

AGENDA

Transit Committee Meeting

August 15, 2024

9:00 AM

Location

San Bernardino County Transportation Authority
First Floor Lobby Board Room
1170 W. 3rd Street, San Bernardino, CA 92410

Transit Committee Membership

Chair

John Dutrey, Mayor
City of Montclair

Larry McCallon, Mayor Pro Tem
City of Highland

Vice Chair

Joe Baca, Jr., Supervisor
County of San Bernardino

Alan Wapner, Council Member
City of Ontario

Eunice Ulloa, Mayor
City of Chino

L. Dennis Michael, Mayor
City of Rancho Cucamonga

Ray Marquez, Council Member
City of Chino Hills

Bobby Duncan, Council Member
City of Yucaipa Rick

Frank Navarro, Mayor
City of Colton

Denison, Council Member
Town of Yucca Valley

Acquanetta Warren, Mayor
City of Fontana

Dawn Rowe, Supervisor
County of San Bernardino

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

AGENDA

Transit Committee Meeting

**August 15, 2024
9:00 AM**

Location

SBCTA Office

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 Joe Baca, Jr.)

- i. Pledge of Allegiance
- ii. Attendance
- iii. Announcements
- iv. Agenda Notices/Modifications - Sandra Castro

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. 10

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 of Directors 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.

2. Bi-Annual Fiscal Year 2023/2024 Railroad Right-of-Way Grants of Right of Use Report

Pg. 11

Receive and file the second half of Fiscal Year 2023/2024 (January 2024 through June 2024) Right-of-Way Grants of Right of Use Report.

Presenter: Ryan Aschenbrenner

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

3. Transit and Rail Programs Contract Change Orders to On-Going Contracts

Pg. 13

Receive and file Change Order Report.

Presenter: Victor Lopez

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

DISCUSSION ITEMS

Discussion - Administrative Matters

4. Additional Transportation Development Act Audits for Fiscal Year 2020/2021 and Fiscal Year 2022/2023

Pg. 15

Review and receive the City of Adelanto Transportation Development Act Audit Reports for Fiscal Year 2020/2021 and the Town of Apple Valley, City of Needles, and City of Rialto Transportation Development Act Audit Reports for Fiscal Year 2022/2023.

Presenter: Lisa Lazzar

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

Discussion - Transit

5. San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024 Third Quarter

Pg. 96

Receive and file the Third Quarter San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024.

Presenter: Nancy Strickert

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

6. Omnitrans Specialized Transportation Services for Consolidated Transportation Services Agency Budget for Fiscal Year 2024/2025 Pg. 125

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

Approve the Omnitrans Specialized Transportation Services Budget for Consolidated Transportation Services Agency activities for Fiscal Year 2024/2025.

Presenter: Nancy Strickert

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

7. Award Sole Source Maintenance Agreement No. 24-1003105 to Stadler US, Inc. Pg. 130

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Authorize the Executive Director, or his designee, to finalize and execute **Sole Source** Maintenance Agreement No. 24-1003105 with Stadler US, Inc., to maintain the Zero Emission Multiple Unit as part of the Arrow Service multiple unit fleet, as well as the three Diesel Multiple Unit vehicles currently in service, and the Arrow Maintenance Facility (AMF), and to provide materials management for the multiple unit fleet, subject to approval as to form by General Counsel. The agreement is effective through June 30, 2030, with three one-year option terms, for an amount not-to-exceed \$59,519,537. The not-to-exceed amount includes \$10,707,694 of scheduled component overhauls and anticipated work not included in the base services for the multiple units and the AMF.

B. Authorize the Executive Director, or his designee, to execute Assignment and Assumption Agreement No. 24-1003106 with Southern California Regional Rail Authority (SCRRA) to transfer SBCTA's responsibilities under Agreement No. 24-1003105 to SCRRA.

C. Approve an increase to the SCRRA Budget for Fiscal Year (FY) 2024/2025 for Arrow Operations Operating assistance by \$2,209,458, to be funded with Measure I Valley Metrolink/Rail Service Program funds, needed for mobilization, maintenance of the Multiple Units, and other anticipated costs under Agreement No. 24-1003105, for a total operating assistance allocation of \$17,709,458.

D. Approve an increase to the SCRRA Budget for FY 2024/2025 for Arrow Operations New Capital assistance by \$750,000, to be funded with Measure I Valley Metrolink/Rail Service Program funds, for a total New Capital assistance allocation of \$2,250,000.

E. Approve the funding allocation to support funding for Recommendations C and D, totaling \$2,850,458, to fund SBCTA's subsidy of the FY 2024/2025 Budget for Arrow Service using Measure I Valley Metrolink/Rail Service Program funds.

Presenter: Joy Buenaflor

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 agreements.

8. Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for Ontario Connector Project Pg. 282

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

Approve Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for the Ontario International Airport Connector Project, increasing the contract amount by \$1,400,000, for a new not-to-exceed amount of \$1,500,000, to be funded with State Transit Assistance Funds.

Presenter: Victor Lopez

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 amendment.

Comments from Board Members

Brief Comments from Board Members

ADJOURNMENT

Additional Information

Acronym List

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Attendance

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Mission Statement

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The next Transit Committee meeting is scheduled for September 12, 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. A designated area is reserved with a microphone that is ADA accessible for public speaking. A designated section is available for wheelchairs in the west side of the boardroom gallery. 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 and office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Service animals are permitted on SBCTA's premises. The ADA defines service animals as dogs or miniature horses that are individually trained to do work or perform tasks for people with disabilities. Under the ADA, service animals must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work, or the individual's disability prevents using these devices. In that case, the individual must maintain control of the animal through voice, signal, or other effective controls.

Accesibilidad y asistencia en otros idiomas - Las personas con discapacidad pueden acceder a la sala de reuniones. Se reserva una zona designada con un micrófono accesible que cumple con los requisitos de la ADA para hablar en público. Una sección designada está disponible para sillas de ruedas en el lado oeste de la galería de la sala de reuniones. Si se necesitan dispositivos de ayuda auditiva, otras ayudas auxiliares o servicios de asistencia en otros idiomas para participar en la reunión pública, las solicitudes deben presentarse al Secretario de la Junta al menos tres (3) días hábiles antes de la fecha de la reunión de la Junta. Puede comunicarse con el Secretario llamando al (909) 884-8276 o enviando un correo electrónico a clerkoftheboard@gosbcta.com. La oficina se encuentra en 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Los animales de servicio están permitidos en las instalaciones de SBCTA. La ADA define a los animales de servicio como perros o caballos miniatura que son entrenados individualmente para hacer trabajo o realizar tareas para personas con discapacidades. Según la ADA, los animales de servicio deben tener un arnés o ser atados, a menos que estos dispositivos interfieran con el trabajo del animal de servicio, o que la discapacidad de la persona impida el uso de estos dispositivos. En ese caso, la persona debe mantener el control del animal a través de su voz, señales u otros controles efectivos.

Agendas – All agendas are posted at 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. 3rd 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, 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: August 15, 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
6	N/A	Omnitrans	None
7	24-1003105	Stadler US, Inc. <i>Martin Ritter</i>	None
	24-1003106	Southern California Regional Rail Authority	None
8	24-1003152-01	Nossaman, LLP <i>Brent E. Butzin</i>	None

Financial Impact:

This item has no direct impact on the annual budget.

Reviewed By:

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

Responsible Staff:

Victor Lopez, Director of Transit & Rail Programs

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

Minute Action

AGENDA ITEM: 2

Date: August 15, 2024

Subject:

Bi-Annual Fiscal Year 2023/2024 Railroad Right-of-Way Grants of Right of Use Report

Recommendation:

Receive and file the second half of Fiscal Year 2023/2024 (January 2024 through June 2024) Right-of-Way Grants of Right of Use Report.

Background:

The San Bernardino County Transportation Authority Board of Directors (Board) adopted Real Property Policy No. 31602 on July 2, 2014 and approved revisions to Policy No. 31602 on March 6, 2019 and on October 6, 2021. In accordance with Real Property Policy No. 31602, Part VI, Policy Principles and Authority to Execute Grants of Right of Use, Section B, Approved Templates, the Board authorized the Executive Director, or his designee, to approve all Grants of Right of Use documents as approved to form by General Counsel.

Attachment A reports the Grants of Right of Use issued, amended, denied, and/or terminated in the second half of Fiscal Year 2023/2024 in accordance with the reporting requirements of Real Property Policy No. 31602, Part IX, Section H.

Financial Impact:

This item has no financial impact on the adopted Budget for Fiscal Year 2024/2025. Presentation of the Bi-Annual Right-of-Way report demonstrates compliance with the Real Property Policy No. 31602.

Reviewed By:

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

Responsible Staff:

Ryan Aschenbrenner, Right of Way Manager

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

Attachment A

Bi-annual Fiscal Year 2023-2024 (January 2024 to June 2024) Right-of-Way Grants of Use Report

Action	Vendor Name	Contract No.	Agreement Type	Minute Traq Item	Linked Agreements	Executed Date	Term	Application Fees	Annual Admin Fees	Use Fees	Amendment or Extension Fees	Waived Fees	Type Fees Waived	Waived Fee Comment
Issued	City of Redlands	24-1003142	Special Event Right of Entry Permit	10485	n/a	3/20/2024	4/28/2024	\$ 2,230	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Amended	City of Redlands	24-1003142	Special Event Right of Entry Permit	10494	n/a	4/26/2024	4/28/2024	\$ -	\$ -	\$ -	\$ 560	\$ -	n/a	n/a
Grand Total								\$ 2,230	\$ -	\$ -	\$ 560	\$ -		

Minute Action

AGENDA ITEM: 3

Date: August 15, 2024

Subject:

Transit and Rail Programs Contract Change Orders to On-Going Contracts

Recommendation:

Receive and file Change Order Report.

Background:

The San Bernardino County Transportation Authority has three ongoing construction contracts and one vehicle procurement contract related to Transit and Rail Programs.

A. Contract No. 23-1002891 with Griffith Company for the West Valley Connector Project Mainline Construction has had no CCOs executed since the last report.

B. Contract No. 23-1002961 with Proterra Builders, Inc. for the Arrow Maintenance Facility (AMF) Hydrogen Fuel Upgrade: Equipment Procurement has had no CCOs executed since the last report.

C. Contract No. 23-1002922 with Metro Builders & Engineers Group, Ltd. for the AMF Hydrogen Fuel Upgrade: AMF Retrofit has had no CCOs executed since the last report.

D. Contract No. 20-1002310 with Stadler US, Inc. for Zero Emission Multiple Unit (ZEMU) Rail Vehicle Procurement has had no CCOs executed since the last report.

Financial Impact:

The Diesel Multiple Unit to ZEMU and West Valley Connector projects are included in the adopted Budget for Fiscal Year 2024/2025 and funded with Transit and Intercity Rail Capital Program, Measure I-Bus Rapid Transit, Federal Transit Administration, and Solutions to Congested Corridors Program funds, in Program 30, Transit.

Reviewed By:

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

Responsible Staff:

Victor Lopez, Director of Transit & Rail Programs

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

Entity: San Bernardino County Transportation Authority

Transit and Rail Programs Contracts Executed Change Orders		
Number	Description	Amount
West Valley Connector Mainline Construction Griffith Company (23-1002891)		
	CCO Total	\$0.00
	Approved Contingency	\$11,995,991.00
	Remaining Contingency	\$11,995,991.00
ZEMU - Arrow Maintenance Facility (AMF) Proterra Builders, Inc. (23-1002961)		
Number	Description	Amount
	CCO Total	\$0.00
	Approved Contingency	\$56,280.21
	Remaining Contingency	\$56,280.21
ZEMU - Arrow Maintenance Facility (AMF) Metro Builders & Engineers Group, Ltd. (23-1002922)		
	Description	Amount
	CCO Total	\$0.00
	Approved Contingency	\$962,657.10
	Remaining Contingency	\$962,657.10
ZEMU- Vehicle Procurement Stadler (20-1002310)		
Number	Description	Amount
	CCO Total	\$2,592,169.12
	Approved Contingency	\$3,487,482.12
	Remaining Contingency	\$895,313.00

Minute Action

AGENDA ITEM: 4

Date: August 15, 2024

Subject:

Additional Transportation Development Act Audits for Fiscal Year 2020/2021 and Fiscal Year 2022/2023

Recommendation:

Review and receive the City of Adelanto Transportation Development Act Audit Reports for Fiscal Year 2020/2021 and the Town of Apple Valley, City of Needles, and City of Rialto Transportation Development Act Audit Reports for Fiscal Year 2022/2023.

Background:

Each year San Bernardino County Transportation Authority (SBCTA) provides for audits of all local jurisdictions receiving Transportation Development Act (TDA) Funds, which are dedicated to support local transit service and investments, pedestrian and bicycle facilities, and local street improvement projects.

A financial examination is completed by an independent audit firm for activities during the previous fiscal year, including internal control systems of checks and balances. The examination must encompass both project expenditures and projects for which funds were allocated and expended. A listing of all the TDA projects comparing actual revenues and expenses to budgeted revenues and expenses must be included with any interest earned. In addition, the report must state if the local match for each project is met and the claimants complied with the TDA, the Uniform System of Accounts for Public Transit Operators, and/or the updated National Transit Database Reporting Manuals, when applicable. The report shall also contain an examination of expenditures, the statement of revenue and expenses, and a balance sheet for each TDA fund.

SBCTA utilized on-call audit agreements with Conrad LLP and Crowe LLP (auditors) to conduct Compliance Audits of the TDA Funds for a single-year period.

These auditors verified compliance with California Public Utilities Code 66343, California Code of Regulations Sections 6664, 6666, and/or 6667, Proposition 1B, California Transit Security Grant Program, federal Single Audit Act, and SBCTA Compliance Audit Guide.

The audits resulted in the following findings:

City of Adelanto (City) for FY 2020/2021

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly, reviewed, and approved in a timely manner. During procedures over cash and investments, it was noted that the City's bank reconciliation for June 2021 was not prepared until October 2023. The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

Corrective Action: The City has hired a team of accounting consultants to assist with monthly closing and other accounting services.

Management Letter:

- During the audit, it was noted that the TDA financial statements required multiple adjustments for the current and prior years. Additionally, the TDA final report for FY 2019/2020 did not agree with the TDA amounts reported in the Annual Comprehensive Financial Report (ACFR) for FY 2019/2020. The City should implement procedures to reconcile the TDA financial statements and the ACFR to ensure they agree.

Corrective Action: The City acknowledges the deficiency and has hired an outside Certified Public Accountant (CPA) firm to assist with the reconciliation and review of all financial statements.

- During the audit, the auditors were made aware that the City management does not perform the following crucial activities:
 1. Assess the risk that the City's financial statements might be materially misstated due to fraud, and that there are no controls in place to prevent and detect such occurrences.
 2. Communicate to employees the importance of ethical behavior and appropriate business practices.
 3. Comply with laws, regulations, and provisions of contracts, grant agreements, and City policies.

To address these deficiencies, it was recommended the City take the following actions:

1. Risk Assessment and Fraud Prevention: Strengthen and implement procedures to assess the risk that could cause the financial statements to be materially misstated. This should include instituting robust controls to prevent and detect fraud. Regular risk assessments and updates to controls should be conducted to adapt to new and evolving risks.
2. Ethical Behavior and Business Practices: Establish a formal process to communicate to employees the importance of ethical behavior and appropriate business practices. This could include regular training sessions, a code of conduct, and the implementation of a fraud hotline where employees can report unethical behavior anonymously.
3. Compliance with Laws and Regulations: Ensure that all staff are educated on the laws, regulations, and provisions of contracts, grant agreements, and City policies applicable to their roles. Additionally, implement controls to ensure compliance with all applicable laws, regulations, and contractual provisions. Regular audits and compliance checks should be conducted to identify and address any areas of non-compliance promptly.

Corrective Action:

1. The City acknowledges the deficiency and has hired an outside CPA firm that will assist Management with the implementation and monitoring of strong prevention and detection internal controls and procedures.
2. The City acknowledges the deficiency and will utilize the City's hired Human Resources Firm to facilitate Ethical Behavior and Business Practices training with all City staff.

3. The City acknowledges the deficiency and has hired an outside CPA firm and a Municipal Financial Advisor that will remain as resources to the City, for a minimum of 12 months, to assist the City with future compliance.

Town of Apple Valley (Town) for FY 2022/2023

- Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly, reviewed, and approved in a timely manner. During procedures over cash and investments, it was noted that the Town's bank reconciliation for June 2023 was not prepared until April 2024. Further, the interest allocation to funds was not performed until April 2024. The Town did not perform a timely bank reconciliation or interest allocation due to significant staffing losses just before the commencement of the FY 2022/2023 closing process. Additionally, the Town endured a forced bank transition during FY 2022/2023, as Union Bank merged with US Bank, and the Town was working diligently to sort out any residual issues resulting from this merger.

Corrective Action: With hiring efforts currently going on in Finance, bank reconciliations will be completed in a timely manner.

The audit for the City of Needles and the City of Rialto for FY 2022/2023 resulted in no findings.

Financial Impact:

This item has no financial impact on the adopted 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:

Lisa Lazzar, Chief of Fiscal Resources

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Fiscal Years Ended June 30, 2021 and 2020

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Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of Adelanto, California ("City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the City, as of June 30, 2021, and the change in financial position of the TDA Fund of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Prior Year Comparative Information

The financial statements of the City as of June 30, 2020, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated January 31, 2022.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis for the TDA Fund that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the TDA Fund of the City. The Schedule of Allocations Received and Expended, by Project Year, listed as supplemental data in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Allocations Received and Expended, by Project Year is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for the TDA Fund of the City. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Allocations Received and Expended, by Project Year is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024 on our consideration of the City's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Lake Forest, California
June 11, 2024

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Comparative Balance Sheets

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 1,393,917	\$ 1,389,230
Accounts receivable (Note 4)	449,930	449,930
Interest receivable	<u>795</u>	<u>-</u>
Total assets	<u>\$ 1,844,642</u>	<u>\$ 1,839,160</u>
<u>Deferred inflows of resources, and fund balance</u>		
Deferred inflows of resources		
Unearned revenue	<u>449,930</u>	<u>449,930</u>
Fund balance - restricted		
Restricted	<u>1,394,712</u>	<u>1,389,230</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,844,642</u>	<u>\$ 1,839,160</u>

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
Revenues:		
Interest income	\$ 5,844	\$ 29,080
Total revenues	5,844	29,080
Expenditures:		
TDA expenditures	362	304
Total expenditures	362	304
Excess (deficiency) of revenues over (under) expenditures	5,482	28,776
Other financing sources (uses):		
Transfers out to the City of Adelanto (Note 5)	-	(20,000)
Total other financing sources (uses)	-	(20,000)
Net change in fund balance	5,482	8,776
Fund balance at beginning of year	1,389,230	1,380,454
Fund balance at end of year	\$ 1,394,712	\$ 1,389,230

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(1) **General Information**

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act Article 8, Section 99400(a) Fund (TDA Fund) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Adelanto, California (City), as of June 30, 2021 and 2020, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 8a

San Bernardino County Transportation Authority (SBCTA) receives and passes through Article 8a funding to the local claimants for the purposes of local streets and roads in accordance with Section 99400 of the California Public Utilities Code, which may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, which further includes planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings. The fund may also be used for passenger rail service operations and capital improvements.

Article 8a subdivision C further allows payments to counties, cities, and transit districts for their administrative and planning cost with respect to transportation services. A claimant may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

Payment of Article 8a to any entity that provides public transportation services under contract with the local county, city, or transit district for any group with special transportation assistance needs must be determined by SBCTA.

(2) **Summary of Significant Accounting Policies**

The accounting policies of the TDA Article 8a Fund of the City conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(2) **Summary of Significant Accounting Policies (Continued)**

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 8a funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 90 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 8a possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8a are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(2) **Summary of Significant Accounting Policies (Continued)**

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- Assigned Fund Balance – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(3) **Cash and Investments**

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2021 and 2020 was \$1,393,917 and \$1,389,230, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) **Accounts Receivable**

Accounts receivable of \$449,930 in both years 2021 and 2020 represent the TDA revenues which had not been received from SBCTA as of June 30, 2021 and 2020.

(5) **Transfers out to the City of Adelanto**

The City incurs street maintenance employee payroll costs in the City's General Fund. The TDA Article 8 Fund transfers amounts to the General Fund to fund its allocated portion of the payroll costs. The allocated charges were \$0 and \$20,000 as of June 30, 2021 and 2020, respectively.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

(6) Restrictions

Funds received pursuant to the California Public Utilities Code §99400(a) (TDA Article 8a) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

(7) Contingencies

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(8) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

Required Supplemental Information

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 5,844	\$ 5,844
Total revenues	-	-	5,844	5,844
Expenditures:				
TDA expenditures	650,000	650,000	362	649,638
Total expenditures	650,000	650,000	362	649,638
Excess (deficiency) of revenues over (under) expenditures	\$ (650,000)	\$ (650,000)	5,482	\$ 655,482
Fund balance at beginning of year			1,389,230	
Fund balance at end of year			\$ 1,394,712	

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2020

	Budget			Variance From Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
TDA Allocation	\$ 449,930	\$ 449,930	\$ -	\$ (449,930)
Interest income	-	-	29,080	29,080
Total revenues	449,930	449,930	29,080	(420,850)
Expenditures:				
TDA expenditures	1,600,000	-	304	(304)
Total expenditures	1,600,000	-	304	(304)
Excess (deficiency) of revenues over (under) expenditures	(1,150,070)	449,930	28,776	(421,154)
Other financing sources (uses):				
Transfers out	-	(20,000)	(20,000)	-
Total other financing sources (uses)	-	(20,000)	(20,000)	-
Net change in fund balance	<u>\$ (1,150,070)</u>	<u>\$ 429,930</u>	8,776	<u>\$ (421,154)</u>
Fund balance at beginning of year			1,380,454	
Fund balance at end of year			<u>\$ 1,389,230</u>	

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Supplemental Information

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Allocations Received and Expended, by Project Year

Fiscal Year Ended June 30, 2021

<u>Article</u>	<u>Project/Use</u>	<u>Year</u> <u>Allocated</u>	<u>Allocation</u> <u>Amount</u>	<u>Unspent</u> <u>Allocation at</u> <u>6/30/2020</u>	<u>Expenditures</u>	<u>Unspent</u> <u>Allocation at</u> <u>6/30/2021</u>
Article 8	Streets & Road Maintenance	2015 - 16	\$ 635,989	\$ 370,212	\$ 362	\$ 369,850
Article 8	Streets & Road Maintenance	2016 - 17	528,228	508,228	-	508,228
Article 8	Streets & Road Maintenance	2017 - 18	470,946	470,946	-	470,946
Article 8	Streets & Road Maintenance	2018 - 19	449,930	449,930	-	449,930
			<u>\$ 2,085,093</u>	<u>\$ 1,799,316</u>	<u>\$ 362</u>	<u>\$ 1,798,954</u>

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Local Transportation Fund pursuant to Article 8, Section 99400(a) ("TDA Fund") of the City of Adelanto, California ("City"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2024. Our report included an emphasis of matter stating that the financial statements of the TDA Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's TDA Fund financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal

Board of Directors
 San Bernardino County Transportation Authority
 San Bernardino, California

control, described in the accompanying schedule of findings and responses as item **2021-01** to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
 June 11, 2024

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2021

**2021-01 Bank Account Reconciliation
Material Weakness*****Criteria:***

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner.

Condition:

During procedures over cash and investments, we noted the City's bank account reconciliation for June 2021 was not prepared until October 2023.

Cause:

The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

Effect:

The FY 2021 audit was delayed.

Recommendation:

We recommend that the City review the timing of its reconciliation procedures.

View of Responsible Officials:

The City agrees with the finding. The City has hired a team of accounting consultants in order to assist with monthly closing and other accounting services.

CITY OF ADELANTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2021

The status of the prior year findings for fiscal year ended June 30, 2020, are below.

<u>Finding No.</u>	<u>Description</u>	<u>Status</u>
2020-001	Financial Closing and Reporting Controls	Implemented
2020-002	Stale Checks	Implemented
2020-003	Timeliness of Bank Account Reconciliation	Not Implemented, refer to Finding 2021-01

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



June 11, 2024

Mr. Jessie Flores
City of Adelanto
11600 Air Expressway
Adelanto, CA 92301

We have audited the financial statements of the Transportation Development Act ("TDA"), Article 8, Section 99400(a) Fund and Measure I Fund (collectively "Program Funds"), of the City of Adelanto ("City"), as of and for the year ended June 30, 2021, and have issued our report thereon dated June 11, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, as well as certain information related to the planned scope and timing of our audit. Professional standards also require we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City Program Funds are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as

Mr. Jessie Flores
City of Adelanto
California

a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Program Fund's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to budgetary comparison information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Schedule of Allocations Received and Expended, by Project Year, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Mr. Jessie Flores
City of Adelanto
California

We were not engaged to report on the *Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures and Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures*, which accompany the financial statements but are not RSI. Such information has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We identified the following matters involving accounting principles, internal control, and compliance with Federal Acquisition Regulation that came to the auditor's attention.

Deficiency 1: During the course of the audit, we noted that the TDA and MSI financials required multiple adjustments for the current and prior years. Additionally, the TDA and MSI final report for FY 2020 did not agree with the TDA and MSI amounts reported on the Annual Comprehensive Financial Report ("ACFR") for FY 2020.

Recommendation: The City should implement procedures to always reconcile the TDA and MSI financial statements and the ACFR prior to issuance of the final reports to ensure they agree.

Deficiency 2: During the course of the audit, we were made aware that the City management does not perform the following crucial activities:

1. Assess the risk that the City's financial statements might be materially misstated due to fraud, and there are no controls in place to prevent and detect such occurrences.
2. Communicate to employees the importance of ethical behavior and appropriate business practices.
3. Comply with laws, regulations, and provisions of contracts, grant agreements, and City policies.

Recommendation:

To address these deficiencies, we recommend the City take the following actions:

1. **Risk Assessment and Fraud Prevention:** Strengthen and implement procedures to assess the risk that could cause the financial statements to be materially misstated. This should include instituting robust controls to prevent and detect fraud. Regular risk assessments and updates to controls should be conducted to adapt to new and evolving risks.
2. **Ethical Behavior and Business Practices:** Establish a formal process to communicate to employees the importance of ethical behavior and appropriate business practices. This could include regular training sessions, a code of conduct, and the implementation of a fraud hotline where employees can report unethical behavior anonymously.
3. **Compliance with Laws and Regulations:** Ensure that all staff are educated on the laws, regulations, and provisions of contracts, grant agreements, and City policies applicable to their roles. Additionally, implement controls to ensure compliance with all applicable laws, regulations, and contractual provisions. Regular audits and compliance checks should be conducted to identify and address any areas of non-compliance promptly.

By taking these steps, the City can enhance the integrity and reliability of its financial reporting, foster a culture of ethical behavior, and ensure compliance with all relevant legal and contractual obligations.

Mr. Jessie Flores
City of Adelanto
California

Restriction on Use

This information is intended solely for the use of those charged with governance and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Best regards,

Conrad LLP

Lake Forest, CA
June 11, 2024

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Fiscal Years Ended June 30, 2023 and 2022

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Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 8, Section 99400(a) Fund ("TDA Fund") of the Town of Apple Valley, California ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the Town, as of June 30, 2023, and the respective changes in financial position of the TDA Fund of the Town for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the Town and do not purport to, and do not present fairly, the financial position of the Town as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TDA Fund of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Comparative Information

The financial statements of the Town as of June 30, 2022, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated February 17, 2023.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Management is responsible for the other information included in the annual report. The other information comprises the *Schedule of Allocations Received and Expended by Project Year* but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2024 on our consideration of the Town's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Lake Forest, California
May 2, 2024

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Comparative Balance Sheets

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and investments (Note 3)	\$ 1,331,462	\$ 897,966
Total assets	\$ 1,331,462	\$ 897,966
<u>Liabilities and fund balance</u>		
Accounts Payable	\$ 23,078	\$ 784
Fund balance - restricted	1,308,384	897,182
Total liabilities and fund balance	\$ 1,331,462	\$ 897,966

See accompanying notes to financial statements

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Revenues:		
TDA Article 8a funds	\$ 432,256	\$ 30,535
Other revenues	-	29,863
Interest revenues	10,232	2,664
Total revenues	442,488	63,062
Expenditures:		
Construction, maintenance, and engineering	31,286	16,771
Total expenditures	31,286	16,771
Net change in fund balance	411,202	46,291
Fund balance at beginning of year	897,182	850,891
Fund balance at end of year	\$ 1,308,384	\$ 897,182

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See accompanying notes to financial statements

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(1) **General Information**

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act Article 8, Section 99400(a) Funds (TDA Funds). Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the Town of Apple Valley, California (Town), as of June 30, 2023 and 2022, and changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 8a

San Bernardino County Transportation Authority (SBCTA) receives and passes through Article 8 funding to the local claimants for the purposes of local streets and roads in accordance with Section 99400 of the California Public Utilities Code, which may include those purposes necessary and convenient to the development, construction, and maintenance of the city, town, or county's streets and highway networks, which further includes planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings. The fund may also be used for passenger rail service operations and capital improvements.

Article 8 subdivision C further allows payments to counties, cities, towns, and transit districts for their administrative and planning cost with respect to transportation services. A claimant may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

Payment of Article 8 to any entity that provides public transportation services under contract with the local county, city, town, or transit district for any group with special transportation assistance needs must be determined by SBCTA.

(2) **Summary of Significant Accounting Policies**

The accounting policies of the TDA Article 8a Fund of the Town conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies (Continued)**

activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Town accounts for the activity of the Article 8a funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the Town. For the Town, funds received under TDA Article 8a possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 8a are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies (Continued)**

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the Town.
- Assigned Fund Balance – includes amounts that are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the Town expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 8, Section 99400(a) Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(3) **Cash and Investments**

The Town has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2023 and 2022 was \$1,331,462 and \$897,966, respectively.

The TDA Fund's cash is deposited in the Town's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the Town and are included in the Town's basic financial statements.

See the Town's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) **Restrictions**

Funds received pursuant to the California Public Utilities Code §99400(a) (TDA Article 8a) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

(5) **Contingencies**

See the Town's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(6) **Budgetary Data**

The Town adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

Required Supplemental Information

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDA Article 8a funds	\$ 70,000	\$ 70,000	\$ 432,256	\$ 362,256
Interest revenues	<u>9,000</u>	<u>9,000</u>	<u>10,232</u>	<u>1,232</u>
Total revenues	<u>79,000</u>	<u>79,000</u>	<u>442,488</u>	<u>363,488</u>
Expenditures:				
Construction, maintenance, and engineering	<u>132,000</u>	<u>654,500</u>	<u>31,286</u>	<u>623,214</u>
Total expenditures	<u>132,000</u>	<u>654,500</u>	<u>31,286</u>	<u>623,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (53,000)</u>	<u>\$ (575,500)</u>	411,202	<u>\$ 986,702</u>
Fund balance at beginning of year			<u>897,182</u>	
Fund balance at end of year			<u>\$ 1,308,384</u>	

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDA Article 8a funds	\$ 430,965	\$ 430,965	\$ 30,535	\$ (400,430)
Other revenues	-	-	29,863	29,863
Interest revenues	9,000	9,000	2,664	(6,336)
Total revenues	439,965	439,965	63,062	(376,903)
Expenditures:				
TDA expenditures	436,000	436,000	16,771	419,229
Total expenditures	436,000	436,000	16,771	419,229
Excess (deficiency) of revenues over (under) expenditures	\$ 3,965	\$ 3,965	46,291	\$ 42,326
Fund balance at beginning of year			850,891	
Fund balance at end of year			\$ 897,182	

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Supplemental Information

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Allocations Received and Expended, by Project Year

Fiscal Year Ended June 30, 2023

<u>Article</u>	<u>Project/Use</u>	<u>Year</u> <u>Allocated</u>	<u>Allocation</u> <u>Amount</u>	<u>Unspent</u> <u>Allocation at</u> <u>6/30/2022</u>	<u>Expenditures</u>	<u>Unspent</u> <u>Allocation at</u> <u>6/30/2023</u>
Article 8	Streets & Road Maintenance	2018-19	\$ 662,418	\$ 575,614	\$ 31,286	\$ 544,328
Article 8	Streets & Road Maintenance	2019-20	79,095	79,095	-	79,095
Article 8	Streets & Road Maintenance	2020-21	69,312	69,312	-	69,312
Article 8	Streets & Road Maintenance	2021-22	30,535	30,535	-	30,535
Article 8	Streets & Road Maintenance	2022-23	432,256	-	-	432,256
	Total current year article 8 allocations		<u>\$ 1,273,616</u>	<u>\$ 754,556</u>	<u>\$ 31,286</u>	<u>\$ 1,155,526</u>

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)



Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Local Transportation Fund pursuant to Article 8, Section 99400(a) ("TDA Fund") of the Town of Apple Valley, California ("Town"), as of and for the year ended June 30, 2023 and the related notes to the financial statements, and have issued our report thereon dated May 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item **2023-01** that we consider to be material weaknesses.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the Town are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
May 2, 2024

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Schedule of Findings and Responses

Fiscal Year Ended June 30, 2023

2023-01 Bank Reconciliations Material Weakness

Criteria:

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank reconciliations should be performed monthly and reviewed and approved in a timely manner.

Condition:

During procedures over cash and investments, we noted the Town's bank reconciliation for June 2023 was not prepared until April 2024. Further, the interest allocation to funds was not performed until April 2024.

Cause:

The Town did not perform a timely bank reconciliation or interest allocation due to significant staffing losses just prior to the commencement of the FY 2023 closing process. Additionally, the Town endured a forced bank transition during Q3/Q4 of FY 2022-23, as Union Bank merged with US Bank, and the Town was working diligently to sort out any residual issues resulting from this merger.

Effect:

The audit was delayed.

Recommendation:

We recommend that the Town review the timing of its reconciliation procedures.

View of Responsible Officials:

In addition to staff turnovers, the Town's bank (Union Bank) merged with US Bank in May 2023, that merger created significant delay in performing and completing bank reconciliation, particularly during May and June of 2023. With hiring efforts currently going in Finance, bank reconciliations will be completed in a timely manner.

TOWN OF APPLE VALLEY, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 8, Section 99400(a) Public Utilities Code

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2023

The status of the prior year findings for fiscal year 2021/22 are below.

