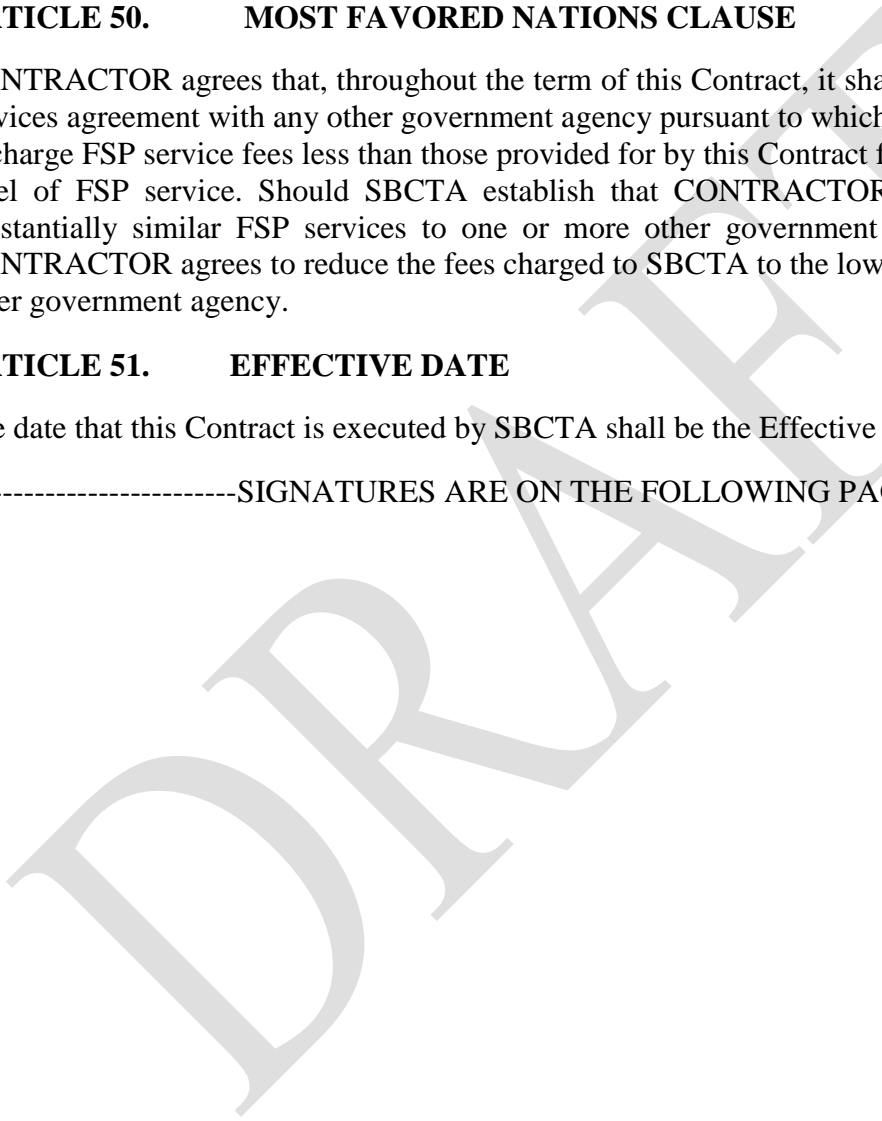
**ARTICLE 50. MOST FAVORED NATIONS CLAUSE**

CONTRACTOR agrees that, throughout the term of this Contract, it shall not enter into any FSP services agreement with any other government agency pursuant to which CONTRACTOR agrees to charge FSP service fees less than those provided for by this Contract for substantially the same level of FSP service. Should SBCTA establish that CONTRACTOR has agreed to provide substantially similar FSP services to one or more other government agencies at lower fees, CONTRACTOR agrees to reduce the fees charged to SBCTA to the lower amount charged to the other government agency.

**ARTICLE 51. EFFECTIVE DATE**

The date that this Contract is executed by SBCTA shall be the Effective Date of the Contract.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----



Attachment: 23-1002946 Beat 27 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)



IN WITNESS WHEREOF, the Parties hereto have executed this Contract below.

**PEPE'S INC., dba PEPE'S TOWING SERVICE**

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Jose Acosta  
President

By: \_\_\_\_\_  
Dawn M. Rowe  
President, Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Manuel Acosta  
Treasurer

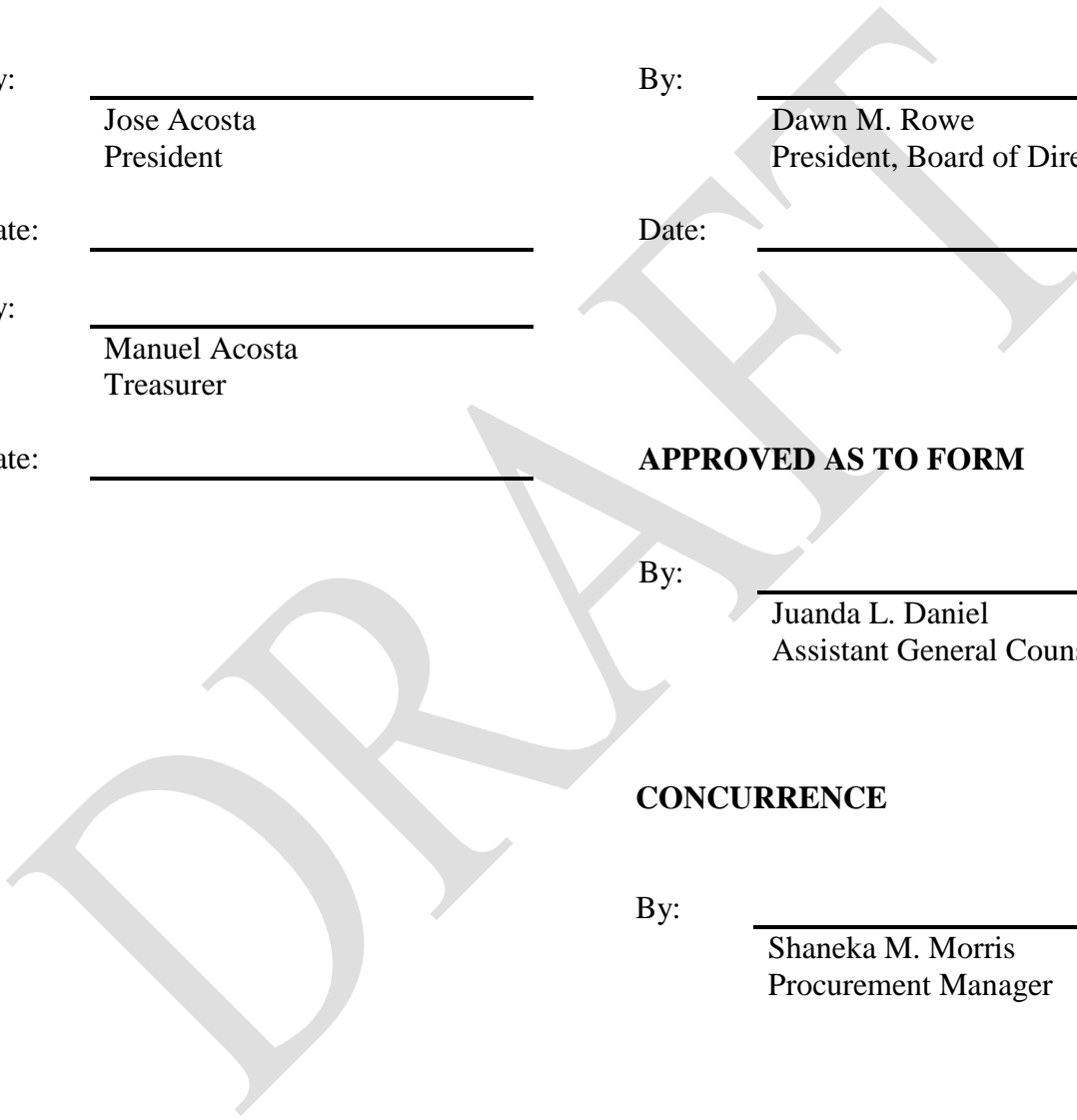
Date: \_\_\_\_\_

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Juanda L. Daniel  
Assistant General Counsel

**CONCURRENCE**

By: \_\_\_\_\_  
Shaneka M. Morris  
Procurement Manager



Attachment: 23-1002946 Beat 27 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT A  
SCOPE OF WORK**

DRAFT

Attachment: 23-1002946 Exhibit A Beat 27 (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT A**  
**SCOPE OF WORK**  
**RFP NO. 23-1002946**  
**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY**  
**(SBCTA)**  
**FREEWAY SERVICE PATROL (FSP)**  
**BEAT NO. 27 INTERSTATE 15 (I-15) SIERRA AVENUE**  
**TO OAK HILL ROAD**

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**BEAT NO. 27**

**1.0 SUMMARY SCOPE OF WORK**

**FSP PROGRAM PURPOSE SUMMARY**

The purpose of the SBCTA FSP Program is offered in partnership by SBCTA, California Highway Patrol (CHP), and the California Department of Transportation (Caltrans). The goal of this partnership and of the SBCTA FSP Program is to keep the freeways moving and reduce the chance of secondary accidents. FSP is a team of tow trucks that travel on select San Bernardino County freeways during peak commute hours to assist motorists with car trouble. FSP Tow Truck Drivers will assist the motorists by providing services ranging from changing a flat tire to providing minor mechanical assistance, at no cost to the motorist.

**NOTICE TO PROCEED (NTP) NO. 1 (ESTIMATED MAY, 2024):**

The deliverables associated with NTP No. 1 of this CONTRACT include the project ramp-up/preparation, the purchase of the required number of FSP certified tow trucks, and equipment installations in accordance with section 4.0 "Equipment Requirements". Moreover driver trainings, and inspections in accordance with section 5.0 "Drivers."

**NTP NO. 2 (ESTIMATED DECEMBER 1, 2024):**

The deliverable associated with NTP No. 2 is proof of required insurance coverage to SBCTA, sent to insurance@gosbcta.com, at a minimum of no less than ten (10) business days prior to the start date of providing FSP services to motorists. FSP services for Beats 5 and 27 are scheduled to begin on Tuesday January 2, 2025 (Monday, January 1, 2025 is a scheduled holiday for the FSP Program).

CONTRACTOR's FSP Certified Tow Truck Drivers ("Driver or Drivers") shall assist motorists involved in minor accidents and those with disabled vehicles. When and where conditions warrant, service may take place on the freeway shoulders. Where conditions **DO NOT** warrant, Drivers will move the vehicles from the freeway to provide services pursuant to the Standard Operating Procedures (SOP) Manual. The Drivers shall continuously patrol their assigned Beat, respond to California Highway Patrol (CHP) dispatched calls for service, and use the designated turnaround locations and designated drop points assigned by CHP.

The CONTRACTOR's FSP trucks shall be exclusively dedicated to providing FSP services during the designated hours of operation. All FSP tow truck maintenance activities for the primary and back-up tow trucks shall be conducted during non-designated service hours.

The Drivers may be required to change flat tires, provide "jump" starts, provide one gallon of gasoline or diesel fuel, temporarily tape cooling system hoses, and refill radiators. These services are not all-inclusive. Where conditions permit, safe removal of small debris may also be required. The Drivers are to spend a maximum of ten (10) minutes per disablement in attempting to mobilize a vehicle.

If a disabled vehicle cannot be mobilized within the ten-minute (10) time limit, it shall be offered to be towed to a designated drop point identified by the CHP. The motorist can request the FSP Driver to contact the CHP Communications Center to request a CHP Rotation Tow or other services. A Driver shall not be allowed to tow as an independent CONTRACTOR from an incident that occurred during the FSP shift. This is only allowed after the shift is over and the CONTRACTOR is called as a Rotation Tow by CHP. If called as a Rotation Tow Operator after an FSP shift, the Driver must remove all FSP markings such as vests, uniforms and any sort of FSP signage.

All FSP services shall be provided at no cost to the motorist. The Drivers shall not accept any gratuities, gifts or money to perform any other services, recommend secondary tows, or recommend repair/body shop businesses. The CONTRACTOR shall follow the SOP Manual. The CHP is responsible for the day-to-day field supervision of the FSP Program; therefore, policies and procedures are outlined in the SOP Manual. To promote a safe work environment and to maintain a high level of professionalism, the CONTRACTOR and their Drivers must follow the SOP Manual as this document and all updates will be incorporated into the CONTRACTOR's agreement. Please note that the SOP Manual is updated as needed, and that the CONTRACTOR is responsible to operate and adhere to the most recent version of the SOP Manual at all times.

There may be some instances where the Driver may be requested to provide assistance to CHP Officers in the field. When a CHP Officer in the field directs a Driver to complete a task, the Driver shall follow those directions provided, given the task does not endanger the Driver or the public and is within the Driver's skills and training. The Driver shall only advise the officer of the possible dangers. If the task is not within the FSP policy, an FSP CHP Officer should be notified of the incident. Drivers should not tell the CHP Officer they will not perform the task requested UNLESS they believe they are unable to perform the task safely. Afterwards, FSP CHP Officers will take the necessary steps to avoid future misunderstandings between the Officer and FSP.

CONTRACTOR shall provide the rapid removal of disabled vehicles and those involved in minor accidents from the freeway. The required number of FSP certified Trucks for Beat No. 27 is one (1) primary certified FSP Trucks and one (1) certified back-up FSP Tow Truck.

At times, SBCTA, a city, and/or the California Department of Transportation (Caltrans) will have construction projects on the highways that may require Construction FSP. Typically this will take place along a highway segment that is a construction zone with no inside or outside shoulder areas, or the shoulders available are not wide enough to accommodate vehicles. This work is paid for with funds from specific projects and not the FSP State Highway Account/FSP SB1 funds. This is considered to be Extra Work as described in Section 4.9 of the contract, and will all require the

authorization of SBCTA’s FSP Program Manager in writing as well as a written contingency amendment or contract amendment as appropriate. There are three types of CFSP services that can occur:

1. Caltrans requested CFSP: Caltrans led projects that are part of the Caltrans/SBCTA CFSP Cooperative agreement. These projects will also require the issuance of a Caltrans task order.
2. SBCTA requested CFSP: SBCTA led projects that will be funded by SBCTA.
3. City requested CFSP: City led projects that will be funded by the City.

### **FSP HOURS OF OPERATION**

FSP standard hours of operation are:

- Monday through Friday morning shift hours are scheduled from 5:30 am to 8:30 am;
- Monday through Thursday afternoon shift hours are slated from 2:00 pm to 6:30 pm;
- Friday afternoon shift is scheduled from 12:00 pm to 6:30 pm;
- Saturday and Sunday shifts (If applicable to the primary FSP Beat) are scheduled from 10:00 am to 6:00 pm.

**SBCTA reserves the right to change Beat hours and operational requirements during the course of the Contract. Written notice from SBCTA shall be required for commencement and termination of “Extra Work”.**

### **FSP TECHNICAL ADVISORY COMMITTEE (TAC) MEETING**

CONTRACTOR or its designated management-level representative shall attend the required FSP Technical Advisory Committee (TAC) meetings scheduled every other month. The FSP TAC will encompass focused and informal/formal discussions concerning but not limited to: scope, services, schedule, safety and current progress of services, relevant cost issues, and future project objectives. CONTRACTOR shall be responsible for having a representative attend all FSP TAC meetings who have the ability to make management-level decisions on the behalf of the CONTRACTOR while at the meeting. If the CONTRACTOR cannot have a management-level representative at a FSP TAC meeting, CONTRACTOR shall notify SBCTA and FSP CHP at least two (2) business days prior to the meeting. Management-level attendance at these meetings shall be considered part of the CONTRACTOR’s contractual responsibility. Meetings are scheduled for the entire calendar year; FSP CHP provides the schedule via email.

Please refer to Contract Exhibit “C” for further details on violations and penalties.

### **2.0 CONTRACT REPRESENTATIVES**

SBCTA, Caltrans, and the CHP will jointly oversee the FSP services (referred to, singularly or jointly, as “FSP Management”). CHP is responsible for dispatch services to incident locations within the tow truck's patrol limits, otherwise referred to as “Beats”. The dispatching will be done in accordance with the contract for the service. An SOP Manual will be provided to the successful CONTRACTOR explaining the types of incidents to which a Driver may be dispatched. Please note that this SOP Manual is updated as needed and that the CONTRACTOR is responsible to adhere to the most current version of the SOP Manual at all times. Also note that SBCTA’s contract with the successful Proposer(s) will incorporate the SOP Manual and any updates; thus, adhering to the SOP Manual is a contractual requirement.

### 3.0 SERVICE LOCATION

SBCTA FSP operates on selected freeway segments referred to as “Beats”. Each Beat has specific turnaround locations and designated drop points identified by the CHP. The Beat limits for FSP Beat No. 27 is at Interstate 15 (I-15) from Sierra Avenue to Oak Hill Road. Additional information regarding the beat limit service location is identified in section 8.0 Beat Description and section 9.0 Beat Map of the SOW.

SBCTA reserves the right, at any time during the contract's term, to adjust Beat specifications (length of the Beat for example) and Beat hours to better accommodate demand for the service. These changes can occur during the course of the contract through written notification (e.g., email). The CONTRACTOR may be requested by CHP to go beyond the limits of its assigned Beat area to assist a motorist in an adjacent Beat area. Drivers may be permitted to do this only upon CHP request. SBCTA reserves the right to add or delete holidays to the work schedule. Travel time to and from the Beat will be at the expense of the CONTRACTOR.

### 4.0 TOW YARD LOCATION AND SECURITY

The CONTRACTOR shall be responsible for the security of vehicles and property at their facility. At a minimum, must have a secure area to store FSP tow vehicles at their facility, including CONTRACTOR controlled access, fencing or physical barrier separating public access from tow yard, security system, sufficient lighting, and security cameras to where vehicles are stored such as a fenced or enclosed area. The CONTRACTOR is responsible for the reasonable care, custody, and control of any property contained in its facility.

The CONTRACTOR will be responsible for assuring that all SBCTA FSP related equipment is contained in a secure environment and protected from theft or damage. The CONTRACTOR will be responsible for any replacement or repair cost for SBCTA provided equipment that is not considered normal wear and tear.

### 5.0 EQUIPMENT REQUIREMENTS

#### A. Tow Truck Requirements.

Primary FSP Flat Bed Tow Trucks will be exclusively dedicated to FSP services during the hours of FSP operations. They are not required to be exclusive during non-FSP hours.

All trucks proposed for use in the FSP program should be less than a year old with a maximum of 50,000 miles on the chassis and working parts of the truck at the onset of the contract. Extenuating circumstances dictating departure from this specification should be at the consensus of the local FSP partners. The age limit for a FSP truck shall be no longer than 5 years for cab, chassis, and bed components. Trucks are required to be fully equipped according to contract requirements prior to the beginning of each shift. Refer to Attachment B: TOW TRUCK INSPECTION GUIDE FOR FREEWAY SERVICE PATROL CONTRACT OPERATION 818-FSP-TIG, contained in the FSP SOP.

The CHP, in conjunction with SBCTA, will verify the original purchase dates to ensure compliance. All FSP Tow Trucks must be Department of Transportation (DOT) compliant, as well as California Air Resources Board (CARB) compliant. This includes an engine that has been certified by CARB, as required by law in the State of California. Any tow truck that is utilized for

the FSP Program must comply with emission standards set forth by DOT and CARB, as well as all Local, State and Federal laws applicable to that truck, and as outlined in the RFP.

Prior to commencement of service, the CHP will inspect each tow truck designated for the FSP Program in San Bernardino County to ensure that it meets the tow truck specifications and to ensure that it meets or exceeds safety requirements. These inspections will occur prior to the start of service. Succeeding inspections will occur periodically as determined by the FSP CHP officers. Documentation of the vehicle identification number and successful completion of the inspection will be kept on file at the CHP office and CONTRACTOR's local office. Any unsafe, poorly maintained FSP Certified Tow Truck(s) or improperly equipped FSP Certified Tow Truck(s) shall not be allowed into service, and if discovered during the shift, shall be removed from service or repaired as directed by the CHP. The CONTRACTOR shall be fined three (3) times the hourly contract rate in one (1) minute increments for ALL service time lost. The CONTRACTOR will be required to have a FSP Certified Back-Up Tow Truck available for service during their FSP Beat(s) shift(s).

Please note that FSP Certified Back-Up Tow Trucks for existing FSP tow operator contracts with other FSP agencies (i.e., not with SBCTA) do not qualify as meeting the certified SBCTA FSP back-up truck requirement(s). Only the FSP Beat No. 27 FSP Certified Flat Bed Back-Up Tow Truck should be utilized.

FSP tow trucks bearing the service patrol title, the FSP logo, and the vehicle identification number shall be painted all white (includes the hood, fenders, doors, boom and bed area). No trim will be allowed. Lettering shall be in block lettering and shall be no less than two inches by two inches and no greater than four inches in height. Lettering can **ONLY** be black in color and will be bold style parallel to the ground. Letters shall be placed on the lower body of the truck toward the cab. Names, phone numbers, advertising of any kind or any other lettering on the boom shall be prohibited during FSP operational hours. The overall look of the truck must be approved by CHP prior to service implementation; therefore, any questions regarding this policy is highly recommended to be discussed with the FSP CHP officers prior to implementing, as truck compliance with current State FSP standards is required. No other accessory equipment or signage (bumper stickers, mud flaps, employment advertisement, and so forth) shall be mounted or installed without prior FSP CHP officer approval. This includes but is not limited to brass, chrome wheel covers, window tint, etc.

Please refer to Contract Exhibit "C" for further details on violations and penalties.

SBCTA follows and relies on the policies and procedures set forth in the SOP Manual developed by the County of San Bernardino FSP CHP Program. Please note that the SBCTA FSP equipment list is subject to change at any time, and may be different from FSP Program equipment lists found in other counties. For the most updated SBCTA FSP equipment list, please refer to the latest SOP Manual.

Each FSP tow truck shall be equipped in accordance with the SOP Manual and shall include the following equipment on the following equipment list. Please note that if a company decides to add on any of the OPTIONAL equipment, and is something CHP would test for proficiency, they will do so for every driver that is tested from that company.

### SBCTA CERTIFIED FSP TOW TRUCK EQUIPMENT LIST

**Each FSP tow truck shall be equipped in accordance with the SOP Manual and shall include the following equipment on the following equipment list. Please note that if a company decides to add on any of the OPTIONAL equipment, and is something CHP would test for proficiency, they will do so for every driver that is tested from that company.**

Current Registration/ Insurance	Fire Extinguisher: 4BC Rating, new or exp:
Age limit: 5 years for cab, chassis, and bed components	Broom: 24 inches wide, coarse bristle
Minimum seating capacity for 5 adults	Shovel: Square point
Paint: White Only, 4" max black lettering	Large Pry Bar: Minimum 36-inch length
Rubber faced push bumper(s)	Wood Crossbeams: 1 ea., 4"x4"x48" and 4"x4"x60"
Vehicle numbers on both sides	Hydraulic Floor Jack: 2-Ton capacity
2 FSP signs or 3 FSP signs for flatbeds	Portable air tank: 80 psi. min, or compressor w/ 50' min hose
Headlights	Bolt Cutters
Turn Signals	Trailer Hitch Balls: 1 7/8" and 2", with mount
Reflectors, Front and Side	One 4 -Ton snatch block
Clearance Lamps (>80" Wide)	Flares: Total burn time of 360 minutes minimum
Amber Warning Lights: Front/rear selectable, rear directional, in-cab controls	Metric and Standard 4-way Lug Wrenches
License Plate Lamp	Sledgehammer: 4 pounds
Tail Lamps	Utility/ Motorcycle Straps
Stop Lamps	Steering Wheel Securement Device
Backup Lamps	Funnel with flexible spout
Rear work lights	Water Container: Plastic, 5 gallons
Reflectors, Rear	Fuel in Approved Plastic Containers: Gas/Diesel, 5 gal. each
Extension Tail/ Stop Lamps	Absorbent Can with lid: 5 gal. of clean absorbent
Fenders / Mudguards	Trash Can with lid: 5 gal., empty
Windshield	Cones: 6 ea., 18-inch height, reflectorized w/ tape
Windshield Wipers	Booster cables: 3 ga. Cu., 25 ft., H-D clamps, fit truck
Spotlight: Body mounted, front to rear coverage	Flashlight
Service Brakes	Spare batteries/ Charger for rechargeable
Parking Brake	First Aid kit: 5"x9"
Mirrors	Lockout Tool Set
Horn	Warning Devices (Reflectors)
Beam Indicator	Jack stand: 2-Ton capacity
Cab interior lighting suitable for reading and writing	
Truck to Shop Communications System	
FSP Two-Way Radios / Terminals	
Scanner: Operating and properly programmed	Each FSP Certified Tow Truck will be required to have a toolbox with the following minimum number of tools/supplies. A tool kit for small equipment items is required.  The TOOLBOX list may be supplemented at the CONTRACTOR's option and expense
Public Address System	<b>Tool Kit</b>
Booster Cable Connectors: mounted front and rear	Screwdrivers: 1/8", 3/16", 1/4", 5/16" Flat; #1, #2 Philips
Battery Rating: 60 Amp-hour or greater	Adjustable Wrenches: 8" and 12"
Tire Tread	Pliers: Needle nose and adjustable rib joint, 2-inch capacity
Wheels	Duct tape, Electrical tape, mechanics wire: 1 roll each
Suspension	Rubber Mallet
Steering	Tire Pressure Gauge
Frame	Safety glasses
Exhaust System	Wheel chock
Fuel Cap(s)	



**WRECKER - GENERAL**

Manufacturer Rating Plates	Throttle Control
Wrecker Controls on both sides of vehicle	Hydraulic Rams, Hoses, Valves
Control Labels	Winch: _____ Type: _____
Body and Towing Equipment Mounting Bolts	Winch: Rated 8,000 pounds on first cable layer
Cable Sheaves	Safety chain D-ring or eyelet mounted on rear of truck

**WHEEL LIFT**

Minimum GVWR: 14,000 lbs.	"L" Arms
Wheel Lift Assembly; Rated 4,000 Pounds-Extended	Cradle / Straps/ Chains
Pivot Pin	Claw
(2) Wheel Tie Down Safety Straps with ratchets	100' 3/8" 6x19 Wire rope or OEM Specifications
4-Ton Boom Assembly (if equipped)	(2) Tow Chains 5/16" Grade 70 with J/T Hooks
Sling Assembly; Rating: 4,000 Pounds (if equipped)	Tow Dolly (with wheel tie down straps)
One pair of spacer blocks or 2 wood blocks 4"x6"x12"	(2) Safety Chains: 5/16" Alloy or OEM Specifications 5-foot min. length

**CAR CARRIER/ TWO VEHICLE**

GVWR: Minimum 23,500 lbs. Chassis	50' 3/8" 6X19 Wire rope or OEM Specifications
Carrier Bed Frame	J/T Hook Loading Bridle Chains
Bed Material: Steel or Aluminum	4 Safety Chains 5/16" Alloy or OEM Specifications
Bed Length: 19.5 ft. minimum	(4) Wheel Tie Down Safety Straps with ratchets
Bed Hinges	One pair of spacer blocks or 2 wood blocks 4"x6"x12"
Bed Safety Lock	Motorcycle loader for flatbeds with (6) Utility/ Motorcycle straps
Tie Downs: 8 each, one near each corner of the bed, two each side of bed distributed between corner tie downs, each must accommodate snatch blocks	(2) Safety Chains: 5/16" Alloy or OEM Specifications 5-foot min. length
Wheel Lift Assembly; Rated 4,000 Pounds-Extended	"L" Arms
Pivot Pin	Cradle / Straps/ Chains
(2) Wheel Tie Down Safety Straps with ratchets	Claw

The Driver shall be required to complete a pre-operation shift inspection log of the vehicle as well as inventory of the required equipment prior to the start of each and every shift. An Inspection form, which is in the tablet FSP data collection software, shall be completed by the Driver prior to the start of each shift and be available for inspection by the CHP and/or SBCTA. Any equipment that is malfunctioning or missing must be replaced prior to the start of the shift. All equipment on the truck shall be secured.