Finding No.	Description	Status
2022-001	Timeliness of Bank Account Reconciliation	Not Implemented, Refer to 2023-01

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND

FINANCIAL STATEMENTS
June 30, 2023 and 2022

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND

FINANCIAL STATEMENTS
June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Needles, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of TDA Fund of the City, as of June 30, 2023, and the changes in its financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the TDA Fund of the City for the year ended June 30, 2022, were audited by other auditors, who expressed an unmodified opinion on those statements on December 22, 2022.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the TDA Fund, a governmental fund, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the City's internal control over financial reporting of the TDA Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance, as it relates to the TDA Fund.


Crowe LLP

Los Angeles, California
February 26, 2024

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
BALANCE SHEETS
June 30, 2023 and 2022

	Article 3	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 725	\$ 725
Total assets	<u>\$ 725</u>	<u>\$ 725</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other City funds	\$ 725	\$ -
Fund balance (deficit)		
Unassigned	<u>-</u>	<u>725</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 725</u>

See notes to financial statements.

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Years ended June 30, 2023 and 2022

	Article 3	
	<u>2023</u>	<u>2022</u>
Revenues		
TDA allocation	\$ -	\$ -
Total revenues	-	-
Expenditures		
Other expenditure	725	-
Total expenditures	725	-
Net change in fund balance	(725)	-
Fund balance (deficit), beginning of year	725	725
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ 725</u>

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

See notes to financial statements.

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 1 – GENERAL INFORMATION

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act (TDA) Article 3 Fund only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Needles, California (City), as of June 30, 2023, and changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Article 3: The City has entered into a Cooperative Agreement (TDA 3 Agreement) with San Bernardino County Transportation Authority (SBCTA) to enhance bicycle and pedestrian facilities in accordance with Section 99234 of the California Public Utilities Code (Code). According to the Code, TDA Article 3 monies may only be used for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (that are closed to motorized traffic) and bicycle safety education programs. TDA Article 3 Funds may also be used for transportation-related projects that enhance quality of life through the design of pedestrian walkways and bicycle facilities. TDA Article 3 projects may be stand-alone projects, such as projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots and transit terminals where other funds are available. TDA Article 3 projects may also be add-ons to normal transportation projects, such as additional sidewalk and bike lanes on a bridge, enhanced pedestrian lighting, and median refuge islands for pedestrians

When an approved project is ready for construction, as evidenced by a contract award or commitment of the participating agency's resources, the participating agency submits a claim to SBCTA for disbursement of TDA Funds. The participating agency may submit the claim, either prior or subsequent to, incurring project expenditures. After review and approval of the claim, SBCTA issues the allocation disbursement instructions to the County Auditor Controller. Following instruction from SBCTA, funds are disbursed from the County Local Transportation Fund to the participating agency. In accordance with the agreement, the City is required to provide matching funds equal to 10% of the project costs. The City satisfied the 10% match in the fiscal year by utilizing City funding for 10% of the total project costs incurred.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting: The City accounts for the activity of the Article 3 TDA Fund in its Article 3 Fund, which is a special revenue fund.

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the TDA activities in separate general ledger accounts within its Article 3 special revenue fund.

Special revenue funds are used to account for the proceeds derived from specific revenue sources which are restricted or committed to expenditures for specified purposes.

(Continued)

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Cash and Investments: Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the TDA Article 3 Fund based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Article 3 Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall. As of June 30, 2023 and 2022, the cash balance of the TDA Fund is \$725.

The TDA Article 3 Fund's cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The TDA Article 3 Fund's deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the TDA Article 3 Fund's investment in the City Investment Pool is measured based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

NOTE 3 – DUE TO OTHER CITY FUNDS

Due to other City funds of \$750 in fiscal year 2023 represents the amount to be paid to the City general fund in fiscal year 2024 for non-TDA amounts previously received.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEEDLES, CALIFORNIA
 TRANSPORTATION DEVELOPMENT ACT FUND
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – TDA ARTICLE 3 FUND
 Years ended June 30, 2023 and 2022

	Budget		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
June 30, 2023				
Revenues				
TDA allocation	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
Other expenditure	-	-	725	(725)
Total expenditures	-	-	725	(725)
Net change in fund balance	-	-	(725)	(725)
Fund balance, beginning of year	-	-	725	725
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
June 30, 2022				
Revenues				
TDA allocation	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current				
TDA expenditures	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	725	725	725	-
Fund balance, end of year	\$ 725	\$ 725	\$ 725	\$ -

See note to required supplementary information.

CITY OF NEEDLES, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Years ended June 30, 2023 and 2022

NOTE 1 – BUDGETARY DATA

The City did not adopt a budget for the TDA Article 3 Fund in 2023 and 2022.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Transportation Development Act (TDA) Article 3 Fund (TDA Fund) of the City of Needles, California (City), as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the TDA Fund's basic financial statements and have issued our report thereon dated February 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting of the TDA Fund (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weakness or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the San Bernardino County Transportation Authority (SBCTA) noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the requirements of Section 6666 of Part 21 of the California Code of Regulations and the allocation instructions of the SBCTA.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Los Angeles, California
February 26, 2024

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Fiscal Years Ended June 30, 2023 and 2022

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Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the Transportation Development Act ("TDA") Article 3 Fund ("TDA Fund") of the City of Rialto, California ("City"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Fund of the City, as of June 30, 2023 and 2022, and the respective changes in financial position of the TDA Fund of the City for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the TDA Fund of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2023 and 2022, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TDA Fund of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Comparative Information

The financial statements of the City as of June 30, 2022, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated March 17, 2023.

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *Schedule of Allocations Received and Expended, by Project Year* is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Allocations Received and Expended, by Project Year* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2024 on our consideration of the City's internal control over financial reporting for the TDA Fund and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Lake Forest, California
March 6, 2024

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 3, Section 99234 Public Utilities Code

Comparative Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 20,960	\$ -
Accounts receivable (Note 4)	<u>-</u>	<u>387,021</u>
Total assets	<u>\$ 20,960</u>	<u>\$ 387,021</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>		
Due to the City of Rialto (Note 5)	<u>\$ -</u>	<u>\$ 205,192</u>
Deferred inflows of resources		
Unavailable revenue	<u>-</u>	<u>387,021</u>
Fund (deficit) balance (Note 6)		
Restricted	20,960	-
Unassigned	<u>-</u>	<u>(205,192)</u>
Total liabilities and fund balance	<u>\$ 20,960</u>	<u>\$ 387,021</u>

See accompanying notes to financial statements

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 3, Section 99234 Public Utilities Code

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
TDA Article 3 funds	\$ 226,000	\$ -
Investment Income	<u>212</u>	<u>-</u>
Total revenues	<u>226,212</u>	<u>-</u>
Expenditures:		
Construction, maintenance, and engineering	<u>-</u>	<u>226,000</u>
Total expenditures	<u>-</u>	<u>226,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>226,212</u>	<u>(226,000)</u>
Other financing sources (uses):		
Transfers out - Administrative expenses	<u>(60)</u>	<u>(64)</u>
Total other financing sources (uses)	<u>(60)</u>	<u>(64)</u>
Net change in fund balance	226,152	(226,064)
Fund (deficit) balance at beginning of year	<u>(205,192)</u>	<u>20,872</u>
Fund (deficit) balance at end of year	<u>\$ 20,960</u>	<u>\$ (205,192)</u>

See accompanying notes to financial statements

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund Article 3, Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(1) **General Information**

The financial statements are intended to reflect the financial position and changes in financial position of the Transportation Development Act (TDA) Article 3 Fund only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City of Rialto, California (City), as of June 30, 2023 and 2022, and changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Article 3

The City has entered into a Cooperative Agreement (TDA 3 Agreement) with San Bernardino County Transportation Authority (SBCTA) to enhance bicycle and pedestrian facilities in accordance with Section 99234 of the California Public Utilities Code (Code). According to the Code, TDA Article 3 monies may only be used for facilities provided for the exclusive use of pedestrians and bicycles, including the construction and related engineering expenditures of those facilities, the maintenance of bicycle trails (that are closed to motorized traffic) and bicycle safety education programs. TDA Article 3 Funds may also be used for transportation-related projects that enhance quality of life through the design of pedestrian walkways and bicycle facilities. TDA Article 3 projects may be stand-alone projects, such as projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots and transit terminals where other funds are available. TDA Article 3 projects may also be add-ons to normal transportation projects, such as additional sidewalk and bike lanes on a bridge, enhanced pedestrian lighting, and median refuge islands for pedestrians.

When an approved project is ready for construction, as evidenced by a contract award or commitment of the participating agency's resources, the participating agency submits a claim to SBCTA for disbursement of TDA Funds. The participating agency may submit the claim, either prior or subsequent to, incurring project expenditures. After review and approval of the claim, SBCTA issues the allocation disbursement instructions to the County Auditor-Controller. Following instruction from SBCTA, funds are disbursed from the County Local Transportation Fund to the participating agency. In accordance with the agreement, the City is required to provide matching funds equal to 10% of the project costs. The City satisfied the 10% match in the fiscal year by utilizing City funding for 10% of the total project costs incurred.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3. Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies**

The accounting policies of the TDA Article 3 Fund of the City conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves, and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City accounts for the activity of the Article 3 funds in its TDA Fund which is a Special Revenue Fund. Special Revenue Funds are used to account for and report on a particular source of revenue.

Measurement Focus and Basis of Accounting

Special Revenue Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 90 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred.

Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under TDA Article 3 possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under TDA Article 3 are recognized in the period when all eligibility requirements have been met.

Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3. Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) **Summary of Significant Accounting Policies (Continued)**

Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- *Nonspendable Fund Balance* – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- *Assigned Fund Balance* – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- *Unassigned Fund Balance* – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

(3) Cash and Investments

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The balance in the pool account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The TDA Fund's cash and investments as of June 30, 2023 and 2022 was \$20,960 and \$0, respectively.

The TDA Fund's cash is deposited in the City's internal investment pool which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the TDA Fund are those of the City and are included in the City's basic financial statements.

See the City's basic financial statements for disclosures related to cash and investments including those disclosures relating to interest rate risk, credit rate risk, custodial credit risk, and concentration risk.

(4) Accounts Receivable

Accounts receivable of \$0 and \$387,021 represent the TDA revenues which had not been received from SBCTA as of June 30, 2023 and 2022, respectively.

(5) Due to the City of Rialto

Due to the City of Rialto of \$0 and \$205,192 represents the amounts paid by the City on behalf of the TDA Fund for expenditures incurred for which reimbursements had not yet been received as of June 30, 2023 and June 30, 2022, respectively.

CITY OF RIALTO, CALIFORNIATransportation Development Act Local Transportation Fund
Article 3. Section 99234 Public Utilities Code

Notes to Financial Statements

Fiscal Years Ended June 30, 2023 and 2022

(6) Fund Balance

The TDA Fund reported a fund balance of \$20,960 as of June 30, 2023, and a deficit fund balance of \$205,192 as of June 30, 2022. Article 3 revenues may be spent on projects, and then reimbursed after completion. As such, the timing difference between the expenditures and receipt of Article 3 revenues in fiscal year 2022 created a deficit fund balance. The obligation of the negative unassigned fund balance was paid by the fiscal year 2023 Article 3 revenues from SBTCA.

(7) Restrictions

Funds received pursuant to the California Public Utilities Code §99234 (TDA Article 3) may only be used for facilities provided for exclusive use by bicycle and pedestrian facilities or bicycle safety education programs.

(8) Contingencies

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

(9) Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

Required Supplemental Information

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities CodeSchedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2023

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDA Article 3 funds	\$ 265,460	\$ 1,433,948	\$ 226,000	\$ (1,207,948)
Investment Income	200	200	212	12
Total revenues	265,660	1,434,148	226,212	(1,207,936)
Expenditures:				
Construction, maintenance, and engineering	-	1,182,950	-	1,182,950
Total expenditures	-	1,182,950	-	1,182,950
Excess (deficiency) of revenues over (under) expenditures	265,660	251,198	226,212	(24,986)
Other financing sources (uses):				
Transfers out - Administrative expenses	(60)	(60)	(60)	-
Total other financing sources (uses)	(60)	(60)	(60)	-
Net change in fund balance	\$ 265,600	\$ 251,138	226,152	\$ (24,986)
Fund (deficit) balance at beginning of year			(205,192)	
Fund balance at end of year			\$ 20,960	

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities CodeSchedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDA Article 3 funds	\$ -	\$ 1,168,518	\$ -	\$ (1,168,518)
Total revenues	-	1,168,518	-	(1,168,518)
Expenditures:				
Construction, maintenance, and engineering	-	1,408,949	226,000	1,182,949
Total expenditures	-	1,408,949	226,000	1,182,949
Excess (deficiency) of revenues over (under) expenditures	-	(240,431)	(226,000)	14,431
Other financing sources (uses):				
Transfers out - Administrative expenses	(64)	(64)	(64)	-
Total other financing sources (uses)	(64)	(64)	(64)	-
Net change in fund balance	\$ (64)	\$ (240,495)	(226,064)	\$ 14,431
Fund balance at beginning of year			20,872	
Fund (deficit) balance at end of year			\$ (205,192)	

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Supplemental Information

CITY OF RIALTO, CALIFORNIA

Transportation Development Act Local Transportation Fund
Article 3, Section 99234 Public Utilities Code

Schedule of Allocations Received and Expended, by Project Year

Fiscal Year Ended June 30, 2023

Article	Project/Use	Year Allocated	Allocation Amount	Unspent Allocation at 06/30/2022	Expenditure	Unspent Allocation at 06/30/2023
Article 3	Easton Sidewalk Improvements	2019	\$ 226,000	\$ -	\$ -	\$ -
Article 3	Merrill Safe Routes to School	2021	639,405	639,405	-	639,405
Article 3	Sycamore Safe Routes to School	2021	457,616	457,616	-	457,616
Totals			<u>\$ 1,323,021</u>	<u>\$ 1,097,021</u>	<u>\$ -</u>	<u>\$ 1,097,021</u>



Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Local Transportation Fund pursuant to Article 3 ("TDA Fund") of the City of Rialto, California ("City"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Attachment: Combine TDA Reports - 4 Agencies (10667 : TDA Audits for Fiscal Year 2020/2021 and 2022/2023)

Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the TDA Fund of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including §6666 of Part 21 of the California Code of Regulations.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California
March 6, 2024

Minute Action

AGENDA ITEM: 5

Date: August 15, 2024

Subject:

San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024
Third Quarter

Recommendation:

Receive and file the Third Quarter San Bernardino County Multimodal Transportation Quarterly Update for Fiscal Year 2023/2024.

Background:

Multimodal services are an important part of how people travel throughout San Bernardino County. This is reflected in projects and programs that San Bernardino County Transportation Authority (SBCTA) is currently constructing and managing, as well as its involvement with the transit operators and the Southern California Regional Rail Authority (SCRRA).

Although SBCTA's primary responsibility to the operators is to allocate funding, SBCTA is still required to be tuned in to the trends and statistics of its operators. To help facilitate this, as well as keeping the SBCTA Transit Committee and Board of Directors apprised of this information, SBCTA staff, in consultation with the transit operators, SCRRA, and AMMA Transit Planning, created the San Bernardino County Multimodal Transportation Quarterly Report (Report).

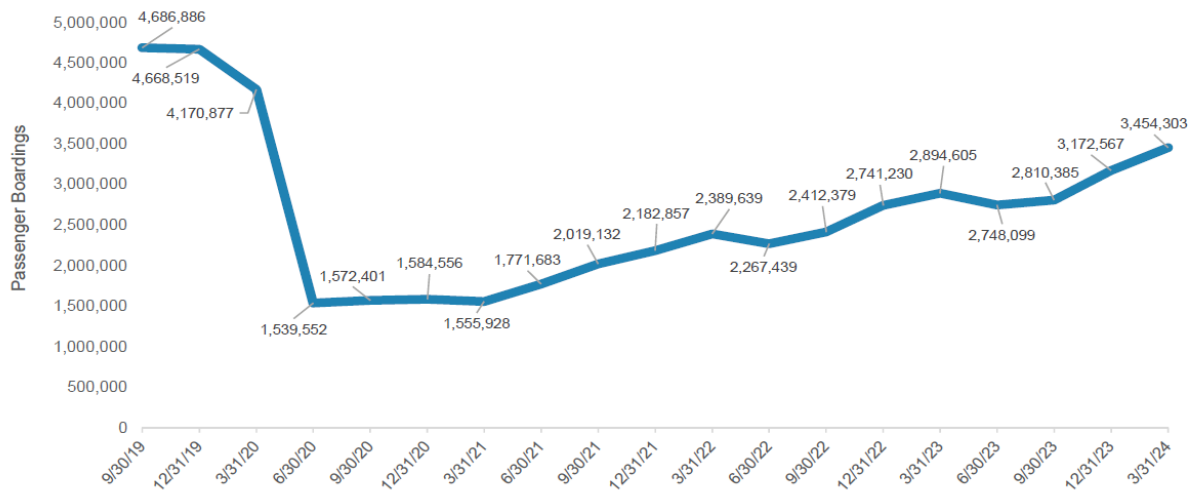
The primary source of data used in the Report is from TransTrack. TransTrack is a countywide transit performance software that the San Bernardino County (County) transit operators, except SCRRA, use to provide operations and financial data on a monthly basis. This allows SBCTA to pull data reports independently from the transit operators. The other data sources for this report came from SBCTA's rideshare program database, transit operators' staff, and their respective Board of Directors agenda reports. This allows for collaboration between SBCTA staff and the operators' staff to ensure that an accurate picture is presented. SCRRA data is collected directly from SCRRA staff and reviewed as part of the SCRRA Member Agency Advisory Committee (MAAC) activities. SBCTA is working with SCRRA on adding access to the Arrow Service data through TransTrack for consistency.

Throughout the third quarter of Fiscal Year (FY) 2023/2024, San Bernardino County bus and rail transit operators provided 3.5 million trips system wide (as shown in Exhibit 2 on the following page). This was an increase of more than 280,000 trips from the prior quarter.

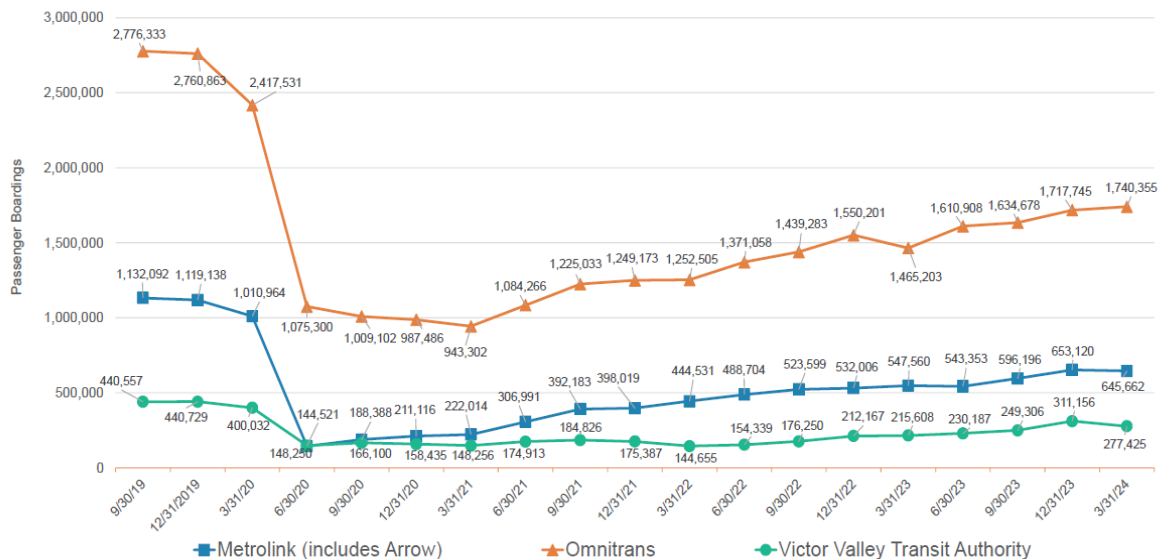
Transit Committee Agenda Item

August 15, 2024

Page 2

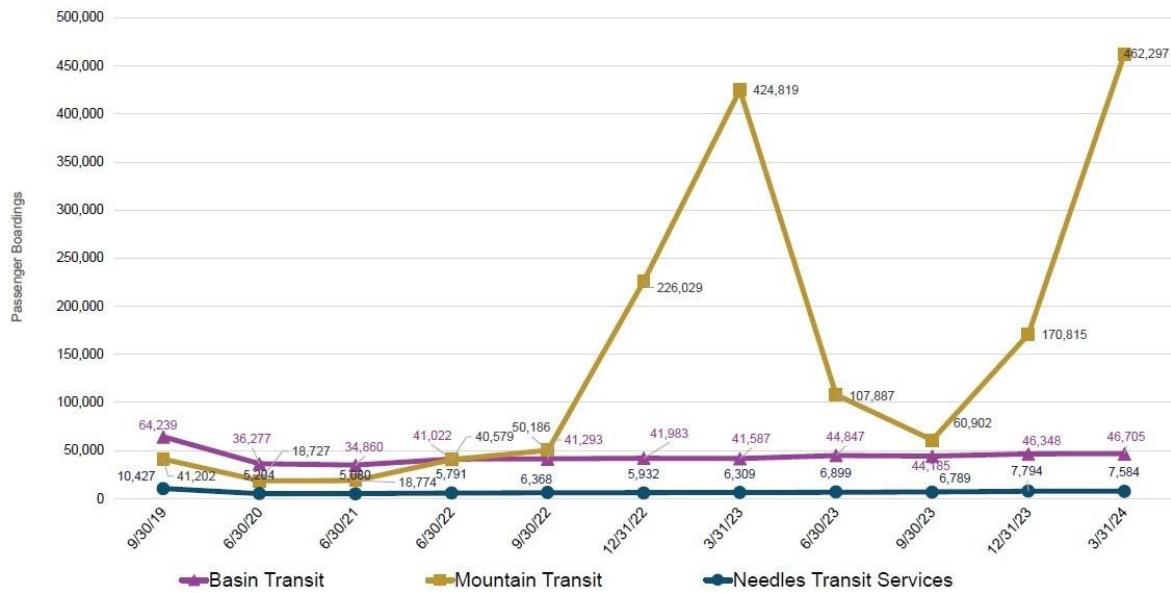
Exhibit 2, San Bernardino County Passenger Trips by Quarter, Fall 2019 to Spring 2024

Among the larger operators, Metrolink provided 645,000 trips, which was an increase of more than 21,000 trips from the prior quarter (as shown in Exhibit 3 below). More than 33,000 trips were made on the Arrow Service, which is a 13% increase from the prior quarter. Omnitrans saw a slight 1% increase and the Victor Valley Transit Authority (VVTA) saw an 11% decrease in trips in the third quarter.

Exhibit 3, Larger Operators' Quarterly Ridership, Fall 2019 to Spring 2024

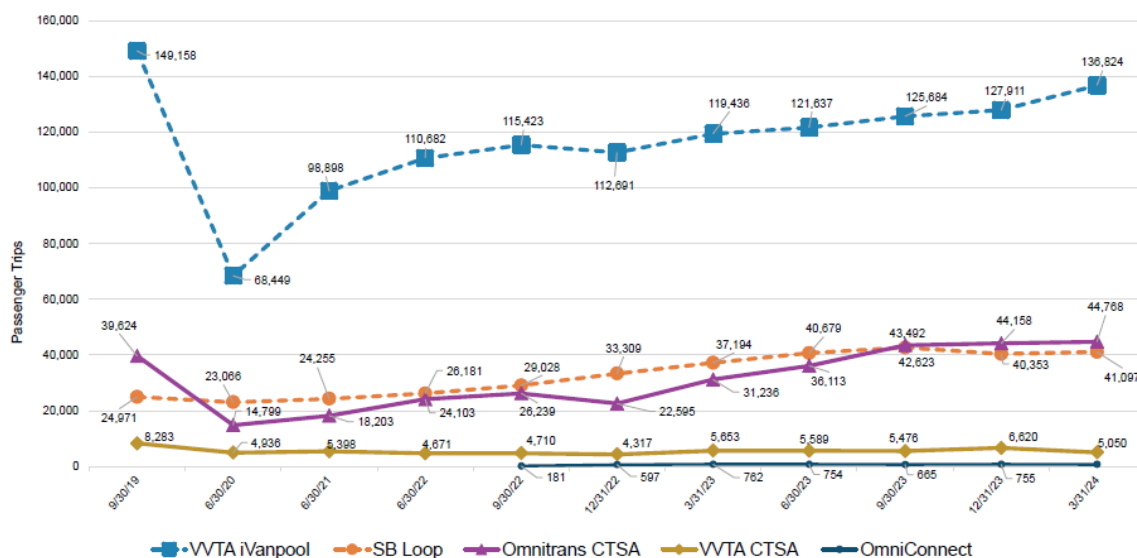
Mountain Transit seasonal ridership continued to increase through the third quarter, with a winter-time high of more than 460,000 trips, which is an increase of 171% from the prior quarter and 12% more than last winter (as shown in Exhibit 4 on the following page). Basin Transit's ridership saw a slight increase of 1%, which was approximately 40,000 trips, and Needles Transit Services saw a decrease of 3%, approximately 7,500 trips during this quarter.

Exhibit 4, Small Operators' Quarterly Ridership, Fall 2019 to Spring 2024



Amongst the smaller transportation programs, VVTA's Vanpool program saw an increase of 7% or 137,000 trips from the prior quarter, and SBCTA's Vanpool program saw a 2% increase with 41,000 trips (as shown in Exhibit 5 below). Omnitrans' Consolidated Transportation Services Agency (CTSA) saw a 1% growth, providing 45,000 trips, and VVTA's CTSA saw a decrease, providing 5,000 trips this quarter. Finally, the OmniConnect shuttle SB Connect serving the Downtown San Bernardino area saw a 29% increase this quarter, providing 129 trips. The OMT Connect shuttle serving the Ontario International Airport provided 700 trips this quarter, an 11% decrease from the previous quarter.

Exhibit 5, Smaller Transportation Programs' Quarterly Ridership, Fall 2019 to Spring 2024



Transit Committee Agenda Item

August 15, 2024

Page 4

Current Initiatives

Responding to persistent negative public perceptions about public transportation, SBCTA's Multimodal Transportation Working Group sought out strategies to combat these and developed a soon-to-be-released campaign that focuses on messaging and information to build confidence in the transit experience.

Following listening sessions with riders, non-riders, and transit operators, the Multimodal Transportation Working Group explored the concept of transit etiquette. What could riders and drivers expect of one another? What are the do's and don'ts in riding transit? What would make people feel good in a transit space? At the same time, the team compiled the extensive work already done by each transit system to identify Rider Rules of the Road and to review this information in comparison with similar information from transit systems elsewhere in the country.

The resulting product is the Ride Happy! campaign, with its tagline, Be Safe, Be Respectful, Be Kind. A series of upbeat, positive messages convey the various ways in which you can stay safe, be respectful of other riders, and be thoughtful.

Ride Happy!
Be Safe. Be Respectful. Be Kind.

DO

- Treat your driver and fellow riders with **respect and courtesy**.
- **Use headphones** for electronic devices and keep your phone conversations brief.
- **Make room for everyone.** Keep extra seats and the aisle clear.
- **Be kind.** Offer seats to those less able to stand.
- **Keep it clean.** No food or beverages in open containers.
- **Stay safe.** Sit when you can, hold on when you can't.
- **Be polite.** No obscene language, rudeness or shouting.
- Keep **service animals** under control and **pets** in enclosed carriers.

DON'T

- No smoking or vaping
- No alcohol or drug use
- No fighting, harassment, or threatening behavior
- No weapons

To report bad conduct or harassment:

- Call Dispatch: 760-366-2395
- Email: comments@basin-transit.com
- In an emergency, call 911

powered by

BASIN TRANSIT **sb cta**
San Bernardino County Transportation Authority

Ride Happy!
Be Safe. Be Respectful. Be Kind.

When we all use common courtesy and good safety sense, everyone rides happy throughout the San Bernardino region and beyond. For more information on rider conduct, consult your local system's website.

powered by

OmniTrans **METROLINK** **Arrow** **BASIN TRANSIT** **Victor Valley Transit** **NAT** **sb cta**
San Bernardino County Transportation Authority

Financial Impact:

This item has no financial impact on the adopted 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:

Nancy Strickert, Transit Manager

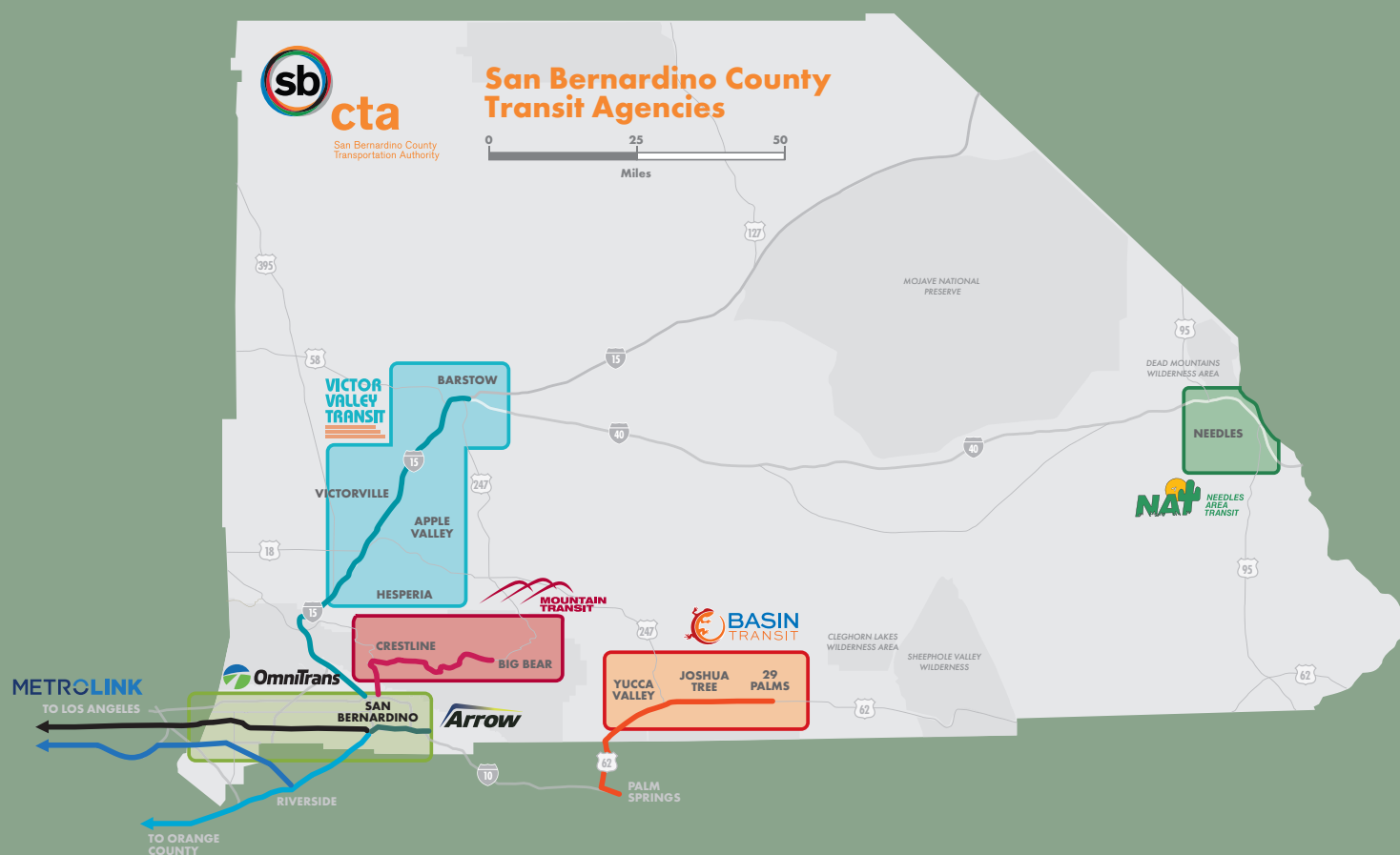
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Approved
Transit Committee
Date: August 15, 2024

Witnessed By:



San Bernardino County Multimodal Transportation Quarterly Update



Third Quarter Fiscal Year 2023/2024
Volume 5, Number 3

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Introduction

Each of San Bernardino County’s public transit programs continues to report recovering ridership from low points in the summer of 2020, near the outset of the COVID-19 pandemic. This iteration of the SAN BERNARDINO COUNTY MULTIMODAL TRANSPORTATION QUARTERLY REPORT (Volume 5, Number 3) presents operators’ third quarter experience of January, February and March 2024 of Fiscal Year 2023/2024 (FY 23/24). Third quarter performance is contrasted with the prior quarter (second quarter), of the same year. Four years of public transportation performance provide additional context. Also reported are current initiatives by San Bernardino County Transportation Authority (SBCTA) and the County’s operators to grow ridership and enhance community-level and regional transit services.

This report has two primary purposes in informing San Bernardino County policy makers, members of the general public and interested stakeholders:

- 1. To provide high-level information about specific transportation services and programs available.
- 2. To report on current initiatives and track trends in key performance indicators.

San Bernardino County’s Public Transportation Modes and Programs

San Bernardino County is served by six public transit operators, providing rail, fixed-route bus services, microtransit and Americans with Disabilities Act (ADA) complementary paratransit services. The new Metrolink Arrow San Bernardino-Redlands train service commenced in October 2022. Its sixth quarter of service is presented in this report. The service areas of the County’s five bus operators, plus Metrolink service, are depicted in Exhibit 1.

- **Metrolink** – Providing passenger rail service across a 538-mile network throughout the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura. Metrolink launched the Arrow service in October 2022, adding nine additional miles, four new stations and new Diesel Multiple Unit (DMU) trains, and connecting Downtown San Bernardino with the University of Redlands.
- **Omnitrans** – Providing services in the San Bernardino Valley, connecting to Riverside and Los Angeles counties.
- **Victor Valley Transit Authority (VVTA)** – Providing services in the Greater Victor Valley and the Barstow area, connecting to the San Bernardino Valley.
- **Basin Transit (previously Morongo Basin Transit Authority)** – Providing services in Twentynine Palms, Yucca Valley, Joshua Tree and the Morongo Valley communities, connecting to the Coachella Valley.
- **Mountain Transit** – Providing services in the Lake Arrowhead and Big Bear communities, connecting to the San Bernardino Valley.
- **Needles Transit Services** – Providing services within the City of Needles and limited connections into Arizona.

Three additional modes of transportation support San Bernardino County residents:

- **Consolidated Transportation Services Agencies (CTSAs) programs** – Specialized transportation services administered by Omnitrans and VVTA.
- **Vanpool programs** – Programs are operated by SBCTA and VVTA.
- **IE Commuter** – A rideshare program of SBCTA and Riverside County Transportation Commission (RCTC).

Exhibit 1, San Bernardino County Public Transit Bus Operators



Commentary

Strong Ridership Growth Continues

San Bernardino County's public transit operators continue to work hard at rebuilding transit use, now reflected in eight quarters of steadily increasing ridership. Systemwide ridership for the third quarter of FY 23/24 is approaching 3.5 million passenger trips, up 20% from third quarter a year ago (Exhibit 2). This represents recovery of almost three-quarters of the peak 2019 ridership of 4.7 million passenger trips. San Bernardino County's public transit operators are continuing to build their ridership base, adding more than 280,000 trips by retaining existing riders and attracting new ones.

Exhibit 3 reflects the larger operators' quarterly ridership experience. Omnitrans saw a smaller increase of 1%, up from the prior quarter, while the 12-month ridership comparison is up 19% from a year ago. VVTA ridership declined by 11% this quarter, compared to last. Nonetheless, year-over-year ridership is up almost 30%, carrying an additional 62,000 passengers this quarter compared to this period last year.

Metrolink, including Arrow ridership, reports a 1% decline in ridership this quarter, from the prior quarter, but is nonetheless up 18% in the year-over-year comparison.

Exhibit 2, San Bernardino County Passenger Trips by Quarter, Fall 2019 to Spring 2024

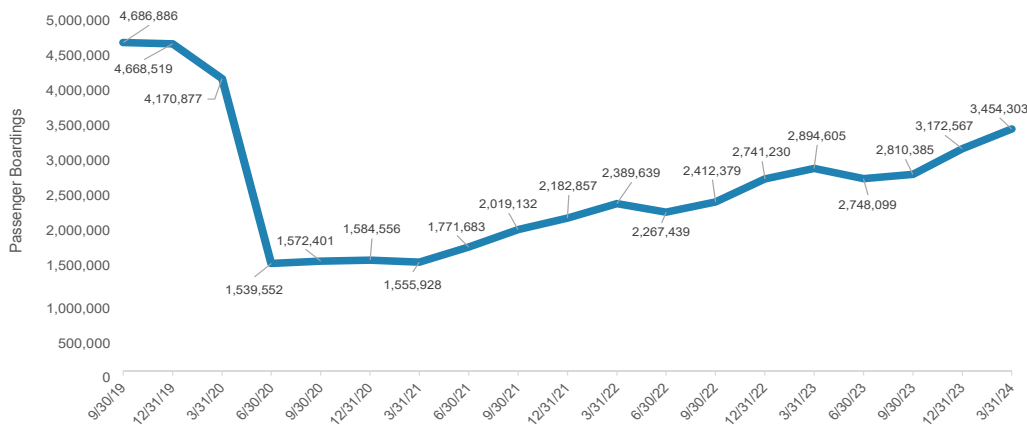
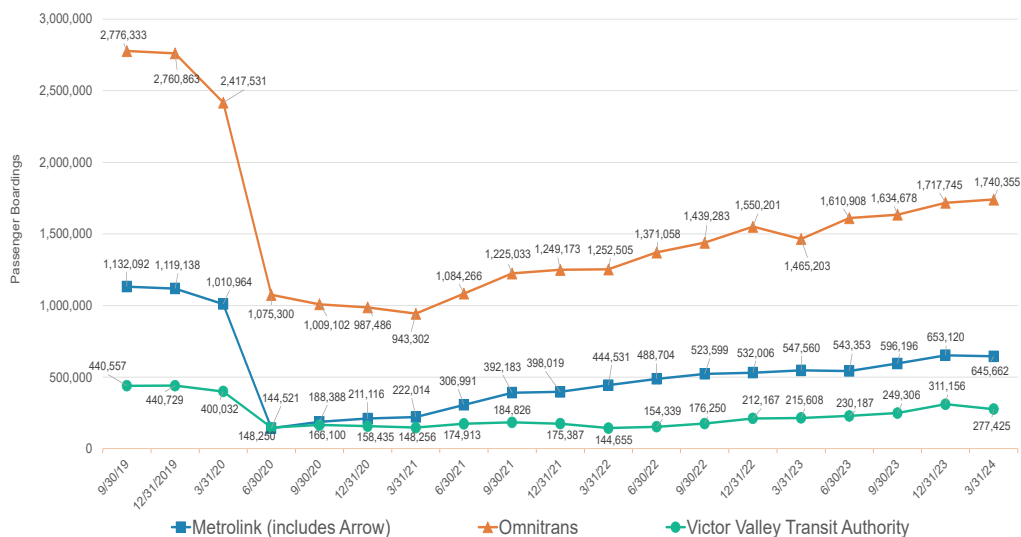


Exhibit 3, Larger Operators' Quarterly Ridership, Fall 2019 to Spring 2024



Commentary

Exhibit 4 presents the smaller operators' ridership history. Mountain Transit realized a winter-time ridership high, providing more than 460,000 trips this quarter and 12% more than last winter as it continues its local ski resort partnerships that enable provision of free trips to visitors and locals alike.

Basin Transit saw modest ridership growth this quarter, less than 1%, but overall, realized a 12% increase from last year's third quarter report.

Similarly, Needles Transit Services saw a 3% decrease in ridership compared to last quarter, but it too realized a substantial 20% one-year ridership increase, comparing the third quarter's year-over-year experience.

Smaller San Bernardino County programs presented in Exhibit 5 include vanpool and specialized transportation services that receive public transportation funds and serve an array of San Bernardino County residents. Together, this group of programs provided more than a quarter of a million trips in the third quarter, the larger proportion of which were vanpool trips on VVTA's iVanpool and SBCTA's SB Loop. These programs continued adding vanpool trips, in response to increased marketing and outreach to increase ridership.

iVanpool increased 7%, approaching 140,000 quarterly trips and 15% above the prior-year ridership level. SB Loop grew by 2% to exceed 41,000 quarterly trips and 11% above the prior year.

The County's CTSA's – Consolidated Transportation Services Agencies – each provide a mix of specialized services further detailed in this Quarterly Report.

Omnitrans' CTSA services increased ridership by 1% while the VVTA CTSA ridership decreased this quarter by 24%.

OmniConnect, serving the Rancho Cucamonga and Downtown San Bernardino Metrolink Stations, provided more than 700 trips this quarter, down about 6% from the prior quarter.

Exhibit 4, Small Operators' Quarterly Ridership, Fall 2019 to Spring 2024

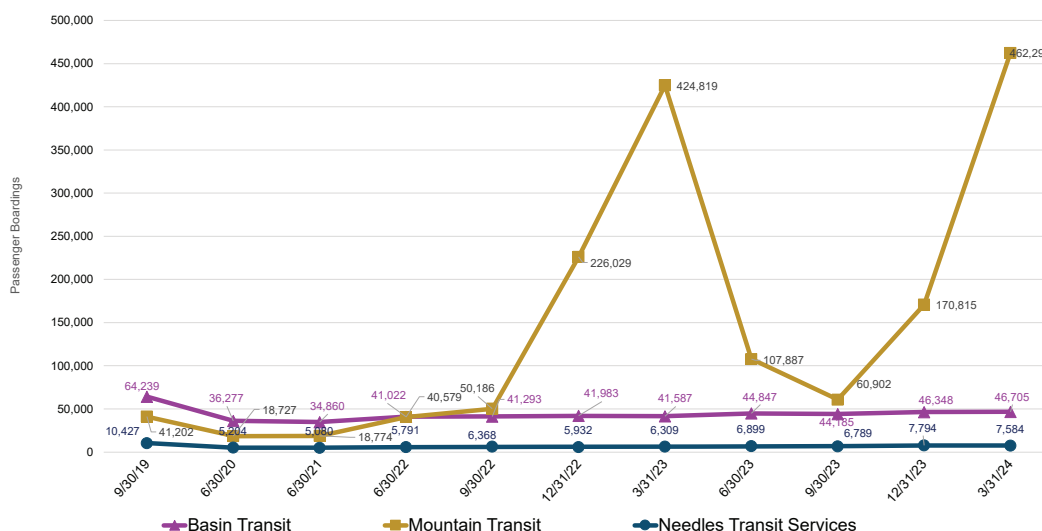
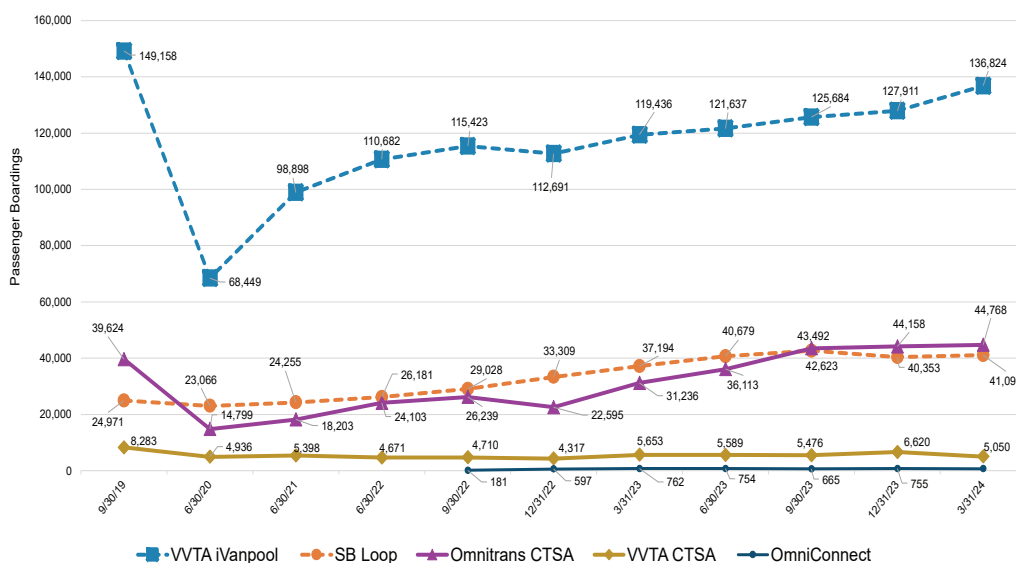


Exhibit 5, Smaller Transportation Programs' Quarterly Ridership, Fall 2019 to Spring 2024



Current Initiatives

Promoting Transit as a Safe Space, a Happy Place

Responding to persistent negative public perceptions about public transportation, SBCTA’s **Multimodal Transportation Working Group** sought out strategies to combat these. A 10-month effort is culminating in a soon-to-be-released campaign that focuses messaging and information to build confidence in the transit experience. There was early interest in BART’s very successful “Not One More Girl” anti-harassment campaign as an approach, but there was uncertainty as to what topics were appropriate to address in San Bernardino County and in what ways.

Identifying Safety-Related Concerns

SBCTA’s transit team, with the County’s transit operators, recruited riders to focus groups and invited non-riders to listening sessions in multiple locations around the County. These were conducted to develop an understanding of safety-related concerns in using public transit or in thinking about using public transportation. Conversations were held with students, other young people and families, as well as public transit drivers, to explore experiences when individuals felt unsafe. Discussions considered the messages and tools that would improve confidence of new or prospective transit users.

While experiences varied somewhat around the County, and by particular groups, those currently using public transportation consistently reported good news – riders did not feel unsafe on the buses. Non-riders perceived an unsafe environment but were often surprised to discover otherwise, for those that had tried transit. What resonated with all groups was a desire for “Rules of the Road.” Riders wanted to be able to communicate to other riders what was unacceptable behavior. Drivers wanted to have something to point to, to indicate what was allowable and what was not. Current non-riders wanted assurance that they would be safe, respected and could enjoy their transit experience.

Developing Transit Etiquette Messaging

To address these needs, the SBCTA’s transit and creative team, with ongoing input from the **Multimodal Transportation Working Group**, explored the concept of transit etiquette. What could riders and drivers expect of one another? What are the do’s and don’ts in riding transit? What would make people feel good in a transit space? At the same time, the team compiled the extensive work already done by each transit system to identify Rider Rules of the Road and to review this information in comparison with similar information from transit systems elsewhere in the country.

The resultant product is the Ride Happy! campaign, with its tagline Be Safe, Be Respectful, Be Kind (Exhibit 6). A series of upbeat, positive messages convey the various ways in which you can stay safe, be respectful of other riders and be thoughtful. The “do not” messages were reduced to just four regarding no smoking or alcohol use, no fighting, no harassment or threatening behavior, and no weapons. The campaign pieces will be printed as good-sized posters for prominent display within each bus, tailored to each transit system, by conveying in the lower left corner how to report bad behavior.

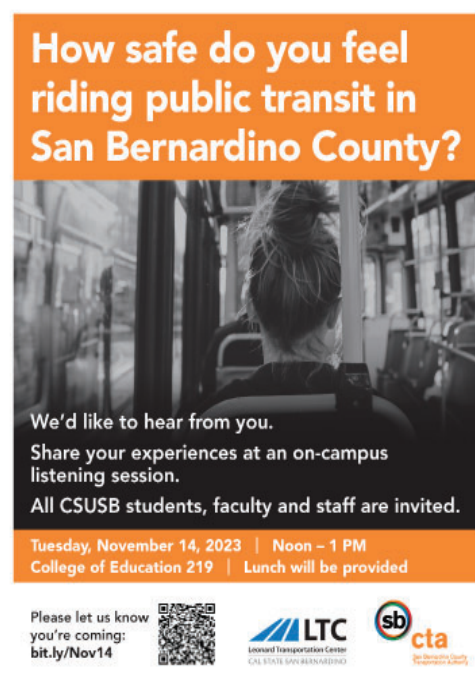


Exhibit 6, Rider Etiquette Poster for On-Board Vehicles, Tailored to Each System

Ride Happy!

Be Safe. Be Respectful. Be Kind.

DO

- Treat your driver and fellow riders with **respect and courtesy**.
- **Use headphones** for electronic devices and keep your phone conversations brief.
- **Make room for everyone.** Keep extra seats and the aisle clear.
- **Be kind.** Offer seats to those less able to stand.
- **Keep it clean.** No food or beverages in open containers.
- **Stay safe.** Sit when you can, hold on when you can't.
- **Be polite.** No obscene language, rudeness or shouting.
- Keep **service animals** under control and **pets** in enclosed carriers.

DON'T

- No smoking or vaping
- No alcohol or drug use
- No fighting, harassment, or threatening behavior
- No weapons

To report bad conduct or harassment on the bus please...

Current Initiatives

A second part of the campaign is geared more broadly, intended for display in a wide array of settings. The team envisions that these Ride Happy! posters can be distributed through stakeholder partners throughout the region — for example, municipalities, public agencies, health care facilities, senior centers, other non-profit organizations. The SBCTA transit team hopes to use this campaign to enlist partner support in promoting public transportation as a mobility choice. In addition to physical posters, there is an array of social media posts by which these messages can be shared.

Exhibit 7, Rider Etiquette Posters for Broad Distribution to the General Public, Countywide

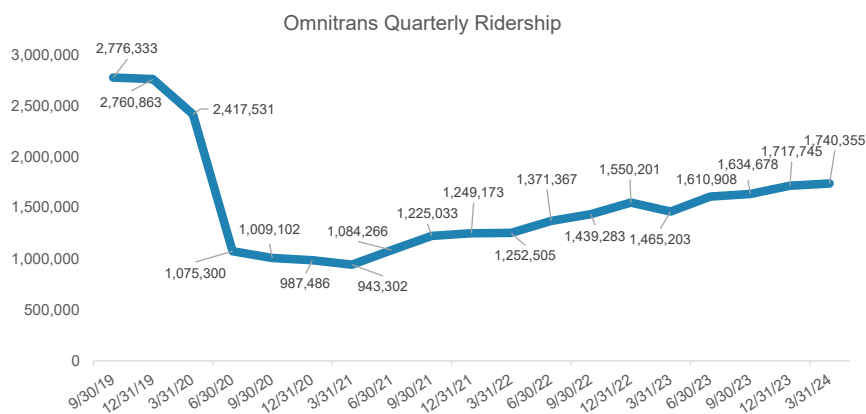


Commentary and Trends

Omnitrans' fixed-route service experienced a 1% increase during the third quarter, reaching a pandemic recovery high of 1.74 million trips. Demand response transportation increased by 2% during this quarter, adding almost 1,000 additional trips.

Operating costs increased slightly while passenger revenue increased by 7%, improving farebox recovery to 25.9%. The increase in farebox recovery effectively lowered fixed-route per trip costs by 3% while an increase of 13% was experienced for demand response trip costs.

Passengers per revenue hour and revenue mile remained unchanged between the second and third quarters of FY 23/24.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	1,717,745	1,740,355	1%
Fixed-Route Trips**	1,679,507	1,701,197	1%
Demand Response Trips	38,238	39,158	2%
SYSTEM Performance			
Revenue Hours	151,790	153,582	1%
Passengers per Rev Hour	11.3	11.3	0%
Revenue Miles	2,062,550	2,089,031	1%
Passengers per Rev Mile	0.83	0.83	0%
Passenger Miles	8,768,915	8,845,910	1%
Average Trip Length (miles)	5.10	5.08	0%
OPERATIONS Expense			
Total Operating Cost	\$22,097,432	\$22,331,979	1%
Passenger Revenue	\$5,375,015	\$5,776,162	7%
Farebox Recovery Ratio Systemwide	24.3%	25.9%	6%
Cost per Revenue Mile	\$10.71	\$10.69	0%
Subsidy/Pass Trip – Systemwide	\$9.74	\$9.51	-2%
Fixed-Route Cost per Trip	\$11.25	\$10.96	-3%
Demand Response Cost per Trip	\$83.59	\$94.37	13%
FLEET Characteristics			
Vehicles in Peak Service	(Includes sbX)	(Includes sbX)	
Fixed-Route	109	109	
Demand Response	40	40	
Total Vehicles in Peak Service	149	149	
Battery-Operated Vehicles	4	4	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

** OmniConnect performance data are also counted as fixed-route trips for Omnitrans services and should not be double counted.

OmniConnect Shuttle Services:

• ONT Connect • SB Connect

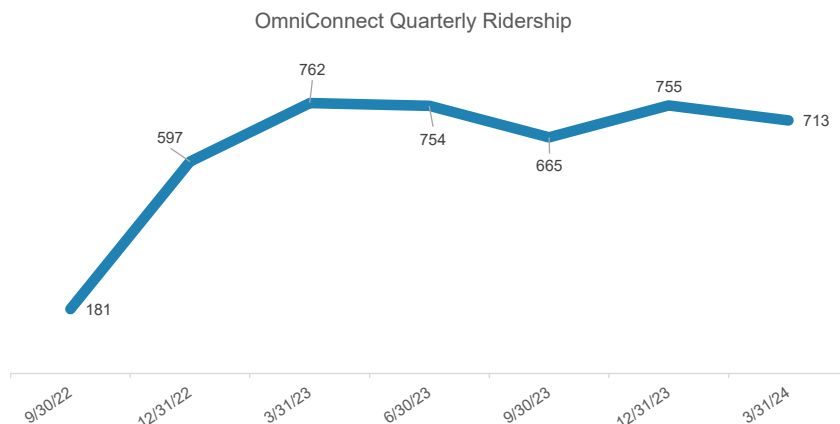


Commentary and Trends

OmniConnect provides shuttle service between the Ontario Airport and Metrolink stations on the ONT Connect and from the San Bernardino Transit Center to Downtown San Bernardino employment locations on the SB Connect.

During the third quarter of FY 23/24, OmniConnect ridership decreased slightly by 6%, after gains in the previous quarter. Route 380 ONT Connect decreased ridership by 11% to 584 trips while Route 300 SB Connect experienced a 29% increase in ridership, possibly related to fewer trainings during the winter months and inclement weather.

Total revenue hours increased slightly by 2% while revenue miles grew by 4% compared to the second



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
Total Passenger Trips**	755	713	-6%
Route 300 SB Connect	100	129	29%
Route 380 ONT Connect	655	584	-11%
Performance			
Revenue Hours	2,058	2,107	2%
Passengers per Rev Hour	0.4	0.3	-8%
Revenue Miles	20,004	20,780	4%
Passengers per Rev Mile	0.04	0.03	-9%
OPERATIONS Expense			
Total Operating Cost	\$251,420	\$254,082	1%
Passenger Revenue	\$43,457	\$44,719	—
Farebox Recovery Ratio	17.3%	17.6%	—
Subsidy per Pass Trip	\$275.45	\$293.64	7%
FLEET Characteristics			
Vehicles in Peak Service	2	2	
Service Area Square Mileage	31	31	
Vehicles per Square Mile	0.1	0.1	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

** OmniConnect performance data are also counted as fixed-route trips for Omnitrans services and should not be double counted.

Omnitrans

Consolidated Transportation Services Agency (CTSA)



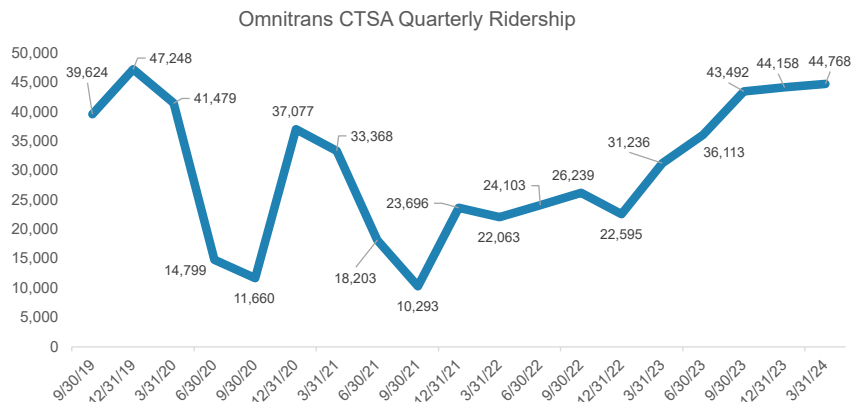
Commentary and Trends

Omnitrans' CTSA programs support transportation to vulnerable populations by providing specialized transit services and through funding partnerships with human service agencies.

Total CTSA ridership increased slightly by 1% during the third quarter, with a 20% improvement in the TREP Mileage Reimbursement program and an 18% increase in the Uber/Taxi Ride program. The Travel Training program trained 28 persons, a decrease of 65% from the second quarter, possibly relating to fewer trainings during the winter months and inclement weather.

The third quarter's total ridership of almost 45,000 trips is the highest since the second quarter of 2019, just prior to the onset of the COVID-19 pandemic.

Service providers in the Regional Mobility Partnership decreased slightly by less than 100 trips across the nine active specialized transportation providers with some fluctuation amongst the group.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
TOTAL TRIPS	44,158	44,768	1%
TREP Mileage Reimbursement Trips	6,002	7,204	20%
Uber/Taxi Ride Program Trips	5,236	6,153	18%
Travel Training Program*	80	28	-65%
Regional Mobility Partnership (RMP) Trips	32,840	31,383	-4%
Anthesis	11,213	11,135	-1%
Lutheran Social Services	991	773	-22%
City of Grand Terrace	184	144	-22%
AgingNext	6,365	6,970	10%
OPARC	9,639	7,320	-24%
City of Chino	1,379	1,875	36%
Highland Senior Center	1,238	1,300	5%
Loma Linda University Adult Day Health	1,260	1,129	-10%
City of Ontario	571	737	29%
City of Rialto**			—
FAP**			—
City of Redlands			—

Ended Dec. 2022

* Reporting numbers are for number of individuals trained.

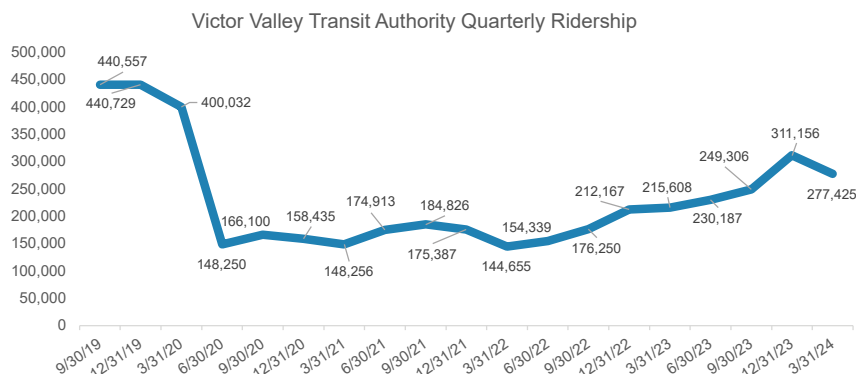
** New Regional Mobility Partnership contracts have been executed. Partners are in the process of starting their programs.

Victor Valley Transit



Commentary and Trends

VVTA experienced a slight decrease in trip production during the third quarter, declining by 11% systemwide. Fixed-route ridership was down 15% while demand response service increased by 28% or almost 8,000 additional trips, which includes trips provided on the new microtransit service. Operating costs increased by 6% while passenger revenue grew by 17% systemwide. The increase in operating expenses coupled with the reduction in ridership resulted in a 19% increase in systemwide cost per trip.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	311,156	277,425	-11%
Fixed-Route Trips	274,547	232,923	-15%
Commuter Bus Trips	8,505	8,417	-1%
Demand Response Trips	28,104	36,085	28%
SYSTEM Performance [excludes vanpool revenue hours & miles]			
Revenue Hours	62,755	63,514	1%
Passengers per Rev Hour	5.0	4.4	-12%
Revenue Miles	1,099,843	1,109,782	1%
Passengers per Rev Mile	0.28	0.25	-12%
OPERATIONS Expense [excludes vanpool expense & revenue]			
Total Transit Operating Cost	\$8,000,035	\$8,495,473	6%
Passenger Revenue	\$376,823	\$439,187	17%
Farebox Recovery Ratio Systemwide	4.7%	5.2%	10%
Cost per Revenue Mile	\$7.27	\$7.66	5%
Subsidy/Pass Trip – Systemwide	\$24.50	\$29.04	19%
Fixed-Route Cost per Trip	\$21.99	\$27.16	24%
Commuter Bus Cost per Trip	\$26.93	\$32.53	21%
Demand Response Cost per Trip	\$46.51	\$52.51	13%
FLEET Characteristics			
Vehicles in Peak Service	Includes 12 Electric Vehicles	Includes 12 Electric Vehicles	
Fixed-Route	47	47	
Commuter	6	6	
Demand Response	40	40	
Total Vehicles in Peak Service	93	93	
Service Area Square Mileage	1,082	1,082	
Vehicles per Square Mile	0.07	0.07	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

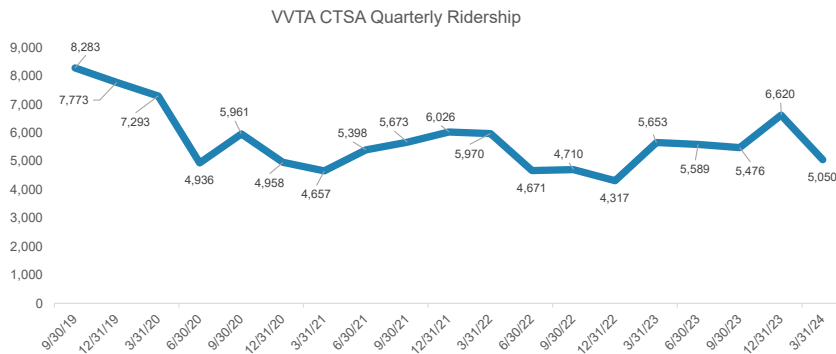
Victor Valley Transit Consolidated Transportation Services Agency (CTSA)



Commentary and Trends

VVTA's CTSA programs include a range of projects that provide specialized service for seniors and persons with disabilities. Overall, the program experienced a decrease of ridership of 24% during the third quarter, driven mostly by the Fare Media Scholarship program for low-income, disabled and older adults.

Nonprofit provider trips declined by 16%, but a new provider was added in Heart's Extended during the third quarter. The TRIP mileage reimbursement program has a small increase of 1% while reimbursing 4% fewer miles than during the second quarter. The Travel Training program trained 55% fewer individuals, possibly related to fewer trainings during the winter months, while the Transit Ambassador program had a 33% increase in service hours.



Performance

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
TOTAL TRIPS	6,620	5,050	-24%
TRIP Program	3,441	3,473	1%
Nonprofit Providers	1,355	1,137	-16%
Foothill AIDS Project	493	339	-31%
Abundant Living Church	725	531	-27%
Heart's Extended		78	
Trona Community and Senior Center	113	180	59%
Bonnie Baker Senior Center	24	9	-63%
Travel Training Program	92	41	-55%
Fare Media Scholarship Program	1,732	399	-77%
TOTAL MILES	89,428	86,049	-4%
TRIP Program	89,428	86,049	-4%
TOTAL HOURS	52	69	33%
Transit Ambassador Program	52	69	33%

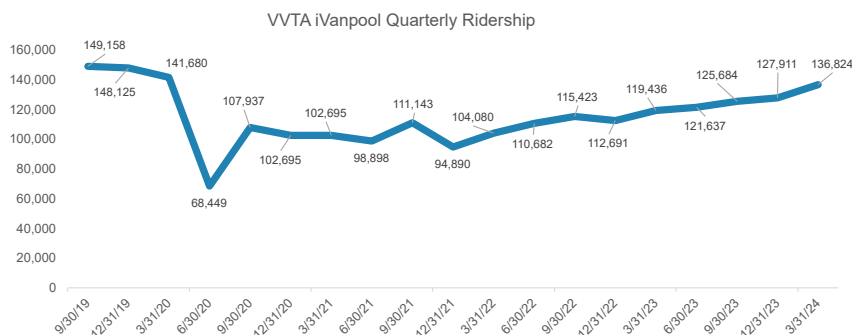
Victor Valley Transit iVanpool



Commentary and Trends

VVTA's vanpool program added an additional vanpool during the third quarter with a 7% increase in passenger trips.

All vanpools are eligible to receive up to \$500 per month in program subsidy toward the cost of a vanpool. This subsidy increased by 2% during the third quarter to almost \$380,000. Passenger participation fees that cover the remaining vanpool costs decreased by 2% to almost \$300,000. The vanpool program generated 5% more revenue hours and 6% more revenue miles during this reporting period.



Performance

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)
	Current Year FY 23/24	Current Year FY 23/24 % change from 2nd Quarter

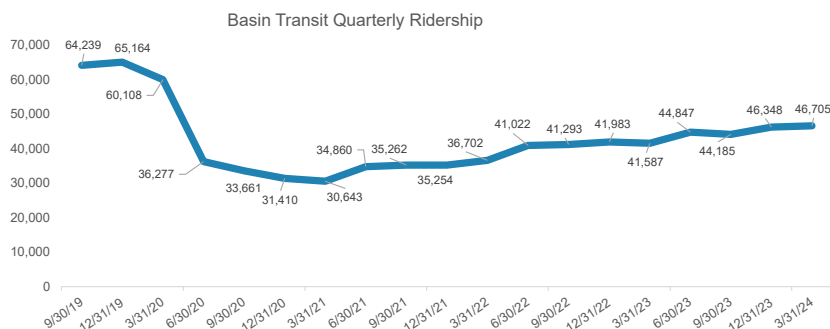
Performance			
Number of Vanpools	208	209	0%
Revenue Miles	1,354,840	1,433,203	6%
Revenue Hours	27,800	29,275	5%
Unlinked Passenger Trips	127,911	136,824	7%
Passenger Miles	6,384,636	6,878,271	8%
Subsidies Disbursed	\$371,960	\$379,315	2%
Participation Fees	\$307,946	\$300,354	-2%

Basin Transit

Commentary and Trends

Basin Transit's experienced a nominal increase in systemwide ridership of 1% during the third quarter. While fixed-route and demand response ridership remained constant, commuter trips increased by 33%. Revenue hours increased by 1% and revenue miles increased by 5%, with relatively no change in passengers per hour and per mile. Total operating costs increased by 2% while passenger revenue grew by 8%, increasing systemwide farebox recovery by 6% during the third quarter.

The TREP mileage reimbursement program served three more clients while reimbursing for 8% fewer trips and 5% fewer miles.



Performance*

2nd Quarter (Oct-Nov-Dec) 3rd Quarter (Jan-Feb-Mar)

	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	46,348	46,705	1%
Fixed-Route Trips	40,761	40,358	-1%
Commuter Bus Trips	1,893	2,523	33%
Demand Response Trips	3,694	3,824	0%
SYSTEM Performance			
Revenue Hours	7,993	8,108	1%
Passengers per Rev Hour	5.8	5.8	0%
Revenue Miles	153,796	161,209	5%
Passengers per Rev Mile	0.30	0.29	0%
OPERATIONS Expense			
Total Operating Cost	\$1,094,842	\$1,118,275	2%
Passenger Revenue	\$88,139	\$95,409	8%
Farebox Recovery Ratio Systemwide	8.1%	8.5%	6%
Cost per Revenue Mile	\$7.12	\$6.94	-3%
Subsidy/Pass Trip – Systemwide	\$21.72	\$21.90	1%
Fixed-Route Cost per Trip	\$19.05	\$19.74	4%
Commuter Bus Cost per Trip	\$57.42	\$44.11	-23%
Demand Response Cost per Trip	\$56.74	\$54.96	-3%
TREP Mileage Reimbursement Program			
TREP Clients	188	191	2%
TREP Trips	1,256	1,154	-8%
TREP Miles Reimbursed	27,661	26,213	-5%
Mileage Reimbursement Cost	\$8,298	\$10,485	26%
FLEET Characteristics			
Vehicles in Peak Service			
Fixed-Route/Commuter	9	9	
Demand Response	4	4	
Total Vehicles in Peak Service	13	13	
Service Area Square Mileage	1,300	1,300	
Vehicles per Square Mile	0.01	0.01	

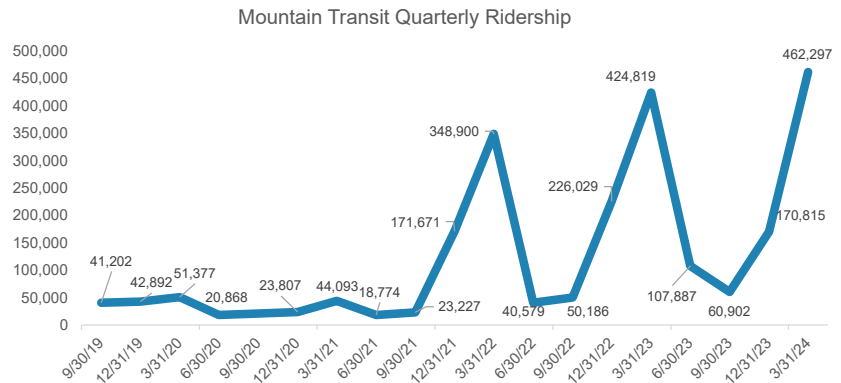
* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

Mountain Transit

Commentary and Trends

Mountain Transit's ridership increased significantly during the third quarter due to the utilization of winter seasonal service to the mountain ski lifts. The increase represents almost 300,000 more trips than during the second quarter. Ridership on the commuter off-the-mountain service also increased by 36% while demand response trips experienced a slight 5% decrease.