**Installation of FSP related equipment:**

Upon execution of the contract, SBCTA will designate and cover the cost of the selected installer for the SBCTA FSP digital radio equipment and SBCTA's Automatic Vehicle Locator (AVL) equipment. SBCTA covers the initial cost of the FSP digital radio and the AVL equipment as well. Please note that SBCTA, along with the installer, must be able to access the required primary and back up FSP Tow Trucks no later than ten (10) business days prior to the start date of the Beat(s). No exceptions. If SBCTA is not able to access the required primary and back up FSP tow trucks by the tenth (10<sup>th</sup>) business day deadline, the CONTRACTOR shall be assessed a fine as detailed in Exhibit "C" of the contract.

At times, equipment such as an “outside speaker”, or a handheld “mic,” and/or “FSP Tablet” for example, may need to be replaced due to normal wear and tear. If SBCTA-provided equipment needs to be replaced due to normal wear and tear, SBCTA will provide the CONTRACTOR with replacement equipment at no charge. However, please note that if FSP-related equipment needs to be replaced due to negligence by the CONTRACTOR or any of its staff, including Drivers, the cost of the equipment and the installation expense will be deducted from the CONTRACTOR’S invoice/payment that same month or the following month (depending on when the incident occurred). CONTRACTORS, Supervisors and Drivers are required to contact SBCTA and one of the FSP CHP officers immediately when any SBCTA FSP equipment is damaged, failing or has failed, and the CONTRACTOR will be provided with a replacement part by SBCTA or by one of the FSP CHP officers. If a replacement part is not immediately available, then the CONTRACTOR will be asked to have their “FSP Certified Back-Up Tow Truck” on the Beat to cover the shift.

With the written permission of SBCTA (email is allowed), the CONTRACTOR may install some replacement equipment (e.g., an “outside speaker” or a “mic”) as long as the CONTRACTOR installs the equipment per SBCTA and SBCTA FSP standards. If a CONTRACTOR is given the authorization to install FSP-related equipment, and has any questions regarding “installation standards”, the CONTRACTOR is to contact SBCTA or one of the FSP CHP officers for further instructions/information. If provided the authorization by SBCTA or FSP CHP Officer, the CONTRACTOR must install equipment in the safest possible manner, and the installation of the equipment must comply with all FSP equipment guidelines and San Bernardino FSP installation standards for safety reasons.

Please note that equipment requirements are subject to change at any time. For the most updated equipment list, please refer to the latest SOP Manual.

### **B. FSP Certified Back-Up Tow Truck**

The CONTRACTOR shall be required to have one FSP Certified Back-Up Tow Truck available for each Beat during FSP service hours that is in full compliance with this Contract, unless otherwise authorized by SBCTA in writing. The FSP Certified Back-Up Tow Truck should be used when a primary FSP Certified Tow Truck is unavailable. The FSP Certified Back-Up Tow Truck shall meet the same requirements for equipment, set-up and color as a primary Certified FSP Tow Truck. It shall meet all the vehicle equipment specifications. Please refer to Exhibit “C” of the contract for further details on violations and penalties. FSP Certified Tow Trucks are subject to inspections during FSP services hours and non-FSP service hours by CHP.

As noted above, Primary FSP Tow Trucks will be exclusively dedicated to SBCTA FSP services during the hours of FSP operations. However, FSP Certified Back-Up Tow Trucks are not required to be exclusive to the SBCTA FSP Program during FSP service hours and non-FSP service hours. If a FSP Certified Back-Up Tow Truck is needed to replace one of the primary FSP Certified Tow Trucks on Beat, the CONTRACTOR shall meet all Contract obligations as outlined, which includes the vehicle’s availability to work the Beat area within the 45 (forty-five) minute time period (after which point penalties begin to accrue).

### **C. Vehicle Breakdown and Other Missed Service**

A FSP Certified Back-Up Tow Truck must be in service on the Beat within 45 (forty-five) minutes of the time when a primary FSP Tow Truck is taken out of service for any reason. The CONTRACTOR shall not be paid for the time period that the contractually required trucks are not in service. If a vehicle is not made available within the 45 (forty-five) minute time period, the CONTRACTOR shall be fined three (3) times the hourly contract rate in one (1) minute increments until a FSP Certified Back-Up Tow Truck is provided. This 45 (forty-five) minute period prior to the imposition of fines shall not apply to trucks removed from service for failure to meet specifications or safety requirements as set forth in accordance with section 4.0 "Equipment Requirements" paragraph A "Tow Truck Requirements", in which case fines shall begin immediately. If a FSP Certified Tow Truck is not ready due to a breakdown at the start of a shift, the fine time will be calculated from the start of the shift. If the entire shift is missed, the CONTRACTOR shall be fined for the entire shift at three (3) times the hourly rate. FSP Tow Truck maintenance shall be performed during non-FSP service hours.

In the event that a FSP Certified Back-Up Tow Truck is required to continue the shift, the Driver must complete a new inspection worksheet and mileage log prior to the commencement of driving the tow truck and notify one of the FSP CHP Officers/Supervisors immediately. In addition, the Driver must indicate in the "notes" section of the FSP Tablet (per section 4.0 "Equipment Requirements" paragraph E "Communications Equipment") that the CONTRACTOR has switched to an FSP Certified Back-Up Tow Truck.

In addition, failure to have a FSP Certified Back-Up Tow Truck Driver available is not an allowable excuse for failing to have a FSP Certified Back-Up Tow Truck on the Beat within the 45 (forty-five) minute time period.

Please refer to Contract Exhibit "C" for further details on violations and penalties.

Please note: Existing FSP tow operator contracts with the Riverside County Transportation Commission (RCTC) or any other FSP service do not qualify as meeting the back-up tow truck requirement noted above.

#### **D. Vehicle Identification.**

It shall be the Driver's sole responsibility to place detachable FSP markings on each vehicle during the service hours and to remove or cover the FSP markings immediately upon completion of each shift. SBCTA will supply each CONTRACTOR with the appropriate number of detachable markings for each Beat(s). If a marking is lost or damaged, the CONTRACTOR shall be responsible for the cost of the replacement markings. All FSP markings shall be returned immediately at the termination of the contract. The cost of any item or equipment supplied by SBCTA, Caltrans or CHP that is not returned shall be deducted from the CONTRACTOR's final payment.

FSP markings as well as vehicle numbers shall be required on both sides of all FSP tow trucks. The detachable markings (magnetic or other forms of FSP signage) provided by SBCTA must be placed on the center of both doors (front driver and passenger doors) of the vehicle. The Driver shall be required to keep the title and logos clean, straight and in readable condition throughout the service patrol's operation. The CONTRACTOR is also required to keep all FSP-related signage completely flat, clean, out of direct sunlight and out of public view when being stored.

### E. Communications Equipment

Each FSP vehicle shall be equipped with various communication devices that will enable the Driver to communicate with the CHP Communications Center and FSP CHP Officers. All vehicles shall be equipped with an AVL system, radios, and handheld Tablet Computers for data collection. The AVL system, radio system, and handheld Tablet Computers shall be purchased, owned, supplied, and installed by SBCTA only. SBCTA shall select the equipment installation vendor.

The CONTRACTOR shall be responsible for maintaining the security of the SBCTA-owned vehicle communication equipment. The CONTRACTOR shall be liable for any damage other than normal wear and tear to the communication equipment. The CONTRACTOR shall also be liable for the full replacement value of the communication equipment installed in the trucks while in the care, custody and control of the equipment. SBCTA shall pay for repair of normal wear and tear to equipment. However, SBCTA will deduct from CONTRACTOR's monthly invoice, any repair fees and/or the full replacement cost of any SBCTA equipment damaged or altered due to CONTRACTOR's improper use or negligence. SBCTA-supplied vehicle equipment shall be returned immediately (within one to three business days – pursuant to direction by SBCTA FSP staff) upon contract termination. The cost of any equipment not returned shall be deducted from the CONTRACTOR's final payment.

Programmable scanners capable of scanning between the 39 and 48 MHz used by CHP shall be supplied by the CONTRACTOR and shall be installed and securely mounted in all FSP Certified Tow Trucks by the CONTRACTOR.

The CONTRACTOR is also required to use Push to Talk Plus for Verizon Wireless (or equivalent direct connect device that will pair with Verizon Push to Talk Plus CHP devices). ***Special Note: If you are considering purchasing something else other than a Verizon Push to Talk Plus device, please confirm with SBCTA and/or CHP as to whether or not the device will be compatible with existing CHP equipment. Equipment purchased for the FSP Program must be compatible with FSP CHP officer devices which are currently Verizon Push to Talk Plus devices*** in order to facilitate proper communication with the CHP Communications Center and FSP CHP field supervisors. Verizon phones shall be purchased, owned, maintained, and paid for by the CONTRACTOR. The CONTRACTOR will also be responsible for all operating costs of the Verizon cell phones. In addition, Drivers are not permitted to take pictures or video, or to capture any other images while performing FSP duties during FSP operational hours, or capture any FSP-related images during non-FSP service hours. These actions will not be tolerated and a Driver that is found doing this will not be permitted to work in the FSP Program. Drivers are not permitted to download or share any data or images related to the FSP Program. If any FSP-related data or images are found on any social media outlet or networks not authorized by SBCTA, the driver or drivers associated with the incident will be removed from the program.

Data input to the Tablet Computer shall not be allowed while the vehicle is being operated/driven. Use of other devices, such as cellphones, while driving/operating a vehicle is subject to California State Law.

The FSP vehicles shall be equipped with a public address system. The public address system shall have the capability to audibly transmit instructions from the cab of the FSP vehicle to the motorist of the disabled vehicle when the FSP vehicle is directly to the rear of the disabled vehicle.

The CONTRACTOR shall purchase and maintain a computer workstation (not a laptop) with high speed internet access and email to communicate with SBCTA, staff, and FSP CHP officers. Please note email is the primary means by which FSP Management (SBCTA, CHP, and Caltrans) communicate various operations messages. It is essential that a representative of the CONTRACTOR check the email daily.

It is the CONTRACTOR's responsibility to ensure that all Tablet Computers are operational at all times. The exterior protective case of the Tablet Computer shall be cleaned regularly, and the screen protector shall be inspected for functionality and serviceability. **Damaged/Worn items shall be reported to SBCTA within three (3) hours of identification of a problem.** All Tablet Computers must be kept in a secure location. Tablet Computers shall not be left in any tow truck or during non-FSP operational hours. During FSP operational hours, Tablet Computers must be with the Driver in their FSP Tow Truck; at all other times, Tablet Computers must be connected to a battery charger in the designated secure workstation of the CONTRACTOR'S facility. Any other location is not permitted.

CONTRACTOR shall immediately report any issues with the Tablet Computers to SBCTA or the FSP CHP Officers. CONTRACTOR is responsible for ensuring its Tablet Computers are operating at all times.

The CONTRACTOR shall provide SBCTA, FSP CHP Officers, and their designees, access to the Tablet Computers at any time during the course of the contract. If upon inspection SBCTA determines that the Tablet Computers are not being properly charged/stored, the CONTRACTOR will be subject to fines as outlined in Exhibit "C" of the Contract.

The CONTRACTOR shall provide a quarterly inspection report to SBCTA indicating the status of all equipment. SBCTA will provide the quarterly report submittal form to the CONTRACTOR. Accurate completion and timely return of this form is a contract requirement.

#### **F. Equipment Tampering**

Tampering with FSP communication/tracking equipment so that it does not function properly to SBCTA's specifications, and/or is disconnected, or is moved (without FSP Management authorization) from its original installed location is strictly prohibited. This includes, but is not limited to: breaking evidence tape/connection sealer on equipment connections, cutting wires or cable, moving mounted equipment (speakers, microphones, antennas, etc.), rerouting any wiring, not putting radio equipment back in its original installed location, disconnecting any connectors, etc. Interfering with the operations of the equipment is strictly prohibited.

If modification and/or interference is suspected, SBCTA shall conduct an inspection of the equipment on/near the Beat area or the vehicle may be sent to a designated location determined by SBCTA. CONTRACTOR shall not access the AVL equipment in any way until SBCTA has arranged an inspection.

- 1) If any alterations are found with AVL-related equipment owned by SBCTA, the CONTRACTOR shall be fined, at a minimum, two complete FSP shifts (7 - 9 hours) at three (3) times the hourly penalty rate. The final penalty shall be determined and assessed by FSP Management.

- 2) SBCTA shall designate the AVL installer and technician that will review and repair the AVL systems.
- 3) In the event of alterations, CONTRACTOR is responsible for any expenses, including but not limited to transportation, labor, repair, and replacement, incurred to repair the AVL equipment/system for the SBCTA FSP tow operations. Costs incurred to repair and document the equipment will be deducted from payment of the CONTRACTORS monthly invoice. Please refer to Contract Exhibit "C" for further details on violations and penalties.

## 6.0 DRIVERS

All Drivers shall be required to have a safe driving record and valid California Class C driver's license. All Drivers shall be at least 18 years of age at the time of background check. All Drivers shall be subject to driving record and criminal background checks through the CHP.

### FSP Driver Certification Requirements

The following are required to be completed before the issuing of a California Tow Truck FSP driver Certificate DL64:

1. CHP 234F Form (Tow FSP Driver/FSP Driver Information) submitted to CHP.
2. Successfully pass a driving record and criminal history check.
3. Pay all processing fees.
4. Submit to fingerprinting.
5. Successfully pass a CHP-administered Proficiency Test.
6. Complete a SHRP 2 /TIMS training course and provide a certificate of completion.
7. Attend and pass a FSP driver certification class.
8. Obtain a Medical Examiner's Certificate (MEC) MCSA-5875.
9. Issued a FSP Driver Identification Card.
10. Successfully complete ten (10) shifts of ride-a-longs with an approved FSP driver trainer.
11. As required by California Vehicle Code Sections 2430.5 and 2431, all applicants and owners are required to have a valid California driver's license and criminal history check. After CHP receives and accepts a completed CHP 234F, CHP will perform a California driver's license and criminal history check. CHP will perform background checks ONLY upon acceptance of a CHP 234F.
12. The California driver's license check will consist of confirming that the applicant has a valid driver's license and the applicant's point count is within standards set forth in the SOP.
13. The criminal history check will consist of a livescan background check to determine whether the applicant meets the criteria for a Driver Certificate, as outlined in California Vehicle Code Section 13377 and the FSP contract. **The cost of the livescan and DL will be at the CONTRACTOR's expense.**
14. If the applicant passes the preliminary check, then the applicant shall submit to fingerprinting to complete the background check at the CONTRACTOR's expense.
15. In addition, SBCTA and/or CHP may, in their sole discretion, require a CONTRACTOR to replace any Driver or potential Driver who is determined not to be a suitable representative of the FSP Program to the public based on the background check or any other reason.

Drivers shall be sufficiently experienced in the tasks of tow truck operations and proficient with all required FSP equipment to provide safe and proper service. Drivers from other FSP service

areas will be evaluated by the CHP FSP Officer on a case-by-case basis. All Drivers must be capable of demonstrating their tow operating abilities prior to formal CHP training. Additionally, the Drivers will be required to exercise good, sound judgment in carrying out their duties.

The CONTRACTOR's Drivers shall be required to inform the CHP Communications Center at any time they leave the assigned Beat, whether to replenish expendable items such as gasoline or radiator water, to take breaks, etc. The Driver shall be required to immediately notify the CHP Communications Center upon a tow truck breakdown.

Each Driver shall be responsible for accurately entering the following into their Tablet Computer:

- Pre-shift inspection worksheet prior to the commencement of driving the tow truck. This must be completed at the tow yard, prior to leaving the yard and driving to the Beat.
- Log of mileage prior to commencement of driving the tow truck on the Beat and at the end of the shift This must be completed in a safe location at or near the Beat location, prior to beginning the shift and at the end of the shift.

The Driver shall also be required to complete an assist record, on the Tablet Computer, for each incident.

Driver will be required to utilize a Tablet Computer to input the mileage log, inspection worksheet, and each assist, which will include location, vehicle make, model, license number, type of assistance provided, etc. Driver will be trained to use the Tablet Computers to enter accurate data using SBCTA data collection software.

Other important forms Driver must complete and turn in when assisting motorists are the FSP Tow Truck Release Forms and the Damage Release Forms. It is critical these forms are completed in a clear and accurate manner and returned to the FSP CHP Officers by the 10<sup>th</sup> day of the preceding month as quickly as possible as and no longer than a maximum of thirty (30) business days from the date of the assist. Any CONTRACTOR who fails to complete and turn in these required forms may be subject to penalties as outlined in Exhibit "C" of the contract.

The CONTRACTOR is required to participate in the California Department of Motor Vehicles (DMV) Pull Notice Program.

If a Driver is convicted of a crime listed in California Public Resources Code Section 5164 or California Vehicle Code 13377, the CONTRACTOR may be required to remove that Driver from the FSP program. If a Driver is charged with any such crimes, the CONTRACTOR may be required to suspend that Driver from duties under this Contract pending the outcome of the criminal case. If the Driver is not convicted, or is ultimately convicted of a lesser crime not described above, CHP may direct SBCTA to have the CONTRACTOR remove that Driver from the duties under the FSP program.

Mandatory CHP refresher training classes/meetings shall be scheduled during non-FSP hours. A minimum of four (4) hours refresher training per year is required. The SBCTA FSP Program conducts a one hour refresher training class/meeting each quarter, for a total of four hours of on-going training each year. CONTRACTOR shall pay all Drivers and Back-Up Drivers for attendance at the required training.

### **Driver Equipment**

CONTRACTOR is responsible for providing Drivers with specified uniforms, black protective toe boots, nameplates, and other equipment. The equipment includes navy blue jump suits or shirts and pants. If coveralls are worn, they shall have a collar with a zipper. All uniforms shall be clean, properly maintained, and replaced whenever excessively worn.

A detachable brass or gold in color nameplate shall be worn with the first initial of the first name and full last name of the Driver. Letters shall not exceed ½” tall; nameplate must be approved by an FSP CHP officer. The nameplate shall be worn above the right chest pocket on the vest.

A safety vest with reflective stripes shall be worn; SBCTA will supply vests. A small FSP logo shall be sewn/silkscreened on the front of the safety vest over the left front pocket of the uniform, and a small FSP logo shall be sewn/silkscreened on the left sleeve of the vest. A large FSP logo shall be sewn/silkscreened across the middle portion of the back of each safety vest. SBCTA will supply vests to the CONTRACTOR with the FSP logos already sewn/silkscreened on per CHP's required FSP logo placement locations. The brass or gold nameplate with the Driver's first initial of first name and full last name shall be displayed on the front of the safety vest over the right front pocket. **The CONTRACTOR is responsible for obtaining FSP CHP officer approval of the Driver nameplates, and the CONTRACTOR is responsible for the purchase and placement of the Driver nameplate.** An FSP logo is not required to be sewn/applied on the navy blue Driver uniform.

All Drivers shall wear black work boots with protective (steel or composite) toe.

During cold weather, a navy blue jacket may also be worn at the Driver's option, if it meets all the uniform specifications. The CONTRACTOR and/or the Driver may contact CHP for any uniform questions or clarifications.

Rain gear shall be waterproofed material, navy blue or yellow in color.

Hats, if worn, shall be baseball type cap, navy blue in color. An "FSP" logo may be sewn/silkscreened on the hat above the brim. No other logos/names shall be accepted. A beanie may also be worn which must be navy blue in color and worn only with a jacket or long sleeve shirt under the vest. A picture of the uniform is provided toward the end of this scope of work.

CONTRACTOR should refer to the most current SOP Manual in making sure it is following the most recent Driver equipment requirements.

## **7.0 LOCAL OFFICE**

The CONTRACTOR shall provide a local office for contract administration purposes. This office shall be staffed by either the CONTRACTOR or its representative, who is authorized to conduct



business and make decisions on behalf of the CONTRACTOR. The office shall have business hours coinciding with CONTRACTOR's Beat(s) hours of operation. The office shall be established within close proximity to the CONTRACTOR's Beat(s) and shall be located in Riverside, San Bernardino, Los Angeles or Orange counties. An FSP Certified Back-Up Tow Truck and an FSP Certified Back-Up Tow Truck Driver must be available within a 45 minute request regardless of the CONTRACTOR's office location.

The CONTRACTOR shall also provide telephone, scanner and email through which they, or a responsible representative authorized to conduct business and make decisions on behalf of the CONTRACTOR, can be reached during the non-service hours of operation for the length of the contract. During non-business hours, an answering machine, provided at the CONTRACTOR'S expense, shall be available to log calls, take complaints, etc. An email address that is monitored throughout each day shall be provided for "noticing" purposes during operational and non-service hours. The CONTRACTOR will be responsible for having a company representative monitor and review messages/notices on a daily basis and respond in a timely manner. Please see Exhibit "C" of this contract for penalties associated with failure to respond to communications from CHP and/or SBCTA.

### 8.0 BEAT DESCRIPTIONS

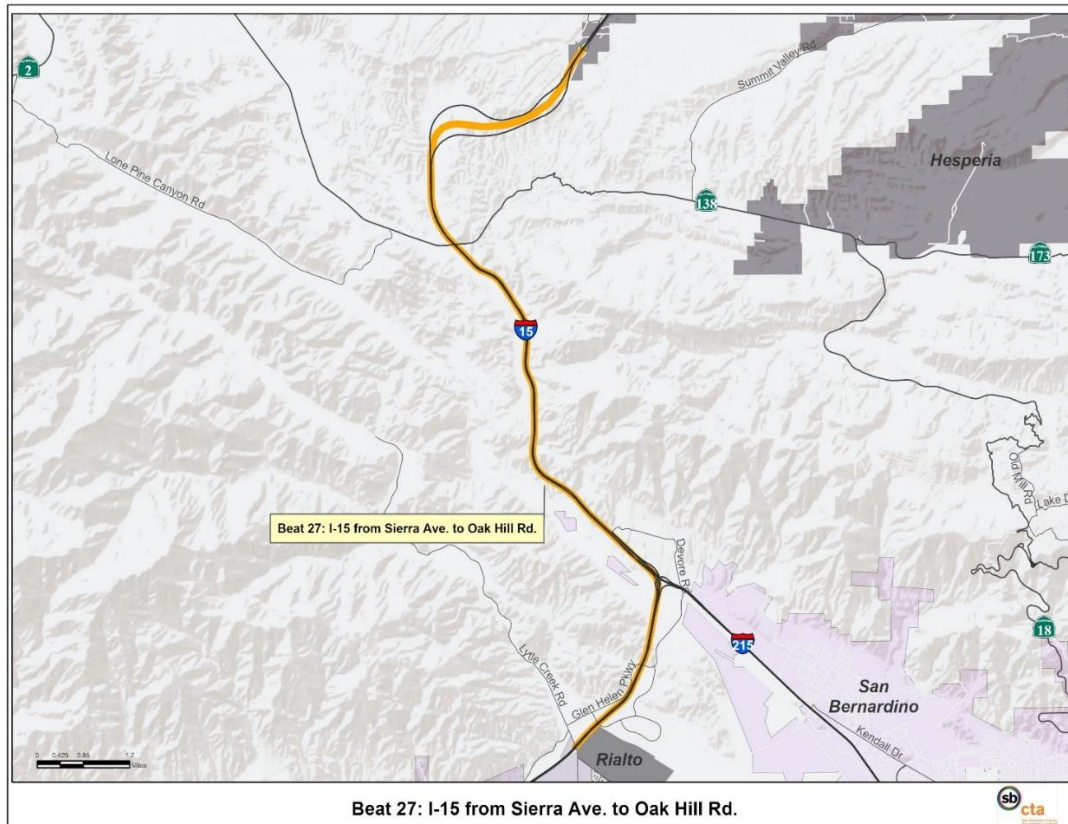
Beat #	Beat Description	One-Way Length in Miles	No. of Primary FSP Flat Bed Trucks in both AM and PM	No. of FSP certified Back-Up Flat Bed Tow Trucks
27	Interstate 15 (I-15) Sierra Avenue to Oak Hill Road	14	1	1

Please refer to Attached Map of Beat No. 27 area

Beat 27 is currently scheduled to operate from **5:30 a.m. to 8:30 a.m.** and from 2:00 p.m. to 6:30 pm (Monday through Thursdays). On Fridays, the PM shift begins at 12:00 p.m. to 6:30 p.m.

FSP Beat No. 27 requires one (1) Primary FSP Certified Flat Bed Tow Trucks and one (1) Primary Flat Bed FSP Certified Back-up Tow Truck available during all FSP operational service hours.