Systemwide, revenue hours only increased by 13% compared to the second quarter, contributing to a 139% increase in passengers carried per revenue hour. Operating costs increased by 16%, while passenger revenue – augmented by contributions from local sponsors – increased by 155%, or almost \$500,000.



Performance*

2nd Quarter (Oct-Nov-Dec) 3rd Quarter (Jan-Feb-Mar)

	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	170,815	462,297	171%
Fixed-Route Trips	165,663	456,642	176%
Commuter Bus Trips	1,836	2,504	36%
Demand Response Trips	3,316	3,151	-5%
SYSTEM Performance			
Revenue Hours	14,357	16,229	13%
Passengers per Rev Hour	11.9	28.5	139%
Revenue Miles	208,150	208,089	-0%
Passengers per Rev Mile	0.82	2.22	171%
OPERATIONS Expense			
Total Operating Cost	\$1,689,143	\$1,960,022	16%
Passenger Revenue	\$312,210	\$796,354	155%
Farebox Recovery Ratio Systemwide	18.5%	40.6%	120%
Costs per Revenue Mile	\$8.12	\$9.42	16%
Subsidy/Pass Trip – Systemwide	\$8.06	\$2.52	-69%
Fixed-Route Cost per Trip	\$7.95	\$3.52	-56%
Commuter Bus Cost per Trip	\$76.53	\$53.04	-31%
Demand Response Cost per Trip	\$69.76	\$70.29	1%
FLEET Characteristics			
Vehicles in Peak Service			
Fixed-Route	12	12	
Demand Response	4	4	
Off the Mountain	2	2	
Seasonal Service	14	14	
Airport Shuttle	1	1	
Total Vehicles in Peak Service	33	33	
Service Area Square Mileage	269	269	
Vehicles per Square Mile	0.05	0.05	

* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

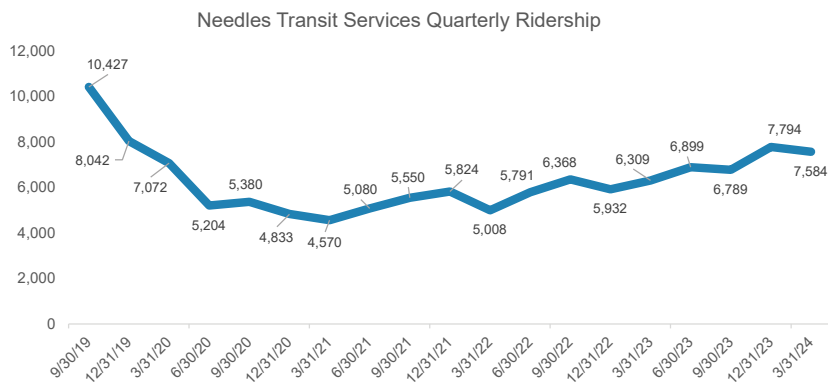
Needles Area Transit City of Needles



Commentary and Trends

Needles Transit Services had a slight decrease in total ridership of 3% during the third quarter. Fixed-route trips decreased by 2% while demand response trips for shopping and medical appointments decreased by 5% during this period.

There was almost no change in revenue hours, but productivity decreased by 3% to 6.1 passengers carried per hour. Revenue miles dropped slightly by a single percent while operating costs remained relatively flat. Passenger revenue almost doubled to nearly \$10,000, influenced by large purchases of bus passes, which increased farebox recovery to 6.8% systemwide.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Total Passenger Trips	7,794	7,584	-3%
Fixed-Route Trips	6,339	6,198	-2%
Demand Response Trips	1,455	1,386	-5%
SYSTEM Performance			
Revenue Hours	1,241	1,249	1%
Passengers per Rev Hour	6.3	6.1	-3%
Revenue Miles	15,582	15,420	-1%
Passengers per Rev Mile	0.50	0.49	-2%
OPERATIONS Expense			
Total Operating Cost	\$145,830	\$146,290	0%
Passenger Revenue	\$5,093	\$9,990	96%
Farebox Recovery Ratio Systemwide	3.5%	6.8%	96%
Costs per Revenue Mile	\$9.36	\$9.49	1%
Subsidy/Pass Trip – Systemwide	\$18.06	\$17.97	-0%
Fixed-Route Cost per Trip	\$17.80	\$17.80	0%
Demand Response Cost per Trip	\$19.18	\$18.73	-2%
FLEET Characteristics			
Vehicles in Peak Service			
Fixed-Route		1	
Demand Response		1	
Total Vehicles in Peak Service		2	
Service Area Square Mileage		31	
Vehicles per Square Mile		0.06	

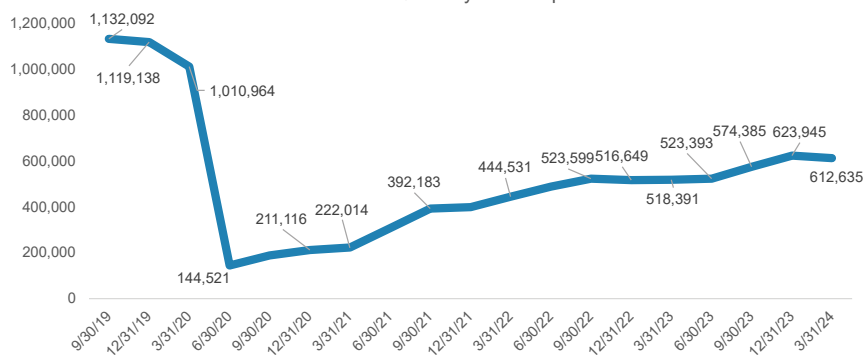
* Extracted from TransTrack Manager Quarterly Scorecard during July 2024.

Commentary and Trends

Metrolink service fell slightly during the third quarter, a 4% reduction in total boardings for the San Bernardino Line (SBL) and the Inland Empire Orange County Line (IEOCL) combined.

San Bernardino County station boardings decreased on the San Bernardino and Inland Empire lines but increased on the Riverside line. Passenger miles traveled decreased on the SBL by 2% and less than a percent on the IEOCL. Operating costs are reported on an annual basis and are not yet available for FY 23/24.

Metrolink Quarterly Ridership



Performance*

SYSTEM Passenger Boardings by Line

	2nd Quarter (Oct-Nov-Dec) Current Year FY 23/24	3rd Quarter (Jan-Feb-Mar) Current Year FY 23/24	% change from 2nd Quarter
TOTAL San Bernardino Line (SBL)	463,519	455,104	-2%
TOTAL Inland Empire Orange County Line (IEOCL)	160,426	157,531	-2%
Boardings at San Bernardino County Stations:			
San Bernardino Line	139,784	133,910	-4%
IEOC Line	5,855	5,105	-13%
Riverside Line	7,554	8,462	12%

FINANCIAL - Total San Bernardino Line w/ MOW1

Operating Cost SB Line		
Farebox Revenue SB Line	N/A	N/A
Farebox Recovery Ratio SB Line		

FINANCIAL - Total IEOC Line w/ MOW1

Operating Cost IEOC Line		
Farebox Revenue IEOC Line	N/A	N/A
Farebox Recovery Ratio IEOC Line		

PERFORMANCE MEASURES - San Bernardino Line

Passenger Miles	16,993,584	16,720,093	-2%
Average Passenger Trip Length	36.5	36.7	1%

PERFORMANCE MEASURES - IEOC Line

Passenger Miles	5,155,954	5,153,719	0%
Average Passenger Trip Length	34.1	32.7	-4%

SERVICE LEVELS

San Bernardino Line		
# of trains per weekday WB	18	18
# of trains per weekday EB	18	18
# of trains per Saturday WB/EB	8	8
# of trains per Sunday WB/EB	8	8
IEOC Line - with stops in San Bernardino County		
# of trains per weekday WB	7	7
# of trains per weekday EB	7	7
# of trains per weekend WB	2	2
# of trains per weekend EB	2	2

* Metrolink conducts reconciliation on an annual, not quarterly, basis. Figures presented here are subject to change following the reconciliation process.

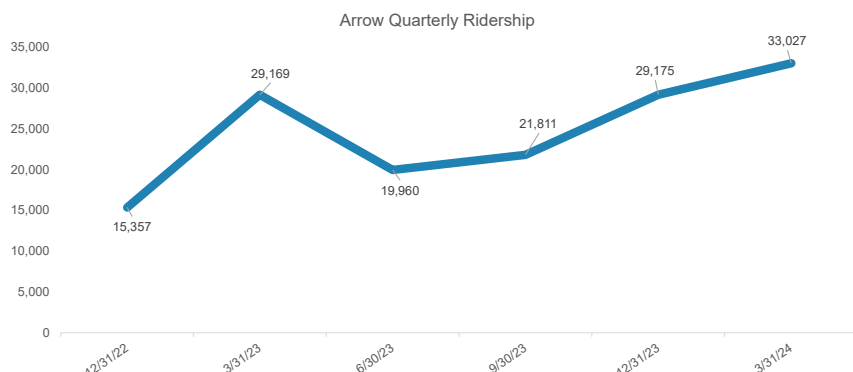
Commentary and Trends

Metrolink's Arrow service launched on October 24, 2022, adding nine miles of track and four new stations between Downtown San Bernardino and the University of Redlands Metrolink Station.

During the third quarter of FY 23/24, Arrow boardings increased by 13%, an increase of almost 4,000 riders compared to the second quarter and marking the highest quarterly ridership total since the service launched. Part of the service's success can be attributed to the Student Adventure Pass pilot program, which provides free rides for any student with valid school identification.

Passenger miles, or the cumulative sum of the distances ridden by each passenger, decreased by 12% during this reporting period, with an average passenger trip length of 6.7 miles.

Financial information and additional performance measures will be reported here as they become available.



Performance*

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
Passenger Boardings			
Total Passenger Boardings	29,175	33,027	13%
FINANCIAL			
Operating Cost			
Farebox Revenue	N/A	N/A	
Farebox Recovery Ratio			
PERFORMANCE MEASURES - Arrow			
Passenger Miles	251,187	220,164	-12%
Average Passenger Trip Length	6.8	6.7	-1%
SERVICE LEVELS			
# of trains per weekday WB	25	25	
# of trains per weekday EB	25	25	
# of trains per Saturday WB/EB	16	16	
# of trains per Sunday WB/EB	16	16	

* Metrolink conducts reconciliation on an annual, not quarterly, basis. Figures presented here are subject to change following the reconciliation process.

SBCTA Multimodal Programs

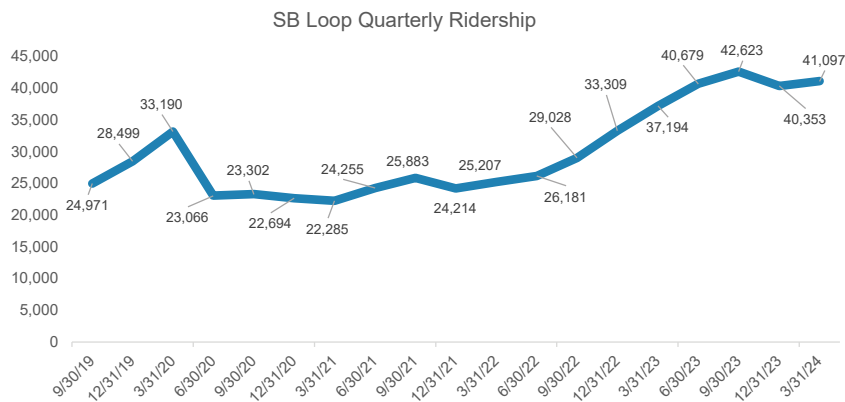
SB Loop



Commentary and Trends

SB Loop is a vanpool program for the County that provides up to 50%, or a maximum of \$600 per month to organized vanpools toward the cost of a qualifying vehicle. The service area includes trips with destinations in the Valley, the Mountain Communities, the Colorado River Basin and the Morongo Valley.

During the third quarter of FY 23/24, SB Loop lost four vanpools but added almost 750 more trips, an increase in ridership of 2% during this period. SBCTA provided \$132,516 in disbursed subsidies, a modest decrease of 1% from the previous quarter, representing a subsidy per passenger trip of \$3.22. Vanpool participants contributed \$302,327 toward the cost of operating vanpools. The overall cost per trip during the third quarter was \$10.58 per passenger.



Performance

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
SYSTEM Totals			
Number of Vanpools	79	75	-5%
Vanpool Passenger Trips	40,353	41,097	2%
SYSTEM Performance			
Passenger Miles	1,600,416	1,559,594	-3%
Passengers/Miles	39.7	37.9	-4%
OPERATIONS Expense			
Subsidies Disbursed	\$133,521	\$132,516	-1%
Participation Fees	\$297,569	\$302,327	2%
Subsidy per Passenger Trip	\$3.31	\$3.22	-3%
Average Cost per Passenger Trip	\$10.68	\$10.58	-1%

SBCTA Multimodal Programs

IE Commuter Rideshare



Commentary and Trends

IE Commuter is a ridesharing program of the Riverside County Transportation Commission and SBCTA, working to reduce traffic and improve air quality in the region by helping businesses develop employee rideshare programs.

IE Commuter added four additional employers while serving 12 more work sites during the third quarter. The number of total IE Commuter accounts decreased slightly, but the number of active accounts for ridematching increased by 3%.

Employer ridesharing activities in the third quarter resulted in fewer vehicle trip reductions and vehicle miles traveled compared to the second quarter while employer programs resulted in a reduction of almost 1.5 million pounds of greenhouse gas emissions. The total number of participants receiving incentives decreased by 37% during this period, but due to periodic fluctuations, it is best to compare ridehare statistics on an annual basis.

Performance

	2nd Quarter (Oct-Nov-Dec)	3rd Quarter (Jan-Feb-Mar)	
	Current Year FY 23/24	Current Year FY 23/24	% change from 2nd Quarter
PROGRAM Totals			
Total Number of Employers	105	109	4%
Total Number of Employer Worksites	1,098	1,110	1%
Total Number of IE Commuter Accounts	102,248	101,574	-1%
Number of Accounts Active for Ridematching	15,295	15,803	3%
EMPLOYER Totals			
Total Employers Surveyed	5	5	0%
Total Commuters Surveyed	5,763	2,404	-58%
Vehicle Trip Reductions (VTR)	62,525	28,717	-54%
Vehicle Miles Traveled (VMT) Reduced	2,179,639	1,907,646	-12%
Greenhouse Gas Emissions (GHG) Reduced (lbs)	1,776,213	1,548,118	-13%
INCENTIVE Totals			
Total Participants	1,217	766	-37%
Vehicle Trip Reductions (VTR)	23,586	9,264	-61%
Vehicle Miles Traveled (VMT) Reduced	861,251	256,579	-70%
Greenhouse Gas (GHG) Emissions Reduced (lbs)	649,412	208,221	-68%

FY 2023/2024 Third Quarter Multimodal Transportation Quarterly Update

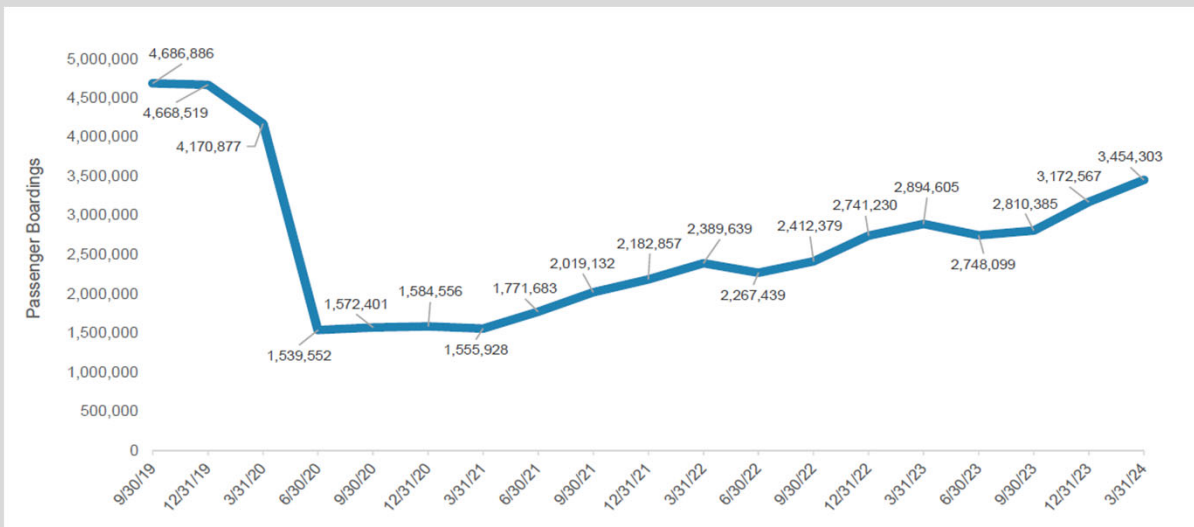
Nancy Strickert
Transit Manager



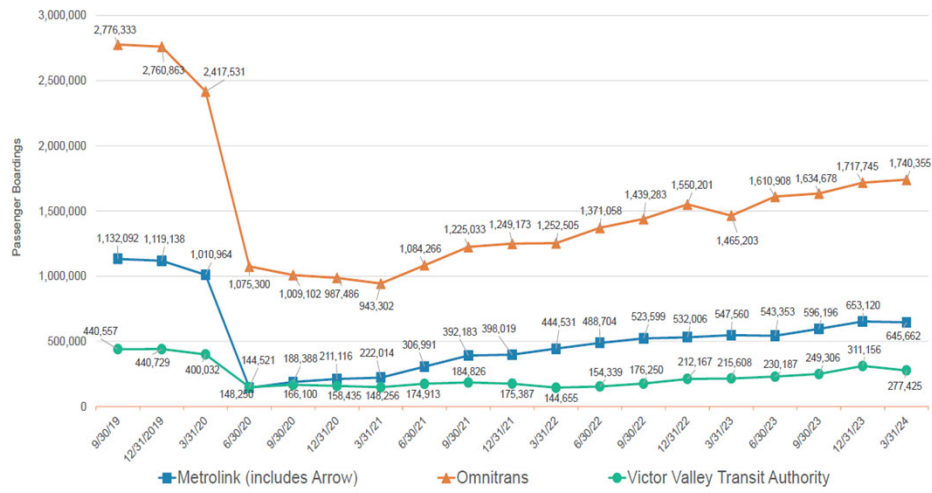
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San Bernardino County
Transportation Authority

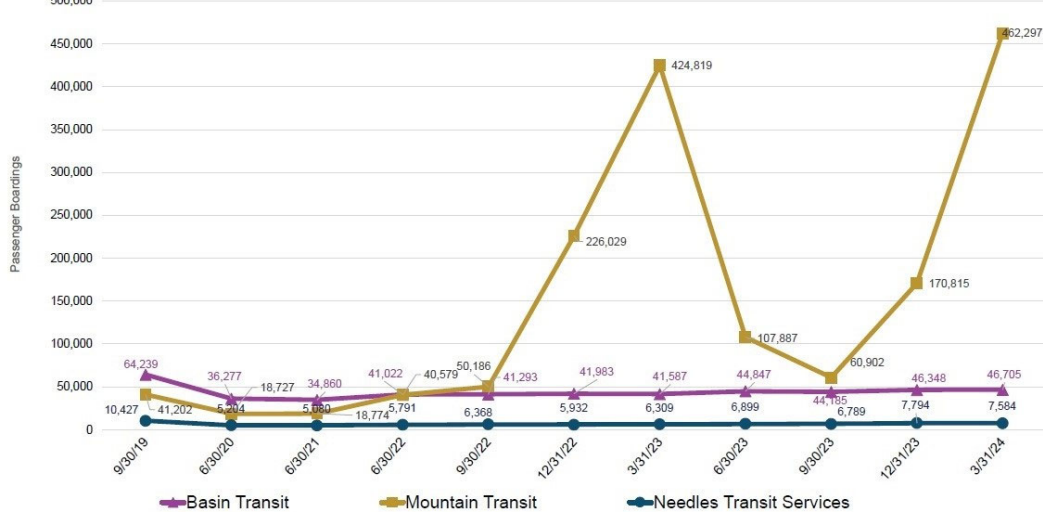
Countywide Quarterly Ridership Total (All Modes)



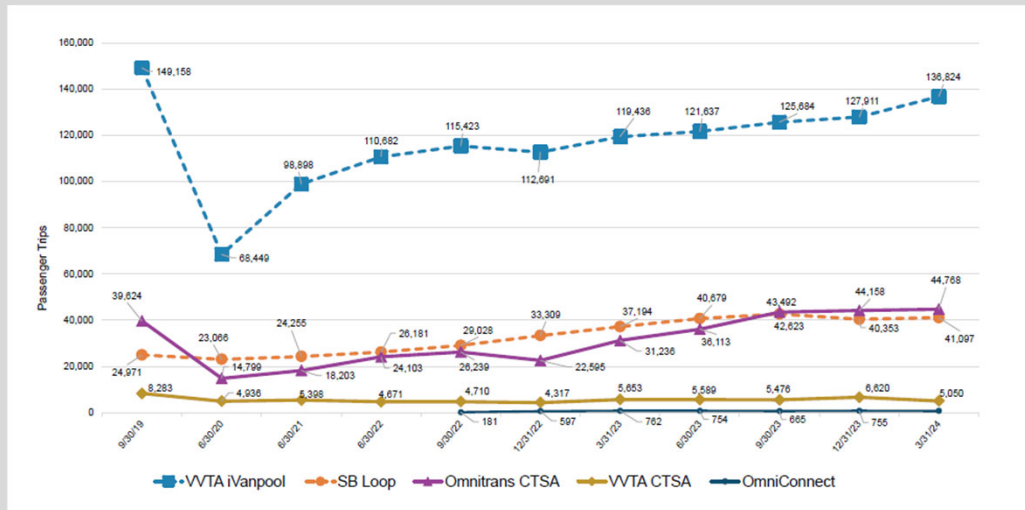
Large Operators Quarterly Ridership



Small Operators Quarterly Ridership



Small Programs Quarterly Ridership



Rider Etiquette Campaign

Ride Happy!
Be Safe. Be Respectful. Be Kind.

DO

- Treat your driver and fellow riders with **respect and courtesy**.
- Use **headphones** for electronic devices and keep your phone conversations brief.
- **Make room for everyone.** Keep extra seats and the aisle clear.
- **Be kind.** Offer seats to those less able to stand.
- **Keep it clean.** No food or beverages in open containers.
- **Stay safe.** Sit when you can, hold on when you can't.
- **Be polite.** No obscene language, rudeness or shouting.
- **Keep service animals** under control and **pets** in enclosed carriers.

DON'T

- No smoking or vaping
- No alcohol or drug use
- No fighting, harassment, or threatening behavior
- No weapons

To report bad conduct or harassment:
• Call Dispatch: 760-366-2395
• Email: comments@basin-transit.com
• In an emergency, call 911



Ride Happy!

Be Safe.
Be Respectful.
Be Kind.

When we all use common courtesy and good safety sense, everyone rides happy throughout the San Bernardino region and beyond. For more information on rider conduct, consult your local system's website.



Minute Action

AGENDA ITEM: 6

Date: August 15, 2024

Subject:

Omnitrans Specialized Transportation Services for Consolidated Transportation Services Agency Budget for Fiscal Year 2024/2025

Recommendation:

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

Approve the Omnitrans Specialized Transportation Services Budget for Consolidated Transportation Services Agency activities for Fiscal Year 2024/2025.

Background:

In November 2015, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) approved Resolution No. 16-005, designating Omnitrans as the Consolidated Transportation Services Agency (CTSA) for the San Bernardino Valley. As part of this resolution, and subsequent Contract No. 16-1001458, it is required that the CTSA budget be approved by the SBCTA Board. In November 2020, the SBCTA Board approved Amendment No. 1 to Contract No. 16-1001458, which re-appointed Omnitrans as the CTSA and extended the term an additional five years through November 4, 2025.

When Omnitrans assumed CTSA responsibilities, they created a new department known as Specialized Transportation Services. Subsequently, the department was rebranded and is now known as the Mobility Services Department. It was important to ensure the CTSA/Mobility Services Department received the necessary support with partnerships, program development, and procedures and so the decision was made to separate OmniAccess from the CTSA. Attachment 1 is the Omnitrans CTSA budget for Fiscal Year (FY) 2024/2025. The budget for the CTSA is comparable to that of previous years except as discussed below. Table 1 (below) is a comparison between projects from actuals in FY 2021/2022 and FY 2022/2023 and budgeted for FY 2023/2024 and FY 2024/2025.

Table 1. FY 2021/2022 & FY2022/2023 actuals, Budgeted FY 2023/2024 and FY 2024/2025 Comparison

Programs	Admin	Travel Training	TREP	Lyft/Uber	Microtransit	Mobility Partners	Total
FY 2021/2022	\$74,009.87	\$26,128.71	\$65,201.84	\$121,303.07	\$283,343.00	\$1,152,827.58	\$1,722,814.07
FY 2022/2023	\$51,041.95	\$20,738.49	\$105,779.24	\$124,462.54	\$368,791.87	\$1,661,009.21	\$2,280,781.35
FY 2023/2024	\$97,574.00	\$89,938.00	\$206,095.00	\$137,219.00	\$592,650.00	\$2,860,979.00	\$3,984,455.00
FY 2024/2025	\$124,390.00	\$89,402.00	\$109,756.00	\$321,951.00	\$549,183.00	\$4,611,707.00	\$5,804,389.00

OmniRide, Omnitrans' microtransit service that serves the cities of Chino Hills, Upland, and Bloomington has been included in this budget approval process. Approximately one-third of the overall OmniRide budget is eligible to use CTSA funding for operations; the percentage is based on the number of seniors and disabled who ride OmniRide.

Entity: San Bernardino County Transportation Authority

During FY 2023/2024, Omnitrans completed two primary activities within the CTSA function:

- 1) **Regional Mobility Partnership (RMP) Program and Call for Projects:** Omnitrans currently has 12 Regional Mobility program partners, of which, five were awarded through the Call for Projects for FY 2024/2025. Of the five, one is a new partner, VIP, Inc. The remaining four partners are the City of Ontario, Anthesis, Foothill Aids Project, and Central City Lutheran Mission, and were awarded for proposed expansions of their current programs. A new Call for Projects will be announced and take place in FY 2025/2026.
- 2) **Expanded Transportation Reimbursement Escort Program (TREP):** TREP provides mileage reimbursement to participants who rely on a volunteer driver for additional mobility options. In May 2024, the Omnitrans Board approved the expansion of TREP to the entire San Bernardino Valley service area. The Omnitrans Board also approved the increase in both the reimbursement rate as well as the maximum number of miles allotted per month (increased from 200 to 300). It should be noted that although the budget is being decreased compared to the prior year budget, actuals for prior year are expected to be much lower than budgeted.

Table 2 (below) shows current partners as well as Omnitrans' programs and their ridership.

Table 2. Annual Ridership Levels by Program

Omnitrans CTSA Program Ridership	FY 2021/2022	FY 2022/2023
TREP Mileage Reimbursement Trips	16,093	11,121
OmniRide Uber Ride Program	657	8,177
OmniRide Chino Hills, Upland & Bloomington [^]	12,375	18,841
Travel Training Program*	0	24
Total Omnitrans Programs	29,125	38,163
Regional Mobility Partner Programs	FY 2021/2022	FY 2022/2023
<i>Anthesis</i>	14,806	34,670
<i>Central City Lutheran Mission</i>	1,376	1,410
<i>City of Grand Terrace</i>	3,624	1,593
<i>City of Redlands**</i>	696	201
<i>AgingNext (Formally Community Senior Services)</i>	12,440	18,076
<i>OPARC</i>	10,080	22,086
<i>City of Chino</i>	7,640	7,730
<i>Highland Senior Center</i>	4,003	4,448
<i>Loma Linda University Adult Day Health</i>	8,087	4,275
<i>City of Ontario***</i>	-	-
<i>City of Rialto***</i>	-	-
<i>Foothill Aids Project***</i>	-	-
<i>VIP, Inc.***</i>	-	-
Partners Program Trips	62,752	94,489
Total Trips	91,877	132,652

*This program was temporarily suspended during the pandemic; however, it has resumed during FY 2022/2023

[^] CTSA funding contributes 35 percent of the overall program tied to the share of clients that are senior or disabled

**This program was discontinued by City of Redlands.

*** New Regional Mobility Partnership contracts have been executed. Partners are in the process of starting their programs in FY2023/2024

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August 15, 2024

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During FY 2024/2025, CTSA/Mobility Services will continue to grow the recent renewal of travel training and outreach efforts that support travel training and all other programs. There will be a new call for projects to further expand RMP for FY 2026/2027 and 2027/2028. The RMP guidelines and Call for Projects' application are in the process of being updated to add clarity to grow participation.

It is important to note that any funding not used during this fiscal year will be returned to Omnitrans Measure I CTSA fund balance and will be made available to Omnitrans and other mobility partners. Currently, there is a Measure I CTSA balance of approximately \$22.5 million. Omnitrans is actively working on lowering the fund balance for this current fiscal year. The anticipated revenue for FY 2024/2025 is \$4.1 million in Measure I compared to the \$5.8 million CTSA budget they are proposing.

Additionally, Omnitrans is proposing the following programs to decrease the fund balance while ensuring that programs implemented can be maintained in the out years. They are as follows:

- 1) Increased Pass Through to Partners: FY 2024/2025 Call for Projects award to RMPs were \$6.3 million this round versus \$4.7 two years ago.
- 2) TREP Expansion: Three specific increases were implemented on July 1, 2024:
 - a. TREP is now Valley-wide;
 - b. Reimbursement rate for TREP went from \$0.40/mile to the Internal Revenue Service Rate of \$0.665/mile; and
 - c. Mileage increased for TREP, from 200 to 300 miles/month.
- 3) UBER Ride Growth: This service was expanded in FY 2023/2024 to serve all of Omnitrans service area.
- 4) OmniRide Expansion: Although the overall budget is decreasing based on the number of senior and disabled riders, City of Bloomington OmniRide is expanding their service span to three additional hours per weekday compared to previous years.
- 5) Administration: Hiring an additional Community Mobility Specialist to grow Travel Training.

Measure I CTSA funds are passed through to Omnitrans on a monthly basis as they are generated. Staff has reviewed the proposed budget and finds it reasonable in its assumptions.

Financial Impact:

The CTSA budget is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Measure I Senior and Disabled funds in Program 30, Transit.