## 9.0 BEAT MAP



## 10.0 FSP SERVICE HOURS AND EXTRA WORK HOURS

Approximate total service hours per primary vehicle per year is estimated to be as follows:

- Approximate Service Hours (Monday-Friday) per primary vehicle per year: 2,116 hours
- Approximate “Extra Work” Contingency weekend hours (Saturday- Sunday) per primary vehicle per year: 765 hours

**SBCTA reserves the right to change Beat operating times and operational requirements (i.e., length of Beat and hours of operation) during the course of the Contract.**

All Beats may be asked to participate in possible SBCTA’s “FSP Extra Work weekend contingency services”, on an as needed basis. Possible hours of operation may include Saturdays and Sundays from 10:00 a.m. to 6:00 p.m. Extra work is not guaranteed. The actual amount of weekend hours or number of weekend trucks are not guaranteed. Written notice from SBCTA shall be required for commencement and termination of “FSP Extra Work weekend contingency services”.

“Extra Work” for emergency coverage may be assigned for any of the nine (9) SBCTA FSP service areas:

1. Beat 5: SR-60 from Milliken Avenue to Reservoir Street (Los Angeles County line)
2. Beat 9: I-10 from Indian Hill Boulevard (Los Angeles County line) to Haven Avenue
3. Beat 10: I-10 from Haven Avenue to Sierra Avenue

4. Beat 11: I-10 from Sierra Avenue to Waterman Avenue
5. Beat 14: I-215 Center Street from the Riverside County line to Devore Road
6. Beat 23: I-15 from the Riverside County line to Sierra Avenue
7. Beat 27: I-15 from Sierra Avenue to Oak Hill Road
8. Beat 29: I-10 from Waterman Avenue to County Line Road (Riverside County line)
9. Beat 31: SR-210 from the Los Angeles County line to Citrus Avenue

FSP Beat No. 27 is the priority Beat for this RFP, which means that should a primary truck go down; the “Extra Work” Beat truck shall be deployed back to the primary Beat. SBCTA shall evaluate all travel times made from the “Extra Work” Beat to the primary Beat in a penalty time situation on a monthly basis. Final penalty determination shall be made by CHP and SBCTA.

The contractor shall hold to all required standards addressing truck image and maintenance for the FSP Certified Back-Up Tow Truck being used during “Extra Work”, as CHP shall retain all rights to inspect and put the trucks out of service for non-compliance. Penalties shall still apply. In the event that the “Extra Work” Beat truck must be sent to cover the primary Beat, no penalty time shall be assessed for not having that back-up truck on the “Extra Work” Beat.

Each SBCTA tow operator agreement contains a clause regarding the Construction Freeway Service Patrol (CFSP). The goal of CFSP is to assist in construction zones outside of regular FSP hours or locations. The work is provided as “Extra Work” due to the uncertainty of the hours or changes in construction related to CFSP “Extra Work” projects.

**SBCTA reserves the right to change Beat hours, the length of a Beat, and operational requirements during the course of the Contract. Written notice from SBCTA shall be required for commencement and termination of “Extra Work”.**

## 11.0 FSP HOLIDAYS

### PRELIMINARY LIST OF FSP HOLIDAYS

Services are to be provided on the days and hours designated in the Contract with the exception of the following holidays:

1. Martin Luther King, Jr. Day (Monday)
2. Presidents’ Day (Monday)
3. Memorial Day (Monday)
4. Independence Day (July 4 - varies)
5. Labor Day (Monday)
6. Veterans Day (varies)
7. Thanksgiving Day (Thursday)
8. Day after Thanksgiving (Friday)
9. Christmas Day (December 25 - varies)
10. New Year’s Day (January 1 – varies)

In addition to the above service hours, at the discretion of SBCTA and the FSP CHP Officers, additional service may be requested on certain “high traffic days” prior to or following certain holidays (e.g., July 4th, Labor Day, Sunday following Thanksgiving Day, Memorial Day).

**Exhibit B**

Price Form for Time and Materials  
 Contract: 23-1002946  
 Compensation and Payment  
 Overview Contract No. 23-1002946 with Pepe's Inc. for Beat 27  
 Beat 27 Term  
 NTP I: May,2024-December 31, 2024  
 NTP II: Jan 1, 2025-December 31, 2029

NTP I May 2024- December 31, 2024						
PERIOD OF PERFORMANCE/ NTP I DELIVERABLES FSP Tow Truck Purchase, Mobilization, AVL and Radio installation, FSP Driver Training, Project ramp-up, and Tow Vehicle inspections	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS SUBJECT TO SBTA APPROVAL	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO EXCEED AMOUNT
May 2024- December 31, 2024	N/A	N/A	N/A	N/A	\$0.00	\$0

BEAT 27- FSP SUPPORT NTP II JANUARY 1, 2025- DECEMBER 31, 2029 One Primary FSP Tow Trucks plus one certified FSP Back Up Tow Truck is required						
PERIOD OF PERFORMANCE/ NTP II DELIVERABLES FSP SUPPORT SERVICES	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS *Subject to SBCTA Approval*	7% MORE HOURS	ESTIMATED TOTAL HOURS (1 Truck)	HOURLY RATE	NOT-TO-EXCEED AMOUNT (TOTAL HOURS X HOURLY RATE)
YEAR 1: FY 24/25-FY 25/26 (1/1/25-12/31/25)	2,116	765	202	3,083	\$145.00	\$447,035
YEAR 2: FY 25/26-FY 26/27 (1/1/26-12/31/26)	2,116	765	202	3,083	\$145.00	\$447,035
YEAR 3: FY 26/27-FY 27/28 (1/1/27-12/31/27)	2,116	765	202	3,083	\$145.00	\$447,035
YEAR 4: FY 27/28-FY 28/29 (1/1/28-12/31/28)	2,116	765	202	3,083	\$165.00	\$508,695
YEAR 5: FY 28/29-FY 29/30 (1/1/29-12/31/29)	2,116	765	202	3,083	\$165.00	\$508,695
<b>CONTRACT TOTAL</b>	<b>10,580</b>	<b>3,825</b>	<b>1008</b>	<b>15,413</b>		<b>\$2,358,495</b>

<p><b>NTP II YEAR 1-3</b>  <b>EXTRA TIME, NON PENALIZED DOWN TIME AND                  PENALIZED DOWN TIME PER MINUTE RATES</b>                  Extra Time: \$(2.42) per minute                  Non-Penalized Down Time: \$(2.42) per minute                  Penalized Down Time: \$(7.26) Per Minute</p>
<p><b>NTP II YEAR 4-5</b>  <b>EXTRA TIME, NON PENALIZED DOWN TIME AND                  PENALIZED DOWN TIME PER MINUTE RATES</b>                  Extra Time: \$(2.75) per minute                  Non-Penalized Down Time: \$(2.75) per minute                  Penalized Down Time: \$(8.25) Per Minute</p>
<p><b>WEEKEND HOURS, EXTRA WORK HOURS, CFSP                  CALTRANS LED, AND SBCTA LED SUPPORT                  PROJECTS                  ARE NOT GUARANTEED AND SUBJECT TO SBCTA                  APPROVAL</b></p>

Attachment: 23-1002946 Exhibit B (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT C  
PENALTIES**

DRAFT

Attachment: 23-1002946 Exhibit C (10072 : Award Freeway Service Patrol Contracts for FSP Beats No. 5 & 27)

**EXHIBIT C**  
**SUMMARY OF FSP VIOLATIONS AND PENALTIES**

Below is a list of penalties that can be assessed to a Contractor if not in compliance with the policies and procedures of the Freeway Service Patrol Program. All final penalties shall be assessed by the determination of SBCTA.

<b>Relevant section</b>	<b>Description of violation</b>	<b>Penalty</b>
12.0	Contractor does not have one (1) primary and one (1) back-up (flat bed) tow trucks "FSP" ready for SBCTA to install equipment and for CHP to inspect ten (10) business days prior to the start of a Beat.	Flat \$1,000 fine. In addition, should the trucks not be ready by the start of shift, the Contractor shall be fined three times the hourly rate in one minute increments for every minute compliance is not met.
5.0	Not meeting tow truck requirements outlined in the contract.	Three (3) times the hourly contract rate in one (1) minute increments until requirement is met.  If entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate.
5.0 B	Not having a certified FSP "back-up" tow truck and/or Driver	Three (3) times the hourly contract rate in one (1) minute increments until requirement is met.  If entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate.
5.0 C	Flat Bed tow truck not made available <u>within 45 minutes</u> due to equipment/truck breakdown.	The CONTRACTOR has 45 minutes to correct the problem if the breakdown occurs during the shift, the penalty for the forty five (45) minute period will be calculated in one (1) minute increments on a straight hourly rate.  Time beyond 45 minutes will be calculated as penalized time (Three (3) times the hourly contract rate in one (1) minute increments). Exact penalized down time rate is detailed in the Contract.  If a truck is not ready due to a breakdown at the beginning of a shift, penalty will begin at the beginning of the shift at the penalized rate.  If entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate
12.0	Contractor fines 9.B.4 Contractor fines are assessed for violations of the FSP contract or the SOP that are not directly related to FSP truck operations. This includes but not limited to: Failing to turn required paperwork in on time (Surveys, inspection sheets, etc.), damage to FSP Program equipment, or not supplying Driver the proper equipment as required in the FSP Contract.	The fine amount shall not exceed \$50.00 for each individual occurrence or violation, with the exception of replacement costs.
5.0 E	Tablet Computers not being charged in designated location during non-FSP operational hours.	\$50.00 per tablet
5.0 E	Email correspondence from CHP/SBCTA not being acknowledged.  It is critical that the email address that the CONTRACTOR provides is working at all times. CONTRACTOR is required to report problems with email system immediately to SBCTA.	\$100.00 per day of no response
5.0 E	Lost/damaged equipment	Full cost if lost or damaged beyond normal wear and tear. If equipment is repairable, the cost of the repair shall be deducted from contractors invoice.

SOP	Contractor did not follow proper tip procedure per the SOP on Page 40, Section 6.B.	\$50.00 per occurrence
5.0 F	Tampering with FSP AVL equipment	2 FSP shifts (7 hours) at the CONTRACTOR'S penalty rate (3 times the normal hourly rate) plus AVL Technician's transportation, labor, repair and/or replacement costs.
5.0 G	Damage Release/Release of liability forms not completed, not filled out properly, or not submitted within thirty (30) calendar days from the date on the form.	\$5.00-50.00 per incident at the discretion of Commission.
5.0 G	Duplicate customer unique digit survey number >10%	\$50 and up. Case by case basis as determined by FSP Management.

DRAFT

## *Minute Action*

AGENDA ITEM: 10

**Date:** *April 10, 2024*

**Subject:**

Amendment No. 2 to Contract No. 22-1002736 and Amendment No. 5 to Contract No. 20-1002323 for Freeway Service Patrol

**Recommendation:**

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Approve Amendment No. 2 to Contract No. 22-1002736 for Freeway Service Patrol (FSP) Beat No. 9 with Royal Coaches Auto Body & Towing to provide regular FSP and Construction Freeway Service Patrol (CFSP) service, increasing the contract amount by \$704,500 for a new not-to-exceed amount of \$3,807,014 to be funded with State FSP funds, Department of Motor Vehicle (DMV) Safe Funds for regular FSP services, and Measure I Valley Freeway and Measure I Valley Interchange Program funds for SBCTA CFSP support.

B. Approve Amendment No. 5 to Contract No. 20-1002323 for FSP Beat No. 11 with Carpe Carma LLC, DBA Pomona Valley Towing to provide regular FSP and CFSP service, increasing the contract amount by \$87,898 for a new not-to exceed amount of \$2,420,105 to be funded with State FSP funds, DMV Safe Funds for regular FSP services, and Measure I Valley Freeway Program funds for SBCTA CFSP Express Lanes support.

**Background:**

The Freeway Service Patrol (FSP) Program consists of a fleet of tow trucks patrolling urban freeways for the purpose of assisting motorists with their disabled vehicles during peak periods of congestion. The stretch of highway that the fleet patrols up and down is referred to as a "Beat." The FSP Program is extremely beneficial to the motoring public by reducing the amount of time a motorist is in an unsafe condition in traffic lanes, reducing traffic delays, as well as decreasing fuel consumption, vehicular emissions, and secondary incidents. San Bernardino County Transportation Authority (SBCTA) began its program in January 2006 and has several separate Beats in operation, assisting more than 7,100 motorists each month.

Each SBCTA tow operator agreement contains a clause regarding Construction Freeway Service Patrol (CFSP) services. The goal of CFSP is to assist in construction zones outside of regular FSP hours or locations. The work is provided as "Extra Work" due to the uncertainty of the hours or changes in construction.

The CFSP project is to provide FSP support services related to SBCTA led construction activity for the SBCTA Express Lanes construction projects along Beats 9 and 11.

FSP Beats 9 and 11 cover the following areas:

1. Beat 9: Interstate 10 (I-10) Indian Hill Boulevard (Los Angeles County line) to Sierra Avenue
2. Beat 11: I-10 from Sierra Avenue to Waterman Avenue

SBCTA staff coordinated with tow operators that have the appropriate resources to provide the requested CFSP "Extra Work" services support. As a result, it was determined that Royal Coaches Auto Body & Towing had the appropriate resources to provide CFSP support for the SBCTA led CFSP Express Lanes construction project for Beat No. 9, and that Carpe Carma,

*Entity: San Bernardino County Transportation Authority*



General Policy Committee Agenda Item

April 10, 2024

Page 2

LLC, DBA Pomona Valley Towing had the appropriate resources for the SBCTA led CFSP Express Lanes project support along Beat No. 11.

The “Extra Work” provisions for each contract are listed below:

- Per Article 4, section 4.9 titled “Extra Work” in Contract No. 22-1002736, for FSP Beat No. 9 with Royal Coaches Auto Body & Towing; “Authorization for “Extra Work” above \$25,000 must be issued by a written contingency amendment or contract amendment as applicable. All terms and conditions of this contract shall apply to any “Extra Work” performed”.
- Per Article 4, section 4.9 titled “Extra Work” in Contract No. 20-1002323, for FSP Beat No. 11 with Carpe Carma LLC, DBA Pomona Valley Towing; “Authorization for “Extra Work” above \$100,000 must be pursuant to a written contract amendment approved by SBCTA’s Board of Directors. All terms and conditions of this contract shall apply to any “Extra Work” performed”.

Therefore, staff recommends the approval of the following amendments to provide CFSP support for the SBCTA led Express lanes projects: Amendment No. 2 to Contract No. 22-1002736 with Royal Coaches Auto Body & Towing, and Amendment No. 5 to Contract No. 20-1002323 with Carpe Carma, LLC, DBA Pomona Valley Towing. The contract amendments and pricing information documents are attached as Exhibit B.

***Financial Impact:***

The items are included in the adopted Budget for Fiscal Year 2023/2024 and funded with 80% State FSP Funds and 20% DMV Safe Funds for regular FSP services in Program 15, Commuter and Motorist Assistance, and Measure I Valley Freeway Program funds for CFSP service support in Program 40, Project Delivery.

***Reviewed By:***

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft amendments.

***Responsible Staff:***

Kelly Lynn, Chief of Air Quality & Mobility Programs

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Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:

**General Contract Information**

Contract No: 22-1002736 Amendment No.: 2  
 Contract Class: Payable Department: Air Quality and Mobility  
 Vendor No.: 03251 Vendor Name: Royal Coaches Auto Body & Towing  
 Description: Freeway Service Patrol Beat No. 9

List Any Related Contract Nos.:

Dollar Amount					
Original Contract	\$	3,102,514.00	Original Contingency	\$	685,430.00
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	704,500.00	Current Amendment	\$	-
<b>Total/Revised Contract Value</b>	<b>\$</b>	<b>3,807,014.00</b>	<b>Total Contingency Value</b>	<b>\$</b>	<b>685,430.00</b>
<b>Total Dollar Authority (Contract Value and Contingency)</b>				<b>\$</b>	<b>4,492,444.00</b>

**Contract Authorization**

Board of Directors Date: 05/01/2024 Committee Item #

**Contract Management (Internal Purposes Only)**

Other Contracts Sole Source? No N/A

State/Local Professional Services (Non-A&E) N/A

**Accounts Payable**

Estimated Start Date: 07/06/2022 Expiration Date: 09/30/2027 Revised Expiration Date:

NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:	Total Contingency:	
Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	\$	\$
GL	4120	40	0820	0823	52001		MSI Valley IC	360,796.00	-
GL	2810	15	0704	0000	52001		SAFE	548,315.60	-
GL	2820	15	0704	0000	52001		FSP	313,343.20	-
GL	2702	15	0704	0170	52001		FSP SB1	313,343.20	-
GL	2702	15	0704	0171	52001		FSP SB1	313,343.20	-
GL	2702	15	0704	0170	52001		FSP SB1	313,343.20	-
GL	2702	15	0704	0171	52001		FSP SB1	313,343.20	-
GL	2702	15	0704	0170	52001		FSP SB1	313,343.20	-
GL	2625	15	0704	0000	52001		Caltrans CFSP	-	685,430.00
GL	4110	40	0820	0821	52001		Sales Tax-MSI	704,500.00	-
GL								-	-

Rana Semaan

Project Manager (Print Name)

Steve Smith

Task Manager (Print Name)

Additional Notes: This is a budgeted amendment for CFSP Express Lane Services

Attachment: CSS - 22-1002736-2 (10405 : Freeway Service Patrol Beats 9 & 11 Contract Amendments)

**AMENDMENT NO. 2 TO CONTRACT 22-1002736**

**FOR**

**FREEWAY SERVICE PATROL BEAT 9**

**(ROYAL COACHES AUTO BODY & TOWING)**

This Amendment No.1 to Contract 22-1002736, is made by and between the San Bernardino County Transportation Authority (“SBCTA”) and Royal Coaches Auto Body & Towing, a California Corporation. (“CONTRACTOR”).

**RECITALS**

- A. On July 14, 2022, SBCTA and CONTRACTOR entered into Agreement, No. 22-1002736 (“CONTRACT”) for the purpose of providing FSP Services along Beat 9; and
- B. On September 6, 2022, SBCTA and CONTRACTOR entered into Amendment No. 1, to adjust the CONTRACT term, and Notice to Proceed (NTP) No. 1 and NTP No. 2 period of performance; and
- C. SBCTA and CONTRACTOR now desire to amend the CONTRACT to increase the CONTRACT not to exceed value from \$3,102,514 to \$3,807,014 to provide SBCTA led Construction Freeway Service Patrol (CFSP) support for Express Lanes construction projects as requested by SBCTA as per Article 4, SECTION 4.11 titled “CONSTRUCTION FSP.”

NOW THEREFORE in consideration of the above recitals, and the terms and conditions contained herein, SBCTA and CONTRACTOR agree as follows:

- 1. Article 3, COMPENSATION, section 3.2 shall be revised in its entirety to read as follows:  
 “The total Contract Not-To-Exceed Amount is Three Million Eight Hundred Seven Thousand Fourteen Dollars (\$3,807,014). All Work provided under this Contract is to be performed as set forth in Exhibit A "Scope of Work". The hourly labor rates identified in Exhibit B shall remain fixed for the term of this Contract and include CONTRACTOR's direct labor costs, indirect costs, and profit. SBCTA will not compensate CONTRACTOR for any expenses not shown in Exhibit B or agreed to and approved by SBCTA as required under this Contract.”
- 2. Exhibit B.1 attached to Amendment No. 1 is revised in its entirety to read as reflected in Exhibit B.2, attached to this Amendment No. 2.
- 3. The Recitals set forth above are incorporated herein by this reference.
- 4. Except as amended by this Amendment No. 2, all other provisions of the CONTRACT, including all previous amendments, shall remain in full force and effect and are incorporated herein by this reference.

5. This Amendment No. 2 is effective upon execution by SBCTA.

**ROYAL COACHES AUTO  
BODY & TOWING, a California  
Corporation**

**SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
William Salazar  
President

By: \_\_\_\_\_  
Dawn M. Rowe  
President, Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
William Salazar  
Secretary

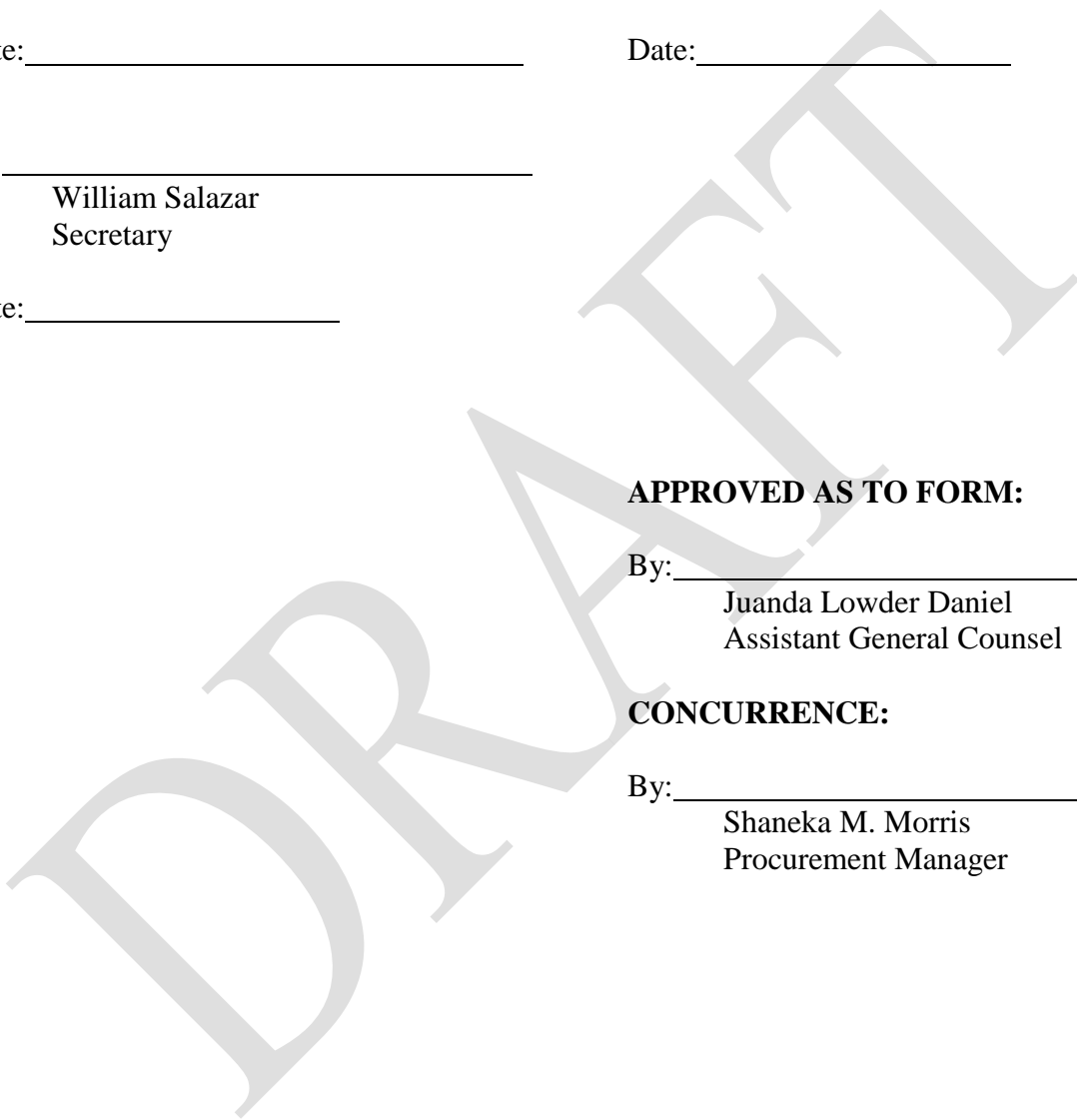
Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Juanda Lowder Daniel  
Assistant General Counsel

**CONCURRENCE:**

By: \_\_\_\_\_  
Shaneka M. Morris  
Procurement Manager



Attachment: 22-1002736-02 (10405 : Freeway Service Patrol Beats 9 & 11 Contract Amendments)

**EXHIBIT B.2**  
 Contract No. 22-1002736  
 Compensation and Payment  
 Overview Contract No. 22-1002736 with Royal Coaches Auto Body & Towing for Beat 9

**NTP I**  
 JULY 6, 2022- SEPTEMBER 30, 2022 (Estimated)

PERIOD OF PERFORMANCE/ NTP No. 1 DELIVERABLES	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS SUBJECT TO SBTA APPROVAL	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO EXCEED AMOUNT
FSP Tow Truck Purchase, Mobilization, AVL and Radio installation, FSP Driver Training, Project ramp-up, and Tow Vehicle inspections JULY 6, 2022- SEPTEMBER 30, 2022	N/A	N/A	N/A	N/A	\$0.00	\$0

**BEAT 9- FSP SUPPORT I-10 EXPRESS LANES CONSTRUCTION SUPPORT COMPENSATION AND PAYMENT PROVISIONS**  
 NTP No. 2  
 OCTOBER 1, 2023- JULY 31, 2023 (ESTIMATED SCHEDULE)  
 (APPROXIMATELY NINE (9) MONTHS)  
 REQUIRED TRUCKS TBD DEPENDING ON SBCTA PROJECT AVAILABILITY AND NEED  
 SBCTA LED CONSTRUCTION FREEWAY SERVICE PATROL (CFSP)

PERIOD OF PERFORMANCE/ NTP No. 2 DELIVERABLES	ESTIMATED BASELINE HOURS	ESTIMATED *WEEKEND HOURS Subject to SBCTA Approval*	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO-EXCEED AMOUNT (TOTAL HOURS X HOURLY RATE) X 2 TRUCKS)
FSP SUPPORT SERVICES						
YEAR 1: I-10 EXPRESS LANES CONSTRUCTION SUPPORT (10/1/22-7/31/23) ESTIMATED SCHEDULE * EXPRESS LANES CONSTRUCTION SUPPORT HOURS ARE NOT GUARANTEED AND SUBJECT TO PROJECT AVAILABILITY AND SBCTA APPROVAL*	3,960	N/A	N/A	3,960	\$91.11	\$360,796
<b>TOTAL BEAT 9 I-10 EXPRESS LANES CONSTRUCTION FSP SUPPORT</b>						<b>\$360,796</b>

**BEAT 9- CFSP SUPPORT SBCTA LED EXPRESS LANES CFSP COMPENSATION AND PAYMENT PROVISIONS (Amendment No. 2)**  
 REQUIRED TRUCKS TBD DEPENDING ON SBCTA PROJECT AVAILABILITY AND NEED  
 SBCTA LED CONSTRUCTION FREEWAY SERVICE PATROL (CFSP) Estimated Dates

PERIOD OF PERFORMANCE/ SBCTA CFSP LED SUPPORT	ESTIMATED BASELINE HOURS	ESTIMATED *WEEKEND HOURS Subject to SBCTA Approval*	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO-EXCEED AMOUNT (TOTAL HOURS X HOURLY RATE) X 2 TRUCKS)
SBCTA LED CFSP SUPPORT (xx/xx/23-x/xx/2x) ESTIMATED SCHEDULE * EXPRESS LANES CFSP HOURS ARE NOT GUARANTEED AND SUBJECT TO PROJECT AVAILABILITY AND SBCTA APPROVAL*	7,732	N/A	N/A	7,732	\$91.11	\$704,500
<b>TOTAL BEAT 9 SBCTA LED EXPRESS LANES CFSP</b>						<b>\$704,500</b>

**BEAT 9- FSP SUPPORT**  
**NON I-10 EXPRESS LANES CONSTRUCTION SUPPORT COMPENSATION AND PAYMENT PROVISIONS**  
 NTP No. 2  
 October 1, 2022- September 30, 2027  
 Two Primary FSP Tow Trucks plus one certified FSP Back Up Tow Truck is required

PERIOD OF PERFORMANCE/ NTP II DELIVERABLES	ESTIMATED BASELINE HOURS	ESTIMATED WEEKEND HOURS *Subject to SBCTA Approval*	7% MORE HOURS	ESTIMATED TOTAL HOURS	HOURLY RATE	NOT-TO-EXCEED AMOUNT (TOTAL HOURS X HOURLY RATE) X 2 TRUCKS)
FSP SUPPORT SERVICES						
YEAR 1: FY 22/23-FY 23/24 (10/1/22-9/30/23)	2,030	750	195	2,975	\$91.11	\$542,105
YEAR 2: FY 23/24-FY 24/25 (10/1/23-9/30/24)	2,030	750	195	2,975	\$91.11	\$542,105
YEAR 3: FY 24/25-FY 25/26 (10/1/24-9/30/25)	2,030	750	195	2,975	\$91.11	\$542,105
YEAR 4: FY 25/26-FY 26/27 (10/1/25-9/30/26)	1,910	750	186	2,846	\$97.98	\$557,702
YEAR 5: FY 26/27-FY 27/28 (10/1/26-9/30/27)	1,910	750	186	2,846	\$97.98	\$557,702
<b>TOTAL FSP SUPPORT BEAT 9 NON I-10 EXPRESS LANES CONSTRUCTION SUPPORT</b>	<b>9,910</b>	<b>3,750</b>	<b>956</b>	<b>14,616</b>		<b>\$2,741,718</b>

<b>TOTAL</b> CONTRACT No. 22-1002736 FSP BEAT 9 NTP No. 2 (October 1, 2022- September 30, 2027) (I-10 EXPRESS LANES CONSTRUCTION FSP SUPPORT + REGULAR FSP SUPPORT)	<b>\$3,807,014</b>
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<p align="center"><b>NTP No. 2</b>  <b>YEAR 1-3</b>  <b>EXTRA TIME, NON PENALIZED DOWN TIME AND PENALIZED DOWN TIME PER MINUTE RATES</b>                  Extra Time: \$1.52 per minute                  Non-Penalized Down Time: \$1.52 per minute                  Penalized Down Time: \$4.56 Per Minute</p>
<p align="center"><b>NTP No. 2</b>  <b>YEAR 4-5</b>  <b>EXTRA TIME, NON PENALIZED DOWN TIME AND PENALIZED DOWN TIME PER MINUTE RATES</b>                  Extra Time: \$1.63 per minute                  Non-Penalized Down Time: \$1.63 per minute</p>
<p align="center"><b>WEEKEND HOURS, EXTRA WORK HOURS, CFSP CALTRANS SUPPORT HOURS AND CFSP I-10 EXPRESS LANES SUPPORT HOURS ARE NOT GUARANTEED AND SUBJECT TO SBCTA APPROVAL</b></p>

Attachment: 22-1002736- 02 Exhibit B (10405 : Freeway Service Patrol Beats 9 & 11 Contract Amendments)

**General Contract Information**

Contract No: 20-1002323 Amendment No.: 5  
 Contract Class: Payable Department: Air Quality and Mobility  
 Vendor No.: 03014 Vendor Name: Carpe Carma LLC DBA Pomona Valley Towing  
 Description: Freeway Service Patrol Beat No. 11

List Any Related Contract Nos.:

Dollar Amount			
Original Contract	\$	2,196,291.00	Original Contingency
Prior Amendments	\$	135,916.00	Prior Amendments
Prior Contingency Released	\$	-	Prior Contingency Released (-)
Current Amendment	\$	87,898.00	Current Amendment
<b>Total/Revised Contract Value</b>	<b>\$</b>	<b>2,420,105.00</b>	<b>Total Contingency Value</b>
<b>Total Dollar Authority (Contract Value and Contingency)</b>			<b>\$ 2,420,105.00</b>

**Contract Authorization**

Board of Directors Date: 05/01/2024 Committee \_\_\_\_\_ Item # \_\_\_\_\_

**Contract Management (Internal Purposes Only)**

Other Contracts \_\_\_\_\_ Sole Source? No \_\_\_\_\_ N/A \_\_\_\_\_  
 State/Local \_\_\_\_\_ Professional Services (Non-A&E) \_\_\_\_\_ N/A \_\_\_\_\_

**Accounts Payable**

Estimated Start Date: 04/01/2021 Expiration Date: 03/31/2026 Revised Expiration Date: \_\_\_\_\_  
 NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	Total Contract Funding:	Total Contingency:
								\$	\$
GL	2820	15	0704	0000	52001		42213014 FSP	1,361,640.00	-
GL	2810	15	0704	0000	52001		42212001 SAFE-Veh Reg	405,848.80	-
GL	2702	15	0704	0000	52001		42217703 FSP-SB1	403,802.20	-
GL	2625	15	0704	0172	52001		42211503 CALTRANS.SHA_20-1002356-08A3133	121,916.00	-
GL	2625	15	0704	0173	52001		42211503 SHA_20-1002656_08A3133	39,000.00	-
GL	4110	40	0820	0821	52001		41100000 Sales Tax-MSI	87,898.00	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-
GL								-	-

Rana Semaan

Project Manager (Print Name)

Steve Smith

Task Manager (Print Name)

Additional Notes: This is a budgeted amendment for CFSP Express Lane Services

Attachment: CSS- 20-1002323-05 (10405 : Freeway Service Patrol Beats 9 & 11 Contract Amendments)

**AMENDMENT NO. 5 TO CONTRACT NO. 20-1002323**

**FOR**

**FREEWAY SERVICE PATROL BEAT 11**

**(CARPE CARMA LLC, DBA POMONA VALLEY TOWING)**

This Amendment No. 5 to Contract No. 20-1002323, is made by and between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (“SBCTA”) and CARPE CARMA LLC dba POMONA VALLEY TOWING (“CONTRACTOR”).

**RECITALS**

- A. On December 22, 2020, SBCTA and CONTRACTOR entered into an Agreement for the purpose of providing Freeway Service Patrol Services along Beat 11 (hereinafter “Contract”); and
- B. On April 6, 2022, SBCTA and CONTRACTOR entered into Amendment No. 1 to amend the Contract to update insurance requirements in accordance with SBCTA Procurement and Special Risk Assessment Policy No. 11000; and
- C. On May 23, 2022 SBCTA and CONTRACTOR entered into Amendment No. 2 to amend the Contract by increasing the not-to-exceed amount from \$2,196,291 to \$2,251,207, to provide Construction Freeway Service Patrol (CFSP) weekend services as requested by the California Department of Transportation (Caltrans), for the Victorville Construction Project No 0815000244 along San Bernardino County Interstate 15, Post Mile (PM) 28.6 to PM 37.5 - Hesperia/Victorville from Oak Hill Road to Bear Valley Road during the weekend (Saturday and Sunday) as per Article 4, SECTION 4.9 titled “Extra Work.”; and
- D. On August 31, 2022 SBCTA and CONTRACTOR entered into Amendment No. 3 to amend the Contract by increasing the not-to-exceed amount from \$2,251,207 to \$2,290,207, to provide CFSP services as requested by Caltrans for the SR 60 at Ramona Avenue, City of Ontario project, project no. 0817000240, during Fridays at 10 pm through Monday at approximately 5 am) as per Article 4, SECTION 4.9 titled “Extra Work.”; and
- E. On February 8, 2023, SBCTA and CONTRACTOR entered into Amemdment No. 4, to amend the Contract by increasing the not-to-exceed amount from \$2,290,207 to \$2,332,207, to continue provide Construction Freeway Service Patrol weekend services through April 2023, as requested by the California Department of Transportation, for the Victorville Construction Project No 0815000244 along San Bernardino County Interstate 15, Post Mile (PM) 28.6 to PM 37.5 - Hesperia/Victorville from Oak Hill Road to Bear Valley Road during the weekend (Saturday and Sunday) as per Article 4, SECTION 4.9 titled “Extra Work.” ; and
- F. SBCTA and CONTRACTOR now desire to amend the CONTRACT to increase the CONTRACT not to exceed value from \$2,332,207 to \$2,420,105, to provide SBCTA led Construction Freeway Service Patrol (CFSP) support for Express Lanes construction projects as requested by SBCTA, as per Article 4, SECTION 4.9 titled “Extra Work.”

NOW THEREFORE, in consideration of the above recitals, and the terms and conditions contained herein, SBCTA and CONTRACTOR agree to revise the Contract as follows:

1. Article 3, COMPENSATION, Section 3.2, is amended in its entirety to read as follows:

“The total Contract Not-To-Exceed Amount is Two Million Four Hundred Twenty Thousand One Hundred Five Dollars (\$2,420,105). All Work provided under this Contract is to be performed as set forth in Exhibit A “Scope of Work.” The hourly labor rates identified in Exhibit B shall remain fixed for the term of this Contract and include CONTRACTOR’S direct labor costs, indirect costs, and profit. SBCTA will not compensate CONTRACTOR for any expenses not shown in Exhibit B or agreed to and approved by SBCTA as required under this Contract.”

2. Exhibit B attached to the Contract is replaced in its entirety with the Exhibit B attached to this Amendment No. 5.
3. The Recitals set forth above are incorporated herein by this reference.
4. Except as amended by this Amendment No. 5, all other provisions of the Contract, including all previous amendments, shall remain in full force and effect and are incorporated herein by this reference.
5. This Amendment No. 5 is effective upon execution by SBCTA.

-----SIGNATURES ON FOLLOWING PAGE-----

DRAFT

Attachment: 20-1002323-05 V1 (10405 : Freeway Service Patrol Beats 9 & 11 Contract Amendments)



IN WITNESS WHEREOF, the parties have executed this Amendment No. 5 below.

**CARPE CARMA LLC dba  
POMONA VALLEY TOWING**

**SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Marc A. Weiss  
Member

By: \_\_\_\_\_  
Dawn M. Rowe  
President, Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

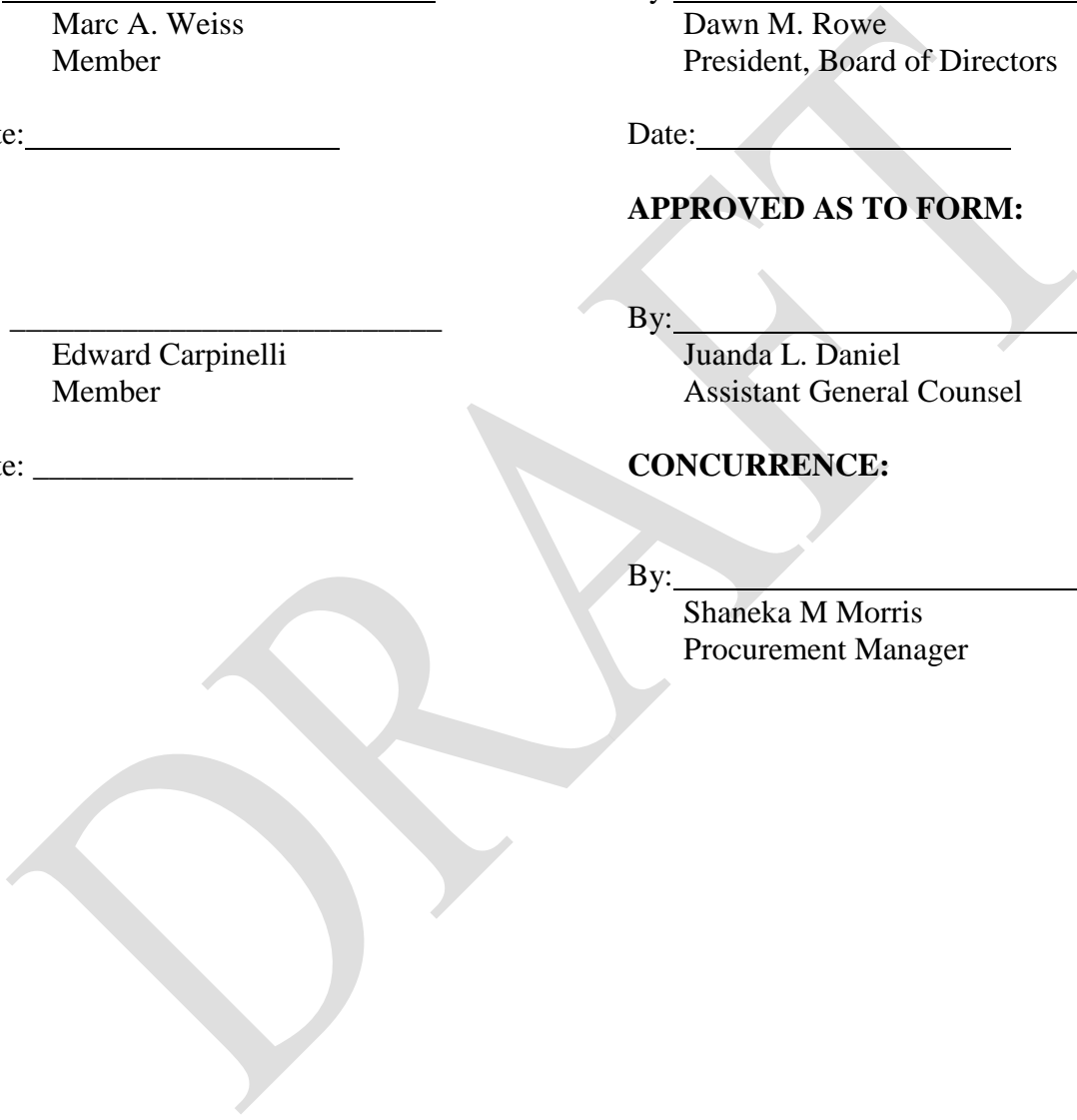
By: \_\_\_\_\_  
Edward Carpinelli  
Member

By: \_\_\_\_\_  
Juanda L. Daniel  
Assistant General Counsel

Date: \_\_\_\_\_

**CONCURRENCE:**

By: \_\_\_\_\_  
Shaneka M Morris  
Procurement Manager



Attachment: 20-1002323-05 V1 (10405 : Freeway Service Patrol Beats 9 & 11 Contract Amendments)

<b>20-1002323-05</b>		<b>Exhibit B</b>									
<b>Carpe Carma LLC dba Pomona Valley Towing 20-1002323</b>											
<b>FSP Beat 11 - I-10 from Sierra Avenue to Waterman Avenue - 3 wheel lift tow trucks that seat 5 people</b>											
	<b>Year 1</b> FSP Regular Rate 4/1/21-3/31/22 FY 20/21-FY 21/22	<b>Year 1</b> FSP Extra Work Rate 4/1/21-3/31/22 FY 20/21-FY 21/22	<b>Year 2</b> FSP Regular Rate 4/1/22-3/31/23 FY 21/22-FY 22/23	<b>Year 2</b> FSP Extra Work Rate 4/1/22-3/31/23 FY 21/22-FY 22/23	<b>Year 3</b> FSP Regular Rate 4/1/23-3/31/24 FY 22/23-23/24	<b>Year 3</b> FSP Extra Work Rate 4/1/23-3/31/24 FY 22/23-23/24	<b>Year 4</b> FSP Regular Rate 4/1/24-3/31/25 FY 23/24- 24/25	<b>Year 4</b> FSP Extra Work Rate 4/1/24-3/31/25 FY 23/24- 24/25	<b>Year 5</b> FSP Regular Rate 4/1/25-3/31/26 FY 24/25- 25/26	<b>Year 5</b> FSP Extra Work Rate 4/1/25-3/31/26 FY 24/25- 25/26	
	\$77.00	\$88.37	\$79.10	\$91.02	\$81.00	\$93.43	\$83.00	\$95.95	\$85.15	\$98.65	
Extra Time rate	\$1.28	\$1.47	\$1.32	\$1.52	\$1.35	\$1.56	\$1.38	\$1.60	\$1.42	\$1.64	
Non-Penalized rate	\$1.28	\$1.47	\$1.32	\$1.52	\$1.35	\$1.56	\$1.38	\$1.60	\$1.42	\$1.64	
Penalized rate	\$3.84	\$4.41	\$3.96	\$4.56	\$4.05	\$4.68	\$4.14	\$4.80	\$4.26	\$4.92	
	<b>Year 1</b> 4/1/21-3/31/22 FY 20/21-FY 21/22	<b>Year 2</b> 4/1/22-3/31/23 FY 21/22-FY 22/23	<b>Year 3</b> 4/1/23-3/31/24 FY 22/23-23/24	<b>Year 4</b> 4/1/24-3/31/25 FY 23/24- 24/25	<b>Year 5</b> 4/1/25-3/31/26 FY 24/25- 25/26	<b>Total</b>					
Regular FSP 2100 hours x 2 trucks	\$323,400	\$332,220	\$340,200	\$348,600	\$357,630						
Extra Work FSP Weekend Pilot 700 hours x 1 truck	\$61,859	\$63,714	\$65,401	\$67,165	\$69,055						
<b>TOTAL</b>	<b>\$385,259</b>	<b>\$395,934</b>	<b>\$405,601</b>	<b>\$415,765</b>	<b>\$426,685</b>	<b>\$2,029,244</b>					
7% extra hours	\$26,968	\$27,715	\$28,392	\$29,104	\$29,868	\$142,047					
Extra work contingency		\$25,000				\$25,000					
<b>Amendment No. 2 CFSP SUPPORT- Caltrans Construction WEEKENDS</b> Scheduled for 4/16/22-12/31/22 Saturday and Sunday from 7:00 pm to 7:00 am Victorville area (between Oak Hill Road and Bear Valley Road) <b>\$54,916 (603 hours year 2) + \$25,000 ( Original Board Approved contingency)= \$79,916</b>		\$54,916				\$54,916					
<b>Amendment No. 3 Caltrans CFSP Support</b> Estimated Schedule from 8/5/22-9/30/22 SR 60 at Ramona Avenue City of Ontario Project Caltrans Task No 08-11J2014 <b>\$39,000</b>		\$39,000				\$39,000					
<b>Amendment No. 4 CFSP SUPPORT- Caltrans Construction WEEKENDS</b> Estimated Service Dates 4/16/22-4/30/23 Saturday and Sunday from 7:00 pm to 7:00 am Victorville area (between Oak Hill Road and Bear Valley Road) <b>January 2023 through March 2023 (Year 2 Extra Work Rate)</b> (Approximately 338 hours @ \$91.02 per hour) <b>April 2023 (Year 3 Extra Work Rate)</b> ( Approximately 120 hours @ \$93.43 per hour )			\$42,000			\$42,000					
<b>Amendment No. 5 SBCTA LED CFSP SUPPORT- Express Lanes Support</b> Estimated Timeframe December 1, 2025 - March 31, 2026 Approximate 891 hours X \$98.65 per hour						\$87,898					
<b>Total</b>	<b>\$412,227</b>	<b>\$542,565</b>	<b>\$475,993</b>	<b>\$444,869</b>	<b>\$544,451</b>	<b>\$2,420,105</b>					

Attachment: 20-1002323-05 Exhibit B (10405 : Freeway Service Patrol Beats 9 & 11 Contract

## *Minute Action*

AGENDA ITEM: 11

**Date:** *April 10, 2024*

**Subject:**

Award Contract No. 24-1003069 for State Route 247/62 Emergency Bypass Study

**Recommendation:**

That the General Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Approve the award of Contract No. 24-1003069 to WSP USA, Inc., for the State Route 247/62 (SR 247/62) Emergency Bypass Study to develop a bypass strategy for Interstate 15/Cajon Pass closures and identify potential geometric and operational improvements on SR 247 and SR 62, for a not-to-exceed amount of \$762,899, to be funded by State earmark funds from the Priority Legislative Budget Projects Program, for a term ending June 30, 2026.

**Background:**

On September 8, 2022, the Governor of California signed Assembly Bill (AB) 179, which amended the Budget Act of 2022 to reflect changes necessary to implement the budget agreement for the State of California. AB 179 also appropriated funding for Priority Legislative Budget Projects (PLBP), otherwise known as state earmarks. The PLBP program includes earmarks for a variety of projects, including transportation-related projects. In April 2022, the San Bernardino County Transportation Authority (SBCTA) submitted a request for an earmark in the amount of \$1,000,000 to conduct the State Route (SR) 247/62 Emergency Bypass Study (Project). On December 12, 2022, SBCTA was notified that the request was approved and included in AB 179. The California Department of Transportation (Caltrans) is the authorizing agency for the proper distribution of the funding provided by this legislation.

The Project will determine how best to increase the usefulness of SR 247 and SR 62 as a more viable alternative to Interstate 15 (I-15) through the Cajon Pass in the event of an emergency, such as earthquake, wild fire, major incident, or other disaster. The Project will explore potential countermeasures to determine how to limit the negative impacts an extended closure of I-15 would cause and explore geometric improvements as well as operational strategies to maintain traffic flow for freight, person-travel, and emergency services. Outreach to a broad cross-section of agencies, to include California Highway Patrol (CHP), Caltrans, local fire and law enforcement agencies, and state/federal resource agencies, will be integral to the study.

The Project will be conducted in the context of emergency bypass needs throughout the Victor Valley and Morongo Basin and will take into account existing traffic management plans that have been developed by law enforcement, transportation, and emergency service agencies to deal with I-15 closures and major incidents. Additionally, the Project will be conducted in a way that identifies specific potential improvements on SR 247 and SR 62 between Barstow, the Town of Yucca Valley, and Interstate 10 (I-10) near Palm Springs. Any improvements identified may be recommended for next steps in project programming and funding documents that can be used as the basis for funding requests, including state and federal capital grants.

Two components of the Emergency Bypass Study are included in the Scope of Work. Part 1 is the preparation of an area-wide Emergency Bypass Strategy that can build on any existing  
*Entity: San Bernardino County Transportation Authority*

## General Policy Committee Agenda Item

April 10, 2024

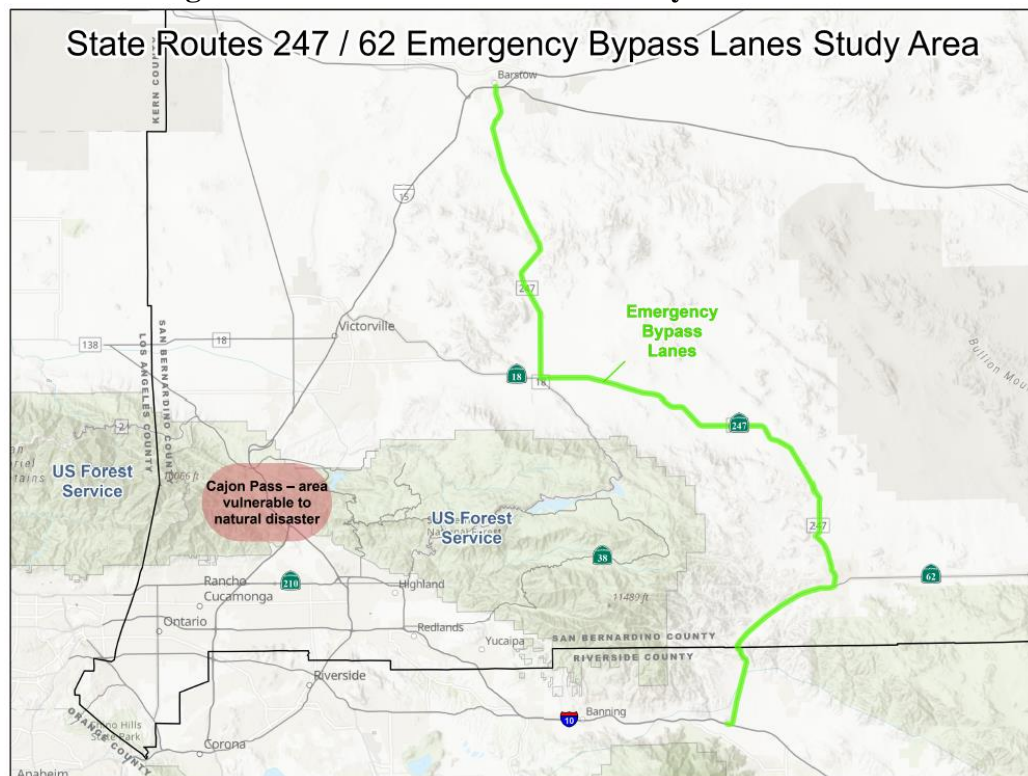
Page 2

response plans previously developed by the CHP, Caltrans, and other emergency service agencies as a basis for managing traffic for periods when I-15 through the Cajon Pass is closed. The strategy should also incorporate plans for when the I-15 carrying-capacity is significantly limited for a period of time long enough to warrant diversion of traffic to other routes.

Part 2 involves the preparation of a feasibility study for potential geometric and operational improvements on the portions of SR 247 from Barstow to Yucca Valley, on SR 62 from Yucca Valley to I-10 in Palm Springs, in the Cajon Pass, and on other state and local roadways that feed the Cajon Pass from either direction. This will become the basis for recommending next steps in the project development process that will allow for strategic improvements to SR 247 and SR 62 and other routes that will better prepare agencies for dealing with traffic during emergencies. For example, specific locations for geometric/operational improvement, or installation of dynamic message signs and other warning/information systems may be identified by the project steering committee that are suitable for inclusion in state and local project development and funding plans.

One of the likely outgrowths of the SR 247/62 Emergency Bypass Study is a recommendation to prepare Caltrans Project Initiation Documents (PIDs) for specific sections of that route or for strategic locations elsewhere in the Victor Valley or Cajon Pass. The PIDs will be the next step in the project programming/funding process. Projects under \$1 million in estimated costs may qualify to go through the encroachment permit process. Chapter 9 of the Caltrans Project Development Procedures Manual (PDPM) explains how the PID development process works.