Reviewed By:

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

Responsible Staff:

Nancy Strickert, Transit Manager

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

Attachment 1

OMNITRANS								
3000 - EXPENSE BUDGET FOR MOBILITY SERVICES								
FY 2025								
GL ACCT	Salary %	A	B	C	D	E	2400 - OmniRide	Mobility Services(Including OmniRide)
CODE	DESCRIPTION	Admin	Travel Train	TREP	Uber/Taxi	Mobility Partners	MicroTransit *	100% Proposed BDGT
501100	Regular Pay - Operators							
501130	Regular Pay - Others	70,684	24,947	62,369	12,474	245,316		415,790
501310	Overtime Pay - Operator	0	0	0	0	0		0
501340	Overtime Pay - Other	0	0	0	0	0		0
TOTAL SALARIES		70,684	24,947	62,369	12,474	245,316	0	415,790
502210	PERS Employer Expense	9,195	3,245	8,113	1,623	31,911		54,086
502240	PERS Reimbursement Expense	0	0	0	0	0		0
502270	PacificCare COPD	7,040	2,485	6,212	1,242	24,434		41,413
502320	Health Saving Acct Expense	0	0	0	0	0		0
502330	Life Insurance Expense	327	115	289	58	1,135		1,923
502360	Employers Medicare Tax Expense	1,195	422	1,054	211	4,146		7,027
502370	LTD CO PD Expense	351	124	309	62	1,217		2,063
502390	Unemployment Insurance expense	0	0	0	0	0		0
502420	Workers Compensation Expense	0	0	0	0	0		0
502450	Sick Leave Expense	3,803	1,342	3,355	671	13,197		22,368
502451	Sick Leave Expense - Operators	0	0	0	0	0		0
502480	Holiday Pay Expense	3,486	1,230	3,076	615	12,098		20,504
502481	Holiday Pay Expense - Operators	0	0	0	0	0		0
502490	Floating Holiday Pay Expense	0	0	0	0	0		0
502491	Floating Holiday Pay Expense - Oper	0	0	0	0	0		0
502510	Vacation Pay Expense	4,100	1,447	3,618	724	14,230		24,119
502511	Vacation Pay Expense - Operators	0	0	0	0	0		0
502580	Car Expense	0	0	0	0	0		0
502600	SDI Reimbursement Expense	852	301	752	150	2,958		5,013
502630	EE Bond Expense	0	0	0	0	0		0
502690	Jury Duty Leave Expense	317	112	280	56	1,100		1,864
502691	Jury Duty Leave Expense - Operators	0	0	0	0	0		0
502721	Military Duty Leave Expense	0	0	0	0	0		0
502720	Military Duty Leave Expense - Operat	0	0	0	0	0		0
502780	Deferred Compensation Expense	1,054	372	930	186	3,660		6,203
502790	Bonus Pay	340	120	300	60	1,180		2,000
502791	Bonus Pay - Operators	0	0	0	0	0		0
502880	Kaiser COPD	10,087	3,560	8,900	1,780	35,006		59,333
502900	Pension Expense	0	0	0	0	0		0
502980	Payroll Expenses Reimbursement	0	0	0	0	0		0
502990	Payroll Claim Expenses	0	0	0	0	0		0
TOTAL BENEFITS		42,146	14,875	37,187	7,437	146,271	0	247,917
503060	Professional & Technical Fees	1,700	600	1,500	300	5,900		10,000
503110	Contract Maintenance Services	0	0	0	0	0		0
503160	Custodial Services Expense	0	0	0	0	0		0
503210	Security Services Expense	0	0	0	0	0		0
503260	Fare Collection Service Expense	0	0	0	0	0		0
503310	Contract Labor Expense	0	0	0	0	0		0
503360	Employee Physicals Expense	0	0	0	0	0		0
503600	Community Partners					3,700,000		3,700,000
503990	Other Services	0	0	0	300,000	480,000		780,000
TOTAL SERVICES		1,700	600	1,500	300,300	4,185,900	0	4,490,000
504000	Discounts Received	0	0	0	0	0		0
504010	Bus & Other Rolling Stock Parts	0	0	0	0	0		0
504011	Non Rev Rolling Stock Parts	0	0	0	0	0		0
504012	Outsourced Rolling Stock Maintenance	0	0	0	0	0		0
504020	Tire s & Tubes	0	0	0	0	0		0
504030	Preventative Maintenance	0	0	0	0	0		0
504060	Workshop clearing account	0	0	0	0	0		0
504070	Hydrogen Fuel	0	0	0	0	0		0
504080	Electric Propulsion	0	0	0	0	0		0
504090	LNG/CNG Fuels	0	0	0	0	0		0
504091	CNG Hedging Activities	0	0	0	0	0		0
504100	Gasoline	0	0	0	0	0	24,397	24,397
504110	Diesel Fuel	0	0	0	0	0		0
504120	Oil	0	0	0	0	0		0
504130	Lubricants & Chemicals	0	0	0	0	0		0
504131	CNG Compressor Oil	0	0	0	0	0		0
504140	CNG Fuel Tax Credit	0	0	0	0	0		0
504190	Computer Supplies	0	0	0	0	0		0
504200	Washer & Cleaner Supplies	0	0	0	0	0		0
504210	Office Supplies	510	180	450	90	1,770		3,000
504220	Small Tools	0	0	0	0	0		0
504230	Clothing & Safety Supplies	0	1,000	0	0	0		1,000
504240	Tool Allowance	0	0	0	0	0		0
504900	Price Variance	0	0	0	0	0		0
504910	Inventory Adjustment	0	0	0	0	0		0
504990	Other materials & supplies	0	0	0	0	0		0
TOTAL MATERIALS & SUPPLIES		510	1,180	450	90	1,770	24,397	28,397
505020	Utility Other than Propulsion Power	255	90	225	45	885		1,500
505030	Telephone	0	0	0	0	0		0
505040	Data communication Lines	1,445	510	1,275	255	5,015		8,500
505060	Repairs & Maint - Buildings	0	0	0	0	0		0
505110	Repairs & Maint - Equipment	0	0	0	0	0		0
505160	Repairs & Maint - Office Equipment	0	0	0	0	0		0
505170	R & M Software [Contracts]	0	0	0	0	0		0
505210	Repairs & Maint Grounds	0	0	0	0	0		0
505230	Repairs & Maint Stops & Satations	0	0	0	0	0		0
505960	Other Occupancy Expense	0	0	0	0	0		0
TOTAL OCCUPANCY		1,700	600	1,500	300	5,900	0	10,000

OMNITRANS								
3000 - EXPENSE BUDGET FOR MOBILITY SERVICES								
FY 2025								
GL ACCT	Salary %	A	B	C	D	E	2400 - OmniRide	Mobility Services(Including OmniRide)
CODE	DESCRIPTION	Admin	Travel Train	TREP	Uber/Taxi	Mobility Partners	MicroTransit *	100% Proposed BDGT
506110	Property/Official & Emp Liab Insurance	0	0	0	0	0		0
506160	General Liab & Veh Liab/Loss Insurance		4,500					4,500
506180	General Auto PD/PL Uninsured Ded/I	0	0	0	0	0		0
506310	Worker's Comp Excess/Employer's L	0	0	0	0	0		0
506360	Worker's Comp Self Insured IBNR	0	0	0	0	0		0
506960	General Liability/Loss IBNR		0	0	0	0		0
TOTAL CASUALTY & LIABILITY		0	4,500	0	0	0	0	4,500
169407	Purchased Transportation	0	0	0	0	0	524,786	0
508900	Purch Trans Lease Cost - LTF	0	0	0	0	0		0
508990	Purch Trans Lease Cost - FTA	0	0	0	0	0		0
TOTAL PURCH TRANSPORT		0	0	0	0	0	524,786	524,786
509080	Advertising/Promotion Media	1,700	600	1,500	300	5,900		10,000
509230	Printing Charges	1,700	600	1,500	300	5,900		10,000
TOTAL PRINTING & ADVERTISING		3,400	1,200	3,000	600	11,800	0	20,000
508000	Interest Expense	0	0	0	0	0		0
509010	Memberships, Dues, Pub, Subscript	374	132	330	66	1,298		2,200
509020	Travel & Meetings	2,805	990	2,475	495	9,735		16,500
509030	Postage and Express Mail	0	0	0	0	0		0
509070	Bad Debt expense /NSF	0	0	0	0	0		0
509100	Bus Pass Sales Discounts	0	40,000	0	0	0		40,000
509200	Safety Training	0	0	0	0	0		0
509210	Employee Training	1,020	360	900	180	3,540		6,000
509220	Educational Reimbursements	0	0	0	0	0		0
509240	Outside Freight	0	0	0	0	0		0
509250	Bank Charges	0	0	0	0	0		0
509260	Employee Recognition	51	18	45	9	177		300
	PO Invoice Over Under	0	0	0	0	0		0
509990	Other Miscellaneous Expense	0	0	0	0	0		0
590300	Distributed Labor - Maintenance - Dir	0	0	0	0	0		0
590400	Allocated Indirect Labor & Benefits	0	0	0	0	0		0
TOTAL MISCELLANEOUS EXPENSE		4,250	41,500	3,750	750	14,750	0	65,000
TOTAL EXPENSES		124,390	89,402	109,756	321,951	4,611,707	549,183	5,806,390
*Approximately One-third of Microtransit budget funded by Measure I funding based on ridership for Senior & Disabled								

Minute Action

AGENDA ITEM: 7

Date: August 15, 2024

Subject:

Award Sole Source Maintenance Agreement No. 24-1003105 to Stadler US, Inc.

Recommendation:

That the Transit Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Authorize the Executive Director, or his designee, to finalize and execute **Sole Source** Maintenance Agreement No. 24-1003105 with Stadler US, Inc., to maintain the Zero Emission Multiple Unit as part of the Arrow Service multiple unit fleet, as well as the three Diesel Multiple Unit vehicles currently in service, and the Arrow Maintenance Facility (AMF), and to provide materials management for the multiple unit fleet, subject to approval as to form by General Counsel. The agreement is effective through June 30, 2030, with three one-year option terms, for an amount not-to-exceed \$59,519,537. The not-to-exceed amount includes \$10,707,694 of scheduled component overhauls and anticipated work not included in the base services for the multiple units and the AMF.

B. Authorize the Executive Director, or his designee, to execute Assignment and Assumption Agreement No. 24-1003106 with Southern California Regional Rail Authority (SCRRA) to transfer SBCTA's responsibilities under Agreement No. 24-1003105 to SCRRA.

C. Approve an increase to the SCRRA Budget for Fiscal Year (FY) 2024/2025 for Arrow Operations Operating assistance by \$2,209,458, to be funded with Measure I Valley Metrolink/Rail Service Program funds, needed for mobilization, maintenance of the Multiple Units, and other anticipated costs under Agreement No. 24-1003105, for a total operating assistance allocation of \$17,709,458.

D. Approve an increase to the SCRRA Budget for FY 2024/2025 for Arrow Operations New Capital assistance by \$750,000, to be funded with Measure I Valley Metrolink/Rail Service Program funds, for a total New Capital assistance allocation of \$2,250,000.

E. Approve the funding allocation to support funding for Recommendations C and D, totaling \$2,850,458, to fund SBCTA's subsidy of the FY 2024/2025 Budget for Arrow Service using Measure I Valley Metrolink/Rail Service Program funds.

Background:

In November 2019, Contract No. 20-1002310 with Stadler US, Inc. (Stadler) for the production of the Zero Emission Multiple Unit (ZEMU) was executed using the Arrow Service Diesel Multiple Unit (DMU) as the basis for negotiations and development of the technical specifications for hydrogen fuel cell hybrid propulsion technology. Design of the vehicle commenced shortly after the contract's execution, and Stadler began manufacturing the vehicle in the summer of 2021 with components similar to the DMUs while further refining the hydrogen propulsion technology. The ZEMU vehicle assembly was completed in mid-2022 and unveiled at InnoTrans, an international trade and visitor fair for transport technology. Dynamic testing in Switzerland began in December 2022 and wrapped in May 2023. Subsequently, the ZEMU was prepared for shipment and arrived in the United States on August 14, 2023; the ZEMU was demonstrated at the American Public Transportation

Entity: San Bernardino County Transportation Authority

Association (APTA) Expo in Orlando, Florida in October 2023. Following the APTA Expo, the vehicle was towed back to the Transportation Technology Center in Pueblo, Colorado, to complete vehicle qualification testing. As with the DMUs, the Southern California Regional Rail Authority (SCRRA) will operate the ZEMU as part of the Arrow Service.

In November 2019, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) also authorized sole source negotiations with Stadler for the development of an on-going vehicle maintenance contract for the ZEMU, as contemplated in Contract No. 20-1002310. Award of a sole source maintenance agreement is consistent with Contracting and Procurement Policy No. 11000, VI.A.2.b. because, as the developer of the new ZEMU technology, Stadler has unique qualifications to maintain the ZEMU, and is the only firm that has such experience. Further, this arrangement is intended to ensure that Stadler has first-hand vehicle performance data that can be used to correct or improve the vehicle design and components, which in turn will improve vehicle performance and reliability. The ZEMU maintenance agreement will include a mobilization period that allows Stadler to present plans and obtain certification from the Federal Railroad Administration to maintain the ZEMU, procure and train the required maintenance staff, and perform other activities needed to start performing maintenance activities out of the Arrow Maintenance Facility (AMF) prior to the ZEMU starting Revenue Service.

Also included in the agreement is for Stadler to maintain the three DMUs currently in operation for the Arrow Service, as well as the AMF building and grounds, and materials management. This approach will facilitate efficiency by having one maintainer working on the multiple unit (MU) fleet at the AMF and will prevent likely maintenance schedule conflicts if there were two maintainers, as each maintainer would have its own performance and availability contract requirements to meet. Award of a single sole source contract for maintenance of the DMUs and AMF, in addition to the ZEMU, is consistent with Contracting and Procurement Policy No. 11000, VI.A.2.b., as it avoids substantial duplication costs by consolidating all such maintenance with one maintainer.

Staff is seeking Board approval of the Sole Source Maintenance Agreement No. 24-1003105 (Agreement) with Stadler to maintain the ZEMU as part of the Arrow Service MU fleet. The maintenance of the three DMU vehicles currently in service, the maintenance of the AMF, and materials management for the MUs are also included in the Agreement. The Agreement will be effective through June 30, 2030, to coincide with SCRRA's operations and maintenance contract, with three one-year option terms ending on June 30, 2033, and a not-to-exceed amount of \$59,519,537. The not-to-exceed amount includes \$10,707,694 of scheduled component overhauls and anticipated work not included in the base services for the multiple units and the AMF. The monthly maintenance costs are under negotiations, and staff anticipates concluding negotiations prior to Board approval.

With the award of the Agreement to Stadler, staff recommends Board approval to increase the Arrow Operations Budget for Fiscal Year 2024/2025 by \$2,959,458, to be funded Measure I Valley Metrolink/Rail Service Program funds, which includes \$2,209,458 for mobilization, maintenance of the MUs, and other anticipated operations costs under the Agreement, and an increase to the Arrow Operations Budget's Capital allocation by \$750,000 for the procurement of 12 20-ton jacks to accommodate the heavier ZEMU vehicle. The current jacks are designed for 15 tons and the minimum jack rating required to lift the ZEMU is 18 tons. It is possible to retrofit/upgrade the existing jacks from a 15-ton to an 18-ton rating; however, the cost of doing so is half the cost of procuring new ones. Additionally, no jacks will be available during retrofit

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and there is a higher likelihood that field modifications may cause reliability issues with the retrofitted jacks.

Lastly, since SCRRA operates the Arrow Service and is also responsible for the maintenance and operations of the AMF and the DMUs, SBCTA must enter an Assignment and Assumption Agreement with SCRRA to assign to SCRRA all of SBCTA's rights, duties, and obligations under the Maintenance Agreement. Staff worked with SCRRA for acceptable contract terms by which SCRRA can issue notices to proceed and seamlessly manage the MU fleet. Staff recommends approval of Assignment and Assumption Agreement No. 24-1003106 with SCRRA to transfer SBCTA's responsibilities under Agreement No. 24-1003105 to SCRRA.

Financial Impact:

The Arrow Service Corridor is included in the adopted Budget for Fiscal Year 2024/2025 and funded with Local Transportation Funds in Program 30, Transit. A budget amendment is required as described in Recommendation E and 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. SBCTA General Counsel, Procurement Manager and Enterprise Risk Manager have reviewed this item and the draft agreements.

Responsible Staff:

Joy Buenaflor, Deputy Director of Transit & Rail Programs

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

Contract Summary Sheet

7.a

General Contract Information

Contract No: 24-1003105 Amendment No.: _____

Contract Class: Payable Department: Transit

Vendor No.: 03334 Vendor Name: Stadler US, Inc.

Description: Maintenance Services Related to Arrow Service

List Any Related Contract Nos.: _____

Dollar Amount

Original Contract	\$	1,734,720.00	Original Contingency	\$	-
Prior Amendments	\$	-	Prior Amendments	\$	-
Prior Contingency Released	\$	-	Prior Contingency Released (-)	\$	-
Current Amendment	\$	-	Current Amendment	\$	-
Total/Revised Contract Value	\$	1,734,720.00	Total Contingency Value	\$	-
Total Dollar Authority (Contract Value and Contingency)				\$	1,734,720.00

Contract Authorization

Board of Directors _____ Date: 9/4/2024 _____ Committee _____ Item # _____

Contract Management (Internal Purposes Only)

Other Contracts _____ Sole Source? Yes _____ No Budget Adjustment _____

Local _____ Construction and Maintenance Agreement _____ N/A _____

Accounts Payable

Estimated Start Date: 9/4/2024 Expiration Date: 6/30/2030 Revised Expiration Date: _____

NHS: N/A OMP/QAP: N/A Prevailing Wage: N/A

							Total Contract Funding:		Total Contingency:	
							\$	1,734,720.00	\$	-
GL:	4150	30	0314	0371	56550	41200000		1,734,720.00		-
GL:								-		-
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Joy Buenaflor

Project Manager (Print Name)

Victor Lopez

Task Manager (Print Name)

Additional Notes: Contract includes three one-year option terms but the maximum term of this Contract, including the Option Term(s), if exercised, will not exceed June 30, 2033. Contract authority is \$59,519,537 but CSS amount (\$1,734,720) is for mobilization costs only. SCRR Assignment & Assumption Agreement No. 24-1003105 transfers the contract to SCRR and future funding under the contract is to be paid by SBCTA as part of the yearly Arrow Budget approval process.

Attachment: 24-1003105 - CSS [Revision 4] (9904 - Arrow Service Maintenance Agreement Sole Source Contract)

CONTRACT NO. 24-1003105**BY AND BETWEEN****SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY****AND****STADLER US, INC.****FOR****MAINTENANCE SERVICES RELATED TO ARROW SERVICE**

This contract (Contract) is made and entered into by and between the San Bernardino County Transportation Authority (SBCTA) whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715, and Stadler US, Inc. (CONTRACTOR) whose address is 5880 West 150 South, Salt Lake City, UT 84104. SBCTA and CONTRACTOR are each a “Party” and collectively the “Parties”.

RECITALS:

WHEREAS, SBCTA and Stadler are parties to Contract 20-1002310 by which SBCTA is purchasing, and Stadler is providing one (1) hydrogen-battery hybrid trainset based on its Fast Light Intercity and Regional Train model (Zero Emissions Multiple Unit or ZEMU); and

WHEREAS, SBCTA and Stadler are parties to Contract 16-1001531 by which SBCTA purchased, and Stadler provided, three (3) diesel multiple unit trainsets (DMUs); and

WHEREAS, this Contract assumes that the ZEMU and DMUs will only be used to operate the Arrow Service as defined herein; and

WHEREAS, SBCTA requires certain services related to the Arrow Service, including in general: maintenance of vehicles and maintenance of the Arrow Maintenance Facility (AMF) in which the vehicles are maintained and materials management services. The scope of work is described with more specificity in Attachment A of this Contract; and

WHEREAS, the scope of work attached as Attachment A contains various defined terms, the definitions of which shall be incorporated herein by reference; 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 detailed in Attachment A; and

WHEREAS, CONTRACTOR desires to perform all Services identified herein and to do so for the compensation set forth in Attachment B, Pricing Schedule, and in accordance with the terms and conditions set forth herein; and

WHEREAS, SBCTA contemplates entering into an assignment and assumption agreement with the Southern California Regional Rail Authority (SCRRA) to assign the Contract to SCRRA, and CONTRACTOR consents to such assignment.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1. PROJECT DESCRIPTION/SCOPE OF WORK

- 1.1 CONTRACTOR agrees to perform maintenance of one Zero Emission Multiple Unit (ZEMU) vehicle as set forth more fully in Attachment A, Scope of Work, in accordance with all applicable professional and industry standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as OEM requirements where applicable, the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (ZEMU Maintenance Services). Fueling of the ZEMU will be within the scope of NTP 1, after conditional acceptance of the ZEMU.
- 1.2 As of the DMU Maintenance Service Date, CONTRACTOR agrees to perform maintenance of 3 Diesel Multiple Unit (DMU) vehicles, as set forth more fully in Attachment A, in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (DMU Maintenance Services). As set forth in Attachment A, fueling of the DMU will be within the scope of CONTRACTOR's Services only after completion of any mobilization period associated with NTP 2.
- 1.3 As of the AMF Maintenance Service Date, CONTRACTOR agrees to perform maintenance of the Arrow Maintenance Facility (AMF) as set forth more fully in Attachment A, in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (AMF Maintenance Services).
- 1.4 As of the Materials Management Service Date, CONTRACTOR agrees to perform the Materials Management services described in the Scope of Work, in accordance with all applicable professional standards which are generally accepted in the State of California, in accordance with all federal, state, and local requirements as well as the terms and conditions expressed herein, and in the sequence, time, and manner defined herein (Materials Management Services).
- 1.5 The word "Services," and all other defined terms, shall have the meanings given in Attachment A, Scope of Work, and the Services performed hereunder shall be completed to the satisfaction of SBCTA, with SBCTA's satisfaction being based on prevailing applicable professional standards. The scope of the CONTRACTOR's services will consist of the Scope of Work and the provisions of this Contract.

- 1.6 The Project Manager for this Contract is Joy M. Buenaflor, or such other designee as shall be designated in written notice to CONTRACTOR from time to time by the SBCTA Director of Transit and Rail Programs 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.
- 1.7 Pursuant to an agreed upon Contract Amendment, SBCTA may add additional Multiple Units to the Contract.

ARTICLE 2. CONDITIONS PRECEDENT

Intentionally omitted.

ARTICLE 3. CONTRACT TERM

The Contract term shall commence on the Effective Date and shall continue in full force and effect through June 30, 2030, or until otherwise terminated or extended by written amendment. CONTRACTOR may only begin the ZEMU Maintenance Services upon issuance of a written Notice To Proceed ("NTP 1") issued by SBCTA's Procurement Analyst. All indemnity and defense obligations hereunder shall survive termination of this Contract. CONTRACTOR shall not be compensated for any Services performed or costs incurred prior to issuance of the NTP 1. NTP 1 shall be issued within thirty (30) days of SBCTA's review and approval of CONTRACTOR's insurance and bond documents, as set forth below in Article 25.

SBCTA at its sole discretion may extend the base term of the Contract for up to three one-year Option Terms. If SBCTA determines to exercise one or more of the Option Terms, it may do so for any combination of years, and will notify Contractor at least 180 days before the end of the base term, or any Option Term then in effect.

ARTICLE 4. COMPENSATION

CONTRACTOR will faithfully perform all of the Services required under this Contract and SBCTA will compensate CONTRACTOR for said Services in the manner specified in the Pricing Schedule attached as Attachment B and in the following sections:

4.1 Mobilization, Maintenance of ZEMU, DMU, AMF, and Materials Management

- 4.1.1 For the ZEMU Mobilization Services required by this Contract, CONTRACTOR will be paid the lump sum ZEMU Mobilization Price set forth in the Pricing Schedule attached hereto as Attachment B. The CONTRACTOR may invoice SBCTA for 25% of the Grand Total of ZEMU Mobilization Costs set forth in Attachment B upon SBCTA's acceptance of the ZEMU Mobilization Plan as set forth in Section 2.5 of the Scope of Work. Thereafter, the CONTRACTOR may invoice SBCTA for the remainder of the ZEMU Mobilization Price each month in five (5) equal prorated amounts. In the event that the CONTRACTOR does not perform mobilization services that are substantially in conformance with the SBCTA-approved Mobilization Plan, SBCTA reserves the right to withhold the monthly mobilization payment set forth in

this section until CONTRACTOR it is substantially in conformance with the Mobilization Plan.

- 4.1.2 For Maintenance of ZEMUs covered under Section 2.9 of the Scope of Work, Attachment A, SBCTA will pay a fixed monthly amount equivalent to 1/12th of the yearly amount as set forth in Attachment B, Pricing Schedule. The CONTRACTOR may invoice SBCTA monthly in arrears. As reflected in Attachment B, the fixed monthly rate to maintain the ZEMU and other potential heavy maintenance costs are different when the AMF retrofit is complete versus prior to that when maintenance will be performed partially or wholly outside. The ZEMU Maintenance Service Date shall be a specific date agreed upon between the parties that is at the end of ZEMU Mobilization Services or at revenue service date, whichever is later.
- 4.1.3 It is anticipated that NTP 2 will be issued shortly after NTP 1 (ZEMU). In the event that NTP 2 is issued within sixty (60) days of NTP 1, there will be no additional Mobilization costs or additional time needed for Mobilization. In the event NTP 2 is issued more than sixty (60) days after the issuance of NTP 1, there will be additional costs as reflected in Attachment B and an additional ninety (90) days will be required for mobilization. The parties acknowledge that SCRRA's EMF will be required for periodic inspection of ZEMU until the AMF retrofit is complete.

The DMU Maintenance Service Date, AMF Service Date and Material Management Service Date shall be a specific date to be agreed upon between the parties that is at least 90 days after the issuance of NTP 2, but no earlier than the end of Mobilization.

The issuance of NTP 2 shall be coordinated to avoid any gap in Services from the existing contractors to Contractor.

- 4.1.4 Consumables are included in the fixed monthly amount in Attachment B, Pricing Schedule, Full-Service Maintenance Fee.
- 4.1.5 Upon issuance of NTP 2, materials management will be included in CONTRACTOR's monthly base fee.
- 4.1.6 Upon issuance of NTP 2, and after a joint inventory audit, CONTRACTOR shall purchase all agreed-upon DMU consumables from SCRRA at SCRRA's original purchase price.

4.2 Component Overhauls

There shall be no component overhauls of the Hydrogen system of the ZEMU during the base term of the Contract. As set forth in Attachment B, Pricing Schedule, the fee and timing of payment for component overhauls for diesel engine and train brake kit will be negotiated as part of a Work Directive.

4.3 Bonding

SBCTA will reimburse the CONTRACTOR for the actual cost of bonding as described in Section 25.3 of this Contract.

- 4.4 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.
- 4.4.1 CONTRACTOR agrees to comply with Federal Department of Transportation procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, including FTA Circular 4220.1F – Third Party Contracting Requirements, and any other applicable Federal and State of California regulations, all as may be updated from time to time.
- 4.4.2 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.
- 4.5 Any Services provided by CONTRACTOR not specifically covered by Attachment A, 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 Article 14, CHANGES of this Contract. Any additional services agreed to in accordance with this Article of the Contract shall become Services.
- 4.6 All subcontracts in excess of \$25,000 entered into by CONTRACTOR shall contain sections 4.4 and 4.5.
- 4.7 SBCTA's total payments under this Contract, excluding payments for On-Call Services, will equal the sum of (a) mobilization price, (b) monthly fixed price of base service for the categories specified in Attachment A, for all years of the Contract, (c) any costs identified as separate pass-through costs and associated administrative fees (for example, bond premiums), (d) price of any option SBCTA exercises, and (e) the price of overhauls. This total payment includes all amounts payable to CONTRACTOR for all costs and fees, overhead and General and Administrative (G&A) rates, allowable other direct costs, subcontracts and indirect costs, including but not limited to any reimbursable leases, materials, taxes, and insurance. In no event shall SBCTA's obligation under this Contract exceed the Total Not-to-Exceed amount of \$XXXXXXXXXX

ARTICLE 5. LIQUIDATED DAMAGES

The parties agree that in the event CONTRACTOR fails to meet the performance standards set forth in Attachment C, SBCTA will incur damages, the exact amount of which will be difficult to determine at the time of contracting. Accordingly, the parties agree that the amounts set forth in Attachment C are a reasonable approximation for the damages SBCTA may incur.

Each month, SBCTA may assess liquidated damages in the amounts set forth in Attachment C. SCRRA will notify CONTRACTOR at earliest convenience of potential liquidated damage events prior to invoice preparation. SBCTA will notify the CONTRACTOR during the monthly invoice review process the exact amount of any liquidated damages claimed for performance failures during the previous month. SBCTA may deduct the undisputed amount of liquidated damages from any

amount otherwise due the CONTRACTOR. SBCTA will not assess liquidated damages for failures or events that were beyond the CONTRACTOR's reasonable control. Liquidated damages are SBCTA's sole remedy for the failures addressed in this Article 5 and Attachment C. SBCTA's imposition of liquidated damages is separate from any indemnity obligation that is set forth in this Agreement.

In the event SBCTA is not able to determine CONTRACTOR's performance failures for the previous month during the next month's invoice review period, it may impose liquidated damages in the month when it becomes aware of the performance failure, or in the month when it incurs expense associated with the performance failure.

ARTICLE 6 INVOICING

- 6.1 SBCTA shall pay CONTRACTOR within forty-five (45) calendar days after receipt of an acceptable invoice by SBCTA of an invoice prepared in accordance with instructions below. Payment shall not be construed to be an acceptance of Service.
- 6.2 CONTRACTOR 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 shall cover a monthly billing period and will be marked with SBCTA's contract number, description and task order number, project number, task number and expenditure type, 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 10th. Invoices shall include request for payment for Services (including On-Call 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. The Contractor will submit separate invoices for Base Services and Work Directives and must establish a unique invoice numbering system. SBCTA will review the draft invoice and provide written comments, outstanding issues, or discrepancies to the Contractor in the form of a technical review within 20 business days of submission of the draft invoice. Thereafter, the parties will promptly meet and confer to discuss any outstanding issues or discrepancies in the draft invoice. The Contractor will then, no later than 7 business days after receipt of draft invoice technical review, submit a revised draft invoice that addresses SBCTA's technical review comments. SBCTA will review the revised draft invoice and provide written comments on approved charges or disallowances within 15 business days of receipt of the revised draft invoice. Contractor submits final approved invoice to SBCTA Accounts Payable along with all relevant support documentation for the invoice. The Contractor may submit on a monthly basis, a supplemental invoice for any unresolved charges that it subsequently resolves pursuant to the meet and confer sessions from the preceding month. Any costs incurred by CONTRACTOR in connection with the resubmission of a proper invoice shall be at CONTRACTOR's sole expense. Invoices should be e-mailed to SBCTA at the address noted below, or as directed by SBCTA:

ap@gosbcta.com

For large files over 30 megabytes, invoices can be submitted using this link below, or as directed by SBCTA:

<https://sanbag-lfweb.sanbag.ca.gov/Forms/Invoice-submission>

- 6.3 CONTRACTOR shall include a statement and release with each invoice, satisfactory to SBCTA, that CONTRACTOR has fully performed the Services 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 and its subcontractors for Services 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.
- 6.4 ***Intentionally Omitted.***
- 6.5 No payment for On-Call Services will be made prior to issuance of an executed Work Directive. No payment shall be made for any Services performed prior to NTP 1, nor for any Services under any amendment to the Contract until a formal Contract amendment or Change Order has been issued.
- 6.6 CONTRACTOR agrees to promptly pay each subcontractor for the satisfactory completion of all Work performed under this Contract no later than seven (7) calendar days from the receipt of payment from SBCTA. CONTRACTOR also agrees to return any retainage payments to each subcontractor within ten (10) calendar days after the subcontractor'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 CONTRACTOR showing payment has been made to its subcontractors. SBCTA also reserves the right, at its own sole discretion, to issue joint checks to CONTRACTOR and any subcontractor(s), which shall constitute payment to CONTRACTOR in compliance with the terms of this Contract. This clause applies to both DBE and non-DBE subcontractors.
- 6.7 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 are subject to repayment by CONTRACTOR to SBCTA.

1. Budget Amendment for Unforeseen Events

Upon the occurrence of events that were not reasonably foreseeable at the time of approval of the Approved Budget, the parties shall agree upon amendments to the Approved Budget for that Fiscal Year to reflect those changes.

2. Costs in Excess of the Approved Budget

If Service costs are projected to exceed the Approved Budget in effect at the time Contractor performs such Services, such overruns must be justified and addressed appropriately prior to incurring any costs in excess of the Approved Budget. Contractor's failure to obtain Authority's approval of any costs in excess of the Approved Budget may result in Authority's rejection of such costs.

ARTICLE 7. TAXES, DUTIES AND FEES

Except to the extent expressly provided elsewhere in this Contract, 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 8. 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 Services performed by CONTRACTOR, Services 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 Services will or may be affected by a shortage of funds, it will promptly notify CONTRACTOR. Termination for all or any portion of the Services for non-availability of funds will follow the procedure set forth in Article 18.1 for Termination for Convenience. Nothing herein shall relieve SBCTA from its obligation to compensate CONTRACTOR for Services already performed pursuant to this Contract. No penalty shall accrue to SBCTA in the event this provision is exercised.

ARTICLE 9. 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 Services identified herein.

ARTICLE 10. DOCUMENTATION AND RIGHT TO AUDIT

- 10.1 Subject to Articles 19 and 28 of this Contract, 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 Services performed by amendment. CONTRACTOR shall allow SBCTA and its representatives or agents to reproduce any materials as reasonably necessary.
- 10.2 The Pricing Schedule and/or invoices for this Contract are subject to audit by SBCTA and/or any state or federal agency funding this Services at any time. Any Audit report or recommendation must be in accordance with this Contract and in line with the agreement of the Parties.
- 10.3 Subcontracts in excess of \$25,000 shall contain this Article 10.

ARTICLE 11. RESPONSIBILITY OF CONTRACTOR

- 11.1 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 Services furnished by CONTRACTOR under the Contract. The Contract includes reference to the appropriate standards for Services performance stipulated in the Contract.
- 11.2 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 Services, employ quality control procedures that identify potential risks and uncertainties related to scope, schedule, cost, quality and safety of the Services performed by CONTRACTOR within the

areas of CONTRACTOR's expertise. At any time during performance of the Scope of Services, should CONTRACTOR observe, encounter, or identify any unusual circumstances or uncertainties which could pose potential risk to SBCTA, CONTRACTOR shall immediately document such matters and notify SBCTA in writing. 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 12. REPORTING AND DELIVERABLES

All reports and deliverables shall be submitted in accordance with Attachment A, Scope of Work. At a minimum, CONTRACTOR shall submit monthly progress reports with their monthly invoices. The report shall be sufficiently detailed for SBCTA to determine if CONTRACTOR 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 13. TECHNICAL DIRECTION

- 13.1 Performance of Services under this Contract shall be subject to the technical direction of SBCTA's Project Manager, identified in Section 1.2, upon issuance of NTP 1 and/or subsequently by written notice during the Contract. The term "Technical Direction" is defined to include, without limitation:
 - 13.1.1 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.
 - 13.1.2 Provision of written information to CONTRACTOR which assists in the interpretation of reports or technical portions of the Scope of Work described herein.
 - 13.1.3 Review and, where required by the Contract, approval of technical reports and technical information to be delivered by CONTRACTOR to SBCTA under the Contract.
 - 13.1.4 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; names of personnel in Attachment B; and modifications of the address of the CONTRACTOR. All such modifications will be documented in writing between the Parties.
- 13.2 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:
 - 13.2.1 Increases or decreases the Scope of Work;
 - 13.2.2 Directs CONTRACTOR to perform Work outside the original intent of the Scope of Work;
 - 13.2.3 Constitutes a change as defined in Article 14 "CHANGES" of this Contract;

- 13.2.4 In any manner causes an increase or decrease in the Contract price as identified in Article 4, "COMPENSATION", or the time required for Contract performance;
 - 13.2.5 Changes any of the expressed terms, conditions or specifications of the Contract, unless identified herein;
 - 13.2.6 Interferes with CONTRACTOR's right to perform the terms and conditions of the Contract unless identified herein; or
 - 13.2.7 Approves any demand or claims for additional payment.
- 13.3 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 Article 37, "DISPUTES", herein.
- 13.4 All Technical Direction shall be issued in writing by SBCTA's Project Manager.
- 13.5 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 the Project Manager's 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 13.2.1 through 13.2.7 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:
- 13.5.1 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.
 - 13.5.2. Advise CONTRACTOR within a reasonable time whether SBCTA will or will not issue a written amendment.

ARTICLE 14. CHANGES

- 14.1 The Services shall be subject to changes by additions, deletions, or revisions requested by SBCTA and agreed to by CONTRACTOR. CONTRACTOR will be advised of any such requests by written notification from SBCTA. This notification will not be binding on SBCTA until SBCTA's Awarding Authority has approved an amendment to this Contract.
- 14.2 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.

ARTICLE 15. EQUAL EMPLOYMENT OPPORTUNITY

- 15.1 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 or

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.

- 15.2 The CONTRACTOR and all subcontractors 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 and all subcontractors 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 16. 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 Services required under this Contract or be contrary to the interests of SBCTA as relates to the Project. CONTRACTOR further agrees that no person having any such interest shall be employed by CONTRACTOR to perform Services under the Contract. CONTRACTOR is obligated to fully disclose to SBCTA, in writing, any conflict of interest issues as soon as they are known to CONTRACTOR. CONTRACTOR agrees that CONTRACTOR and its staff shall comply with SBCTA's Conflict of Interest Policy, No. 10102.