**Figure 1. Overview of SR 247/62 Study Area**



It is not the intent of this study to identify projects for general widening of these routes. However, the Emergency Bypass Strategy needs to be developed enough to support the

General Policy Committee Agenda Item

April 10, 2024

Page 3

recommendations for roadway geometric and operational improvements to better serve emergency service needs.

The primary deliverables from this study will include:

- Part 1: I-15 Emergency Bypass Strategy, developed in collaboration across state and local emergency service agencies. Recommendations may include geometric/operational improvements on strategic roadways in the Victor Valley and improvements to the ways in which emergency response information is delivered to travelers approaching the Cajon Pass in either direction.
- Part 2: SR 247/62 Emergency Bypass Feasibility Study. The project purpose will be focused on operational improvements and targeted improvements at key bottlenecks so as to accommodate the additional traffic flows experienced during extended shutdowns of I-15 in the Cajon Pass. The SBCTA Board of Directors would be involved in setting priorities.

SBCTA released Request for Proposals (RFP) 24-1003069 on December 19, 2023, seeking knowledgeable and experienced firms to develop a SR-247/62 Emergency Bypass Study. The RFP notification for this project was received by 549 consultants registered on PlanetBids and was downloaded by two firms.

On January 25, 2024, SBCTA received one proposal from WSP USA, Inc. The Procurement Analyst reviewed the proposal for responsiveness and determined that the proposal was responsive. The Project Manager reviewed the proposal and determined that the WSP USA, Inc., proposal met SBCTA's Scope of Work.

The Procurement Analyst reached out to prospective bidders to research reasons for which they did not ultimately bid, and most of the responses were simply due to no interest in pursuing this project. Pursuant to Policy No. 11000, on February 26, 2024, a request was made to the Executive Director to move forward with the single bid from WSP USA, Inc., which request was approved. In conclusion, staff recommends WSP USA, Inc., be awarded a contract in an amount not-to-exceed \$762,899, for a term through June 30, 2026.

***Financial Impact:***

The project is included in the adopted Budget for Fiscal Year 2023/2024 and funded with Priority Legislative Budget Projects Program Funds.

***Reviewed By:***

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel, Procurement Manager, and Enterprise Risk Manager have reviewed this item and the draft contract.

***Responsible Staff:***

Ginger Koblasz, Senior Planner

Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:



**CONTRACT NO. 24-1003069****BY AND BETWEEN****SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY****AND****WSP USA, INC.****FOR****SR-247/62 EMERGENCY BYPASS STUDY**

This contract (“Contract”) is made and entered into by and between the San Bernardino County Transportation Authority (“SBCTA”), whose address is 1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor, San Bernardino, California 92410-1715, and WSP USA, Inc., (“CONSULTANT”), whose address is 862 E. Hospitality Lane, Suite 350 San Bernardino, CA 92408. SBCTA and CONSULTANT are each a “Party” and are collectively the “Parties.”

**RECITALS:**

**WHEREAS**, SBCTA requires certain work services as described in Exhibit “A” of this Contract; and

**WHEREAS**, CONSULTANT has confirmed that CONSULTANT has the requisite professional qualifications, personnel and experience and is fully capable and qualified to perform the services identified herein; and

**WHEREAS**, CONSULTANT desires to perform all Work identified herein and to do so for the compensation and in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, the Parties agree as follows:

**ARTICLE 1. PROJECT DESCRIPTION/SCOPE OF WORK**

- 1.1 CONSULTANT agrees to perform the work and services set forth in Exhibit A “Scope of Work” (“Work”) in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with the terms and conditions expressed herein, and in the sequence, time, and manner defined herein. The word “Work” includes, without limitation, the performance, fulfillment and discharge by CONSULTANT of all obligations, duties, tasks, and services imposed upon or assumed by CONSULTANT hereunder; and the Work performed hereunder shall be completed to the satisfaction of SBCTA, with SBCTA’s satisfaction being based on prevailing applicable professional standards.

- 1.2 The Project Manager for this Contract is Ginger Koblasz, or such other designee as shall be designated in written notice to CONSULTANT from time to time by the Department Director of SBCTA or his or her designee. The Project Manager shall have authority to act on behalf of SBCTA in administering this Contract, including giving notices (including, without limitation, notices of default and/or termination), technical directions and approvals and demanding performance and accepting work performed, but is not authorized to receive or issue payments or execute amendments to the Contract itself.

## **ARTICLE 2. CONTRACT TERM**

The Contract term shall commence upon issuance of a written Notice To Proceed (NTP) issued by SBCTA's Procurement Analyst, and shall continue in full force and effect through June 30, 2026 until otherwise terminated, or unless extended as hereinafter provided by written amendment, except that all indemnity and defense obligations hereunder shall survive termination of this Contract. CONSULTANT shall not be compensated for any Work performed or costs incurred prior to issuance of the NTP.

## **ARTICLE 3. COMPENSATION**

- 3.1 Total compensation to CONSULTANT for full and complete performance of the Scope of Work, identified herein, and in compliance with all the terms and conditions of this Contract, shall be on a Time & Materials basis for all obligations incurred in, or application to, CONSULTANT's performance of Work, and for which CONSULTANT shall furnish all personnel, facilities, equipment, materials, supplies, and Services (except as may be explicitly set forth in this Contract as furnished by SBCTA) shall not exceed the amount set forth in section 3.2 below.
- 3.2 The total Contract Not-To-Exceed Amount is Seven Hundred Sixty-Two Thousand, Eight Hundred Ninety-Nine Dollars (\$762,899). All Work provided under this Contract is to be performed as set forth in Exhibit A "Scope of Work," and shall be reimbursed pursuant to Exhibit B "Price Proposal for Time and Materials." The hourly labor rates identified in Exhibit B shall remain fixed for the term of this Contract and include CONSULTANT's direct labor costs, indirect costs, and profit. All expenses shall be reimbursed for the amounts identified in Exhibit B. Any travel expenses must be pre-approved by SBCTA and shall be reimbursed for per diem expenses at a rate not to exceed the currently authorized rates for state employees under the California Department of Human Resources rules. SBCTA will not reimburse CONSULTANT for any expenses not shown in Exhibit B or agreed to and approved by SBCTA as required under this Contract.
- 3.3 INTENTIONALLY OMITTED.
- 3.4 INTENTIONALLY OMITTED.
- 3.5 Any Work provided by CONSULTANT not specifically covered by the Scope of Work shall not be compensated without prior written authorization from SBCTA. It shall be CONSULTANT's responsibility to recognize and notify SBCTA in writing when services not covered by the Scope of Work have been requested or are required. All changes and/or modifications to the Scope of Work shall be made in accordance with the "CHANGES" Article in this Contract. Any additional services agreed to in accordance with this Contract shall become part of the Work.



3.6 All subcontracts in excess of \$25,000 shall contain the above provisions.

#### **ARTICLE 4. INVOICING**

4.1 Payment to CONSULTANT as provided herein shall be payable in four (4) week billing period payments, forty-five (45) calendar days after receipt of an acceptable invoice by SBCTA prepared in accordance with the instructions below. Payment shall not be construed to be an acceptance of Work.

4.2 CONSULTANT shall prepare invoices in a form satisfactory to and approved by SBCTA, which shall be accompanied by documentation supporting each element of measurement and/or cost. Each invoice will be for a four-week billing period and will be marked with SBCTA's contract number, description and task order number, if applicable. Invoices shall be submitted within fifteen (15) calendar days for the period covered by the invoice except for the month of June, which will require the invoice to be submitted by July 10<sup>th</sup>. Invoices shall include request for payment for Work (including additional services authorized by SBCTA) completed by CONSULTANT during each billing period and shall include back-up information sufficient to establish the validity of the invoice. Any invoice submitted which fails to comply with the terms of this Contract, including the requirements of form and documentation, may be returned to CONSULTANT. Any costs incurred by CONSULTANT in connection with the resubmission of a proper invoice shall be at CONSULTANT's sole expense. The final invoice shall be marked "FINAL" and will be submitted within 60 calendar days after SBCTA has received and approved all Work and deliverables. Invoices should be e-mailed to SBCTA at the following address:

[ap@gosbcta.com](mailto:ap@gosbcta.com)

For large files over 30 megabytes, invoices can be submitted using this link:  
<https://sanbag-lfweb.sanbag.ca.gov/Forms/Invoice-submission>

4.3 CONSULTANT shall include a statement and release with each invoice, satisfactory to SBCTA, that CONSULTANT has fully performed the Work invoiced pursuant to the Contract for the period covered, that all information included with the invoice is true and correct, and that all payments to and claims of CONSULTANT and its subconsultants for Work during the period will be satisfied upon making of such payment. SBCTA shall not be obligated to make payments to CONSULTANT until CONSULTANT furnishes such statement and release.

4.4 INTENTIONALLY OMITTED.

4.5 No payment will be made prior to approval of any Work, nor for any Work performed prior to the NTP or the issuance of an applicable CTO, nor for any Work under any amendment to the Contract until SBCTA's Awarding Authority takes action.

4.6 CONSULTANT agrees to promptly pay each subconsultant for the satisfactory completion of all Work performed under this Contract no later than ten (10) calendar days from the receipt of payment from SBCTA. CONSULTANT also agrees to return any retainage payments to each subconsultant within ten (10) calendar days after the subconsultant's work is satisfactorily completed. Any delay or postponement of payment from the above-referenced time frame may occur only for good cause following written approval by SBCTA. SBCTA

reserves the right to request documentation from CONSULTANT showing payment has been made to its subconsultants. SBCTA also reserves the right, at its own sole discretion, to issue joint checks to CONSULTANT and any subconsultant(s), which shall constitute payment to CONSULTANT in compliance with the terms of this Contract. This clause applies to both DBE and non-DBE subconsultants.

#### 4.7 INTENTIONALLY OMITTED.

### **ARTICLE 5. TAXES, DUTIES AND FEES**

Except to the extent expressly provided elsewhere in this Contract, CONSULTANT shall pay when due, and the compensation set forth herein, shall be inclusive of all: a) local, municipal, State, and federal sales and use taxes; b) excise taxes; c) taxes on personal property owned by CONSULTANT; and d) other governmental fees and taxes or charges of whatever nature applicable to CONSULTANT to enable it to conduct business.

### **ARTICLE 6. AVAILABILITY OF FUNDS**

The award and performance of this Contract is contingent on the availability of funds. If funds are not appropriated and/or allocated and available to SBCTA for the continuance of Work performed by CONSULTANT, Work directly or indirectly involved may be suspended or terminated by SBCTA at the end of the period for which funds are available. When SBCTA becomes aware that any portion of Work will or may be affected by a shortage of funds, it will promptly notify CONSULTANT. Nothing herein shall relieve SBCTA from its obligation to compensate CONSULTANT for work already performed pursuant to this Contract. No penalty shall accrue to SBCTA in the event this provision is exercised.

### **ARTICLE 7. PERMITS AND LICENSES**

CONSULTANT shall, without additional compensation, keep current all governmental permits, certificates and licenses (including professional licenses) necessary for CONSULTANT to perform Work identified herein.

### **ARTICLE 8. DOCUMENTATION AND RIGHT TO AUDIT**

8.1 CONSULTANT shall maintain all records related to this Contract in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment by SBCTA, or until the conclusion of all litigation, appeals or claims related to this Contract, whichever is longer. CONSULTANT shall provide SBCTA, the California State Auditor, or other authorized representatives of SBCTA access to Consultants' records which are directly related to this Contract for the purpose of inspection, auditing or copying during the entirety of the records maintenance period above. CONSULTANT further agrees to maintain separate records for costs of Work performed by amendment. CONSULTANT shall allow SBCTA and its representatives or agents to reproduce any materials as reasonably necessary.

8.2 The cost proposal and/or invoices for this Contract are subject to audit by SBCTA and/or any state agency funding this Work at any time. After CONSULTANT receives any audit recommendations, the cost or price proposal shall be adjusted by CONSULTANT and approved by SBCTA's Project Manager to conform to the audit recommendations.

CONSULTANT agrees that individual items of cost identified in the audit report may be incorporated into the Contract at SBCTA's sole discretion. Refusal by CONSULTANT to incorporate the audit or post award recommendations will be considered a breach of the Contract and cause for termination of the Contract. Any dispute concerning the audit findings of this Contract shall be reviewed by SBCTA's Chief Financial Officer. CONSULTANT may request a review by submitting the request in writing to SBCTA within thirty (30) calendar days after issuance of the audit report

8.3 Subcontracts in excess of \$25,000 shall contain this provision.

## **ARTICLE 9. RESPONSIBILITY OF CONSULTANT**

9.1 CONSULTANT shall be responsible for the professional quality, technical accuracy, and assurance of compliance with all applicable federal, State and local laws and regulations and other Work furnished by CONSULTANT under the Contract. The Contract includes reference to the appropriate standards for Work performance stipulated in the Contract.

9.2 In addition to any other requirements of this Contract or duties and obligations imposed on CONSULTANT by law, CONSULTANT shall, as an integral part of its Work, employ quality control procedures that identify potential risks and uncertainties related to scope, schedule, cost, quality and safety of the Project and the Work performed by CONSULTANT within the areas of CONSULTANT's expertise. At any time during performance of the Scope of Work, should CONSULTANT observe, encounter, or identify any unusual circumstances or uncertainties which could pose potential risk to SBCTA or the Project, CONSULTANT shall immediately document such matters and notify SBCTA in writing. CONSULTANT shall also similarly notify SBCTA in regard to the possibility of any natural catastrophe, or potential failure, or any situation that exceeds assumptions and could precipitate a failure of any part of the Project. Notifications under this paragraph shall be specific, clear and timely, and in a form which will enable SBCTA to understand and evaluate the magnitude and effect of the risk and/or uncertainties involved.

## **ARTICLE 10. REPORTING AND DELIVERABLES**

All reports and deliverables shall be submitted in accordance with Exhibit A "Scope of Work." At a minimum, CONSULTANT shall submit monthly progress reports with their monthly invoices. The report shall be sufficiently detailed for SBCTA to determine if CONSULTANT is performing to expectations and is on schedule; to provide communication of interim findings; and to sufficiently address any difficulties or problems encountered, so remedies can be developed.

## **ARTICLE 11. TECHNICAL DIRECTION**

11.1 Performance of Work under this Contract shall be subject to the technical direction of SBCTA's Project Manager, identified in Section 1.2, upon issuance of the NTP and/or subsequently by written notice during the Contract. The term "Technical Direction" is defined to include, without limitation:

11.1.1 Directions to CONSULTANT which redirect the Contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details, or otherwise serve to accomplish the Scope of Work.

- 11.1.2 Provision of written information to CONSULTANT which assists in the interpretation of reports or technical portions of the Scope of Work described herein.
- 11.1.3 Review and, where required by the Contract, approval of technical reports and technical information to be delivered by CONSULTANT to SBCTA under the Contract.
- 11.1.4 SBCTA's Project Manager may modify this Contract for certain administrative modifications without issuing a written amendment. Administrative modifications are limited to: substitutions of personnel identified in the Contract, including Key Personnel and subconsultants; modifications to classifications, hourly rates and names of personnel in Exhibit B; and modifications of the address of the CONSULTANT. All such modifications will be documented in writing between the Parties.
- 11.2 Technical Direction must be within the Scope of Work under this Contract. SBCTA's Project Manager does not have the authority to, and may not, issue any Technical Direction which:
- 11.2.1 Increases or decreases the Scope of Work;
- 11.2.2 Directs CONSULTANT to perform Work outside the original intent of the Scope of Work;
- 11.2.3 Constitutes a change as defined in the "CHANGES" Article of the Contract;
- 11.2.4 In any manner causes an increase or decrease in the Contract price as identified in the "COMPENSATION" Article or the time required for Contract performance;
- 11.2.5 Changes any of the expressed terms, conditions or specifications of the Contract, unless identified herein;
- 11.2.6 Interferes with CONSULTANT's right to perform the terms and conditions of the Contract unless identified herein; or
- 11.2.7 Approves any demand or claims for additional payment.
- 11.3 Failure of CONSULTANT and SBCTA's Project Manager to agree that the Technical Direction is within the scope of the Contract, or a failure to agree upon the Contract action to be taken with respect thereto, shall be subject to the provisions of the "DISPUTES" Article herein.
- 11.4 All Technical Direction shall be issued in writing by SBCTA's Project Manager.
- 11.5 CONSULTANT shall proceed promptly with the performance of Technical Direction issued by SBCTA's Project Manager, in the manner prescribed by this Article and within their authority under the provisions of this Article. If, in the opinion of CONSULTANT, any instruction or direction by SBCTA's Project Manager falls within one of the categories defined in sections 11.2.1 through 11.2.7 above, CONSULTANT shall not proceed but shall notify SBCTA in writing within five (5) working days after receipt of any such instruction or direction and shall request SBCTA to modify the Contract accordingly. Upon receiving the notification from CONSULTANT, SBCTA shall:

11.5.1 Advise CONSULTANT in writing within thirty (30) calendar days after receipt of CONSULTANT's letter that the Technical Direction is or is not within the scope of this Contract.

11.5.2. Advise CONSULTANT within a reasonable time whether SBCTA will or will not issue a written amendment.

## **ARTICLE 12. CHANGES**

- 12.1 The Work shall be subject to changes by additions, deletions, or revisions made by SBCTA. CONSULTANT will be advised of any such changes by written notification from SBCTA describing the change. This notification will not be binding on SBCTA until SBCTA's Awarding Authority has approved an amendment to this Contract.
- 12.2 Promptly after such written notification of change is given to CONSULTANT by SBCTA, the Parties will attempt to negotiate a mutually agreeable adjustment to compensation or time of performance, and amend the Contract accordingly.

## **ARTICLE 13. EQUAL EMPLOYMENT OPPORTUNITY**

- 13.1 During the term of this Contract, CONSULTANT shall not willfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, gender, sex, marital status, gender identity, gender expression, sexual orientation, age, or military or veteran status. CONSULTANT agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.
- 13.2 The CONSULTANT and all subconsultants shall comply with all provisions of Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, and national origin. In addition, CONSULTANT and all subconsultants will ensure their services are consistent with and comply with obligations and procedures outlined in SBCTA's current Board-adopted Title VI Program, including the Public Participation Plan and the Language Assistance Plan.

## **ARTICLE 14. CONFLICT OF INTEREST**

CONSULTANT agrees that it presently has no interest, financial or otherwise, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Work required under this Contract or be contrary to the interests of SBCTA as to the Project. CONSULTANT further agrees that in the performance of this Contract, no person having any such interest shall be employed. CONSULTANT is obligated to fully disclose to SBCTA, in writing, any conflict of interest issues as soon as they are known to CONSULTANT. CONSULTANT agrees that CONSULTANT and its staff shall comply with SBCTA's Conflict of Interest Policy, No. 10102.

## ARTICLE 15. KEY PERSONNEL

The personnel specified below are considered to be essential to the Work being performed under this Contract. Prior to diverting any of the specified individuals to other projects, or reallocation of any tasks or hours of Work that are the responsibility of Key Personnel to other personnel, CONSULTANT shall notify SBCTA in writing in advance and shall submit justifications (including proposed substitutions, resumes and payroll information to support any changes to the labor rates) in sufficient detail to permit evaluation of the impact on the Project. Diversion or reallocation of Key Personnel shall not be made without prior written consent of SBCTA's Project Manager. CONSULTANT shall not substitute any Key Personnel without the prior written consent of SBCTA. In the event that the Parties cannot agree as to the substitution of Key Personnel, SBCTA may terminate this Contract. Key Personnel are:

Name	Job Classification/Function
Joe De La Garza	Project Manager
Michael Arizabal	Deputy Project Manager

## ARTICLE 16. REPRESENTATIONS

All Work supplied by CONSULTANT under this Contract shall be supplied by personnel who are qualified, careful, skilled, experienced and competent in their respective trades or professions. CONSULTANT agrees that they are supplying professional services, findings, and/or recommendations in the performance of this Contract and agrees with SBCTA that the same shall conform to professional standards that are generally accepted in the profession in the State of California.

## ARTICLE 17. PROPRIETARY RIGHTS/CONFIDENTIALITY

- 17.1 If, as a part of this Contract, CONSULTANT is required to produce materials, documents data, or information ("Products"), then CONSULTANT, if requested by SBCTA, shall deliver to SBCTA the original of all such Products, which shall become the sole property of SBCTA.
- 17.2 All materials, documents, data or information obtained from SBCTA's data files or any SBCTA-owned medium furnished to CONSULTANT in the performance of this Contract will at all times remain the property of SBCTA. Such data or information may not be used or copied for direct or indirect use outside of this Project by CONSULTANT without the express written consent of SBCTA.
- 17.3 Except as reasonably necessary for the performance of the Work, CONSULTANT agrees that it, its employees, agents and subconsultants will hold in confidence and not divulge to third parties, without prior written consent of SBCTA, any information obtained by CONSULTANT from or through SBCTA unless (a) the information was known to CONSULTANT prior to obtaining same from SBCTA, or (b) the information was at the time of disclosure to CONSULTANT, or thereafter becomes, part of the public domain, but not as a result of the fault or an unauthorized disclosure of CONSULTANT or its employees, agents, or subconsultants, or (c) the information was obtained by CONSULTANT from a third party who did not receive the same, directly or indirectly, from SBCTA and who had, to CONSULTANT's knowledge and belief, the right to disclose the same. Any materials and information referred to in this Article which are produced by CONSULTANT shall remain confidential until released in writing by SBCTA, except to the extent such materials and

information become subject to disclosure by SBCTA under the California Public Records Act, or other law, or otherwise become public information through no fault of CONSULTANT, or its employees or agents. Any communications with or work product of SBCTA's legal counsel to which CONSULTANT or its subconsultants or agents have access in performing work under this Contract shall be subject to the attorney-client privilege and attorney work product doctrine and shall be confidential.

- 17.4 CONSULTANT shall not use SBCTA's name or photographs in any professional publication, magazine, trade paper, newspaper, seminar or other medium without first receiving the express written consent of SBCTA. CONSULTANT shall not release any reports, information or promotional material related to this Contract for any purpose without prior written approval of SBCTA.
- 17.5 All press releases, or press inquiries relating to the Project or this Contract, including graphic display information to be published in newspapers, magazines, and other publications, are to be made only by SBCTA unless otherwise agreed to in writing by both Parties.
- 17.6 CONSULTANT, its employees, agents and subconsultants shall be required to comply with SBCTA's Confidentiality Policy; anyone who may have access to Personally Identifiable Information ("PII") and/or Sensitive Security Information ("SSI") will be required to execute a Confidentiality Agreement.

#### **ARTICLE 18. TERMINATION**

- 18.1 Termination for Convenience - SBCTA shall have the right at any time, with or without cause, to terminate further performance of Work by giving thirty (30) calendar days' written notice to CONSULTANT specifying the date of termination. On the date of such termination stated in said notice, CONSULTANT shall promptly discontinue performance of Work and shall preserve Work in progress and completed Work, pending SBCTA's instruction, and shall turn over such Work in accordance with SBCTA's instructions.
- 18.1.1 CONSULTANT shall deliver to SBCTA all deliverables prepared by CONSULTANT or its subconsultants or furnished to CONSULTANT by SBCTA. Upon such delivery, CONSULTANT may then invoice SBCTA for payment in accordance with the terms herein.
- 18.1.2 If CONSULTANT has fully and completely performed all obligations under this Contract up to the date of termination, CONSULTANT shall be entitled to receive from SBCTA as complete and full settlement for such termination a pro rata share of the Contract cost based upon the percentage of all contracted Work satisfactorily executed to the date of termination.
- 18.1.3 CONSULTANT shall be entitled to receive the actual costs incurred by CONSULTANT to return CONSULTANT's tools and equipment, if any, to it or its suppliers' premises, or to turn over Work in progress in accordance with SBCTA's instructions plus the actual cost necessarily incurred in effecting the termination.
- 18.2 Termination for Cause - In the event CONSULTANT shall file a petition in bankruptcy court, or shall make a general assignment for the benefit of its creditors, or if a petition in bankruptcy court shall be filed against CONSULTANT, or a receiver shall be appointed on account of its

insolvency, or if CONSULTANT shall default in the performance of any express obligation to be performed by it under this Contract and shall fail to immediately correct (or if immediate correction is not possible, shall fail to commence and diligently continue action to correct) such default within ten (10) calendar days following written notice, SBCTA may, without prejudice to any other rights or remedies SBCTA may have, and in compliance with applicable Bankruptcy Laws: (a) hold in abeyance further payments to CONSULTANT; (b) stop any Work of CONSULTANT or its subconsultants related to such failure until such failure is remedied; and/or (c) terminate this Contract by written notice to CONSULTANT specifying the date of termination. In the event of such termination by SBCTA, SBCTA may take possession of the deliverables and finished Work by whatever method SBCTA may deem expedient. A waiver by SBCTA of one default of CONSULTANT shall not be considered to be a waiver of any subsequent default of CONSULTANT, of the same or any other provision, nor be deemed to waive, amend, or modify any term of this Contract.

18.2.1 CONSULTANT shall deliver to SBCTA all finished and unfinished deliverables under this Contract prepared by CONSULTANT or its subconsultants or furnished to CONSULTANT by SBCTA within ten (10) working days of said notice.

18.3 All claims for compensation or reimbursement of costs under any of the foregoing provisions shall be supported by documentation submitted to SBCTA, satisfactory in form and content to SBCTA and verified by SBCTA. In no event shall CONSULTANT be entitled to any payment for prospective profits or any damages because of such termination.

## **ARTICLE 19. STOP WORK ORDER**

Upon failure of CONSULTANT or its subconsultants to comply with any of the requirements of this Contract, SBCTA shall have the right to stop any or all Work affected by such failure until such failure is remedied or to terminate this Contract in accordance with section "Termination" above.

## **ARTICLE 20. CLAIMS**

SBCTA shall not be bound to any adjustments in the Contract amount or schedule unless expressly agreed to by SBCTA in writing. SBCTA shall not be liable to CONSULTANT for any claim asserted by CONSULTANT after final payment has been made under this Contract.

## **ARTICLE 21. INSURANCE**

21.1 Prior to commencing the Work, subject to the provisions of Article 21.2 "General Provisions", and at all times during the performance of the Work and for such additional periods as required herein, CONSULTANT and all sub-consultants of every tier performing any Work under this contract shall, at CONSULTANT's and sub-consultant's sole expense, procure and maintain broad form insurance coverage at least as broad as the following minimum requirements specified below:

21.1.1 Professional Liability. The policies must include the following:

- A limit of liability not less than \$2,000,000 per claim
- An annual aggregate limit of not less than \$4,000,000
- Coverage shall be appropriate for the CONSULTANT's profession and provided



services to include coverage for errors and omissions arising out of the CONSULTANT's professional services, or services of any person employed by the CONSULTANT, or any person for whose acts, errors, mistakes or omissions the CONSULTANT may be legally liable.