ARTICLE 17. KEY PERSONNEL, REQUIRED ROLES, AND CONTRACTOR'S PERSONNEL

See Scope of Work Section 6.3.

ARTICLE 18. REPRESENTATIONS

- 18.1 All Services 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, 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.

- 18.2 Existence and Powers.

CONTRACTOR is a corporation, validly existing and in good standing under the laws of the State of Delaware and has the authority to do business in the State of California. It has the full legal right, power, and authority to own its properties and to carry on its business as now owned and operated and as required by this Contract.

- 18.3 Corporate Authorization and Binding Obligation.

CONTRACTOR and SBCTA have the authority and legal capacity to enter into and perform their obligations under this Contract. This Contract has been duly authorized, executed and delivered by all necessary action of CONTRACTOR and SBCTA and constitutes a legal, valid and binding obligation of CONTRACTOR and SBCTA, enforceable against CONTRACTOR

or SBCTA, as applicable, in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditor's rights from time- to-time in effect and equitable principles of general application. The persons signing this Contract on behalf of CONTRACTOR and SBCTA have authority to do so.

18.4 No Conflict.

In addition, neither the execution and delivery by CONTRACTOR of this Contract nor the performance by CONTRACTOR of its obligations in connection with the performance under the Agreement or the fulfillment by CONTRACTOR of any terms or conditions hereof to the best of its knowledge: (a) conflicts with, violates or results in a breach of any bylaws or articles of incorporation applicable to CONTRACTOR; or (b) conflicts with, violates or results in a breach of any order, judgment or decree, or any contract, agreement or instrument, to which CONTRACTOR is a party or by which CONTRACTOR or any of its properties or assets are bound, or constitutes a default under any of the foregoing.

18.5 No Litigation.

Except as disclosed in writing to the SBCTA before the Effective Date of this Contract, there is no legal proceeding, at law or in equity, before or by any governmental body, pending or, to the best of CONTRACTOR'S knowledge, overtly threatened or publicly announced against CONTRACTOR, or any of its affiliates or its parent or subsidiary corporations, or otherwise affecting CONTRACTOR, in which an unfavorable decision, ruling, or finding, in any single case or in the aggregate, could reasonably be expected to have a material and adverse effect on the execution and delivery of this Contract by CONTRACTOR or on the validity or enforceability of this Contract against CONTRACTOR, or any other agreement or instrument entered into by CONTRACTOR in connection with the transactions contemplated in this Agreement, or on the ability of CONTRACTOR to perform its obligations under this Contract or any such other agreement or instrument, or on the financial condition of CONTRACTOR.

18.6 Intellectual Property.

CONTRACTOR has or will have all appropriate licenses, agreements, or ownership rights pertaining to all U.S. patent, copyright, trade-secret, or other intellectual-property or proprietary rights needed for the performance of its obligations under this Contract—including without limitation that it will have all necessary rights to use patentable (in the U.S.) or copyrightable materials, equipment, devices, or processes not furnished by SBCTA used in the performance of Services under this Contract. CONTRACTOR assumes all risks arising from the use of any such U.S. patented or copyrighted materials, equipment, devices, or processes.

18.7 Claims and Demands.

Except as disclosed in writing to SBCTA before the Effective Date of this Contract, there are no material and adverse claims and demands based in contract or tort law pending or, to the best of its knowledge, threatened against CONTRACTOR, or any of its affiliates or its parent or subsidiary corporations, with respect to any project similar to the one that is the subject of this Contract.

18.8 Disqualification of Convicted Felons.

For purposes of carrying out its duties and obligations under its contract with the agency, CONTRACTOR will not, without express written permission of SBCTA, hire any person who has been convicted of a felony where the crime committed directly relates to the position of employment being sought by that person.

18.9 Subcontractors.

CONTRACTOR covenants that its employees are not SBCTA's employees and warrants that it will not take any position contrary to such covenant. As part of mobilization, Stadler will provide a list of subcontract and list shall be maintained for life of contract.

ARTICLE 19. PROPRIETARY RIGHTS, OWNERSHIP OF DOCUMENTS AND CONFIDENTIALITY

- 19.1 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. With the exception of CONTRACTOR's use of train performance data for other projects, 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.
- 19.2 All written documents, material, data, or any other written records prepared or developed by the CONTRACTOR and its subcontractors required for the continued maintenance and operations of the Service Equipment and developed pursuant to this Contract will remain the property of the CONTRACTOR. The CONTRACTOR must deliver copies of all such written documents, materials, data or other records in native format, upon request of SBCTA upon expiration or termination of this Contract. CONTRACTOR is not obligated to provide written documents and material that are CONTRACTOR's standardized, branded training material and that was not specifically modified or created for SBCTA.
- 19.3 All written documents, material, data, or any other written records prepared or developed by the CONTRACTOR and its subcontractors required for the continued maintenance and operations of the AMF and developed pursuant to this Contract will remain the property of SBCTA. The CONTRACTOR must deliver copies of all such written documents, materials, data or other records in native format, upon request of SBCTA upon expiration or termination of this Contract. CONTRACTOR is not obligated to provide written documents and material that are CONTRACTOR's standardized, branded training material and that was not specifically modified or created for SBCTA.
- 19.4 Material or technical data prepared by the CONTRACTOR under this Contract may be released by the CONTRACTOR to any other person or agency only as necessary for the performance of the Services. In addition, if CONTRACTOR wishes to release such information, it shall either remove information which identifies SBCTA or obtain prior written consent from SBCTA for such release. All press releases or information to be published in print or electronic media, may be distributed only after first being authorized by SBCTA.
- 19.5 CONTRACTOR further grants to SBCTA a perpetual, unlimited, royalty-free, non-exclusive and irrevocable license for SBCTA (including without limitation its officers, directors, employees, contractors, and agents) to use, copy, distribute, display publicly, perform, and modify (and create derivative works from) any and all written documentation, materials, or other works of authorship (except for written documents and material that are

- CONTRACTOR's standardized, branded training material and that was not specifically modified or created for SBCTA) necessary for the sole purpose of operating and maintaining the Arrow Service (the Purpose), including SOPs, user guides and training materials.
- 19.6 Nothing protected by any CONTRACTOR or third-party Intellectual Property rights will be included in technical data furnished hereunder without the written permission of the owner of the Intellectual Property for SBCTA to use for the purpose of maintaining the Arrow service.
 - 19.7 Any SBCTA communications or materials to which CONTRACTOR or its subcontractors 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 CONTRACTOR communications or materials to which SBCTA or its subcontractors or agents have access, shall be held in confidence by SBCTA, who shall exercise reasonable precautions to prevent the disclosure of confidential information to anyone except as expressly authorized by CONTRACTOR.
 - 19.8 Except as reasonably necessary for the performance of the respective obligations under this Contract, CONTRACTOR and SBCTA agree that each of them, their employees, agents and subcontractors will hold in confidence and not divulge to third parties, without prior written consent of the other Party, any information obtained from or through the other Party unless (a) the information was known to the receiving Party prior to obtaining same from the other Party, or (b) the information was at the time of disclosure to the receiving party, or thereafter becomes, part of the public domain, but not as a result of the fault of or an unauthorized disclosure by the receiving Party or its employees, agents, or subcontractors, or (c) the information was obtained by the receiving Party from a third party who did not receive the same, directly or indirectly, from the disclosing Party and who had, to the receiving Party's knowledge and belief, the right to disclose the same.
 - 19.9 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.
 - 19.10 CONTRACTOR shall not use SBCTA's name or photographs in any professional publication, magazine, trade paper, newspaper, seminar or other medium, nor release any reports, information, promotional material or press releases (whether published in print or electronic media) without first receiving the express written consent of SBCTA. CONTRACTOR shall not or allow for the use of any photos related to this Contract for any purpose without prior written approval of SBCTA.
 - 19.11 CONTRACTOR, its employees, agents and subcontractors shall be required to comply with SBCTA's Confidentiality Policy, a copy of which will be furnished to CONTRACTOR; anyone who may have access to Sensitive Security Information ("SSI") (as defined by federal law) and/or Personally Identifiable Information ("PII") may be required to execute a Confidentiality Agreement. For purposes of this Article, PII means any information that identifies or describes a person, including, but not limited to: name; social security number; date of birth; driver license number; home address; telephone number; billing address; e-mail address; credit card number and expiration date; bank account information; medical and health

information, including digital copies of personal, or protected, health information (ePHI); health insurance; user name or email address, in combination with a password or security question and answer that would permit access to an online account; and other personally identifiable information as defined by California or federal law. Any release, collection, dissemination, or use of PII for Stadler employees will be subject to the provisions of the General Data Protection Regulation.

- 19.12 Applicability of California Public Records Act. Notwithstanding any of the foregoing, if SBCTA receives a public records request under the California Public Records Act (Government Code §§ 7920 et seq.) for records related to the design, production and/or maintenance of the ZEMU and/or DMU, SBCTA will promptly notify CONTRACTOR of said request and seek CONTRACTOR's assessment of which documents are exempt from disclosure under California Law or any other legal basis. If SBCTA disagrees with CONTRACTOR's assessment, it will promptly notify CONTRACTOR, and the parties will meet and confer in an attempt to informally resolve the nature of the documents. If the parties are unable to agree as to what documents are to be disclosed and an action is brought against SBCTA under the California Public Records Act to compel production of such documents, CONTRACTOR will pay SBCTA's costs of defending such action, including but not limited to attorneys' fees.

ARTICLE 20. TERMINATION

- 20.1 Termination for Convenience - SBCTA shall have the right at any time, with or without cause, to terminate further performance of Services by giving ninety (90) 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 Services and shall preserve work in progress and completed work, pending SBCTA's instruction, and, subject to any restrictions in the Contract (e.g., Article 19), shall turn over such work in accordance with SBCTA's instructions.

If SBCTA terminates this Contract for convenience, the CONTRACTOR will:

- 1) Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the Services under the Contract that is not terminated.
- 2) Terminate all orders and subcontracts to the extent that they relate to the performance of Services terminated by the notice of termination.
- 3) Settle all outstanding liabilities and all claims arising out of such termination or orders and subcontracts, with the approval or ratification of SBCTA, to the extent that may be required, which approval or ratification will be final for all the purposes of this section.
- 4) Transfer title to SBCTA and deliver in the manner, at the times, and to the extent, if any, directed by SBCTA the fabricated or un-fabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of the Services terminate. Provision of any documents, plans, drawings, or other information supplied to SBCTA during the performance of the Services remains subject to the confidentiality and use limitations set forth in this Contract.

- 5) Use its best efforts to sell, in the manner, at the times, to the extent, and at the price(s) directed or authorized by SBCTA, any property of the types referred to above, provided, however, that the CONTRACTOR will not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by SBCTA. The proceeds of any such transfer or disposition will be applied in reduction of any payments to be made by SBCTA to the CONTRACTOR under this Contract or will otherwise be credited to the price or cost of the Services covered by this Contract or paid in such other manner as SBCTA may direct.
- 6) Complete performance of such part of the Services as will not have been terminated by the notice of termination.
- 7) Take such action as may be necessary, or as SBCTA may direct, for the protection or preservation of the property related to this Contract which is in the possession of the CONTRACTOR and in which SBCTA has or may acquire an interest.
- 8) Upon termination or expiration of this Contract, the CONTRACTOR will provide SBCTA with all documentation evidencing SBCTA's ownership of all CONTRACTOR-provided assets.
- 9) No later than 30 days after termination or completion of this Contract, subject to any restrictions in the Contract (e.g., Article 19), CONTRACTOR shall furnish to the SBCTA all records and documents as requested by SBCTA, to include, without limitation, the items listed below to the extent they exist in the Contractor's files. All reports and documents must be provided in native format if requested by SBCTA.

Additionally, all reports and notifications specified in the required reports and notifications section of the Scope of Services shall be made current and complete at the time of the termination or completion of the Contract. Any such reports or notifications which normally may not be due at the time of the final day of Contractor responsibility, particularly in the case of early termination or completion, shall be completed on a pro-rated basis to the final day of the Contract. Where practicable, all records and documents will be delivered in electronic format. The data shall reflect conditions and status as of the final day of Contractor responsibility under this Contract.

The above notwithstanding, all reports or other documents which relate to National Transportation Safety Board (NTSB), FRA, CPUC or major Authority findings, deficiencies or Contract non-compliance shall be made available to SBCTA immediately upon termination or completion of this Contract.

The records and documents to be furnished include, but are not limited to:

- a) All Standard Operating Procedures and Plans (CDRL 26) developed for SBCTA as identified in this Scope of Work;
- b) Maintenance, Repair, Inspection and Modification Project records for each Multiple Unit, facility and item of shop or work equipment for which warranty/repair records are kept;
- c) Inventory of all assets which includes materials, tools, supplies, spare parts provided or paid for by SBCTA, including identification of all new, secondhand/reusable, and scrap materials where applicable, and a current pricing (valuation) of all such inventory;

- d) AMF facility maintenance information in SBCTA's-approved format
- e) Outlying point and yard maintenance information, in SBCTA's-approved format;
- f) All accident, fatality or other injury and property damage records, reports, claims and correspondence (including current, unsettled claims) since the Service date; including those related to:
 - (i) Contractor personnel (employees)
 - (ii) Grade Crossing accidents
 - (iii) Motor vehicle accidents
 - (iv) Trespassers
 - (v) Invitees (passengers, contractors, and others)
 - (vi) Lost time due to injury reports
- g) All interrogatories from regulatory or other agencies, including responses and documentation;
- h) All manuals, warranty documents and agreements for SBCTA-provided equipment including machinery, components, vehicles and trailers;
- i) Bills of sale and title documents conveying ownership of all SBCTA's-provided assets to SBCTA;
- j) Copies of all utility, service or subcontracts and agreements since the Service date;
- k) All Contractor correspondence files (material related to SBCTA);
- l) Quarterly and Annual Training Reports since the Service date;
- m) Personnel, training and qualification, seniority roster and discipline records of all Contractor personnel not retained in the service of the Contractor beyond the term of this Contract;
- n) All proficiency, efficiency, and drug testing records, as applicable, since the applicable Service Date(s) (e.g., ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date);
- o) All inspection reports, including facilities and facility system inspections, Rolling Stock equipment inspections corrective actions;
- p) Work Directives issued but not fulfilled and reimbursable expenses for labor, material and other expenses not billed;
- q) Assigned and assignable subcontractor agreements;

In the event of termination for convenience, the CONTRACTOR will be paid all sums due and owing for all Services performed and all expenses incurred up to the day written notice of termination is given, including profit, plus any costs reasonably and necessarily incurred by CONTRACTOR to effect such termination. Thereafter, CONTRACTOR will not be entitled to make any claim against SBCTA in connection with this Contract. In no event will CONTRACTOR be entitled to any lost profits or any consequential or indirect damages as a result of a termination for convenience. All finished or unfinished materials procured for or produced pursuant to this Contract will become the property of SBCTA upon full payment made for such materials. Upon the effective date of termination, the CONTRACTOR will provide SBCTA with all documentation evidencing SBCTA's ownership of all CONTRACTOR-provided assets.

20.2 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 fails to perform any material obligation to be performed by it under this Contract and fails to immediately correct (or if immediate correction is not possible, fails to commence and diligently continue action to correct) such failure within thirty (30) 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 Services of CONTRACTOR or its subcontractors 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, subject to the provisions of this Contract (e.g., Article 19), SBCTA may take possession of the deliverables and finished and unfinished Services 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.

20.2.1 Subject to the provisions of the Contract, (e.g., Article 19), CONTRACTOR shall deliver to SBCTA all finished and unfinished deliverables under this Contract prepared by CONTRACTOR or its subcontractors or furnished to CONTRACTOR by SBCTA within thirty (30) working days of said notice.

20.3 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 CONTRACTOR be entitled to any payment for prospective profits or any damages because of such termination.

20.4 Audit of Arrow Maintenance Facility and Multiple Unit Condition

Upon Termination pursuant to this Article 20, a joint audit including CONTRACTOR and SBCTA, or SBCTA's designee, shall be conducted to assess the condition of the Arrow Maintenance Facility and Service Equipment. The AMF and/or Service Equipment shall be in like or better condition than they were in at the applicable Service Date(s) (e.g., ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date), normal wear and tear excepted.

The normal wear and tear of the AMF and Service Equipment is the deterioration or aging that occurs because of normal, competent use in conjunction with care and proper maintenance of the asset for its intended purpose.

A comparison of the results of these contract termination audits shall be made with the initial audit of AMF, MU vehicles, and other SBCTA provided assets as of the applicable Service Date(s) (e.g., ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date). For any equipment SBCTA and CONTRACTOR agree to be in a lesser or poorer condition than that existing as a matter of record as evidenced by the initial and termination audits described above, normal wear and tear excepted, and where such lesser or poorer condition results from CONTRACTOR'S negligence, improper use or lack of adequate maintenance service, SBCTA may, at its sole option require: (1) that CONTRACTOR correct, at CONTRACTOR'S expense, such

condition; (2) deduct from CONTRACTOR payments an amount representing the current cost of rectifying such condition; or a combination thereof. For any equipment about which SBCTA and CONTRACTOR disagree as to the condition, the parties shall utilize the Disputes provision in Article 37 of this Contract to resolve the matter.

ARTICLE 21. RESPONSIBILITIES OF CONTRACTOR UPON TERMINATION OR EXPIRATION OF AGREEMENT

In the event that CONTRACTOR is terminated or is not selected or designated as SBCTA's contractor beyond the term of this Contract, CONTRACTOR will be obligated to carry out such Contract termination and transition activities as may be required by SBCTA to preserve and protect operations of the Arrow Service and to help effect a smooth transition to the successor contractor. The CONTRACTOR must provide sufficient experienced personnel, as directed by SBCTA, to ensure the smooth transition required in the previous sentence. Transitional services shall be On-Call Services.

Such cooperative efforts shall include the following:

- i. Provision of access for new contractor personnel to CONTRACTOR'S personnel for providing relevant information regarding SBCTA's Service Property, Service Equipment, and operations. During the Mobilization period of the new contract SBCTA and other designated contractor staff shall have full access to Contractor's operations to visibly observe and assess Contractor's safety measures, O&M activities. Such access shall not impede the CONTRACTOR's performance and safe operations. SBCTA shall notify the Contractor of such access 24 hours in advance.
- ii. Attendance by CONTRACTOR personnel at such joint transition meetings is required. At these meetings, the CONTRACTOR shall affirmatively respond to and provide enough information as requested.
- iii. The CONTRACTOR and its key management personnel shall be on property and available during the Mobilization of SBCTA's new contractor to ensure a smooth and efficient service transition.

SBCTA will not make final payment to the CONTRACTOR until satisfactory completion of all requirements of this Article and any other Contract expiration/termination obligations identified in this Contract. A failure to cooperate with a transition to a successor CONTRACTOR is a material breach that entitles SBCTA to terminate for cause, or to transition a termination for convenience to a termination for cause.

ARTICLE 22. RIGHTS OF SBCTA UPON TERMINATION OR EXPIRATION OF AGREEMENT AND WAIVER OF CLAIMS

Upon expiration or earlier termination of the Contract, SBCTA will have the right to provide the Services and/or to use Service Equipment pursuant to contract with other firms(s). Under such circumstances, CONTRACTOR agrees to forever waive any claim, of any sort or nature, against SBCTA based upon SBCTA's contracting with another firm for the Service or any portion of it.

ARTICLE 23. STOP WORK ORDER

Upon failure of CONTRACTOR or its subcontractors to materially comply with any of the substantive 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 24. CLAIMS

Neither CONTRACTOR nor SBCTA shall be bound to any adjustments in the Contract amount or schedule unless expressly agreed to by both Parties in writing. SBCTA shall not be liable to CONTRACTOR for any claim asserted by CONTRACTOR after final payment has been made under this Contract. CONTRACTOR must file any claim in writing within 30 days of when it knew or should have known of the event or occurrence giving rise to the claim. CONTRACTOR must provide sufficient detail with its claim to enable SBCTA to ascertain the claim’s basis and amount—such detail at a minimum to include the date, place, and other pertinent circumstances of the event or occurrence giving rise to the claim and the indebtedness, obligation, injury, loss, or damages allegedly incurred by CONTRACTOR. CONTRACTOR must continue to perform in accordance with the Contract notwithstanding any pending claims CONTRACTOR may have submitted.

ARTICLE 25. INSURANCE AND PERFORMANCE BOND

25.1 CONTRACTOR’s Responsibilities and Insurance Requirements

The insurance requirements specified in this Article must cover CONTRACTOR's own liability and any liability arising out of Services or services performed under this Contract by any subcontractors, sub-consultants, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations (hereinafter collectively referred to as “Agents”) that CONTRACTOR authorizes to work under this Contract. CONTRACTOR and all Agents are required to procure and maintain, at their sole cost and expense, applicable insurance coverages subject to all of the requirements set forth below. Such insurance must remain in full force and effect throughout the term of this Contract. To the extent that any Agent does not procure and maintain such insurance coverage, CONTRACTOR is responsible for said coverage and will assume any and all costs and expenses that may be incurred in securing said coverage or in fulfilling CONTRACTOR’s indemnity obligations as to itself or any of its Agents in the absence of coverage. Required levels of insurance required under this Article may be obtained by any combination of primary and excess or umbrella policies, provided the excess and/or umbrella policies follow form. In the event CONTRACTOR or its Agents procure excess or umbrella coverage to maintain certain requirements outlined below, these policies must also satisfy all specified endorsements and stipulations, including provisions that CONTRACTOR’s insurance be primary without any right of contribution from the SBCTA. The insurance requirements set forth in this Article in no way limit either party's indemnity obligations set forth in Article 26. Prior to beginning Services under this Contract, CONTRACTOR must provide SBCTA with evidence of compliance with the insurance requirements of this Article by providing a certificate of insurance along with endorsements to the policy.

25.1.0. Minimum Types and Scope of Insurance

- 25.1.1 Workers’ Compensation/Employer’s Liability Insurance or FELA. Workers’ Compensation with Statutory Limits and/or Federal Employer’s Liability (“FELA”) coverage (whichever is applicable) to its employees, as required by the Federal Employer’s Liability Act of 1908, applying to Interstate railroad employees, or, as required by Section 3700 et seq. of the California Labor Code, or any subsequent

amendments or successor acts thereto governing the liability of employers to their employees.

- a) If the California Labor Code requiring Workers' Compensation applies, the CONTRACTOR also must maintain Employer's Liability coverage with minimum limits of Ten Million Dollars (\$10,000,000).
 - b) If FELA applies, it must be in accordance with federal statutes and have minimum limits of Ten Million Dollars (\$10,000,000) per occurrence.
- A. SBCTA reserves the right during the term of the Contract to analyze and implement alternative compensation strategies for FELA costs. If a railroad entity, covered under FELA, is selected as a CONTRACTOR, SBCTA reserves the right to retain an independent actuary to analyze the cost of injuries to employees engaged in providing the Work. This analysis will be conducted in order to determine the amount the CONTRACTOR should be compensated by SBCTA for the risk associated with the CONTRACTOR's assumption of financial responsibility for injuries and for any additional administrative costs incurred by the CONTRACTOR in handling FELA claims. The actuary selected must hold a "Fellow of the Casualty Actuarial Society" ("FCAS") designation. If SBCTA undertakes such an independent actuarial analysis of FELA costs, SBCTA may: (a) utilize the FELA payment strategy as described in the CONTRACTOR's proposal, or (b) implement the recommendations of the independent actuary, but only to the extent CONTRACTOR agrees to implement such recommendations, which consent shall not be unreasonably withheld.
- B. The insurance coverages above must include the following endorsement as further detailed below: in section 25.2.1 Endorsements.

25.1.2. Business Automobile Insurance Liability insurance providing Bodily Injury Liability Limits of \$10,000,000 per occurrence, and Property Damage Liability Limits of \$10,000,000 per occurrence, or combined single limits of Liability for Bodily and Property Damage of \$10,000,000 per occurrence. This policy of insurance shall be primary as to any loss involving a vehicle owned by CONTRACTOR or a third-party and used in the provision of the Services.

- A. This insurance must include coverage for, but not be limited to, the following vehicles registered for road use for the performance of services under this contract:
 - a) All Owned vehicles
 - b) All Non-owned vehicles
 - c) Hired or rental vehicles
- B. Such insurance must include the following endorsements as further detailed in "Endorsements" below:
 - a) Additional Insured
 - b) Primary and Non-Contributory wording
 - c) Waiver of Subrogation
- C. CA 20 70 10 13 (or substantially similar) – Coverage for Certain Operations in Connection with Railroads

25.1.3 Cyber Liability Insurance: (1) \$5,000,000 Per Claim and Policy Aggregate; (2) \$5,000,000 Cyber Liability including Privacy, Confidentiality and Network Security liability; (3) \$5,000,000 Cyber Extortion; (4) \$5,000,000 Regulatory Defense, Awards and Fines; (5) \$5,000,000 Business Interruption; and (6) \$5,000,000 Ransomware.

- A. Such policy must contain Cyber Liability risk coverages including network and internet security liability coverage, privacy liability coverage, business interruption, ransomware, and media coverage.
- B. The policy must provide coverage for all work performed by the CONTRACTOR. No contract or agreement between the CONTRACTOR and any subcontractor/consultant will relieve the CONTRACTOR of the responsibility for providing this Cyber Liability coverage for all work performed by the CONTRACTOR and CONTRACTOR must indemnify SBCTA for Claims and Damages for Cyber Liability risk that arises out of work performed by any subcontractor/consultant working on behalf of the CONTRACTOR on the project.

25.1.4 Commercial General Liability Insurance: A Commercial General Liability policy with minimum limits of Bodily Injury Liability Limits of \$10,000,000 per occurrence, and Property Damage Liability Limits of \$10,000,000 per occurrence and annual aggregate liability for both bodily injury and property damage liability of \$20,000,000. This limit can be satisfied by either the General Liability policy or in combination with Umbrella/Excess Liability.

- A. Required Coverage:
 - 1. This insurance must include coverage for, but not be limited to:
 - a. Premises and operations
 - b. Products and completed operations
 - c. Personal injury
 - d. Advertising injury
 - 2. Such insurance must include the following endorsements as further detailed in "23.2.1 Endorsements" below:
 - a. Additional Insured
 - b. Separation of Insureds Clause
 - c. Primary and Non-Contributory wording
 - d. Waiver of Subrogation
 - e. CG 2417 Contractual Liability Endorsement — Railroads
 - f. Pollution extension for fuels and lubricants brought onto the job location
- B. The subcontractor of CONTRACTOR also must maintain General Liability Insurance coverage of not less than \$5 million per occurrence, combined single limit, for coverage and for losses arising out of injury to or death of all persons, and for physical loss or damage to or destruction of Property, including the loss of use thereof. A \$10 million annual aggregate shall apply.

1. This insurance must include coverage for, but not be limited to:
 - a. Premises and operations
 - b. Products and completed operations
 - c. Personal injury
 - d. Advertising injury
2. Such insurance must include the following endorsements as further detailed in the Endorsements section below:
 - a. Additional Insured
 - b. Separation of Insureds Clause
 - c. Primary and Non-Contributory wording
 - d. Waiver of Subrogation
 - e. Pollution extension for fuels and lubricants brought onto the job location

25.2. General Conditions, Endorsements and Requirements

25.2.1 Endorsements

- A. Additional Insureds. The General Liability and Automobile policies as specified in the provisions above must include as Additional Insureds: Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority, Ventura County Transportation Commission, BNSF Railway, Union Pacific Railroad, National Railroad Passenger Corporation (Amtrak), and North County Transit District.

The General Liability and Business Automobile policies as specified in the provisions above must include as Additional Insureds the SCRRA and SBCTA and their Directors, Supervisors, officers, employees, volunteers and agents, as they now, or as they may hereafter be constituted, singly, jointly, or severally.

The referenced policies will not include language stating that the self-insured retention may only be paid by the named insured prior to triggering Additional Insured coverage and will permit an additional insured to pay or exhaust the self-insured retention.

- B. Waiver of Subrogation - The Workers' Compensation and FELA and Business Automobile policies must contain a waiver of subrogation in favor of the Southern California Regional Rail Authority, Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority, Ventura County Transportation Commission, BNSF Railway, Union Pacific Railroad, National Railroad Passenger Corporation (Amtrak), and North County Transit District.

The optional Following Form Excess or Umbrella policies covering Excess Railroad, General Liability and Business Automobile Liability Insurance must contain a waiver of subrogation in favor of the Southern California Regional Rail Authority, Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority, Ventura County Transportation Commission, BNSF Railway, Union Pacific Railroad, National Railroad Passenger Corporation (Amtrak), and North County Transit District.

- C. Primary Insurance - The insurance limits set forth in this Article may be satisfied by a combination of primary and excess policies. The referenced policies and any Excess and Umbrella policies must indicate that they are primary to any other insurance and the insurance company(ies) providing such policy(ies) will be liable thereunder for the full amount of any loss or claim, up to and including the total limit of liability, without right of contribution from any of the insurance effected or which may be affected by the SBCTA.
- D. Separation of Insureds - The General Liability policy and any Excess or Umbrella policies must contain a Separation of Insureds Clause and stipulate that inclusion of SCRRA, the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino County Transportation Authority, the Ventura County Transportation Commission, the BNSF Railroad, the Union Pacific Railroad, the National Railroad Passenger Corporation (Amtrak), and North County Transit District, as Named Insureds and/or Additional Insureds, will not in any way affect their rights either as respects any claim, demand, suit or judgment made, brought or recovered against the CONTRACTOR. The purpose of this coverage is to protect CONTRACTOR, the Named Insureds and the Additional Insureds in the same manner as though a separate policy had been issued to each, but nothing in said policy will operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.
- E. Notice of Cancellation or Non-Renewal - The referenced policies and any Excess or Umbrella policies must contain a Notice of Cancellation or Non-Renewal Endorsement providing that in the event of Cancellation of the policy and/or Non-Renewal of the policy, except for cancellation due to non-payment of premium, SBCTA will be provided with 30 days' Notice of Cancellation or Non-Renewal by the insurer. In the event of cancellation of the insurance policy for non-payment of premium, the Endorsement must also provide the SBCTA will be provided with 10 days' Notice of Cancellation for non-payment of premium by the insurer.

25.2.2 Evidence of Insurance

Prior to commencing work or entering onto the Service Property, CONTRACTOR must provide SBCTA with a certificate evidencing coverage along with the required endorsements, and upon request, a certified duplicate original of the policy. The certificate also must show that the CONTRACTOR's policy(ies) will not be cancelled without 30 days' prior written notice to SBCTA. CONTRACTOR must also provide certificates evidencing coverage to SBCTA throughout the term of this Contract and for two years thereafter, every time a policy of insurance required by this Contract is renewed and/or replaced. CONTRACTOR must maintain evidence of insurance for two years following expiration and/or termination of this Contract.

25.2.3 General Provisions

- A. Notice of Cancellation - The policies must provide that the CONTRACTOR's policies will not be cancelled without 30 days' prior written notice to the SBCTA.
- B. Acceptable Insurers - All policies will be issued by insurers acceptable to SBCTA (generally with a Best's Rating of A- 7 or better).

- C. Self-insurance - Upon written approval by SBCTA and CONTRACTOR's agreement to waive subrogation against SBCTA respecting any and all claims that may arise, CONTRACTOR's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance. Such self-insurance programs or retentions must provide at least the same protection from liability and defense of suits as would be afforded by "first-dollar" insurance. If CONTRACTOR fails, refuses, or unreasonably delays paying any losses within a permitted self-insured retention, SBCTA will have the right to terminate the Contract upon 30 days' written notice, which termination will be deemed for cause.
- D. Failure to Maintain Insurance - All insurance specified above must remain in force until all work to be performed is satisfactorily completed, all of CONTRACTOR's personnel and equipment have been removed from SBCTA's property, and the work has been formally accepted. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program will constitute a material breach of this Contract. In the event that the CONTRACTOR does not procure or maintain required insurance and after written notice by SBCTA, SBCTA may, 30 days from written notice, procure the insurance on CONTRACTOR's behalf and deduct the cost from any compensation owed to the CONTRACTOR.
- E. Claims Made Coverage - If any insurance specified above is provided on a claim-made basis, then in addition to coverage requirements above, such policy must provide that:
- Policy retroactive/continuity dates must coincide with or precede the CONTRACTOR's start of work (including subsequent policies purchased as renewals or replacements).
 - CONTRACTOR must make every effort to maintain similar insurance for at least two years following termination of the Contract, including the requirement of adding all additional insureds.
 - If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two years to report claims arising from work performed in connection with this Contract.
 - Policy allows for reporting of circumstances or incidents that might give rise to future claims.
- F. Deductibles and Retentions - CONTRACTOR is responsible for payment of any deductible or retention on CONTRACTOR's policies without right of contribution from SBCTA. Deductible and retention provisions may not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable. Any deductible or retention in excess of \$10,000 must be approved by SBCTA. Deductibles and retentions may be satisfied either by the CONTRACTOR and/or the SBCTA.
- G. Aggregate Limits - If any of the required insurance coverages described above which are provided and maintained by CONTRACTOR contain aggregate limits and apply to other operations or tenancies of CONTRACTOR outside of this Contract, CONTRACTOR will give SBCTA prompt, written notice of any incident, occurrence, claim, settlement or adjustment against such insurance which could be reasonably expected to reduce available insurance below the level required by this Article.

- H. Modification of Coverage - SBCTA reserves the right at any time during the term of this Contract to increase or decrease the amounts and types of insurance required to be provided by CONTRACTOR pursuant to this Article by giving CONTRACTOR 90 days' prior written notice of the change, provided that any decrease in the amount or type of insurance required to be provided by CONTRACTOR will be subject to the approval of CONTRACTOR, which shall not be unreasonably withheld, conditioned or delayed. SBCTA's right to increase the amount and types of insurance to be provided by CONTRACTOR will be subject to the availability of such insurance. SBCTA will pay to CONTRACTOR the incremental increase in CONTRACTOR's cost resulting from an increase in insurance coverage required by it and deduct from amounts owing to CONTRACTOR under this Contract any incremental decrease in CONTRACTOR's cost resulting from a decrease in insurance coverage.
- I. Additional Insurance - CONTRACTOR must carry any other insurance required by law.
- J. Claims Costs - CONTRACTOR, at its sole cost and expense, will be responsible for the investigation, administrative handling, and settlement of claims for injury, death or damage arising out of the performance of this Contract for which it is responsible. Each party must respond to reasonable requests by the other party as to the status of all claims presented for which the requesting party is responsible. The parties agree that the furnishing of such information is for the purpose of keeping each other informed, as potential co-defendants, with respect to such claims, is a privileged co-defendant communication, does not waive the attorney-client, attorney work product or any other applicable privilege, and will not be admissible in any action or proceeding of any kind whatsoever as an admission or concession of liability or for any other purpose whatsoever, nor will any such information exchanged be admissible as evidence of liability to, or damages allegedly suffered by any claimant.