- If Coverage is on a claims made basis:
  - Policy shall contain a retroactive date for coverage of prior acts, which date will be prior to the date the CONSULTANT begins to perform Work under this Contract.
  - CONSULTANT shall secure and maintain "tail" coverage for a minimum of Five (5) years after Contract completion.

21.1.2 Worker's Compensation/Employer's Liability. The policies must include the following:

- Coverage A. Statutory Benefits
- Coverage B. Employer's Liability
- Bodily Injury by accident - \$1,000,000 per accident
- Bodily Injury by disease - \$1,000,000 policy limit/\$1,000,000 each employee

Such policies shall contain a waiver of subrogation in favor of the parties named as Indemnitees below. Such insurance shall be in strict accordance with the applicable workers' compensation laws in effect during performance of the Work by CONSULTANT or any subconsultant of any tier. All subconsultants of any tier performing any portion of the Work for CONSULTANT shall also obtain and maintain the same insurance coverage as specified in this subparagraph, with a waiver of subrogation in favor of CONSULTANT and all parties named as Indemnitees below. Where coverage is provided through the California State Compensation Insurance Fund, the requirement for a minimum A.M. Best rating does not apply.

21.1.3. Commercial General Liability. The policy must include the following:

- Consultant shall maintain commercial general liability (CGL) insurance (Insurance Services Office (ISO) Form CG 00 01), and if necessary excess/umbrella commercial liability insurance, with a combined limit of liability of not less than **\$2,000,000 each occurrence.**
- The policy shall, at a minimum, include coverage for any and all of the following: bodily injury, property damage, personal injury, broad form contractual liability (including coverage to the maximum extent possible for the indemnifications in this Contract), premises-operations (including explosion, collapse and underground coverage), duty to defend in addition to (without reducing) the limits of the policy (ies), and products and completed operations.
  - \$2,000,000 per occurrence limit for property damage or bodily injury
  - \$1,000,000 per occurrence limit for personal injury and advertising injury
- If a general aggregate applies, it shall apply separately to this project/location. The contract no. and brief explanation of the project/work must be indicated under "Description of Operations/Locations" (ISO Form CG 25 03 or CG 2504).

- Coverage is to be on an “occurrence” form. “Claims made” and “modified occurrence” forms are not acceptable.
- A copy of the declaration page or endorsement page listing all policy endorsements for the CGL policy must be included.

All subconsultants of any tier performing any portion of the Work for CONSULTANT shall also obtain and maintain the CGL insurance coverage with limits not less than:

- Each occurrence limit: \$1,000,000
- General aggregate limit: \$2,000,000
- Personal injury and advertising limit \$1,000,000
- Products-completed operations aggregate limit \$2,000,000

All subconsultants’ and sub-subconsultants’ deductibles or self-insured retentions must be acceptable to SBCTA’s Risk Manager.

21.1.4 Umbrella/Excess CGL. The policy must include the following:

- If the CONSULTANT elects to include an umbrella or excess policy to cover any of the total limits required beyond the primary commercial general liability policy limits and/or the primary commercial automobile liability policy limits, then the policy must include the following:
  - The umbrella or excess policy shall follow form over the CONSULTANT’s primary general liability coverage and shall provide a separate aggregate limit for products and completed operations coverage.
  - The umbrella or excess policy shall not contain any restrictions or exclusions beyond what is contained in the primary policy.
  - The umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.
  - The umbrella or excess policy must also extend coverage over the automobile policy if it is to be used in combination with the primary automobile policy to meet the total insurance requirement limits.

There shall be no statement limiting the coverage provided to the parties listed as additionally insureds or as indemnitees below.

21.1.5 Commercial Auto. The policy must include the following:

- A total limit of liability of not less than **\$1,000,000** each accident. This total limits of liability may be met by combining the limits of the primary auto policy with an umbrella or excess policy in accordance with subparagraph 4 (Umbrella/Excess CGL) of Section A of this Article.
- Such insurance shall cover liability arising out of any vehicle, including owned, hired, leased, borrowed and non-owned vehicles assigned to or used in performance of the CONSULTANT services.
- Combined Bodily Injury and Property Damage Liability insurance. The commercial automobile liability insurance shall be written on the most recent edition of ISO Form CA 00 01 or equivalent acceptable to SBCTA.

21.1.6 Pollution Liability. Intentionally Omitted

21.1.7 Technology Professional Liability Errors and Omissions Insurance. Intentionally Omitted

21.1.8 Railroad Protective Liability. Intentionally Omitted

21.2. General Provisions

21.2.1 Qualifications of Insurance Carriers. If policies are written by insurance carriers authorized and admitted to do business in the state of California, then the insurance carriers must have a current A.M. Best rating of A-VIII or better and if policies are written by insurance carriers that are non- admitted but authorized to conduct business in the state of California, then they must meet the current A.M. Best rating of A-: X or better, unless otherwise approved in writing by SBCTA's Risk Manager.

21.2.2 Additional Insured Coverage. All policies, except those for Workers' Compensation and Professional Liability insurance, shall be endorsed by ISO Form CG 20 43, or if not available, then the ISO Form most substantially similar, to name San Bernardino County Transportation Authority and its officers, directors, members, employees, and agents, as additional insureds ("Additional Insureds"). With respect to general liability arising out of or connected with work or operations performed by or on behalf of the CONSULTANT under this Contract, coverage for such Additional Insureds shall not extend to liability to the extent prohibited by section 11580.04 of the Insurance Code. The additional insured endorsements shall not limit the scope of coverage for SBCTA to vicarious liability, but shall allow coverage for SBCTA to the full extent provided by the policy.

21.2.3 Proof of Coverage. Evidence of insurance in a form acceptable to SBCTA's Risk Manager, including declarations pages of each policy, certificates of insurance and the required additional insured endorsements, shall be provided to SBCTA's Procurement Analyst prior to issuance of the NTP or prior to commencing any Work, as SBCTA specifies. Certificate(s) of insurance, as evidence of the required insurance shall: be executed by a duly authorized representative of each insurer; show compliance with the insurance requirements set forth in this Article; set forth deductible amounts applicable to each policy; list all exclusions which are added by endorsement to each policy; and also include the Contract Number and the SBCTA Project Manager's name on the face of the certificate. If requested in writing by SBCTA, CONSULTANT shall submit complete copies of all required insurance policies within ten (10) business days of a written request by SBCTA.

21.2.4 Deductibles and Self-Insured Retention. Regardless of the allowance of exclusions or deductibles by SBCTA, CONSULTANT shall be responsible for any deductible or self- insured retention (SIR) amount and shall warrant that the coverage provided to SBCTA is consistent with the requirements of this Article. CONSULTANT will pay, and shall require its sub-CONSULTANTS to pay, all deductibles, co-pay obligations, premiums and any other sums due under the insurance required in this Article. Any deductibles or self-insured retentions must be declared to and approved in writing by SBCTA's Risk Manager. Without SBCTA's Risk Manager's expressed written

approval no deductibles or SIR will be allowed. At the option of SBCTA, if the deductible or SIR is approved and it is greater than \$50,000 or five (5) percent of the amount of coverage required under this Contract, whichever is less, the CONSULTANT shall guarantee that either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to SBCTA, its directors, officials, officers, employees and agents; or, (2) the CONSULTANT shall procure a bond guaranteeing the amount of the deductible or self-insured retention. SBCTA shall have the right to review any and all financial records that SBCTA, at its sole discretion deems necessary to approve any deductible or SIR. SBCTA will have the right, but not the obligation, to pay any deductible or SIR due under any insurance policy. If SBCTA pays any sums due under any insurance required above, SBCTA may withhold said sums from any amounts due to CONSULTANT. The CONSULTANT's policies will neither obligate nor prohibit SBCTA or any other Additional Insured, from paying any portion of any CONSULTANT's deductible or SIR.

- 21.2.5 CONSULTANT's and Subconsultants' Insurance will be Primary. All policies required to be maintained by the CONSULTANT or any subconsultant, with the exception of Professional Liability and Worker's Compensation shall be endorsed, with a form at least as broad as ISO Form CG 20 01 04 13, to be primary coverage, and any coverage carried by any of the Additional Insureds shall be excess and non-contributory. Further, none of CONSULTANT's or subconsultants' pollution, automobile, general liability or other liability policies (primary or excess) will contain any cross-liability exclusion barring coverage for claims by an additional insured against a named insured.
- 21.2.6 Waiver of Subrogation Rights. To the fullest extent permitted by law, CONSULTANT hereby waives all rights of recovery under subrogation against the Additional Insureds named herein, and any other consultant, subconsultant or sub-subconsultant performing work or rendering services on behalf of SBCTA in connection with the planning, development and construction of the Project. To the fullest extent permitted by law, CONSULTANT shall require similar written express waivers and insurance clauses from each of its subconsultants of every tier. CONSULTANT shall require all of the policies and coverages required in this Article to waive all rights of subrogation against the Additional Insureds (ISO Form CG 24 04 05 09). Such insurance and coverages provided shall not prohibit CONSULTANT from waiving the right of subrogation prior to a loss or claim.
- 21.2.7 Cancellation. If any insurance company elects to cancel or non-renew coverage for any reason, CONSULTANT will provide SBCTA thirty (30) days prior written notice of such cancellation or nonrenewal. If the policy is cancelled for nonpayment of premium, CONSULTANT will provide SBCTA ten (10) days prior written notice. In any event, CONSULTANT will provide SBCTA with a copy of any notice of termination or notice of any other change to any insurance coverage required herein which CONSULTANT receives within one business day after CONSULTANT receives it by submitting it to SBCTA at insurance@gosbcta.com, to the attention of SBCTA's Procurement Analyst, and by depositing a copy of the notice in the U.S. Mail in accordance with the notice provisions of this Contract.

21.2.8 Non-Limitation of Insurance Requirements. The insurance coverage provided and limits required under this Contract are minimum requirements and are not intended to limit the CONSULTANT's indemnification obligations under the Contract, nor do the indemnity obligations limit the rights of the Indemnified Parties to the coverage afforded by their insured status. To the extent required by Law in connection with Work to be performed, the CONSULTANT shall obtain and maintain, or cause to be obtained and maintained, in addition to the insurance coverage expressly required under this Contract, such other insurance policies for such amounts, for such periods of time and subject to such terms, as required by Law and any other agreements with which the CONSULTANT is required to comply, including any Third-Party Agreements. Liability insurance coverage will not be limited to the specific location designated as the Site, except that if the CONSULTANT arranges project-specific general liability, excess liability, or workers' compensation coverage, limitations of coverage to the Site will be permitted subject to SBCTA approval and use of the broadest available site-specific endorsements. No liability policy will contain any provision or definition that would serve to eliminate so-called "third-party-over action" claims, including any exclusion for bodily injury to an employee of the insured or of any Subcontractor. The CONSULTANT acknowledges and will at all times comply with the provisions of Labor Code Section 3700 which require every employer in the State to be insured against liability for workers' compensation, or to undertake self-insurance in accordance with the provisions of that code.

21.2.9 Enforcement. SBCTA may take any steps as are necessary to assure CONSULTANT's compliance with its insurance obligations as identified within this Article. Failure to continuously maintain insurance coverage as provided herein is a material breach of contract. In the event the CONSULTANT fails to obtain or maintain any insurance coverage required, SBCTA may, but is not required to, maintain this coverage and charge the expense to the CONSULTANT or withhold such expense from amounts owed CONSULTANT, or terminate this Contract. The insurance required or provided shall in no way limit or relieve CONSULTANT of its duties and responsibility under the Contract, including but not limited to obligation to indemnify, defend and hold harmless the Indemnitees named below. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONSULTANT for liability in excess of such coverage, nor shall it preclude SBCTA from taking other actions as available to it under any other provision of the Contract or law. Nothing contained herein shall relieve CONSULTANT, or any subconsultant of any tier of their obligations to exercise due care in the performance of their duties in connection with the Work, and to complete the Work in strict compliance with the Contract.

21.2.10 No Waiver. Failure of SBCTA to enforce in a timely manner any of the provisions of this Article shall not act as a waiver to enforcement of any of these provisions at a later date.

21.2.11 Project Specific Insurance. Intentionally Omitted

21.2.12 No Representations or Warranties. SBCTA makes no representation or warranty that the coverage, limits of liability, or other terms specified for the insurance policies

required under this contract are adequate to protect the CONSULTANT against its undertakings under this Contract or its liability to any third party, nor will they preclude SBCTA from taking any actions as are available to it under this Contract or otherwise at law.

- 21.2.13 Review of Coverage. SBCTA may at any time review the coverage, form, and amount of insurance required under this contract, and may require the CONSULTANT to make changes in such insurance reasonably sufficient in coverage, form, and amount to provide adequate protection against the kind and extent of risk that exists at that time. SBCTA may change the insurance coverages and limits required under this contract by notice to the CONSULTANT, whereupon the CONSULTANT will, within sixty (60) days of such notice date, procure the additional and/or modified insurance coverages. Upon such change any additional cost (at actual cost) from such change will be paid by SBCTA and any reduction in cost will reduce the Contract Price pursuant to a Contract amendment.
- 21.2.14 Subconsultant Insurance. Insurance required of the CONSULTANT shall be also provided by subconsultants or by CONSULTANT on behalf of all subconsultants to cover their services performed under this Contract. CONSULTANT may reduce types and the amounts of insurance limits provided by subconsultant(s) to be proportionate to the amount of the subconsultant's contract and the level of liability exposure for the specific type of work performed by the subconsultant. CONSULTANT shall be held responsible for all modifications, deviations, or omissions in these insurance requirements as they apply to subconsultant.
- 21.2.15 Higher limits. If CONSULTANT maintains higher limits than the minimums shown above, SBCTA shall be entitled to coverage for the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SBCTA.
- 21.2.16 Special Risks or Circumstances. SBCTA reserves the right to modify any or all of the above insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

## **ARTICLE 22. INDEMNITY**

22.1 To the extent, but only to the extent, that CONSULTANT's Work falls within the scope of Civil Code Section 2782.8, the following indemnification is applicable:

CONSULTANT shall indemnify and defend (with legal counsel reasonably approved by SBCTA) SBCTA and its authorized officers, employees, agents and volunteers (collectively "Indemnitees"), from any and all losses, damages, liability, actions, and/or costs for claims that arise out of, pertain to, or are related to the negligence, recklessness, or willful misconduct of the professional to the maximum extent permitted by Civil Code Section 2782.8.

22.2 For all other Work and obligations under this Contract, CONSULTANT agrees to indemnify, defend (with legal counsel reasonably approved by SBCTA) and hold harmless SBCTA and its authorized officers, employees, agents and volunteers ("Indemnitees"), from any and all claims, actions, losses, damages and/or liability (Claims) arising out of this Contract from any cause whatsoever, including acts, errors, or omissions of any person and for any costs or expenses

incurred by any Indemnitee(s) on account of any claim, except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of Indemnitees. CONSULTANT's indemnification obligation applies to Indemnitees' "active" as well as "passive" negligence, but does not apply to the "sole negligence" or "willful misconduct," within the meaning of Civil Code section 2782, of any Indemnitee.

#### **ARTICLE 23. ERRORS AND OMISSIONS**

CONSULTANT shall be responsible for the professional quality, technical accuracy, and coordination of all Work required under this Contract. CONSULTANT shall be liable for SBCTA's costs resulting from errors or deficiencies in Work furnished under this Contract, including, but not limited to, any fines, penalties, damages, and costs required because of an error or deficiency in the Work provided by CONSULTANT under this Contract.

#### **ARTICLE 24. OWNERSHIP OF DOCUMENTS**

All deliverables, including but not limited to, drawings, reports, worksheets, and other data developed by CONSULTANT under this Contract shall become the sole property of SBCTA when prepared, whether delivered to SBCTA or not.

#### **ARTICLE 25. SUBCONTRACTS**

- 25.1 CONSULTANT shall not subcontract performance of all or any portion of Work under this Contract, except to those subconsultants listed in CONSULTANT's proposal, without first notifying SBCTA in writing of the intended subcontracting and obtaining SBCTA's written approval of the subcontracting and the subconsultant. The definition of subconsultant and the requirements for subconsultants hereunder shall include all subcontracts at any tier.
- 25.2 CONSULTANT agrees that any and all subconsultants of CONSULTANT performing Work under this Contract will comply with the terms and conditions of this Contract applicable to the portion of Work performed by them. CONSULTANT shall incorporate all applicable provisions of this Contract into their subcontracts regardless of the tier. If requested by SBCTA, CONSULTANT shall furnish SBCTA a copy of the proposed subcontract for SBCTA's approval of the terms and conditions thereof and shall not execute such subcontract until SBCTA has approved such terms and conditions. SBCTA's approval shall not be unreasonably withheld.
- 25.3 Approval by SBCTA of any Work to be subcontracted and the subconsultant to perform said Work will not relieve CONSULTANT of any responsibility or liability in regard to the acceptable and complete performance of said Work. Any substitution of subconsultants must be approved in writing by SBCTA. CONSULTANT shall have sole responsibility for managing all of their subconsultants, including resolution of any disputes between CONSULTANT and its subconsultants.

## **ARTICLE 26. RECORD INSPECTION AND AUDITING**

SBCTA or any of its designees, representatives, or agents shall at all times have access during normal business hours to CONSULTANT's operations and products wherever they are in preparation or progress, and CONSULTANT shall provide sufficient, safe, and proper facilities for such access and inspection thereof. Inspection or lack of inspection by SBCTA shall not be deemed to be a waiver of any of their rights to require CONSULTANT to comply with the Contract or to subsequently reject unsatisfactory Work or products.

## **ARTICLE 27. INDEPENDENT CONTRACTOR**

CONSULTANT is and shall be at all times an independent contractor. Accordingly, all Work provided by CONSULTANT shall be done and performed by CONSULTANT under the sole supervision, direction and control of CONSULTANT. SBCTA shall rely on CONSULTANT for results only, and shall have no right at any time to direct or supervise CONSULTANT or CONSULTANT's employees in the performance of Work or as to the manner, means and methods by which Work is performed. All personnel furnished by CONSULTANT pursuant to this Contract, and all representatives of CONSULTANT, shall be and remain the employees or agents of CONSULTANT or of CONSULTANT's subconsultant(s) at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SBCTA.

## **ARTICLE 28. ATTORNEY'S FEES**

If any legal action is instituted to enforce or declare any Party's rights under the Contract, each Party, including the prevailing Party, must bear its own costs and attorneys' fees. This Article shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under the "Indemnity" provision of the Contract.

## **ARTICLE 29. GOVERNING LAW AND VENUE**

This Contract shall be subject to the law and jurisdiction of the State of California. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in whole or substantial part in San Bernardino County, California. The Parties agree that the venue for any action or claim brought by any Party to this Contract will be the Superior Court of California, San Bernardino County. Each Party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County.

## **ARTICLE 30. FEDERAL, STATE AND LOCAL LAWS**

CONSULTANT warrants that in the performance of this Contract, it shall comply with all applicable federal, State and local laws, ordinances, rules and regulations.

## **ARTICLE 31. PRECEDENCE**

31.1 The Contract consists of the following: Contract Articles, Exhibit A "Scope of Work," and Exhibit B "Price Proposal," SBCTA's Request for Proposal and CONSULTANT's proposal, all of which are incorporated into this Contract by this reference.



- 31.2 The following order of precedence shall apply: first, the Contract Articles; second, Exhibits A and B; third, SBCTA's Request for Proposal; and last, CONSULTANT's proposal. In the event of a conflict between the Contract Articles and the Scope of Work, the Contract Articles will prevail.
- 31.3 In the event of an express conflict between the documents listed in this Article, or between any other documents which are a part of the Contract, CONSULTANT shall notify SBCTA in writing within three (3) business days of its discovery of the conflict and shall comply with SBCTA's resolution of the conflict.

## **ARTICLE 32. COMMUNICATIONS AND NOTICES**

Notices sent by mail shall be by United States Mail, postage paid, certified mail (return receipt requested). Any and all notices permitted or required to be given hereunder shall be deemed duly given and received: (a) upon actual delivery, if delivery is personally made or if made by fax or email during regular business hours; (b) the first business day following delivery by fax or email when not made during regular business hours; or (c) on the fourth business day after deposit of such notice into the United States Mail. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective Parties may designate from time to time by a notice given in accordance with this Article. CONSULTANT shall notify SBCTA of any contact information changes within ten (10) business days of the change.

<b>To CONSULTANT</b>	<b>To SBCTA</b>
862 Hospitality Lane, Suite 350	<b>1170 W. 3<sup>rd</sup> Street, 2<sup>nd</sup> Floor</b>
San Bernardino, CA 92408	<b>San Bernardino, CA 92410-1715</b>
Attn: Joe De La Garza	<b>Attn: Ginger Koblasz</b>
Email: joe.delagarza@wsp.com	<b>Email: gkoblasz@gosbcta.com</b>
Phone: 619-849-5433	<b>Phone: (909) 884-8276</b>
2 <sup>nd</sup> Contact: Ali Mir	<b>Copy: Procurement Manager</b>
Email: ali.mir@wsp.com	<b>Email: procurement@gosbcta.com</b>

## **ARTICLE 33. DISPUTES**

- 33.1 In the event any dispute, other than an audit, arises between the Parties in connection with this Contract (including but not limited to disputes over payments, reimbursements, costs, expenses, Work to be performed, Scope of Work and/or time of performance), the dispute shall be decided by SBCTA's Procurement Manager within thirty (30) calendar days after notice thereof in writing, which notice shall include a particular statement of the grounds of the dispute. If CONSULTANT does not agree with the decision, then CONSULTANT shall have ten (10) calendar days after receipt of the decision in which to file a written appeal thereto with SBCTA's Executive Director. If the Executive Director fails to resolve the dispute in a manner acceptable to CONSULTANT, then such dispute may be reviewed by a court of competent jurisdiction.
- 33.2 During resolution of the dispute, CONSULTANT shall proceed with performance of this Contract with due diligence.

**ARTICLE 34. GRATUITIES**

CONSULTANT, its employees, agents, or representatives shall not offer or give to any officer, official, agent or employee of SBCTA, any gift, entertainment, payment, loan, or other gratuity.

**ARTICLE 35. REVIEW AND ACCEPTANCE**

All Work performed by CONSULTANT shall be subject to periodic review and approval by SBCTA at any and all places where such performance may be carried on. Failure of SBCTA to make such review or to discover defective work shall not prejudice the rights of SBCTA at the time of final acceptance. All Work performed by CONSULTANT shall be subject to periodic and final review and acceptance by SBCTA upon completion of all Work.

**ARTICLE 36. CONFIDENTIALITY**

See Article 17.

**ARTICLE 37. EVALUATION OF CONSULTANT**

CONSULTANT's performance may be evaluated by SBCTA periodically throughout the Contract performance period, such as at the completion of certain milestones as identified in Scope of Work and/or at the completion of the Contract. A copy of the evaluation will be given to CONSULTANT for their information. The evaluation information shall be retained as part of the Contract file and may be used to evaluate CONSULTANT if they submit a proposal on a future RFP issued by SBCTA.

**ARTICLE 38. SAFETY**

CONSULTANT shall strictly comply with OSHA regulations and local, municipal, state, and federal safety and health laws, orders and regulations applicable to CONSULTANT's operations in the performance of Work under this Contract. CONSULTANT shall comply with all safety instructions issued by SBCTA or their representatives.

**ARTICLE 39. DRUG FREE WORKPLACE**

CONSULTANT agrees to comply with the Drug Free Workplace Act of 1990 per Government Code section 8350 et seq.

**ARTICLE 40. ASSIGNMENT**

CONSULTANT shall not assign this Contract in whole or in part, voluntarily, by operation of law, or otherwise, without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Contract. Subject to the foregoing, the provisions of this Contract shall extend to the benefit of and be binding upon the successors and assigns of the Parties.

**ARTICLE 41. AMENDMENTS**

The Contract may only be changed by a written amendment duly executed by the Parties. Work authorized under an amendment shall not commence until the amendment has been duly executed.

## **ARTICLE 42. PREVAILING WAGES**

42.1 The State of California's General Prevailing Wage Rates are not applicable to this Contract.

## **ARTICLE 43. CONTINGENT FEE**

CONSULTANT warrants by execution of this Contract that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business. For breach or violation of this warranty, SBCTA has the right to terminate this Contract without liability, pay only for the value of the Work actually performed, or, in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

## **ARTICLE 44. FORCE MAJEURE**

CONSULTANT shall not be in default under this Contract in the event that the Work performed by CONSULTANT is temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, acts of terrorism, civil disturbances, insurrection, explosion, pandemics, quarantines, acts of God, acts of government or governmental restraint, and natural disasters such as floods, earthquakes, landslides, and fires, or other catastrophic events which are beyond the reasonable control of CONSULTANT and which CONSULTANT could not reasonably be expected to have prevented or controlled. "Other catastrophic events" does not include the financial inability of CONSULTANT to perform or failure of CONSULTANT to obtain either any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of CONSULTANT.

## **ARTICLE 45. WARRANTY**

CONSULTANT warrants that all Work performed shall be in accordance with the Contract and all applicable professional standards. In the event of a breach of this provision, CONSULTANT shall take the necessary actions to correct the breach at CONSULTANT's sole expense. If CONSULTANT does not take the necessary action to correct the breach, SBCTA, without waiving any other rights or remedies it may have, may take the necessary steps to correct the breach, and the CONSULTANT shall promptly reimburse SBCTA for all expenses and costs incurred.

## **ARTICLE 46. ENTIRE DOCUMENT**

- 46.1 This Contract constitutes the sole and only agreement governing the Work and supersedes any prior understandings, written or oral, between the Parties respecting the Project. All previous proposals, offers, and other communications, written or oral, relative to this Contract, are superseded except to the extent that they have been expressly incorporated into this Contract.
- 46.2 No agent, official, employee or representative of SBCTA has any authority to bind SBCTA to any affirmation, representation or warranty outside of, or in conflict with, the stated terms of this Contract, and CONSULTANT hereby stipulates that it has not relied, and will not rely, on same.
- 46.3 Both Parties have been represented or had the full opportunity to be represented by legal counsel of their own choosing in the negotiation and preparation of this Contract. Therefore,

the language in all parts of this Contract will be construed, in all cases, according to its fair meaning, and not for or against either Party.

**ARTICLE 47. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT**

CONSULTANT shall comply with all applicable provisions of the Americans with Disabilities Act in performing Work under this Contract.

**ARTICLE 48. EFFECTIVE DATE**

The date that this Contract is executed by SBCTA shall be the Effective Date of the Contract.

-----SIGNATURES ARE ON THE FOLLOWING PAGE-----

DRAFT

Attachment: 24-1003069 (10432 : Award Contract No. 24-1003069 for SR-247/62 Emergency Bypass)

IN WITNESS WHEREOF, the Parties hereto have executed this Contract below.

**WSP USA, INC.**

**SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Ali Mir  
Business Line Leader

By: \_\_\_\_\_  
Dawn M. Rowe  
President, Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM**

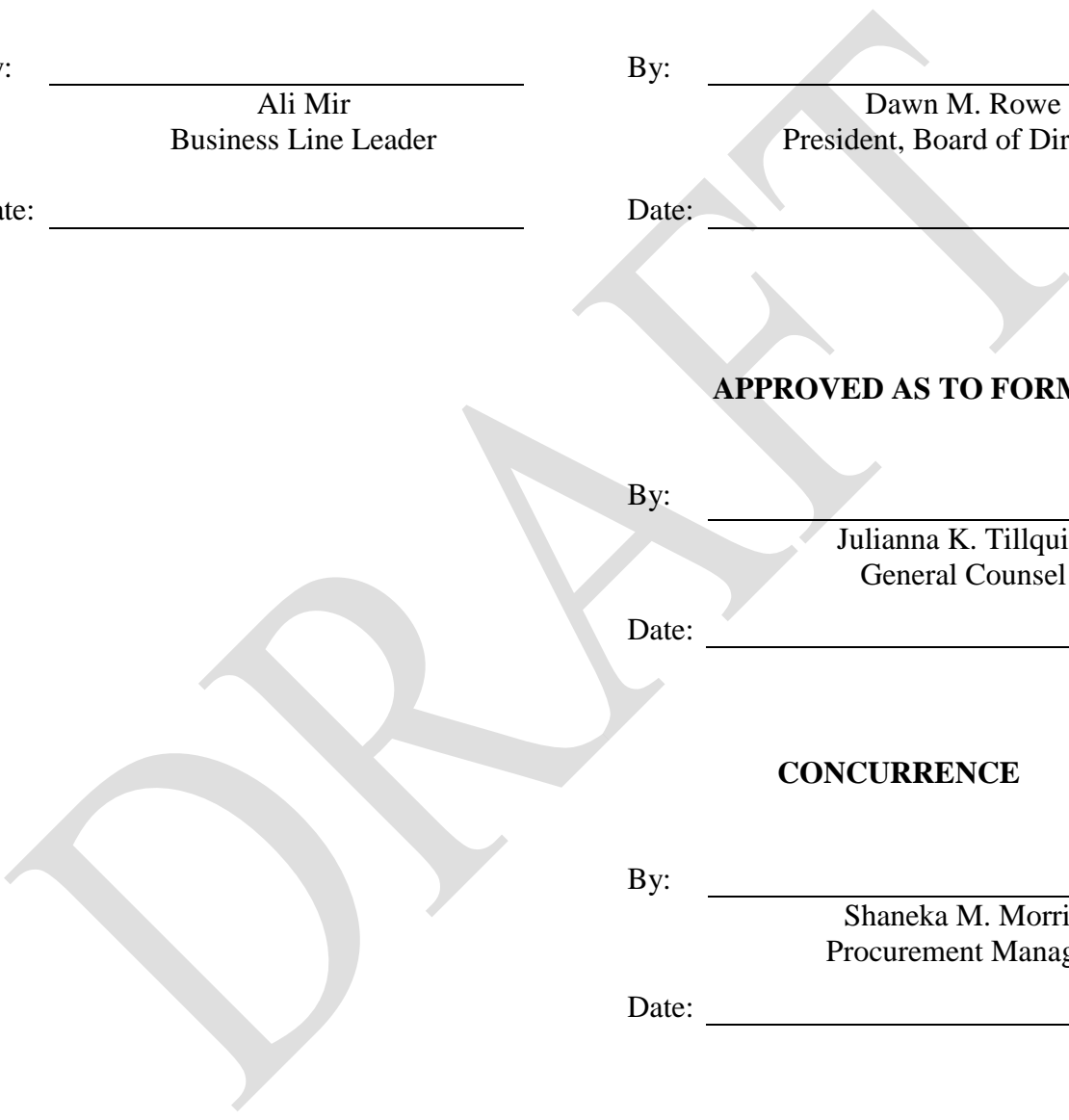
By: \_\_\_\_\_  
Julianna K. Tillquist  
General Counsel

Date: \_\_\_\_\_

**CONCURRENCE**

By: \_\_\_\_\_  
Shaneka M. Morris  
Procurement Manager

Date: \_\_\_\_\_



Attachment: 24-1003069 (10432 : Award Contract No. 24-1003069 for SR-247/62 Emergency Bypass)

## EXHIBIT A

### Scope of Work for the SR-247/62 Emergency Bypass Study San Bernardino County Transportation Authority

#### Study Background and Objectives

On September 8, 2022, the Governor signed Assembly Bill (AB) 179, which amended the Budget Act of 2022 to reflect changes necessary to implement the budget agreement for the State of California. AB 179 also appropriated funding for the Priority Legislative Budget Projects (PLBP) Program, otherwise known as state earmarks. The PLBP Program includes earmarks for a variety of projects including transportation-related projects. In April 2022, the San Bernardino County Transportation Authority (SBCTA) submitted a request for an earmark in the amount of \$1,000,000 to conduct the State Route (SR) 247/62 Emergency Bypass Lane Study (Project). On December 12, 2022, SBCTA was notified that the request was approved and included in AB 179. The California Department of Transportation (Caltrans) is the authorizing agency for the proper distribution of the funding provided by this legislation.

The Project will be conducted in the context of emergency bypass needs throughout the Victor Valley and Morongo Basin and take into account existing traffic management plans that have been developed by law enforcement, transportation, and emergency service agencies to deal with I-15 closures and major incidents. Additionally, the Project will be conducted in a way that identifies specific potential improvements on SR-247 and SR-62 between Barstow, the Town of Yucca Valley, and Interstate 10 near Palm Springs. Any improvements identified may be recommended for next steps in project programming and funding documents that can be used as the basis for funding requests, including state and federal capital grants.

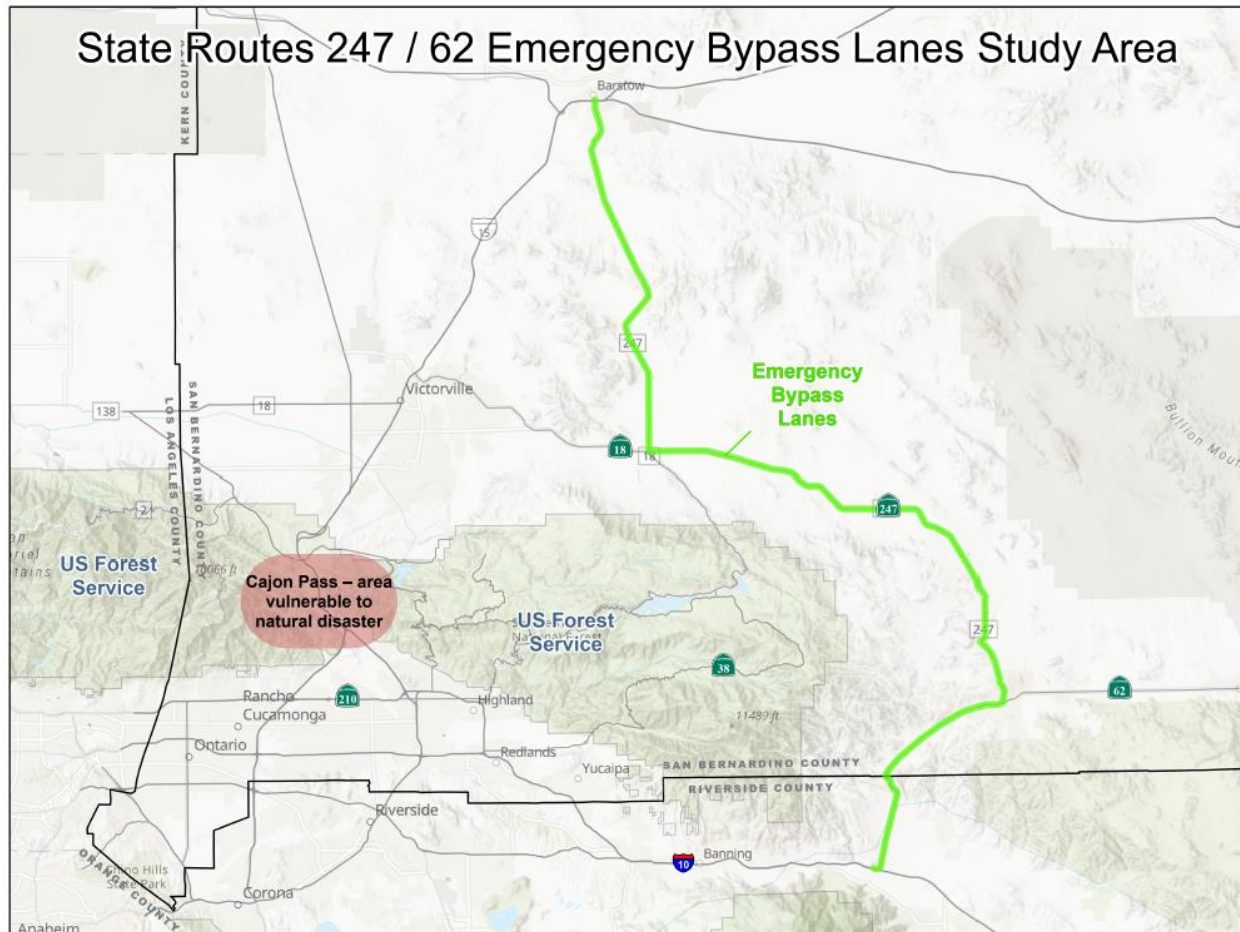
Two components of the Emergency Bypass Study are included in the Scope of Work. Part 1 is the preparation of an area-wide Emergency Bypass Strategy that can build on any existing response plans previously developed by the California Highway Patrol (CHP), Caltrans, and other emergency service agencies as a basis for managing traffic for periods when Interstate 15 through the Cajon Pass is closed. The strategy should also incorporate plans for when the I-15 carrying-capacity is significantly limited for a period of time long enough to warrant diversion of traffic to other routes.

Part 2 involves the preparation of a Feasibility Study for potential geometric and operational improvements on the portions of SR-247 from Barstow to Yucca Valley, on SR-62 from Yucca Valley to Interstate 10 in Palm Springs, in the Cajon Pass, and on other state and local roadways that feed the Cajon Pass from either direction. This will become the basis for recommending next steps in the project development process that will allow for strategic improvements to SR-247 and SR-62 and other routes that will better prepare agencies for dealing with traffic during emergencies. For example, specific locations for geometric/operational improvement, or installation of dynamic message signs and other warning/information systems may be identified by the project steering committee that are suitable for inclusion in state and local project development and funding plans.

One of the likely outgrowths of the SR-247/62 Emergency Bypass Study is a recommendation to prepare Caltrans Project Initiation Documents (PIDs) for specific sections of that route or for strategic locations elsewhere in the Victor Valley or Cajon Pass. The PIDs will be the next step in the project

programming/funding process. Projects under \$1 million in estimated cost may qualify to go through the encroachment permit process. Chapter 9 of the Caltrans Project Development Procedures Manual (PDPM) explains how the PID development process works. See: [PID Program Guidance and Policy | Caltrans](#) for an overview.

**Figure 1. Overview of SR-247/62 Study Area**



It is not the intent of this study to identify projects for general widening of these routes. However, the Emergency Bypass Strategy needs to be developed enough to support the recommendations for roadway geometric and operational improvements to better serve emergency service needs.

The primary deliverables from this study will include:

- Part 1: I-15 Emergency Bypass Strategy, developed in collaboration across state and local emergency service agencies. Recommendations may include geometric/operational improvements on strategic roadways in the Victor Valley and improvements to the ways in which emergency response information is delivered to travelers approaching the Cajon Pass in either direction.
- Part 2: SR-247/62 Emergency Bypass Feasibility Study. The project purpose will be focused on operational improvements and targeted improvements at key bottlenecks so as to accommodate the additional traffic flows experienced during extended shutdowns of I-15 in the Cajon Pass. The SBCTA Board, Caltrans, and local jurisdictions would be involved in setting funding priorities.

A portion of the earmark is being reserved for staff management of the project and for coordination with Caltrans and/or other emergency service agencies. It is anticipated that approximately one third of consultant project resources would be devoted to development of the Emergency Bypass Strategy in Part 1 and 2/3 devoted to the Feasibility Study in Part 2, but the Emergency Bypass Strategy will be critical for defining the overall role of SR-247/62 and the role of other roadways at the north and south ends of the Cajon Pass. The strategy at the south end of the pass is expected to be simpler than at the north end, by virtue of the ramps available between the I-15 and I-215 freeways that converge at the south end. The north end is much more complex and constrained, but the south end is no less important.

### **Scope of Work**

#### **Part 1 – Emergency Bypass Strategy for I-15/Cajon Pass Closures**

##### **Task 1.1 – Obtain and Analyze Existing Response Plans, As Available**

Some very basic information is available on current response plans in the event of an I-15 Cajon Pass closure or serious incident. Additional coordination will be required to confirm current plans and obtain input from CHP, Caltrans, and emergency response agencies regarding lessons learned from prior responses and how the plans might be improved. SBCTA will take the lead in organizing these entities into a Cajon Pass Working Group that can be used by the consulting team to both obtain information and identify ways in which the response plans could be made more effective. The consultant will be responsible for preparing agendas, developing materials, managing meetings, and documenting progress in development of an overall strategy. Major closure events in the Cajon Pass will need to be documented over at least the last 10 years. Initial meetings of the Working Group should focus on describing current response plans and identifying the key routes that should be included for consideration in the development of the Emergency Bypass Strategy and the Feasibility Study.

##### **Task 1.2. Obtain and review existing reports, data, studies, mapping or other information**

Assemble the studies, data, and mapping necessary for analysis of the segments identified in Task 1.1 to assist in determining what improvements may be appropriate and feasible at each location. The consultant should access archived “big data” to analyze traffic flows for at least three major Cajon Pass incidents in which significant amounts traffic were diverted. SBCTA has maintained the ClearGuide system of archived data for San Bernardino County roadways the last 8 years, and access can be provided to the consultant. Other archived data platforms may also be used along with after-action reports, incident debriefs, etc. to reconstruct what occurred at some of the major incidents involving the Cajon Pass. A technical memorandum shall be prepared documenting the key location and extent of bottlenecks along alternate routes, how the routes were utilized by the traveling public, and problems that may have occurred with heavy duty truck traffic (bridge weight limits, height of overhead structures, turn radii at key intersections, routing of hazardous materials, etc.). The findings shall be documented in a technical memorandum.

Task 1.3 – Collaborate with the Cajon Pass Working Group to identify targeted operational, geometric, and traveler information improvements.



The consultant will translate the discussions on emergency response strategy into specific strategic improvements that could be further developed to make the emergency bypass operations more effective and efficient. It is anticipated that specific bottleneck locations that have been experienced on alternate routes in prior I-15 closures will be given special attention. These bottlenecks need to be documented, and specific improvement and/or operational procedures conceived that can increase throughput. This needs to be thought of as a system, not just as isolated bottlenecks, the relief of which could just move the bottleneck further downstream. In addition, the strategy will likely need to be tied to the northern and southern limits of the I-15 closure. For example, a closure north of SR-138 may allow for a different emergency bypass plan than if the closure is south of SR-138. The findings shall be documented in a technical memorandum.

#### Task 1.4 – Prepare Draft and Final Emergency Bypass Strategy

The Consultant will develop a draft Emergency Bypass Strategy that puts all of the pieces of the strategy together in a manner that is useful and practical for use by those responsible for its implementation: CHP, Caltrans, and local/state emergency response agencies. Those responsible for its implementation must have confidence in its usefulness and practicality in emergency situations. They will also be in the best position to critique the draft. Additionally, the response strategy will serve as a guide for the type of improvements that should be considered specifically for the SR-247/SR-62 corridor. Following a comment period, the Consultant will prepare the Final Emergency Bypass Strategy. The means for making the strategy available and for keeping it updated will need to be incorporated into the document.

### Part 2 – Feasibility Study for SR-247/62 and Other Routes

Part 2 of the Scope of Work will be developed in the context of the role of this corridor in the overall Emergency Bypass Strategy. While SR-247/62 is a primary focus route for the Feasibility Study, the project purpose will be focused on operational improvements and targeted improvements at key bottlenecks within the overall corridor so as to accommodate the additional traffic flows experienced during extended shutdowns of I-15 in the Cajon Pass. The emergency driver information needs identified in Part 1 of the study may also suggest specific locations or systems that can get information out to those who need it at the point where it is most useful to make route decisions. Routing apps on mobile phones have become an important part of dynamic route planning and adjustment, and all of this needs to be taken into account when designing an information system that helps limit the impact of a major shut-down of I-15. In that light, the tasks below identify the general process for carrying out the study.

#### Task 2.1. Identify the roadway segments and geographic areas for which to develop improvements

This task will be an outgrowth of the Emergency Bypass Strategy developed in Part 1. But it will require the specification of the limits of each segment to be evaluated. Just the SR-247/62 alternate route from Barstow to Palm Springs is almost 100 miles. A methodology needs to be devised to identify key bottlenecks and segments along this and other routes, the improvement of which could become part of a more effective emergency response routing system. The result of this task would be mapping of these segments or locations, definition of approximate project limits, and why each segment needs to receive further analysis and development. Some segments will be longer than others, and some may simply be key intersections. It is expected that most of these will be state highways, but there could also be segments that are the responsibility of the County or cities. A technical

memorandum shall be prepared to document these locations, the objective of any proposed improvements, and the potential benefit that could be derived. Groupings of improvements should be used to distinguish those that should receive the most attention or priority and those that are not as critical, such as high/medium/low priority groupings. This will be the basis for prioritizing work for the remainder of the tasks.

Task 2.2. Develop conceptual designs for improvement to routes and segments that could make them more useful as emergency bypass routes

Based on the work conducted in prior tasks, prepare conceptual designs for improvements along SR-247/62 as well as the other identified routes. The design concepts should be prepared with the expectation that they will be the starting point for improvements to be programmed under the Caltrans encroachment permit process or the Project Initiation Document (PID) process. Caltrans will be involved in the review. The submittals may be staged in packages by area or route, to facilitate the review process, but they will ultimately all be documented in the Feasibility Study at the end of the project.

Task 2.3. Develop cost, schedule, and improvement “bundles.”

As indicated above, the expectation is that the geometric, operational, and traveler information improvements will be positioned for funding through either the encroachment permit or PID process for state highways, or through the capital improvement budgeting process if locally controlled. Cost estimates shall be developed, and the optimum paths for funding and implementation shall be identified in collaboration with Caltrans and local agencies. Because the improvements are likely to be spread across different areas and routes (SR-247/62 and others) the improvements will likely need to be grouped into PID “bundles,” to be pursued and environmentally cleared as prioritized through funding availability. This will be a collaborative effort between Caltrans, CHP, SBCTA, and the local jurisdictions SBCTA serves.

Task 2.4. Prepare Draft and Final Feasibility Study

A draft Emergency Bypass Study shall be prepared incorporating all the information developed to date. The conceptual designs and cost estimates would be most appropriate as an appendix. The next steps for implementation shall be clearly identified, including projects that could potentially be programmed through the Caltrans SHOPP funding (State Highway Operation and Protection Program), Minor Projects Program, or a Caltrans or locally sponsored PID process. The draft report shall be reviewed and revised based on SBCTA and Caltrans comments and a final study report prepared.

### **Project Schedule**

It is expected that the study schedule will be in the range of 18 months.



**EXHIBIT B Price Proposal for  
Time and Materials**

**RFP No. 24-1003069**

**Year 1 – 2024/2025**

**Key Personnel**

Name	Classification/Title	Job Function		Hourly Rate	
De La Garza, Joe	Senior VP, Transportation Engineering	Project Manager	426	\$	265.74
Arizabal, Mike	VP, Transportation Planning	Deputy Project Manager/Corridor Planning Lead	386	\$	219.81
Grose, Tim	Economics and Transportation Planner	Resiliency Lead	50	\$	238.12
Lingham, Virginia	Senior VP, Transportation Operations	Innovative Technology and ITS Lead	30	\$	283.43
Beck, Scott	Senior Transportation Systems Management Operations	Strategic Improvements Lead	70	\$	251.88
Total Key Personnel			962	\$	236,092
Non-Key Personnel			3,116	\$	523,807
Total Personnel			4,078	\$	759,899

**Other Direct Cost Schedule (ODC)**

*All ODC's are to be proposed at cost-without mark-ups.*

Type of ODC	Unit Cost		Estimated Budget Amount	
Travel and Mileage	\$	500	\$	2,000
Printing and Supplies	\$	1	\$	1,000
Data Collection	\$	0	\$	0
Total ODC			\$	3,000

WSP USA Inc.

Proposer

Signature of Authorized Person

03/01/2024

Date

Attachment: 24-1003069 Exhibit B (10432 : Award Contract No. 24-1003069 for SR-247/62 Emergency Bypass)

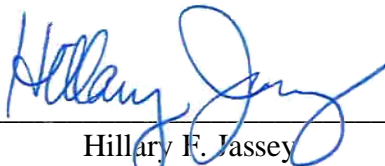
WSP USA INC.

SECRETARY’S CERTIFICATE

I, Hillary F. Jassey, Secretary of WSP USA Inc. (the “Corporation”), do hereby certify on behalf of the Corporation and not in my individual capacity that on August 4, 2020 the Board of Directors of the Corporation adopted the following resolution:

“RESOLVED, that parties authorized by the Delegation of Authority may sign RFPs, RFQs and any resulting project contracts or amendments in accordance with the Delegation of Authority.”

I further certify that the resolution has not been revoked and that, as the District Business Line Leader, Southern California Transportation, Ali Mir is authorized by the Delegation of Authority to sign Request for Proposals (RFP) No: 24-10003069 for SR-247/62 Emergency Bypass Study, and any resulting agreements or contracts between the San Bernardino County Transportation Authority and the Corporation.

  
Hillary F. Jassey  
Secretary

January 17, 2024  
Date

Attachment: WSP USA, INC. Signature Authority (10432 : Award Contract No. 24-1003069 for SR-247/62 Emergency Bypass)

**WSP USA INC.****OFFICERS AND DIRECTORS**

<u>Title</u>	<u>Name</u>	<u>Business Address*</u>	<u>Business Address Reference Number</u>	<u>Director</u>
President & CEO	David J. Odeh	North Providence, RI	( 1 )	X
Executive Vice President	Lewis P. Cornell	Irvine, CA	( 2 )	
Senior Vice President & Treasurer	Andrew C. Esposito	Irvine, CA	( 2 )	
Senior Vice President	Sofia M. Berger	New York, NY	( 3 )	
Senior Vice President	Michael J. Case	Sunrise, FL	( 4 )	
Senior Vice President	Gerald S. Jannetti	Tampa, FL	( 5 )	
Senior Vice President	Rebecca M. Nolan	St. Louis, MO	( 6 )	
Senior Vice President	Garry E. Nunes	New York, NY	( 3 )	
Senior Vice President	Christopher L. Peters	Irvine, CA	( 2 )	
Senior Vice President	Joseph J. Sczurko	Houston, TX	( 7 )	
Senior Vice President	Stuart R. Sunshine	San Francisco, CA	( 8 )	
Senior Vice President	Arpit Talati	Dallas, TX	( 9 )	
Senior Vice President	David B. Terry	Upper Saddle River, N.	(10)	
Senior Vice President	John Trotta	Chicago, IL	(11)	
Senior Vice President	Lytle C. Troutt	Nashville, TN	(12)	
Vice President	David Albers	Buffalo, NY	(13)	
Vice President	Andrew J. Lynn	New York, NY	( 3 )	
Vice President	Kevin B. Reed	San Diego, CA	(14)	
Assistant Vice President	Sandy Bishay	New York, NY	( 3 )	
Assistant Vice President	Jacob M. Borchers	Wichita, KS	(15)	
Assistant Vice President	David A. Church	Kansas City, MO	(16)	
Assistant Vice President	Scott M. Cogan	Kansas City, MO	(16)	
Assistant Vice President	Amir J. Degany	Boston, MA	(17)	
Assistant Vice President	Leslie Gartner	Atlanta, GA	(18)	
Assistant Vice President	Rory Gayle	Kansas City, MO	(16)	
Assistant Vice President	Jared R. Machala	Houston, TX	(19)	
Assistant Vice President	David Patterson	Baltimore, MD	(20)	
Assistant Vice President	Robert Rohlfs	Kansas City, MO	(16)	
Assistant Vice President	Mary H. Volpe	New York, NY	( 3 )	
Assistant Vice President	Fadi S. Walieddine	San Francisco, CA	( 8 )	
Secretary	Hillary F. Jassey	New York, NY	( 3 )	
Assistant Secretary	W. Stephen Dale	Shelton, CT	(21)	
Assistant Secretary	Laura S. Unger	Ephrata, PA	(22)	
Controller	Nicholas P. Mitrakis	New York, NY	( 3 )	
Assistant Controller	Christopher J. D'Aquino	Ephrata, PA	(22)	
Board Director	Dennis J. Baker	Boston, MA	(17)	X
Board Director	Gregory P. Benz	Eliot, ME	(23)	X

Attachment: WSP USA, INC. Signature Authority (10432 : Award Contract No. 24-1003069 for SR-247/62 Emergency Bypass)

**WSP USA INC.****OFFICERS AND DIRECTORS**

<u>Title</u>	<u>Name</u>	<u>Business Address*</u>	<u>Business Address Reference Number</u>	<u>Director</u>
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Business Addresses

- ( 1 ) 1223 Mineral Spring Avenue, North Providence, RI 02904
- ( 2 ) 15231 Laguna Canyon Road, Suite 100, Irvine, CA 92618
- ( 3 ) One Penn Plaza, New York, NY 10119
- ( 4 ) 1000 Sawgrass Corp Parkway, Suite 578, Sunrise, FL 33323
- ( 5 ) 5411 Skycenter Drive, Suite 650, Tampa, FL 33607
- ( 6 ) 211 North Broadway, Suite 2899, St. Louis, MO 63102
- ( 7 ) 16200 Park Row, Suite 200, Houston, TX 77084
- ( 8 ) 425 Market Street, 17th Floor, San Francisco, CA 94105
- ( 9 ) 3102 Oak Lawn Avenue, Suite 450, Dallas, TX 75219
- (10) 600 East Crescent Avenue, Suite 200, Upper Saddle River, NJ 07458
- (11) 30 N. Lasalle Street, Suite 4200, Chicago, IL 60602
- (12) 3800 Ezell Road, Suite 100, Nashville, TN 37211
- (13) 40 La Riviere Drive, Suite 320, Buffalo, NY 14202
- (14) Wells Fargo Bldg., 401 B Street, Suite 1650, San Diego, CA 92101
- (15) 225 North Market Street, Suite 350, Wichita, KS 67202
- (16) 300 Wyandotte Street, Suite 200, Kansas City, MO 64105
- (17) 100 Summer Street, 13th Floor, Boston, MA 02110
- (18) 3340 Peachtree Road NE, Suite 2400 Tower Place, Atlanta, GA 30326
- (19) 808 Travis Street, Suite 200, Houston, TX 77002
- (20) 1 East Pratt Street, 3rd Floor, Baltimore, MD 21202
- (21) 6 Research Drive, Suite 260, Shelton, CT 06484
- (22) 4139 Oregon Pike, Ephrata, PA 17522
- (23) 428 Dow Highway, Eliot, ME 03903

Attachment: WSP USA, INC. Signature Authority (10432 : Award Contract No. 24-1003069 for SR-247/62 Emergency Bypass)

## *Minute Action*

AGENDA ITEM: 12

***Date:*** April 10, 2024

***Subject:***

San Bernardino Council of Governments Inland Regional Energy Network 2023/2024 Annual Activity Update

***Recommendation:***

Receive an update on the San Bernardino Council of Governments Inland Regional Energy Network activities from January 2023 through March 2024.