25.3 PERFORMANCE BOND

25.3.1 Forty-five (45) days prior to the associated Service Date (ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date, Materials Management Service Date), the CONTRACTOR will file with SBCTA, on forms provided by SBCTA, a performance bond in an amount equal to the total amount of the Contract commencing on the Effective Date and ending on June 30, 2030. The bond must be for the entire base term, or, with SBCTA approval, may be annually renewable, in which case the CONTRACTOR must provide written evidence of renewal at least 90 days prior to the expiration of the then-current bond. Any replacement bond must be issued at least 30 days prior to the expiration of the then-current bond and will take effect upon expiration of the then-current bond. CONTRACTOR's failure to always have a bond in place, or a failure to provide a replacement bond in compliance with this paragraph, constitutes a material default of this Contract. The bond must be issued by a reputable surety company(ies) acceptable to SBCTA with a Best Guide Rating of A or better, listed in Circular 570: Surety Companies Acceptable on Federal Bonds List, with a bond amount within the underwritten limitation, and authorized to execute such in the State of California. Should any surety be deemed unsatisfactory at any time by SBCTA, notice will be given to the CONTRACTOR to that effect, and CONTRACTOR will forthwith substitute a new surety satisfactory to the SBCTA.

25.3.2 Performance Bond premium costs are separately listed in the CONTRACTOR's Pricing Schedule and are pass-through costs for which the CONTRACTOR may separately invoice SBCTA.

ARTICLE 26. INDEMNITY/LIMITATION ON LIABILITY

26.1 Indemnity

CONTRACTOR agrees to indemnify, defend (with legal counsel reasonably approved by SBCTA) and hold harmless SBCTA, SCRRA, the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority, the Riverside County Transportation Commission, the Ventura County Transportation Commission, the BNSF Railroad, the Union Pacific Railroad, the National Railroad Passenger Corporation (Amtrak) and North County Transit District, and their authorized officers, employees, agents and volunteers ("Indemnitees"), from any and all 3rd party claims, actions, losses, damages and/or liability (Claims) arising out of, caused by, resulting from, or sustained or incurred in connection with (in whole or in part), Contractor's performance of its obligations hereunder, or any part thereof, or failure to comply with the Contract and for any costs or expenses incurred by Indemnitees on account of any claim related to Contractor's performance of its obligations under this Contract, or any part thereof, or failure to comply with the Contract, except where such indemnification is prohibited by law. CONTRACTOR's indemnification obligation applies to Indemnitees "active" as well as "passive" negligence but does not apply to Indemnitees' sole negligence, willful misconduct and/or gross negligence. Unless SBCTA has withheld from CONTRACTOR the funding specifically requested by CONTRACTOR to remedy a violation of federal, state, or local law or regulation, the indemnity in this paragraph applies such that CONTRACTOR must indemnify, protect, defend and save the Indemnitees and their officers, agents and employees harmless from all fines, penalties, and liabilities imposed under such laws and regulations regarding the Work. Without limiting the foregoing indemnity, CONTRACTOR also must indemnify, defend and hold harmless the Indemnitees from 3rd party Claims arising out of, relating to, or in connection with any claim or allegation that SBCTA's ownership, possession, maintenance, modification, or any other use of materials, including spare parts, provided by Contractor under this Contract, or any other deliverable or work performed by Contractor under this Contract infringe or violate the patent, copyright, trade-secret, or other intellectual-property or proprietary rights of any third party. In the event any such claims result in a finding of infringement or other violation, CONTRACTOR, at CONTRACTOR's sole cost and expense, must: (a) secure for the SBCTA the right to continue using the materials, equipment, devices or processes by suspension of the injunction or by procuring a royalty-free license, or licenses, (b) replace any software, hardware, materials, equipment, devices, or processes found to be infringing or violative of third-party rights with non-infringing software, hardware, materials, equipment, devices, or processes, or (c) modify them so that they become non-infringing; and the alternative of (a), (b), or (c) must be selected in consultation with SBCTA and with SBCTA's written consent, which will not be unreasonably withheld, though in any event the selection may not entail an unreasonable or excessive amount of time or cause undue disruption to operations of the Arrow service.

26.2 Limitation of Liability

Except as set forth in the following sentence, Contractor's liability arising under this Contract whether in contract or tort or any other theory of law or equity will not exceed \$5,000,000. This cap on Contractor's liability does not apply to Contractor's indemnity obligations under Section 26.1. Neither Party will be liable to the other for loss of profit, loss of business, loss of goodwill, and loss of opportunity.

ARTICLE 27. ERRORS AND OMISSIONS

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

ARTICLE 28. OWNERSHIP OF DOCUMENTS

Consolidated into Article 19

ARTICLE 29. SUBCONTRACTS

- 29.1 CONTRACTOR shall not subcontract performance of all or any portion of Services under this Contract, except to those subcontractors listed in CONTRACTOR's proposal, without first notifying SBCTA in writing of the intended subcontracting and obtaining SBCTA's written approval of the subcontracting and the subcontractor. The definition of subcontractor and the requirements for subcontractors hereunder shall include all subcontracts at any tier.
- 29.2 CONTRACTOR agrees that any and all subcontractors of CONTRACTOR performing Services under this Contract will comply with the terms and conditions of this Contract applicable to the portion of Services performed by them. CONTRACTOR shall incorporate all applicable provisions of this Contract into their subcontracts regardless of the tier. If requested by SBCTA, CONTRACTOR 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. Without limiting the generality of the previous sentences in this paragraph, each subcontract must state that CONTRACTOR, not SBCTA, is solely responsible for payment to the subcontractor for any amounts owing and the subcontractor will have no claim and may take no action against SBCTA (or its officers, directors, employees, assigns, or sureties) for nonpayment by CONTRACTOR.
- 29.3 Approval by SBCTA of any Services to be subcontracted and the subcontractor to perform said Services will not relieve CONTRACTOR of any responsibility or liability in regard to the acceptable and complete performance of said Services. The CONTRACTOR must be responsible for all work or equipment, whether subcontracted or purchased from a supplier. The CONTRACTOR agrees to pay its subcontractors all sums owed and will be solely responsible for reimbursing any subcontractors. SBCTA will have no obligation to them. The CONTRACTOR will be solely responsible for the performance of its subcontractors, in particular, the CONTRACTOR will be primarily responsible for communications and negotiations with its subcontractors. Any substitution of subcontractors must be approved in writing by SBCTA. CONTRACTOR shall have sole responsibility for managing all of their subcontractors, including resolution of any disputes between CONTRACTOR and its subcontractors.
- 29.4 SBCTA reserves the right to direct the CONTRACTOR to remove any subcontractor when subcontracted work is not being performed in a manner satisfactory to SBCTA. The subcontractor will be removed immediately upon the written request of SBCTA. SBCTA may also request that such subcontractor will not again be employed on the Services. All costs associated with removal and replacement of a subcontractor are the responsibility of the CONTRACTOR. A failure to comply with direction to remove the subcontractor is a material

breach of this Contract. Removal and/or replacement of a subcontractor in no way relieves the CONTRACTOR of its obligations to perform under this Contract.

ARTICLE 30. 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 Services or products.

ARTICLE 31. INDEPENDENT CONTRACTOR

CONTRACTOR is and shall be at all times an independent contractor. Accordingly, all Services 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 Services or as to the manner, means and methods by which Services 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 or of CONTRACTOR's subcontractor(s) at all times, and shall not at any time or for any purpose whatsoever be considered employees or agents of SBCTA.

ARTICLE 32. 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 33. 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. If SBCTA assigns the Contract to SCRRA, Venue will be the Superior Court of Los Angeles 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 (or, if assigned, Los Angeles County).

ARTICLE 34. FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS

CONTRACTOR warrants that in the performance of this Contract, it shall comply with all applicable federal, State and local laws, ordinances, rules and regulations. Without limiting the generality of the previous sentence, CONTRACTOR is responsible for compliance with the provisions of all applicable regulations of FRA and CPUC, other entities with regulatory authority over the rail industry as well as all other applicable federal, state and municipal laws applicable to the Services.

If as a result of a change in law, Contractor suffers any additional costs in the performance of the Contract, Contractor shall notify SBCTA within thirty (30) days, and the parties shall execute a Contract Amendment making Contractor whole for the additional costs.

ARTICLE 35. PRECEDENCE

- 35.1 The Contract consists of the following: Contract Articles, Attachment A - Scope of Work, and Attachment B - Pricing Schedule, and Attachment C - Liquidated Damages, and Attachment D - Additional Clauses, all of which are incorporated into this Contract by this reference.
- 35.2 The following order of precedence shall apply: first, the Contract Articles and Attachment D Additional Clauses; second, Attachment A Scope of Work; third, Attachment B Pricing Schedule; fourth, Attachment C Liquidated Damages.
- 35.3 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. To the extent the conflict cannot be readily resolved, the parties shall utilize the Disputes process set forth in Article 37. and

ARTICLE 36. 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. CONTRACTOR shall notify SBCTA of any contact information changes within ten (10) business days of the change.

To Stadler, US, Inc	To SBCTA
5880 West 150 South,	1170 W. 3 rd Street, 2 nd Floor
Salt Lake City, UT 84104	San Bernardino, CA 92410-1715
Attn: Rachelle Glazier	Attn: Joy M. Buenaflor
Email: Rachelle.glazier@stadlerrail.com	Email: jbuenaflor@gosbcta.com
Phone: (916) 201-0800	Phone: (909) 884-8276
2 nd Contact:	Copy: Procurement Manager
Email:	Email: procurement@gosbcta.com

ARTICLE 37. DISPUTES

- 37.1 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, Services 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 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 may be reviewed by a court of competent jurisdiction. The parties may also agree to use an alternate dispute resolution methodology such as mediation or non-binding arbitration.

- 37.2 During resolution of the dispute, CONTRACTOR shall proceed with performance of this Contract with due diligence.

ARTICLE 38. 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 39. REVIEW AND ACCEPTANCE

All Services 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 Services performed by CONTRACTOR shall be subject to periodic and final review and acceptance by SBCTA upon completion of all Services.

ARTICLE 40. CONFIDENTIALITY

Consolidated into Article 19.

ARTICLE 41. EVALUATION OF CONTRACTOR

CONTRACTOR'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 CONTRACTOR for their information. The evaluation information shall be retained as part of the Contract file and may be used to evaluate CONTRACTOR if they submit a proposal on a future RFP issued by SBCTA.

ARTICLE 42. 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 Services under this Contract. CONTRACTOR shall comply with all safety instructions issued by SBCTA or their representatives.

ARTICLE 43. DRUG FREE WORKPLACE

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

ARTICLE 44. ASSIGNMENT

CONTRACTOR may 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 not be unreasonably withheld. 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.

CONTRACTOR agrees that SBCTA may enter into an Assignment and Assumption Agreement with SCRRA, by which SBCTA will assign, and SCRRA will assume, all of SBCTA's obligations under this Contract. CONTRACTOR's consent is not required for SBCTA to assign the Contract to SCRRA. Upon assignment, SCRRA will provide CONTRACTOR a fully executed copy of the Assignment and Assumption Agreement to evidence the assignment, along with updated administrative procedures that may be necessary to effect the assignment (for example, and without limitation, changes to the Notice and Invoice procedures). Thereafter, CONTRACTOR and SCRRA will continue to be bound to the Contract, as modified by any necessary change to administrative procedures.

ARTICLE 45. AMENDMENTS

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

ARTICLE 46. PREVAILING WAGES

CONTRACTOR shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code Section 1770, and all Federal, State, and local laws and ordinances applicable to the Services.

ARTICLE 47. 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 Services 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 48. FORCE MAJEURE

Each party will be excused from performance of any of its obligations when such non-performance results directly from (i) any order, rule, or regulation of any Federal, State, or local government body, agent, or instrumentality that mandates interruption or cessation of rail service or that prevents Contractor from fulfilling its obligations under this Agreement, (ii) an accident, natural disaster, pandemic, epidemic, or civil disorder that disrupts or interrupts the Services, or (iii) any other similar event (but expressly not including work stoppages or other labor unrest) beyond the parties' reasonable control (collectively referred to as a Force Majeure Event). In all cases, financial difficulty in performance is not sufficient to implicate this provision, and a Force Majeure Event only exists if performance is impossible or commercially impractical. The party excused from performance must use all reasonable efforts to minimize its non-performance and to overcome, remedy, or remove the Force Majeure Event in the shortest practical time. The affected party must notify the other that any Force Majeure Event has occurred or is likely to occur within 10 days of becoming aware of it, and will use best efforts, defined to be more than commercially reasonable efforts, to minimize any resulting delay in or interference with the performance of its obligations under the Agreement.

In the event Contractor is excused from performing its obligations for any of the aforementioned reasons, SBCTA may perform all such obligations itself with its own or other personnel without liability to Contractor thereof. Further, in the event Contractor is excused from performing its

obligations for a period of 30 days or longer, SBCTA will have the option to immediately terminate the Agreement by giving Contractor written notice thereof. Such termination will be treated as a Termination for Convenience if such notice is provided within 60 days following the commencement of the Force Majeure event.

ARTICLE 49. WARRANTY

CONTRACTOR warrants that all Services 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 50. ENTIRE DOCUMENT

- 51.1 This Contract constitutes the sole and only agreement governing the Services 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.
- 51.2 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.
- 51.3 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 51. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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

ARTICLE 52. 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-----

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

STADLER US, INC.

By: _____
Martin Ritter
CEO Stadler US Inc.

Date: _____

By: _____
Daniel Baer
Executive Vice President
Division Service

Date: _____

By: _____
Lucy K. Andre
General Counsel

Date: _____

**SAN BERNARDINO COUNTY
TRANSPORTATION
AUTHORITY**

By: _____
Raymond W. Wolfe
Executive Director

Date: _____

APPROVED AS TO FORM

By: _____
Julianna K. Tillquist
General Counsel

Date: _____

CONCURRENCE

By: _____
Alicia Bullock
Procurement Manager

Date: _____

Attachment A**SCOPE OF WORK**

DRAFT



Zero Emission Multiple Unit, Diesel Multiple Units, and Arrow Maintenance Facility – Maintenance Services

CONTRACT NO. 24-1003105
Scope of Work

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
1170 W 3RD ST. 2ND FLOOR, SAN BERNARDINO, 92410-1715

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SECTION 1. DEFINITIONS

ACTUAL COSTS – Those allowable, allocable, and reasonable costs specified in the article titled “Compensation” in the Agreement.

APPROVED BUDGET – The annual budget for Services developed pursuant to the process described in the Scope of Services and approved by the Authority.

ARROW MAINTENANCE FACILITY (AMF) – The maintenance facility located at 958 West 3rd Street, San Bernardino, CA, 92410, the maintenance of which is the subject of NTP 3 of the Contract.

ARROW SERVICE – The service that utilizes 3 Stadler Flirt DMUs and anticipates adding 1 Stadler ZEMU and operates frequently between over 8.9 miles of a railroad between San Bernardino and downtown Redlands.

SCRRA – The Southern California Regional Rail Authority, also referred to as Metrolink.

BASE SERVICES – All services under the Contract (including Options, if exercised) that are covered by the Base Fee, assuming the applicable NTP has been issued. Base Services do not include On-Call Services that require authorization through a Work Directive.

BUSINESS DAY – Any day other than a Saturday, Sunday or day of national holiday or holiday service day identified on the Metrolink Public Timetable.

CONDITION-BASED MAINTENANCE (CBM) – A maintenance strategy that monitors the actual condition of an asset to decide when maintenance needs to be completed. CBM dictates that maintenance shall be performed when certain indicators show signs of decreasing performance or upcoming failures.

CONSUMABLES - Consumable or expendable items of material, as identified by part number and description by Contractor and agreed to by SBCTA.

CONTRACT – The agreement entered into between CONTRACTOR and SBCTA for the maintenance of the ZEMU, DMUs, AMF and providing materials management.

CONTRACT ADMINISTRATOR – The Contract Administrator is an SBCTA employee who is authorized by SBCTA to oversee and assist in the administration of the Contract terms and conditions and provide independent assessments of the Contract Manager’s actions with regard to the management of the Contract and Contractor. The Contract Administrator ensures that all contract actions are properly organized and timely filed and will maintain an independent set of the Contract Documents.

CONTRACT MANAGER – An SBCTA employee who reviews and approves the annual budget, Work Directives and invoices within the limits of delegated authority. The Contract Manager reviews and approves change orders and modifications per the change clauses in the Contract, and resolves disputes associated with the Contract and within delegated authority. The Contract Manager serves as SBCTA’s primary point of contract with the Contractor’s General Manager. The Contract Manager ensures that all contract actions are made in writing and are properly organized and filed and that the original set or copies of the written contract actions are furnished to the Contract Administrator. The Contract Manager will meet and confer and seek consensus with the Contract Administrator on significant changes, modifications or interpretations of the terms and conditions.

CONTRACTOR – Stadler US, Inc., whose address is 5880 West 150 South, Salt Lake City, UT.

CORRECTIVE MAINTENANCE – Maintenance required to the Service Equipment and/or AMF as a result of a failure or defect of a component or system in advance of the replacement of the component or system at the end of its useful life

DAYS – All references to “days” shall be calendar days unless stipulated as “Business Days.”

DMU – One of the 3 Stadler Flirt Diesel Multiple Units purchased by SBCTA pursuant to Contract 16-1001531.

ENTERPRISE ASSET MANAGEMENT (EAM) SYSTEM – System used for the management and maintenance of physical assets of an organization throughout their lifecycle throughout planning, procurement, installation, maintenance and performance through disposal.

EXHIBIT – Any document, schedule, appendix, or supplementary material attached herewith, relevant to the execution and management of the Contract. Note, references in Exhibits to the terms "locomotive" and "coaches" are interchangeable with "MUs", where applicable. Similarly, exhibits referencing SCRRA's fleet and facilities other than that defined in this Scope of Work, should be considered applicable only to the fleet and facilities defined in this Scope of Work.

FISCAL YEAR (FY) – The SBCTA Fiscal Year, which commences July 1 and ends the following June 30.

FLEET – Collection of one or more vehicles of the same type, such as DMU, ZEMU, or rubber-tired vehicles, managed and maintained under this Contract.

GENERAL CODE OF OPERATING RULES (GCOR) – The most current operating rules governing train movement and safety on SCRRA property as modified by SCRRA's Timetable, System Special Instructions, General Order or General Track Bulletin.

GENERAL MANAGER (GM) – The Contractor's employee appointed by the Contractor and approved by SBCTA, and who has the principal responsibility for directing and coordinating Contractor's performance of its obligations under the Contract. The GM must have all the necessary authority and autonomy over operations to locally make decisions including those with its employees as well as subcontractors, vendors, and suppliers subject only to decisions by SBCTA's Executive Team. The GM will act as SBCTA's principal point of contact and liaison between the Contractor, its subcontractors, suppliers, vendor, and SBCTA.

IN-SERVICE – The state of being operational and in use, whether referring to MUs actively engaged in revenue service or equipment and systems being ready for operation and fully functional.

LIFE CYCLE MAINTENANCE PROGRAM (LCMP) – An equipment maintenance program that utilizes the principles of life cycle planning by seeking the most cost-effective strategy for managing assets over their entire life and by capitalizing on timely and appropriate treatments to extend asset life at the lowest reasonable cost.

LONG TERM OUT-OF-SERVICE – A Multiple Unit that has been placed in long term storage due to unforeseen/unexpected mechanical deficiencies. Only SBCTA can authorize long term out-of-service status.

MAJOR OVERHAUL – Comprehensive repair and replacement of major systems and components in the MU. It is typically conducted for life extension purposes. Major Overhaul includes but is not limited to, inspecting major systems and components, replacing worn or damaged parts, refurbishing existing systems, and installing new systems and components as needed to meet current safety and performance standards. The cost of Major Overhauls is not included in the Base Services and, if added, would be performed as an On-Call Service.

MATERIALS – Any equipment, materials, or supplies used in the performance of the Services that is not Service Equipment.

MAINTENANCE INTERVALS (MI) – Length of time between service and inspections

METROLINK – The term Metrolink can be used interchangeably with Southern California Regional Rail Authority or SCRRA.

METROLINK MAINTENANCE OF WAY SAFETY RULES (MOWSR) – The safety rules applicable to track, bridge, signal, communication, and facility workers performing work on SCRRA's maintained infrastructure assets.

MOBILIZATION - The period commencing at NTP 1 (and/or or NTP 2, NTP 3 or NTP 4, respectively) in which the Contractor establishes policies, procedures, personnel, and training necessary to perform all transition and start-up services deemed necessary for the safe and efficient provision of Services. There are 4 potential Mobilization periods contemplated within this Contract as further detailed in Section 10.

MULTIPLE UNIT (MU) – The general term reflecting a DMU or ZEMU used to operate the Arrow Service.

NOTICE TO PROCEED (NTP) – After execution of the Contract, SBCTA will issue a written Notice to Proceed authorizing the performance of Base Services, including Mobilization. The Contract anticipates two notices to proceed as follows:

NTP 1 – SBCTA will issue this written notice to proceed related to commencing ZEMU Mobilization.

NTP 2 – After execution of the NTP 1 by SBCTA and assignment of the Contract to SCRRA, it is anticipated that SCRRA will issue a written notice to proceed related to commencing DMU, AMF, and Materials Management Mobilization as per Article 2 of the Contract.

ON-CALL SERVICES – Work performed by the Contractor that is not within the Base Services, requires additional compensation to Contractor, and is authorized by Work Directive as further described in Article 17. Requests for additional headcount to cover additional service or special events shall be considered an On-Call Service.

OVERHAUL – Repairing or replacing a specific system or component within the MU that is reaching the end of its service life or is included in the SEMP. The process involves disassembling, inspecting, repairing, or replacing damaged or worn parts, and reassembling the system or component to the manufacturer's specifications.

OPERATING RAILROAD – The entity responsible for all reports and submittals required by the Federal Railroad Administration (FRA), including telephonic, written, or electronic reports of a scheduled and unscheduled nature. For purposes of this Contract and SOW, SCRRA is the Operating Railroad.

POWER PACK - Center car module used to contain the engines and generator units for the DMUs, and the fuel cells, hydrogen storage system cylinders, batteries, and associated control systems and cooling equipment for the ZEMU.

PREVENTIVE MAINTENANCE – Maintenance required to prevent defects or failures in Service Equipment and the AMF, ensuring operational readiness through inspections, tests, and replacements based on predefined intervals.

QMP – Qualified Mechanical Person

REVENUE SERVICE – Operations on the Arrow Service where public paying passengers are permitted.

ROLLING STOCK - General term for any rail vehicle

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (SBCTA) – The San Bernardino County Transportation Authority whose address is 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715.

SCOPE OF WORK (SOW) – This document is the SOW and it provides a detailed explanation of the work which will be performed by the Contractor. The SOW is used in conjunction with the Contract, especially the Pricing Schedule and any referenced Exhibits.

SCRRA MEMBER AGENCY – The Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino County Transportation Authority and Ventura County Transportation Commission or their successors in interest

SERVICES - The word Services includes, without limitation, the performance, fulfillment and discharge by CONTRACTOR of all obligations, duties, tasks, and services imposed upon or assumed by CONTRACTOR hereunder.

SERVICE DATE(S) – The date the day-to-day maintenance and/or materials management responsibilities transition to the Contactor following the applicable Mobilization period(s). There are up to four (4) possible Service Dates under this Contract as defined in Article 4.1.2 and 4.1.3 of the Contract.

SERVICE EQUIPMENT – The 1 ZEMU and 3 DMUs (subject to issuance of NTP 2) manufactured by Contractor and maintained by Contractor pursuant to the Contract to be used to operate the Arrow Service.

SERVICE EQUIPMENT MAINTENANCE PROGRAM (SEMP) – Contractor’s ZEMU and/or DMU Maintenance Plan

SERVICE PROPERTY – Real property, including improvements thereto, owned or leased by SBCTA at the site of the AMF, 958 West 3rd Street, San Bernardino, CA, 92410 as further detailed in section 14.3.A.

SPARE (EQUIPMENT) – Equipment is ready to operate, including Daily Maintenance Interval performed.

STANDARD OPERATING PROCEDURES (SOP) – a written set of step-by-step instructions developed by SCRRA, the Contractor or other subject matter experts to help workers and users carry out routine often repetitive operations and conform to requirements. SOPs’ aim is to achieve efficiency, quality output and uniformity of performance while reducing miscommunication and failure to comply with established requirements. SOP’s may be interchangeably applied or overlap with the following: Manuals, Standards, Specifications, Rules, Instructions, Regulations, Bulletins, Orders, Plans or Guidelines.

STATE of GOOD REPAIR (SGR) – A condition in which the existing physical assets, both individually and as a system, are functioning as designed within their “useful lives” and are sustained through regular maintenance and replacement programs.

SUBCONTRACTOR - Any person or entity (including vendors and suppliers) retained by Contractor to perform a portion of the Services that are the subject of the Contract.

THIRD PARTY – Utility companies and their contractors, local governments and their contractors, private parties such as developers and their contractors, SCRRA Member Agency, and their contractors and in some cases - freight or passenger railroads and their contractors, easement holders and other organizations with SCRRA-permitted access to the ROW.

TRAIN – DMU or ZEMU. TRAIN and MU are interchangeable within this document.

TRAINSET – A DMU or ZEMU maintained by Contractor pursuant to the Contract and utilized in operation of the Arrow Service.

WORK DIRECTIVE – Authorization issued by SBCTA requiring the Contractor to perform specified On-Call Services not included in Base Services. (See Exhibit 55.)

ZERO EMISSION MULTIPLE UNIT (ZEMU) – The hydrogen-battery hybrid trainset purchased by SBCTA through Contract 20-1002310 with Contractor.

SECTION 2. ABBREVIATIONS AND ACRONYMS

AAR – Association of American Railroads
 ADA – Americans with Disabilities Act
 ANSI – American National Standards Institute
 AMF – Arrow Maintenance Facility
 AP – Availability Percentage
 APTA – American Public Transportation Association
 ATIS – Advanced Traveler Information System
 AQMD – Air Quality Management District
 ASCD - Agreement Service Commencement Date
 BNSF – Burlington Northern Santa Fe Railway
 BPA – Business Process Assessment
 Cal OSHA – California Division of Occupational Safety and Health Administration
 Caltrans - California Department of Transportation
 CCTV – Closed-Circuit Television
 CDRL – Contract Deliverables Requirements List
 CFR – Code of Federal Regulations
 CMF– Central Maintenance Facility (located near downtown Los Angeles)
 CBA – Collective Bargaining Agreement
 CPUC – California Public Utilities Commission
 CTC – Centralized Traffic Control
 C&S – Communications and Signals
 DBE – Disadvantaged Business Enterprise
 DMU – Diesel Multiple Units
 DOC – Dispatch and Operations Center
 DTSC – Department of Toxic Substances Control
 DMU – Diesel Multiple Unit
 EMF – Eastern Maintenance Facility (located in Colton, California)
 ESS – Energy Storage System
 EOC – Emergency Operations Center
 EPA – United States Environmental Protection Agency
 FCC – Federal Communications Commission
 FEMA – Federal Emergency Management Agency
 FRA – Federal Railroad Administration
 FTA – Federal Transit Administration

G&A – General and Administrative Overhead Costs
 GAAP – Generally Accepted Accounting Principles
 GCOR – General Code of Operating Rules
 GPS – Global Positioning System
 GTB – General Track Bulletin
 HAZMAT – Hazardous Material
 HCR – Handheld Card Reader
 HOS – Hours of Service
 HSS – Hydrogen Storage System
 HVAC – Heating, Ventilation, and Air Conditioning
 IT – Information Technology
 LAN – Local Area Network
 MDBF – Mean Distance Between Failures
 MDBSE – Mean Distance Between Service Events
 MDBSF – Mean Distance Between Service Failures
 MOC- Metrolink Operations Center
 MOW – Maintenance of Way
 MP – Milepost
 MSDS – Material Safety Data Sheet
 MU – Multiple Unit
 NEPA – National Environmental Policy Act
 NCTD – North County Transit District
 NFPA – National Fire Protection Association
 NIMS – National Incident Management System
 NPDES – National Pollutant Discharge Elimination System
 NTP – Notice to Proceed
 NTSB – National Transportation Safety Board
 O&M – Operations and Maintenance
 OCMF – Orange County Maintenance Facility
 OEM – Original Equipment Manufacturer
 OSHA – Occupational Safety and Health Administration
 OTP – On-time Performance
 PA – Public Address
 PNA – Passenger Needing Assistance
 PTC – Positive Train Control

PTEPP – Passenger Train Emergency Preparedness Plan
PWD – Passenger with Disability
ROW – Right of Way
RWIC – Roadway Worker in Charge
RWP – Roadway Worker Protection
SBCTA – San Bernardino County Transportation Authority
SCRRA – Southern California Regional Rail Authority
SEMP – Service Equipment Maintenance Program
SOC – Security Operations Center located at the DOC
SOGR – State of Good Repair
SOP – Standard Operating Procedure
SOW- Scope of Work/Scope of Services
SSWP-Site Specific Work Plan
SUA – Shared Use Agreement
T&E – Train and Engine Crews
TMDS – Train Management and Dispatch System
TVD – Ticket Vending Device
UPRR – Union Pacific Railroad
UPS – Uninterruptible Power Supply
VMS – Visual Messaging System
ZEMU – Zero Emission Multiple Unit

SECTION 3. SBCTA OPERATING ENVIRONMENT

This section describes the operating environment in which the Contractor will perform the services.

- 3.1.A The AMF is operated under the General Code of Operating Rules (GCOR), Code of Federal Regulations (CFR), California Public Utilities Commission (CPUC) and the current SCRRRA timetable/special instructions and SCRRRA safety rules for contractors.
- 3.1.B Within the AMF building, Cal OSHA has additional safety and regulatory oversight.
- 3.1.C The equipment storage tracks and clearance envelopes are governed by California Public Utilities Commission General Orders.

SECTION 4. CONTRACTOR AND SBCTA RESPONSIBILITIES

This section describes the separation of responsibilities between the Contractor and SBCTA.

4.1 CONTRACTOR RESPONSIBILITIES

- 4.1.A The Contractor shall perform Base Services as defined in detail in the Contract, this Scope of Work, pricing sheets, exhibits and other contract documents in a safe, reliable, affordable, efficient, customer-centric manner and in conformance with the Contract requirements.
- 4.1.B The Contractor shall be responsible to provide the Services as defined in the Contract. In general, Contractor shall provide the following: (1) As of the DMU Maintenance Service Date, maintenance for the three (3) Stadler FLIRT3 Diesel Multiple Units (DMU); (2) As of the ZEMU Maintenance Service Date, maintenance for the Zero Emission Multiple Unit (ZEMU); as of the AMF Maintenance Service Date, maintenance of the Arrow Maintenance Facility (AMF); and as of the Materials Management Service Date, materials management services as described in Section 23 of this SOW. In addition, Contractor shall provide management and exempt/administrative employees to support the day to day Services; training and testing of employees for the Services; provision of training documents for the Services not otherwise provided by SCRRRA; testing and associated reporting to support the Services; administrative, and all overhead and support functions to execute and support the Services.

Contractor shall provide general management, financial and administrative support personnel, training and safety managers, qualified certified key managers, and other personnel, as needed, to deliver the Base Services.

In accordance with Section 19 and 20, the Services will typically be modified by SCRRRA on an annual basis and possibly on a quarterly basis. Some categories of trains include Special trains, Work Trains, rerouting of trains due to incidents, will require the Contractor to make changes, adjustments and provided the Service.

- 4.1.C Working with SBCTA, the Contractor shall be responsible for the delivery of safe, reliable and quality Service Equipment. The Contractor shall be required to develop and implement plans, processes, procedures and programs that enhance the performance and availability of the Service Equipment by prioritizing short range and long range inspection, testing and maintenance goals and objectives. The Contractor shall be responsible to have the Service Equipment available for Revenue Service, for planned maintenance and for non-scheduled maintenance.

The Contractor shall provide the resources for scheduled and unscheduled maintenance and repair of the Service Equipment. The Contractor shall be responsible for the professional quality, technical accuracy, completeness, and coordination of the work, it being understood that SBCTA will be relying upon such professional quality, accuracy, completeness, and coordination in utilizing the Contractor.

All Preventive Maintenance is considered a part of the Base Services.

Except as otherwise provided in this SOW (e.g., Section 13.2), all Corrective Maintenance repairs under \$10,000, regardless of cause, are considered a part of the Base Services excluding operator errors, external events, or accidents. SBCTA shall, however, bear the cost of Corrective Maintenance repairs over \$10,000-due to reasons beyond the Contractor's control or fault and not caused by improper maintenance of the Contractor. To substantiate the cause, the Contractor must provide supporting documentation, which can include but is not limited to reports, MU data recordings, video surveillance where available, third-party reports, operator logs, maintenance logs and/or reports.

- 4.1.D Except for overhauls identified in Section 2.3 of Exhibit B, Pricing Schedule, overhaul work identified in the SEMP is included in the Base Services for the initial base period of the contract, but not for Option Terms as set forth in Article 3 of the Contract. CONTRACTOR will notify SCRRA as described in Section 19, to initiate Work Directives for the Overhaul work identified in Section 2.3 of Exhibit B, Pricing Schedule (Diesel Engine Component Overhaul, wheelsets and Train Brake Kit Component Overhaul).

The Contractor shall provide an integrated inspection, testing and maintenance program that includes details for inspection procedures, intervals, and criteria; test procedures and intervals; scheduled Preventive Maintenance intervals; maintenance procedures; and testing and measuring equipment required to perform inspections, tests, and maintenance. The program shall include provisions to address the reliability of the Service Equipment by considering that availability and performance are directly dependent on the prediction, detection, and correction of vehicle malfunctions. As part of the program, the Contractor shall include provisions for full time (24 x 7) coverage days, nights, weekends, and holidays with qualified maintenance persons and management personnel on duty to ensure equipment is properly prepared and operational for Service requirements.

The Contractor shall also perform Service Equipment cleaning and maintenance as defined in the Contract.