***Background:***

On January 9, 2019, the San Bernardino Council of Governments (SBCOG) Board of Directors (Board) authorized staff to pursue the development of a Regional Energy Network to provide energy efficiency programs in the Inland Empire related to Codes & Standards (C&S), Public Sector, and Workforce Education & Training (WE&T) as outlined in the Inland Regional Energy Network (I-REN) business plan. SBCOG staff worked in coordination with the Coachella Valley Association of Governments (CVAG) and Western Riverside Council of Governments (WRCOG) to submit the I-REN application and business plan to the California Public Utilities Commission (CPUC). In October 2021, the CPUC issued a proposed decision to approve the business plan for I-REN. This proposed decision would provide \$65 million combined over five years through 2027. In November 2021, the CPUC approved the I-REN application and business plan with WRCOG as the lead agency for this program. I-REN initiatives are guided by the I-REN Executive Committee, which is comprised of a board of elected officials from Riverside and San Bernardino counties.

The purpose of this report is to provide an update regarding the activities for the I-REN sectors from January 2023 through March 2024 in the SBCOG region for the following three I-REN sectors: C&S, Public Sector, and WE&T.

**I-REN Codes & Standards Sector update:**

The I-REN C&S Sector has the goal of providing no-cost educational resources to navigate Title 24 Part 6 of the Energy Code.

The I-REN C&S Sector has focused the strategy on three areas:

1. Supporting local jurisdiction building departments.
2. Engaging and supporting local builders and the building industry with the energy building codes.
3. Provide regional tools, training, and resources to promote energy codes.

During this period of time, the I-REN C&S team focused efforts on marketing the I-REN brand to the target C&S audience, developing relationships, and engagement with the base audience for the C&S offerings.

*Entity: San Bernardino Council of Governments*

**Highlights of the I-REN C&S activities included:**

- 13 C&S training courses were provided.
- 12 of the 13 courses offered the International Code Council Continuing Education Units and a total of 23 certificates were distributed to the SBCOG region participants.
- 35 SBCOG regional participants joined in the I-REN C&S training.
- I-REN C&S training earned a 99% satisfaction rate from the participants.
- 54% of participants strongly agreed that the training fulfilled 10 different measured metrics of satisfaction, such as training content being applicable to their jobs, easy to follow and understand, and increasing their energy code knowledge. An additional 45% agreed across all 10 training questions.
- Heat Pump Water Heaters for Building Departments was the highest rated training, with 95% of respondents strongly agreeing that it met all 10 evaluated satisfaction metrics.
- Launch of the “Ask an Energy Code Question” service, which allows building industry experts to request expert support on a specific code question.

**I-REN Public Sector update:**

The I-REN Public Sector Program offers no-cost energy support to public sector agencies who are served by either Southern California Edison or Southern California Gas in Riverside and San Bernardino counties. Recognizing that each public agency faces unique barriers to implementing energy projects, I-REN provides customized support to eligible agencies including:

- Providing local governments with support and resources to develop and implement their strategic energy plans and energy efficiency projects.
- Establishing one-on-one support for local governments’ energy efficiency projects.
- Developing or enhancing strategic energy plans to connect local government goals related to climate, resilience, and economic development to energy efficiency programs and adoption.

The I-REN Public Sector Team focused on creating tools and templates for effective service delivery, which included integrating member agency feedback collected from the I-REN orientation meetings and onboarding the agencies looking for immediate support. As announced during the May 3, 2023 Board meeting, the I-REN team provided nine in-person orientations throughout the San Bernardino County region.

In-person orientations have been conducted in the following areas of San Bernardino County: Town of Apple Valley, City of Barstow, City of Chino Hills, City of Grand Terrace, City of Ontario, City of Twentynine Palms, the City of Yucaipa, City of Rialto, and the SBCOG Depot.

**Highlights of the I-REN Public Sector activities included:**

- Nine I-REN orientations were conducted throughout the San Bernardino region.
- 17 onboarding meetings took place with SBCOG member agencies.
- 25 SBCOG agencies joined the I-REN orientations with 56 participants.
- Two site visits were conducted for the SBCOG region.
- Two energy audits were conducted for the SBCOG region.
- One Energy Resilience Roadmap was drafted in the SBCOG region.
- Five Energy Resilience Roadmaps are in the queue for the SBCOG region.



### **Incentive Programs related to the I-REN Public Sector:**

One of the objectives of the I-REN public sector program is to help local governments afford and finance a range of energy efficiency upgrades. The I-REN budget includes \$10 million that can be used for this purpose. The I-REN site visits and project development work represent a gateway to gain access to this funding. The Public Sector program will implement this by providing incentives for savings based on Normalized Metered Energy Consumption (NMEC) achieved over three to five years. I-REN will offer a resource program with incentives for measures including but not limited to: Heating, Ventilation, and Air Conditioning (HVAC) tune ups and retrofits; exterior and interior lighting and smart controls; and operations and maintenance. The program is open to all public sector facilities including those operated by local county, city and town governments, special districts, and tribes.

Program outreach will focus initially on public gathering spaces such as community and neighborhood centers, health and recreation centers, senior centers, teen centers, and libraries. Implementing energy efficiency projects at these locations will serve multiple goals, including but not limited to:

- Upgrades and retrofits to HVAC and lighting equipment both interior and exterior to improve comfort and safety at facilities that benefit vulnerable populations such as children, seniors, and low income, disadvantaged, and underserved communities.
- Higher efficiency equipment, appliances and controls such as cooling-dominated HVAC loads as well as improvements to operations and maintenance will lower energy bills for local governments, reducing overhead and freeing up funds for other projects.
- Completion of projects at these high-visibility locations will support achieving local and statewide energy efficiency and greenhouse gas reduction goals while also positioning local governments as energy efficiency leaders within their communities.

The program will use an NMEC approach to calculate savings and demonstrate persistence of savings. By using NMEC to calculate savings, the program will help protect against unrealized savings. Combined with technical assistance and reinforcement of operations and management best practices, public sector customers will experience maximized savings. In addition to the NMEC incentives, the existence of I-REN has opened up doors to other grant and incentive programs. Examples are provided below.

### **Grant and Incentive Funding Opportunities that Have Opened Up through I-REN**

The existence of I-REN has opened up opportunities to leverage the framework and communication channels for additional grant and incentive funding. The listing below represents several current opportunities that have arisen through the existence of I-REN, either directly or indirectly. Examples include:

- The Department of Energy deployed \$550 million in January 2023 Energy Efficiency and Conservation Block Grant funds designed to help states, local governments, and Tribes reduce energy use, reduce fossil fuel emissions, and improve Energy Efficiency. Of the \$550 million, a total of \$2.9 million was allocated to SBCOG member agencies in a formula allocation. Several eligible uses for these grant funds include but are not limited to: energy efficiency retrofits, renewable energy technologies on government buildings, traffic signals and street lighting. The I-REN Public Sector team has provided technical assistance to the SBCOG member agencies for this grant.

- The Environmental Protection Agency's (EPA's) Climate Pollution Reduction Grant (CPRG). Per Board direction, SBCTA/SBCOG took on the lead role for the effort to develop a Priority Climate Action Plan for the Inland Empire. A grant application was submitted to the EPA on March 29, 2024 with a request of just under \$200 million. More than half of the requested funding will be directed toward supporting implementation of energy efficiency improvements for public sector buildings, with a primary financial vehicle being a zero-interest revolving loan fund, similar to what has been implemented by WRCOG for its streetlight program. Electric vehicle charging stations are another component of the CPRG grant, with CVAG focusing primarily on residential energy efficiency in the Coachella Valley.
- The California Energy Commission is soliciting proposals for the Equitable Building Decarbonization Direct Install program from regional administrators. The regional administrator for the Southern California region is SoCal REN, which has been in operation well prior to I-REN. This is a residentially-focused grant opportunity that will benefit disadvantaged communities. It is not a loan program like the Home Energy Renovation Opportunity. Rather, it is a grant program that will provide incentive funding for qualifying homeowners, supported by a network of energy improvement analysts and contractors that are directed by SoCal REN. The role of I-REN and its partner agencies would be focused primarily on outreach to qualified homeowners. SBCTA/SBCOG is currently evaluating the limits of our role, as discussed at the April 3, 2024 Board meeting.
- Other state and federal grant funding opportunities have been identified through the communications network that I-REN has now become a part of. Each opportunity will require careful deliberation driven by Board policy direction. Different opportunities include the US Department of Transportation Charging and Fueling Infrastructure program and the state Solar on Multi-family Affordable Housing program.

### **I-REN Workforce Education & Training Sector update:**

The I-REN WE&T sector seeks to promote job market recovery and progress toward statewide goals regarding energy efficiency, with a focus on reaching out to the underserved and disadvantaged communities. The I-REN WE&T initiatives provide important opportunities to build partnerships within the community to help advance and promote energy efficiency jobs for a trained energy workforce in both Riverside and San Bernardino counties. Below are some of the I-REN WE&T program activities that took place between January 2023 and March 2024:

### **Highlights of the 2023/2024 I-REN WE&T Sector activities include:**

- Deployed five I-REN Energy Fellows in the SBCOG member agency region.
- Attended 16 job fairs from September 2023 through March 2024.
- Collected more than 150 interested job seeker slips in 2023/2024.
- Engaged with more than 20 community partners.
- **September 2023 Foresight Retreat with Youth Action Project:** The purpose of this event was to address workforce equity issues in the Inland Empire region. This event played a unique role in I-REN's opportunity to provide outreach and network with local businesses and community.

- **November 2023 SBCTA Small Business 2 Business Expo:** The Small Business 2 Business Expo is a new element of the annual SBCTA Business 2 Business Expo. The I-REN team participated in this event on November 7, 2023, which allowed the I-REN team to share more about the goals and opportunities the program provides, as well as engage and network with small businesses and other resources throughout the region.
- **December 2023 Inland Empire Desert Regional Consortium (IEDRC) presentation:** The I-REN staff led a breakout session presentation to discuss the current I-REN WE&T Program and the strategies to connect the educational providers and develop a market assessment to determine effective training methodologies for green job pathways. This event played a role in I-REN's opportunities to connect with local educational providers in grades K-12 and the community college leaders.
- **March 20, 2024 Energy & Infrastructure Workforce Showcase:** The I-REN staff in partnership with the IEDRC hosted an event with more than 130 attendees that was a comprehensive energy workforce day-long conference that brought together Inland Empire community colleges, local agency staff, and workforce organizations to focus on the issues, barriers, and resources to help connect, identify, and have conversations to further develop the local workforce training initiatives.

### Partnerships:

During the January 2023 through March 2024 timeframe, the I-REN team participated with the following organizations in a variety of events/activities:

**Science and Technology Education Partnership (STEP) Conference:** which was established to build the skills gap between local K-12 students and high technology industry needs. On March 7, 2024, I-REN received the exemplary STEP sponsorship award from the STEP organization.

**Local Government Sustainable Energy Coalition (LGSEC):** LGSEC is a statewide membership network representing local government interests related to energy efficiency, clean energy, and climate resilience to state regulatory agencies.

**Inland Empire Desert Regional Consortium:** The IEDRC is a collective of workforce education and training providers led by the community colleges in both Riverside and San Bernardino counties. In 2023, the I-REN team also engaged with more than 20 local community partners to discuss and collaborate with joint energy efficiency initiatives.

**San Bernardino County Superintendent of Schools Science Fair Partnership:** I-REN participated in judging the efforts and providing sponsorship to the I-REN Energy Science Fair awards at the San Bernardino, Inyo, and Mono Counties Science and Engineering Fair (SIMSEF). This is an annual competition of science projects from students who attend the schools in each county. In the elementary division there were four projects in the energy category, in the junior division there were four projects in the energy sustainable materials and design category, and in the senior division there were three projects in the energy sustainable materials and design category.

General Policy Committee Agenda Item

April 10, 2024

Page 6

On March 14, 2024, I-REN staff presented the I-REN Energy Science Fair community award. I-REN received an appreciation award in recognition of their support for the SIMSEF fair.

The following students received the I-REN Energy Science Fair Community Award and will be recognized at the April 16, 2024, I-REN Executive Committee meeting:

- Elementary Division: Layla Alauddin, for her project: Which Energy is most efficient for cars?
- Junior Division: Andre Mejia, for his project: Can Electronics Use Plants as a conduit?
- Senior Division: Michael Stodelle and Lucas Torres, for their project: Sand Battery

**I-REN Executive Committee/ Annual report update:**

I-REN Staff is planning to present the 2023 I-REN Annual Report during the April 16, 2024 I-REN Executive Committee meeting, which is scheduled to include an I-REN region-wide update of accomplishments that were achieved during this period of time.

***Financial Impact:***

This item has no financial impact on the adopted Budget for Fiscal Year 2023/2024.

***Reviewed By:***

This item is not scheduled for review by any other policy committee or technical advisory committee.

***Responsible Staff:***

Cheryl Chesnut, Energy Program Manager

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Approved  
General Policy Committee  
Date: April 10, 2024

Witnessed By:

**Inland Regional Energy Network (I-REN) Summary Matrix of Services 2023/ 2024**

**PUBLIC SECTOR OVERVIEW MATRIX**

Public Sector Project Phases	SBCOG Member Agencies In Phase	Total
Pre Project- Energy & Data Collection/Preliminary Roadmap	City of Adelanto, City of Chino Hills, City of Fontana, City of Grand Terrace, City of Highland, City of Ontario, City of Rancho Cucamonga, City of San Bernardino, City of Yucaipa, Town of Yucca Valley	10
Phase 1- Project Identification (Desk Review & Primary Savings Analysis)	City of Highland, Town of Apple Valley, City of Barstow	3
Phase 2- Audit- includes site visit & Initial measures List/ Funding & Financing Includes count of audits that occurred and audits scheduled	City of Redlands, City of Victorville, Town of Apple Valley, City of Barstow, SBCTA/SBCOG Depot (5 agencies, 10 facilities total - see below)	10
Phase 3- Procurement & Agency Approval		0
Phase 4- Project Implementation		0
Phase 5- Savings & Incentives Realized		0
<b>Total</b>		<b>23</b>

**Project Services - Phase 2**

Audits/Walkthroughs occurred- Agency Name	Count of Facilities
Barstow	3
Redlands	1
Victorville	1
SBCOG Depot	1
<b>Total</b>	<b>6</b>

Audits/Walkthrough scheduled- Agency Name	Count of Facilities
Town of Apple Valley	3
City of Redlands	1
<b>Total</b>	<b>4</b>

Other Public Sector Technical Assistance SBCOG	Count
EECBG Grant Technical Assistance Provided -Agency Name	
Adelanto, Fontana, City of San Bernardino, Redlands, Yucaipa, Chino Hills	5

**I-REN Workforce Education & Training (WE&T) Fellows**

Host Agencies	Total SBCOG Fellows Placed
2023 - Chino Hills, City of San Bernardino, Rancho Cucamonga, Grand Terrace, Ontario	5

Attachment: I-REN Activity Matrix 2023-2024- Informational Attachment (10411 : SBCOG Inland Regional Energy Network 2023/2024 Annual



## Energy Efficiency Project Support for Public Agencies

The Inland Regional Energy Network (I-REN) is committed to helping public agencies identify and complete energy efficiency upgrades. We'll support you through each phase of your project.

### 1. Project Identification

Your I-REN team will:

- Collect data from utilities, facilities or equipment
- Develop portfolio-level deliverables to help you prioritize potential projects that meet your goals, such as energy savings or community resilience

### 2. Energy Audit and Funding/ Financing Application

Your I-REN team will:

- Visit your project site to identify opportunities for energy efficiency
- Select viable energy efficiency measures and eligible funding and financing strategies
- Help complete funding and financing applications

### 3. Project Approval and Procurement

Your I-REN team will:

- Help identify and align procurement methods and timelines with applicable program requirements
- Provide technical specifications for procurement needs
- Help develop materials for council agenda package (and attend council meetings as needed)

### 4. Construction

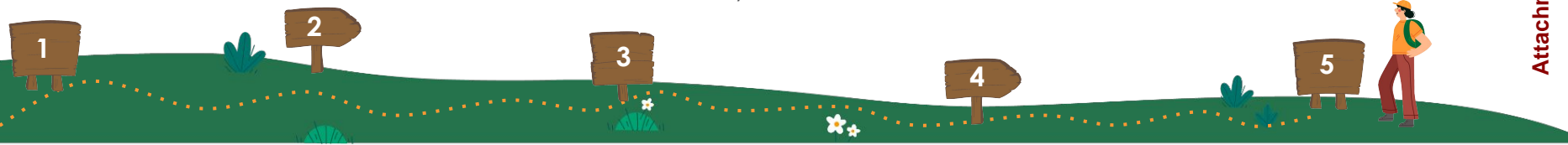
Your I-REN team will:

- Review construction schedule, pre-construction submittals, and scope changes to ensure continued incentive/financing eligibility
- Participate in construction kick-off or recurring meetings (as needed)

### 5. Project Closeout

Your I-REN team will:

- Help collect project closeout records
- Prepare and submit final paperwork for funding or financing application(s)
- Confirm you receive your funding or financing distribution
- Broadcast your success to the community (case study, check presentation video, social media, etc)



## *Minute Action*

AGENDA ITEM: 13

**Date:** *April 10, 2024*

**Subject:**

Status of the Outdoor Equity Grant Program

**Recommendation:**

Receive a report on the status of the Outdoor Equity Grant Program.

**Background:**

In 2021, the State of California, Department of Parks and Recreation provided \$56 million for its new Outdoor Equity Program (OEP) with the goal of increasing the ability of residents in low-income urban and rural communities to participate in outdoor experiences at state parks and other public lands. Lifting Our Stories, a community-based non-profit organization serving populations in San Bernardino County (County), approached San Bernardino Council of Governments (SBCOG) to partner on the grant and submit a grant application following a similar request to the County Department of Public Health, in which the County was not willing to participate. San Bernardino County Transportation Authority (SBCTA) / SBCOG received direction from the Board of Directors (Board) to proceed with the grant application with the understanding that the risk involved in a novel program for SBCOG needed to be seriously considered as the grant application proceeded. SBCTA/SBCOG submitted a successful grant application, and in May 2022, SBCTA received a grant award to implement this program for \$680,144 over three years. SBCTA/SBCOG was to provide an additional \$18,117 over those three years as well.

On January 3, 2024, the Board approved:

- Revenue Agreement No. 23-1002837 with the State of California, Department of Parks and Recreation for the OEP for a not-to-exceed amount of \$680,144.
- Agreement No. 23-1002836 with Inland Empire Community Foundation to receive a not-to-exceed amount of \$34,007.20 and Lifting Our Stories to receive a not-to-exceed amount of \$664,253.80 for the OEP project management and implementation, subject to receipt of certificate of insurance that meets all insurance requirements in the contract.

The purpose of the OEP was to take low-income and at-risk youth on various nature trips to create opportunities for outdoor experiential learning, awareness-building, and leadership development. The program was to focus on developing these youth as leaders who could then help lead outdoor programming for others.

In order to mitigate risks to SBCTA/SBCOG for the OEP while providing attainable insurance limits for Lifting Our Stories, SBCTA/SBCOG staff worked diligently with Lifting Our Stories to come to an agreement with the contract's terms. Unfortunately, SBCTA did not receive the required insurance from the vendor by the deadline of March 19, 2024 at 12:00 PM, and; therefore, are unable to move forward with the program. The required insurance identified in Article 22 of Contract No. 23-1002836, which was agreed to by all parties, was due 10 days following the request. The request was made February 12 and was due 10 days later, February 22. Two time extensions were granted, up to March 19, as requested by the vendor. However, due to the state deadline of March 22 for executing the contract, and the fact that

*Entity: San Bernardino Council of Governments*

SBCTA/SBCOG had not received the required insurance to satisfy the vendor contract terms, the deadline could not be extended further.

The contract was awarded on January 3, 2024, and since that time, the vendor has had two and a half months to provide the required agreed-upon insurance. As the insurance is required for execution of the vendor contract prior to execution of the Memorandum of Understanding with the state, SBCTA/SBCOG could not provide any additional extensions and still meet the state’s firm deadline. It is unfortunate that after two years of work, SBCTA/SBCOG could not move this program forward, and since the timeline set by the state has expired, SBCTA must regretfully turn down the grant. This experience has provided SBCTA/SBCOG with valuable insight when working with diverse grant programs and non-profit organizations that will inform future work.

**Financial Impact:**

This item has no financial impact on the adopted Budget for Fiscal Year 2023/2024. This change will be reflected in a decrease to the proposed Budget for Fiscal Year 2024/2025.

**Reviewed By:**

This item is not scheduled for review by any other policy committee or technical advisory committee.

**Responsible Staff:**

Monique Reza-Arellano, Chief of COG and Equity Programs

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Approved  
General Policy Committee  
Date: April 10, 2024  
Witnessed By:



# Additional Information

**GENERAL POLICY COMMITTEE ATTENDANCE RECORD – 2024**

<b>Name</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
<b>Dawn Rowe</b> Board of Supervisors												
<b>Curt Hagman</b> Board of Supervisors		X	X									
<b>Joe Baca, Jr.</b> Board of Supervisors			X									
<b>Paul Cook</b> Board of Supervisors		X	X									
<b>Art Bishop</b> Town of Apple Valley		X	X									
<b>Ray Marquez</b> City of Chino Hills		X	X									
<b>Frank Navarro</b> City of Colton		X	X									
<b>Acquanetta Warren</b> City of Fontana			X									
<b>Larry McCallon</b> City of Highland		X	X									
<b>Alan Wapner</b> City of Ontario												
<b>Debra Jones</b> City of Victorville			X									
<b>Rick Denison</b> Town of Yucca Valley		X	X									

Communication: Attendance (Additional Information)

X = Member attended meeting.  
Shaded box = No meeting.

\* = Alternate member attended meeting.

Empty box = Member did not attend meeting.

Crossed out box = Not a Board Member at the time.

This list provides information on acronyms commonly used by transportation planning professionals. This information is provided in an effort to assist Board Members and partners as they participate in deliberations at Board meetings. While a complete list of all acronyms which may arise at any given time is not possible, this list attempts to provide the most commonly-used terms. Staff makes every effort to minimize use of acronyms to ensure good communication and understanding of complex transportation processes.

AB	Assembly Bill
ACE	Alameda Corridor East
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
ADT	Average Daily Traffic
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ARRA	American Recovery and Reinvestment Act
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CTA	California Transit Association
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
DBE	Disadvantaged Business Enterprise
DEMO	Federal Demonstration Funds
DOT	Department of Transportation
EA	Environmental Assessment
E&D	Elderly and Disabled
E&H	Elderly and Handicapped
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (Federal)
EPA	Environmental Protection Agency
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICTC	Interstate Clean Transportation Corridor
IEEP	Inland Empire Economic Partnership
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency
JARC	Job Access Reverse Commute
LACMTA	Los Angeles County Metropolitan Transportation Authority
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds

**Acronym List**

MAGLEV	Magnetic Levitation
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
NAT	Needles Area Transit
NEPA	National Environmental Policy Act
OA	Obligation Authority
OCTA	Orange County Transportation Authority
PA&ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PNRS	Projects of National and Regional Significance
PPM	Planning, Programming and Monitoring Funds
PSE	Plans, Specifications and Estimates
PSR	Project Study Report
PTA	Public Transportation Account
PTC	Positive Train Control
PTMISEA	Public Transportation Modernization, Improvement and Service Enhancement Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
RSTIS	Regionally Significant Transportation Investment Study
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SAFETEA-LU	Safe Accountable Flexible Efficient Transportation Equity Act – A Legacy for Users
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCRRA	Southern California Regional Rail Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SOV	Single-Occupant Vehicle
S RTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TCIF	Trade Corridor Improvement Fund
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21 <sup>st</sup> Century
TMC	Transportation Management Center
TMEE	Traffic Management and Environmental Enhancement
TSM	Transportation Systems Management
TSSDRA	Transit System Safety, Security and Disaster Response Account
USFWS	United States Fish and Wildlife Service
VCTC	Ventura County Transportation Commission
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments



## MISSION STATEMENT

Our mission is to improve the quality of life and mobility in San Bernardino County. Safety is the cornerstone of all we do.

We achieve this by:

- Making all transportation modes as efficient, economical, and environmentally responsible as possible.
- Envisioning the future, embracing emerging technology, and innovating to ensure our transportation options are successful and sustainable.
- Promoting collaboration among all levels of government.
- Optimizing our impact in regional, state, and federal policy and funding decisions.
- Using all revenue sources in the most responsible and transparent way.

Approved December 4, 2019