The Contract is exclusive with respect to ordinary, necessary, and recurring equipment maintenance Services; however, SCRRA may, at its sole discretion, separately contract for other services including, without limitation, collision repair and Service Equipment rehabilitation. Contractor shall cooperate fully with SCRRA's staff or any other contractor or entity that may be providing similar or the same services. Any work performed on the Service Equipment by SCRRA-retained contractors will void remaining warranty specific to the component upon which work was performed. In addition, to the extent an SCRRA-retained contractor performs work on the Service Equipment, and there is a subsequent failure caused by that work, as determined in the failure analysis report, Contractor will not be assessed any Liquidated Damages for such failure.

- 4.1.E As of the AMF Maintenance Service Date, and assuming the ZEMU Maintenance Service Date and DMU Maintenance Service Date have passed, the Contractor will be responsible for the following: (1) coordinating maintenance, repairs, testing and inspection activities associated with the AMF as outlined in Section 14 "Facilities Usage and Maintenance" and (2) managing SBCTA's fueling equipment and the fueling of MUs on a daily basis as needed to support Services as outlined in Section 14 of the Contract.

The Contractor shall provide all replacement components and materials including consumable materials and supplies for the maintenance and operation of the AMF in accordance with the CDRL 36, Facility Maintenance Work Plan Schedule to the facilities.

- 4.1.F As per Section 17, the Contractor shall also perform support services with On-Call Services under this contract in a safe, reliable, affordable, efficient, customer-centric manner and in conformance with the Contract requirements. Examples of support services with On-Call Services include support of capital and third-party projects, equipment and material procurement, and rehabilitation work.
- 4.1.G While performing the Services, the Contractor shall cooperate fully with SCRRA's staff or any other contractor or entity that may be providing other services or may require access to SCRRA's maintained rail corridor and facilities.
- 4.1.H The Base Services include:
- Mobilization plan (CDRL 1)
 - Contractor to frequently meet, engage, and partner with SBCTA to ensure mutual success in achieving the requirements of the Contract.
 - The Contractor is responsible for the hiring, training, qualifying/testing, discipline, and assignment of its employees including subcontractors, and as applicable, suppliers and vendors
 - Allow SBCTA/SCRRA to view Contractor's training materials. Additionally, allow SCRRA staff to monitor and audit all Contractor training classes
 - Key Personnel shall work solely for the Contractor.
 - Ensure that the Contractor's General Manager (GM) and local management team shall have authority and autonomy to make decisions, timely react and respond to events locally concerning the daily maintenance and management of the Services and yet have ability to draw upon the Contractor's Corporate support, if required. The Contractor's management shall be assigned exclusively to perform the Base Services of the Contract unless requested and approved by SBCTA to allocate time in the performance of On-Call Services.
 - Contractor's employees shall comply with applicable SBCTA and SCRRA policies, procedures and practices, rules, timetables and special instructions as well as applicable regulatory requirements.
 - Contractor key managers and supervisors shall be cross-trained on the functional aspects of maintaining a safe, reliable, on-time and customer-centric maintenance.
 - Contractor shall be prepared to immediately respond to urgent and unforeseen incidents and restore Service as soon as safe and practical.
 - Promptly report and investigate, any reports of accidents, injuries, damages, or violations of any SBCTA or SCRRA requirements and any federal, state, or local regulations.
 - Provide all personal protective equipment (PPE) and equivalent required by the Contractor's employees.
 - Provide the tools, vehicles, equipment, maintenance, and operation thereof, necessary to reliably and efficiently perform the Base Services
 - Provide Contractor's management staff with mobile communication devices (smart phones, tablets, laptops), commercially available software/applications (apps) and railroad radios (handheld and vehicle/equipment mounted radios) as needed and not otherwise provided by SBCTA to perform the Base Services.
 - Provide experienced, qualified staff (local and corporate), financial and accounting systems,

and processes that will track, allocate, segregate, and document all eligible labor, materials, purchased services/subcontractor Service costs. Service Costs to be allocated to defined line segment Project Numbers and On-Call Work Directive Project Numbers. Both line segment and On-Call projects will occur concurrently. All Base Services costs incurred must be allocable, allowable, reasonable, verified, other cost reimbursement provisions in the Contract.

- Furnish reporting and documentation that can't be obtained through SCRRA's Trapeze system and other SCRRA requested documents. Many, but not all, of these reports and documents are included in the Contract Deliverable Requirements (CDRL) List.
- Utilize, leverage, and enter maintenance activities for Service Equipment and the AMF into SCRRA's furnished Enterprise Asset Management (EAM) system.
- Contractor's designated management staff shall respond to mechanical incident and AMF call outs, excluding cleaning, by SCRRA's DOC or Security Operations Center (SOC) by designated means (phone, text, messaging) within ten minutes of the initial notification. At that time, the Contractor's General Manager or designee shall determine the urgency of the response as described below. The determination shall be based on the number of passenger/freight trains and passengers impacted, the location of the incident and the reported severity of the incident. If the service call was not issued by SCRRA, the Contractor shall immediately notify SCRRA of the call to determine its urgency. SCRRA reserves the right to override the Contractor's determination of urgency.

The Contractor shall submit an Incident Response Plan (IRP) – (CDRL 2) and the CDRL will be submitted per the time specified in the CDRL list. The IRP shall demonstrate adequate response personnel will be located throughout the Arrow Service territory and able to respond to the incident call out categories provided below:

(1) "Emergency" requiring on-site Mobilization, arrival and initiation of mitigation and remediation efforts by Contractor within one (1) hour or less of notification of the problem;

(2) "Urgent" requiring on-site Mobilization, arrival and initiation of mitigation and remediation efforts of Contractor within ninety (90) minutes of notification of the problem;

(3) "Normal" requiring Mobilization, arrival and initiation of mitigation and remediation efforts of Contractor within four (4) hours of notification of the incident;

(4) "Lower Priority" requiring on-site Mobilization, arrival and initiation of mitigation and remediation efforts of Contractor within 24 hours of notification, by maintenance staff on the next scheduled Business Day.

- As of the applicable Maintenance Service Date, servicing, inspection, repair, and cleaning of the Service Equipment
- As of the AMF Maintenance Service Date, servicing, inspection, repair, maintenance and cleaning of the AMF and support equipment outlined in Section 14 of the Contract.
- Usage of the SCRRA-furnished software or systems
- Safety performance program
- Warranty administration program
- Training, qualification, and efficiency programs (CDRL 10)

- Delivery of required reports and notifications identified in Section 14
- Adherence to performance standards and assessments of forecasted deficient conditions
- Staffing and Key Personnel plan (CDRL 3)
- Schedule and respond to all SCRRA call outs, emergencies, extraordinary events, and requests for unplanned inspections with the resources necessary to ensure safe and timely train movements, protection of the public and protection and preservation and restoration of the Service Property.
- The Contractor shall work collaboratively to pursue technology improvements that improve productivity and increase efficiencies
- Insurance as provided in the Contract

- 4.1.I The Contractor shall plan, schedule and coordinate with SCRRA at least monthly, coordination and progress meetings, the monthly meetings shall be scheduled and agreed to with SCRRA counter parts and the Contractor management staff shall provide an agenda covering but not limited to the following: safety, accidents, incidents, rule violations, operations testing, training, planned, completed and pending work activities; schedules, staffing (including vacancies), SCRRA provided vehicle condition and needs; budget, invoicing, business issues; regulatory compliance issues (including but not limited to 49 CFR Part 219, 220, 243, and 246, as applicable), and customer service issues. Contractor shall provide meeting minutes and include a list of attendees, action items and responsibility. The meeting shall be run and directed by the Contractor's GM and held at a location designated by SCRRA. Key management representatives of the Contractor shall participate, be engaged, and make or contribute to decisions made at the meetings and will be responsible for communications and negotiations with its subcontractors.
- 4.1.J In addition to the monthly coordination and progress meeting with SCRRA and Contractor's GM and Key Personnel, the Contractor shall make available a senior level staff member for approximately four (4) Quarterly Meetings per year at Southern California locations to be specified by SCRRA. An agenda will be jointly developed by both parties and circulated at least 48 hours prior to the meeting. The general purpose of the quarterly meetings is to discuss the performance of the Contract Services and Contract management team and high-level issues raised by either party. Labor and travel costs associated with senior staff to attend or participate in the quarterly meeting shall be included in Contractor G&A-OH cost.
- 4.1.K The Contractor shall provide the Services identified in this Contract in accordance with all applicable local, state and federal laws, regulations, and requirements.
- 4.1.L Unless required by law, Contractor shall not agree to or accept any changes in its policies or agreements that in any way limit the use and operation of cameras, audio, video, software logging and data recording equipment throughout the Arrow system including all Arrow facilities and equipment in accordance with SCRRA's Policies and procedures. The Service Equipment are equipped with inward and outward facing cameras and audio equipment. The Contractor will be required to work in this environment and the use and operation of those cameras, audio, video and data recording equipment shall be in accordance with policies established by SCRRA, the current version of which policy is attached as SCRRA's Head End Video Recorder (HEVR) system Policy & Procedures (Exhibit 5). Contractor shall have access, subject to the policies and procedures adopted by SCRRA, to the recordings made using these cameras and the audio feed.

- 4.1.M At all times while performing the Service, the Contractor shall coordinate and collaborate with SCRRA, SCRRA's contractors, and other authorized users of SCRRA's shared rail corridors to achieve a safe and secure, efficient, cost effective, customer-first, integrated Services all while utilizing best industry practices to modernize SCRRA's business model.
- 4.1.N Contractor shall coordinate with SCRRA and provide an annual State of Good Repair (SGR) Plan (CDRL 37) that includes Service Equipment and AMF Maintenance. The Plan shall be submitted by October 10th of each year. The SGR Plan shall provide an outlook for the term of the Contract and be updated yearly through the end of the Contract and include condition assessments for the AMF and Service Equipment with a level of detail sufficient to monitor and predict the performance of the assets and to inform investment prioritization following the Rolling Stock and Facilities Condition Assessment Exhibits 46 and 62. (49 CFR Section 625.25(b)(2)). If SCRRA requests additional assessments such as a five- and ten-year outlook beyond the Contract period, such services can be provided as On-Call Services. When required by SCRRA, the Contractor shall distribute notices, schedules, and other information on trains as part of daily maintenance cycles. This may include distributing hard copy and/or electronic information. The Contractor shall assist SCRRA in the investigation of passenger complaints and in the preparation of responses to such complaints and implement action plans approved by the SCRRA to resolve the problems.

4.2 SBCTA RESPONSIBILITIES

In addition to those obligations set forth in the Contract, SBCTA shall maintain responsibility for:

- 4.2.A Enforce the Contract terms and conditions. Transmit all directions, approvals, authorizations, notices, and other records in written form to the Contractor. Accept, review, and respond to all other Contractor submittals or requests for information or clarifications and track these submittals to closure.
- 4.2.B Review and return for revisions or approve Contractor's submittals of CDRLs and On-Call Services. Review and timely pay monthly progress payments and monitor actual versus projected budgets to the Project Number level or lower (headcount, direct labor and non-labor costs, equipment and material costs, subcontractor costs).
- 4.2.C Provide SBCTA-controlled and maintained documents as listed in the Exhibits and update or add to these documents as conditions change.
- 4.2.D Monitor, inspect and audit the Contractor's employees, vehicles, equipment, tools, records, documents, software and systems performing the Services and the quality and conformance to the prescribed requirements.
- 4.2.E Establish reasonable policies and standards for conduct and completion of the Services, including input on staffing requirements, shift assignments, and size of workforce.
- 4.2.F Provide and pay for public utilities at AMF – electricity, water, sewer, landline telecommunications.
- 4.2.G Software & licenses (including Electronic Records Management, EAM, RAMs, dispatching and train control software, NAS)
- 4.2.H Property and Liability insurance as provided in the Contract
- 4.2.I Transmit all directions, approvals, authorizations, notices, and other records in written form to the Contractor
- 4.2.J Provide manuals, standard operating procedures, engineering and maintenance standards, drawings, plans, data, rules, timetables, etc.
- 4.2.K Coordinates and arrange for planned and unplanned bussing.

- 4.2.L Train key Contractor personnel no later than 120 days before the ZEMU Maintenance Service Date on the use of the EAM system for facilities and Rolling Stock maintenance tasks; Contractor will then train remaining Contractor staff by the AMF Maintenance Service Date on the (Facilities EAM BPA), Exhibit 48 (Rolling Stock EAM BPA) Exhibit 47 and (EAM Training) Exhibit 49.

4.3 RAILROAD OPERATOR (SCRRA) RESPONSIBILITIES

- 4.3.A Primary point of contact and interface with regulatory authorities including but not limited to FRA, CPUC, other railroads (UPRR, BNSF), SCRRA Member Agencies and similar public entities (cities, counties), SCRRA Board, other SCRRA contractors, consultants, suppliers, vendors and third-party contractors, consultants, suppliers, and vendors.
- 4.3.B For the purposes of regulatory agency compliance including FRA and CPUC regulations, SCRRA will be the Operating Railroad and owner of the Service Equipment and AMF. The Contractor, subcontractors, and its employees will be considered the “employees” qualified to perform inspections, tests, repairs or component replacements for purposes of the regulations (CFRs).
- 4.3.C Provide SCRRA-controlled and maintained documents as listed in the Exhibits and update or add to these documents as conditions change.
- 4.3.D Exclusive authority over fares, service routes, service level, and all other aspects of the Arrow Service.
- 4.3.E Control access to and use of the Service Property, including all tracks and facilities, by all parties including the Contractor, other tenant railroads, other contractors, and all other parties.
- 4.3.F Establish reasonable engineering, construction and maintenance standards, policies and rules train control systems, bridges, shops, buildings, utilities, and all other elements of the Service Property. Dispatching services originating from the DOC or MOC and Security Services originating from the SOC
- 4.3.G Assignment of Railroad radio, Ethernet, microwave, and similar wireless spectrum frequency channels
- 4.3.H Perform FRA Certifications and System Safety Report Submittals to the FRA as the Operating Railroad
- 4.3.I FRA correspondence

4.4 SBCTA'S OVERSIGHT OF THE CONTRACTOR

- 4.4.A All electronic & hard copy data generated on the Contract are subject to review at any time.
- 4.4.B SBCTA may direct the Contractor to cease any maintenance activities being performed on equipment, infrastructure, systems, or facilities. The Contractor shall resume any such maintenance activities only upon receipt of approval to resume maintenance activities from SBCTA. Unless otherwise provided for in this Contract, SBCTA shall make final determination on all matters related to the conduct of the Services.
- 4.4.C SBCTA shall review and respond to Contractor submittals in accordance with this contract.

Exhibits applicable to this Section:

- Exhibit 48 - Facilities EAM BPA
- Exhibit 47 - Rolling Stock EAM BPA
- Exhibit 49 - EAM Training

SECTION 5. REQUIREMENTS AND STANDARD OPERATING PROCEDURES

5.1 REQUIREMENTS AND STANDARDS

The Contractor, as a representative of SBCTA in supporting a public function, shall ensure that all Contract requirements and responsibilities are completed in a safe, efficient, and effective manner consistent with industry best practices and the highest principles of customer service. The Contractor shall provide the Services in accordance with all applicable local, state, and federal regulatory requirements and SBCTA and SCRRRA standards, specifications, policies, procedures and adopted practices.

SCRRRA may update standards, specifications, policies, procedures, and adopt practices or plans related to its commuter rail service at any time. The Contractor shall comply with any new or revised requirements in the timeframe stipulated by SBCTA or SCRRRA, as applicable. Federal or state authorities and regulatory agencies having jurisdiction, such as the FRA and CPUC, may adopt new regulations, policies, or requirements and if compliance with the new requirements is considered a change in Base Services, the Contractor shall immediately notify SBCTA in writing and the parties shall negotiate any associated cost implications. The Contractor shall immediately notify, and request SBCTA direction should a conflict exist between SOPs, standards, or adopted practices.

The Contractor is encouraged to recommend changes or amendments to such standards; however, such changes or amendments shall be subject to prior written approval of SBCTA. Such corporate policies applicable to the performance of the Services shall be submitted and approved by SBCTA prior to the application of such policies to the provision of the Services.

The Contractor shall comply with the following requirements and standards for performance of Services or within the limits provided within the documents (i.e., railroad corridor property lines). The following are commonly used requirement and standards; however, this is not a complete list, and the Contractor is responsible for compliance with all other requirements as described above.

5.1.A General

- (1) Applicable CFR Regulations under 49 CFR 200 to 299
- (2) FRA Regulation Matrix - Exhibit 51
- (3) General Code of Operating Rules (GCOR) – most current version
- (4) PTC Operations and Maintenance Manual and Change Configuration Management for Train Control Systems
- (5) SCRRRA Head End Video Recorder (HEVR) System Policy & Procedures - Exhibit 5
- (6) Metrolink System Safety Program Plan - Exhibit 9
- (7) SCRRRA Travel Procedures for Contractors Exhibit 42 (Work Directives only)
- (8) Metrolink Transit Asset Management Plan Exhibit 60 (Guideline for CDRL 37)

5.1.B Rolling Stock Equipment:

- (1) Code of Federal Regulations, SCRRRA, and OEM Maintenance Standards
- (2) Metrolink Fuel Conservation Program Exhibit 20
- (3) Service Equipment Maintenance Plan (CDRL 17)
- (4) Rolling Stock Maintenance and Management Plan Exhibit 56

5.1.C Facilities

- (1) Facilities Maintenance & Management Plan Exhibit 28
- (2) Federal, State and Local Regulations
- (3) Environmental laws and regulations

Hierarchy – in the case of a conflict between SBCTA's or SCRRA's issued and controlled documents, industry issued documents and regulatory documents, the more restrictive requirement of the various document will be applied.

5.2 CONTRACTOR DEVELOPMENT OF STANDARD OPERATING PROCEDURES (SOPs) (CDRL 26)

5.2.A The Contractor shall develop SOPs, including but not limited to, Efficiency Testing, 49 CFR Parts 240, 241, and 242 for Contractor controlled Services that fill gaps in SCRRA requirements or supplement and clarify SCRRA procedures and manuals. In general, 30 days should be allowed for SCRRA review and approval cycles. The review cycle should include 20 days for the initial review and response by SCRRA, followed by twenty (20) days for the Contractor to Revise and Resubmit (R&R) and five (5) days for the final SCRRA review and approval. SOPs that must be in place for the ZEMU Maintenance Service Date or afterwards when changes occur should be submitted to the SCRRA for review and approval as soon as practical.

- Operational Test and Inspections Program Plan Procedures
- Drug and Alcohol Program
- Emergency Preparedness Plan
- Medical Emergency Procedures
- Employee Code of Ethics & Business Conduct
- Employee Safety Rules
- Background Checks
- PTC Behavior Policy including Corrective Actions
- Safety Rules and Instructions for Maintenance of Equipment Personnel
- Active Shooter
- Corrective Action Plan(s) i.e., Customer Personnel Complaints, Safety Audits, Accident, and Incident
- Title VI Procedures
- Derailments

5.2.B Once approved by SCRRA, the Contractor shall perform all Services in accordance with both Contractor's approved SOPs and SCRRA procedures and manuals. The Contractor shall ensure that all Contractor, Subcontractor, Supplier and Vendor employees of any tier have the correct and most current version of the approved SOPs and SCRRA procedures and manuals readily available. The Contractor is strongly encouraged to achieve continuous real time distribution of SOPs and other key documents and messaging. In the event there is a conflict between the Contractor's Standard Operating Procedures, and SCRRA's equivalent, SCRRA's policies, procedures and plan documents shall govern.

- 5.2.C Over the course of the Contract, it is anticipated that both SCRRA and the Contractor will have changes and modifications to SOPs. It is critically important that high quality and timely change management and version control practices be established. In this regard the Contractor and SCRRA employees are recommended to use SCRRA and Contractor provided record keeping and configuration management. Adequate time and effort shall be provided in communication and training employees of changes and modifications so that all Contractor and where applicable SCRRA employees follow the most current version of the Contractor's approved SOPs and SCRRA Procedures and manuals.
- 5.2.D All Contractor (and subcontractor) full-time management whose work requires frequent presence near or on the rail corridors and equipment shall be trained and certified on the SCRRA Roadway Worker Protection program and then be annually re-certified.

5.3 RULE VIOLATIONS

- 5.3.A Any allegations of an SCRRA, Contractor or regulatory agency rule violation, close calls pertaining to the safe movement of all trains, or protection of Roadway/Maintenance Workers will require an initial investigation to gather information related to the incident. The Contractor will be required to report such incidents to SCRRA and SCRRA Safety Department within one hour unless circumstances prevent notification.
- 5.3.B Depending on the severity and validity of the alleged Rule Violation, the Contractor will be required to conduct a full investigation into the allegations and provide a full incident report to SBCTA's Contract Manager and SCRRA Safety Department within 24 hours of the incident. The Contractor will also be required to participate in a formal root cause analysis to determine the contributing causes of the rule violation, responsibility, and corrective action(s) to prevent a recurrence of the rule violation, when applicable. A similar root cause analysis process as described above may take place for damage to property or equipment, or reportable injuries and illness, even though there was no alleged rule violation.
- SBCTA reserves the right to direct the Contractor to remove any individual for cause. In the event a person holding such a position, including Key Personnel, are reassigned, or removed, the Contractor shall submit an alternate candidate for SBCTA review and approval.

5.4 COMMITTEES AND MEETINGS

The Contractor shall participate in and contribute to the Maintenance Rules Committee managed by SCRRA. Committee meetings will generally be led by SCRRA but may on occasion be led by the Contractor or other contractors designated by SCRRA.

Contractor shall be provided the training context, forms, frequency, and information related to the meetings below; Key Personnel shall be required to participate in (including, but not limited to) the following:

- (1) Customer Complaints Meeting
- (2) Risk Register Meeting
- (3) Security Meeting
- (4) Timetable Committee Meeting
- (5) Incident Reduction Taskforce Meeting
- (6) Service Delay Meeting
- (7) Performance Review (Mechanical and Operations)
- (8) System Operation Daily Call
- (9) Equipment Status Meeting
- (10) Representation for Incident Recovery Meetings

- (11) Train Control & Configuration Management Meeting
- (12) Board/Committee items applicable to services provided require GM representation at meeting

5.5 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in the provisions of this Section 5 shall be included in Base Services prices.

Exhibits applicable to this Section:

- Exhibit 51 - FRA Regulation Matrix
- Exhibit 52 - General Code of Operating Rules (GCOR)
- Exhibit 7 - Metrolink and Arrow Operational Supplemental Instructions
- Exhibit 9 - Metrolink System Safety Program Plan -
- Exhibit 20 - Metrolink Fuel Conservation Program
- Exhibit 28 - Facilities Maintenance & Management Plan

SECTION 6. PERSONNEL REQUIREMENTS

6.1 PROVISION OF PERSONNEL

- 6.1.A The Contractor shall provide appropriate staffing for the safe, efficient management, operation, and maintenance of Arrow Service assets. All employees must be fluent in English. At any time during the term of the Contract, at SBCTA's request, the Contractor and its subcontractor(s) will provide SBCTA both a general organization chart showing the complete headcount of all personnel working on the Arrow maintenance service by job category/discipline, and a detailed list of all personnel working on the Arrow maintenance service that indicates the length of service of each employee, their job title and description, and their current training and certification records including territory and equipment qualifications. If the employee is not currently working due to injury, time off for discipline, disability, or similar, this status shall be indicated on the organization chart. The organization chart shall be updated on a quarterly basis to reflect changes in employees.
- 6.1.B SBCTA and/or SCRRA may monitor positions, position duties and responsibilities.
- 6.1.C To the extent permitted by law, the Contractor may not, and will ensure that its subcontractors will not, without the prior approval of SBCTA, enter into any agreements with labor organizations containing provisions that either (i) increase the number of permanent employees of the Contractor, or (ii) increase the overall costs attributable to employees engaged in Services provided under the Contract over the costs of other employees of the Contractor or subcontractor in the same crafts. To the extent any agreement is entered into between Contractor and a labor organization, Contractor shall be entitled to make adjustments to the Pricing Schedule to reflect and pass on to SBCTA any increased costs, under a Contract amendment.
- 6.1.D Contractor Base Services personnel may not have other employment commitments that would interfere with their ability to be present and performing Contract Services or en-route between service locations during their work shifts. Due to 24 x 7 x 365 operations, Contractor Base Service personnel shall anticipate responding to call outs outside of regular work shifts.

6.1.E Any Employees working under the Contract cannot be utilized for Third Party work.

6.2 HIRING OF EMPLOYEES TO PROVIDE THE SERVICES

6.2.A All personnel hired by the Contractor or its Subcontractors and who are engaged in the provision of the Base Services shall be qualified as defined by the governing regulation and Contractor requirements as reviewed and approved by SCRRA. Contractor shall require criminal background checks in accordance with its Criminal Background Check Policy (CDRL 7) and shall not hire or employ any person if such person has a disqualifying criminal history as described in that Policy.

6.2.B If required, Contractor shall require employees execute a release to SCRRA of confidential information that is pertinent to the issues addressed by the evaluations contained in this section, and the Parties shall establish a procedure for preservation of the confidentiality of any such information provided to SCRRA.

6.3 KEY PERSONNEL , CONTRACTOR's PERSONNEL AND REQUIRED ROLES

6.3.A Key Personnel

The Contractor shall always provide appropriate management coverage and SBCTA shall be notified of all Key Personnel leaves.

The Contractor must provide Key Personnel coverage to avoid interruption to the Arrow Service. Contractor must have a written plan by which there are designated replacements in the event any Key Personnel are unavailable for more than 72 hours.

If Key Personnel will be absent on a long-term basis— (longer than 30 days), to the extent permitted by law, Contractor must make reasonable efforts to replace the Key Personnel within 30 days with a temporary replacement and within 90 days with a permanent replacement.

Permanent replacements shall be trained, tested, and certified on all requirements associated with the position within 90 days of occupying the position. Temporary replacements may be a pre-existing employee of the Contractor's off-site staff.

The Contractor may not remove, reassign, or reduce the commitment of any Key Personnel during the term of the Contract without the prior approval of SBCTA. The only Key Personnel under this Contract is the General Manager.

(1) General Manager

Contractor shall provide an on-site General Manager authorized to make timely, key decisions on behalf of the Contractor regarding Services, material procurement, employee hiring and discipline, subcontractors, suppliers, vendors, and similar decisions. The Contractor's General Manager shall be authorized to make or delegate to staff immediate decisions as necessary to manage and maintain the safe and efficient maintenance of the MUs and AMF. The Contractor's General Manager or authorized designee(s) shall have a coverage plan whereby sufficient managerial staff will be available or subject to call - out 24 hours a day, seven days a week and every day of the year. Contractor maintenance employees shall be subject to call outs 24 hours a day, seven days a week. Contractor's General Manager or delegated or authorized designee(s) shall be available for occasional urgent unscheduled in - person meetings within four hours' notice as required by SCRRA.

6.3 B Required Roles

The following roles are required:

- (1) General Manager of Mobilization
- (2) Asst. General Manager/Training-Rules-Compliance-Safety
- (3) Manager, Facilities
- (4) Quality Control / Quality Assurance Manager
- (5) Manager, Invoicing/Budgeting

Personnel are permitted to hold more than one Required Role and their title may vary from the role(s) defined above. In such instances, Contractor shall advise SBCTA of which of its employees holds each role.

Contractor's team members shall demonstrate relevant experience with the key railroad functions required to perform under the Contract. Qualifications for each Key Personnel, and required roles, shall be provided as a resume by the Contractor and separately detailed position duties for each position shall be furnished by the Contractor and kept current. Any time the position duties are changed or there is a personnel change, the revised position duties and qualification resume should be submitted to SBCTA. In addition to these specific position qualifications, managers and supervisors shall be sufficiently cross-trained and authorized for the manager or supervisor with the quickest access to a location to respond to any issue or task affecting the safe, efficient, and timely movement of trains and take all measures necessary to recover the service safely and as timely as possible.

The Contractor may not remove or reduce the commitment of any Required Role during the term of the Contract without the prior approval of SBCTA. The Contractor shall provide notice as soon as practicable of any reassignments of Required Roles.

6.3.C Contractor's Personnel.

SBCTA reserves the right to direct CONTRACTOR to remove (on a temporary or permanent basis) any of CONTRACTOR'S personnel when, in SBCTA's reasonable determination, the individual's performance is unsatisfactory. Replacement of any personnel does not excuse the CONTRACTOR from compliance with all of the requirements of the Contract.

At any time during this CONTRACT, at SBCTA's request, the CONTRACTOR and its subcontractor(s) will provide SBCTA both a general organization chart showing the complete headcount of all personnel working under this Contract by job category/discipline, and a detailed list of all personnel working under this Contract that indicates the length of service of each employee, their job title and description, their current salary, and all benefits information and their current training and certification records including territory and equipment qualifications.

6.4 CONTRACTOR EMPLOYEE CONDUCT

6.4.A All employees of Contractor engaged in the provision of the Services shall perform their duties in a safe, professional, efficient, and courteous manner, and all Contractor employees who deal with the public shall be clean and properly attired while on duty. Within 90 days of hire, Contractor shall train all of its employees dedicated to the Contract so that each employee fully understands the SCRRA Ethics Policy and Metrolink Supplier's Code of Conduct; each employee of Contractor shall sign the acknowledgement form in Metrolink's Supplier's Code of Conduct before performing any Services (Exhibit 11) and (CDRL 8).

Contractor shall retain copies of signed acknowledgement forms and shall provide them upon request to SCRRA. SCRRA shall have the right to observe and participate in this training. SCRRA shall provide employees of Contractor annual refresher training that will include a full discussion of revised, new, and supplemental requirements.

6.4.B Because of the importance of the courtesy and professional decorum of the employees of Contractor who provide the Services, any conduct which is not consistent with the objectives described in the Metrolink Supplier's Code of Conduct and SCRRA Ethics Policy shall be grounds for SBCTA or SCRRA to request Contractor to immediately remove Contractor's employee from the performance of Service Property. Offending conduct includes the following:

- (1) Any instance of violation of applicable safety rules that causes injury to a person or damage to property or multiple violations over a 24-month period.
- (2) Any violation of company and SCRRA policies, procedures, and rules as well as all instructions, directions and orders from supervisors and managers that impact the provision of service.
- (3) Insubordination
- (4) Unauthorized use of all personal or company - issued electronic devices while on duty, including but not limited to cell phones, personal digital assistants, digital cameras, and camera phones.
- (5) Any instance of use of language that is obscene, risqué, or religiously, ethnically, or sexually demeaning, or making light of physical or mental disability, regardless of whether it is directed at a customer.
- (6) Any instance of belligerent, intimidating or malicious behavior.
- (7) Conduct that constitutes oppression, fraud, malice, negligence, or recklessness.
- (8) Accepting gratuities of any kind regardless of value.
- (9) Dishonesty includes theft of SBCTA, SCRRA, or co-worker goods and to accurately complete related reports.
- (10) Any instance of vandalism to Rolling Stock, station areas or SCRRA's property
- (11) Smoking on SCRRA or Contractor - leased property outside of the designated smoking areas while on duty.
- (12) Offensive Conduct or oral, or written demeaning remarks to the SCRRA, Contractor, SCRRA's contractors, SCRRA's customers, third parties or to the public.
- (13) Any instance of being under the influence of alcohol or drugs, including the improper use or abuse of prescription or over the counter medications that, in any way that diminish or raise questions concerning an employee's ability to perform Services safely and efficiently.

All complaints about Contractor employees acting not consistent with the objectives described in the Metrolink Supplier's Code of Conduct and SCRRA Ethics Policy must be reported by the Contractor to SCRRA. Such reports must include the identity of the employee and the facts and circumstances of the complaint. Additionally, if SCRRA is notified of a complaint about an employee by an entity other than the Contractor, the Contractor must respond to requests made by SCRRA for the identity of the employee and, if known by Contractor, the facts, and circumstances of the complaint within two Business days.

SCRRA reserves the right to direct the Contractor to temporarily remove any individual for cause pending a thorough investigation and then permanently, if the circumstances warrant, at conclusion of the investigation. In the event a person holding such a position, including Key Personnel, are reassigned, or removed, the Contractor shall within 30 days submit an alternate candidate for SCRRA review and approval.

6.5 DRUG AND ALCOHOL - FREE WORKPLACE

SBCTA maintains a drug - free workplace. All staff, including Contractor, subcontractors, and vendors, shall comply with the applicable regulations, including but not limited to: Title 49 CFR 219, California Drug Free Workplace, and the SCRRA Drug and Alcohol Policy (Exhibit 12).

SCRRA's Safety Department will provide oversight to the Contractor's approved CFR 219 program. All documents related to the program will be provided to SBCTA upon request and the program will be audited and inspected regularly by SCRRA.

6.6 PERSONAL PROTECTIVE EQUIPMENT (PPE) AND PROPER ATTIRE REQUIREMENTS

All Contractor employees shall be required to wear PPE that complies with rules set by the CFR and OSHA, where applicable. The Contractor shall submit a PPE plan for SCRRA review and approval (CDRL 9).

6.7 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in the provisions of this Section 6 shall be included in Base Services prices.

Exhibits applicable to this Section:

- Exhibit 10 Qualifications of Key Management and Personnel
- Exhibit 11 Metrolink's Supplier's Code of Conduct
- Exhibit 12 SCRRA Drug and Alcohol Policy

SECTION 7. TRAINING

7.1 GENERAL REQUIREMENTS

- 7.1.A The Contractor shall be responsible for the design, development, and implementation of comprehensive training, testing, qualification, certification, and monitoring programs that comply with the requirements of 49 CFR Parts 200-299 (particularly 49 CFR Part 243), industry best practices, SCRRA's as well as the Contractor's SCRRA-approved training requirements. The Contractor's Training Programs (CDRL 10) shall also ensure that any existing or retained employees are retrained, retested, requalified, and recertified by Service date. The purpose of the training programs is to ensure that the Contractor's workforce is always fully prepared to achieve the highest standards of academic and technical excellence for provision of the Services and are instructed in the necessary and required policies, procedures, contractual responsibilities, and rules relating to maintenance, customer service, and safety. The Contractor's workforce shall demonstrate a thorough understanding of the relevant procedures before they are permitted to perform the Services. The policies and procedures shall also apply to all of Contractor's Subcontractor or vendor employees working on the Services.
- 7.1.B Upon request, SCRRA's employees shall be allowed to attend all Contractor Training Programs as an observer/auditor, included in the Base Services. When requested and agreed to, as part of On-Call Services, Contractor shall train SCRRA Staff as if they were Contractor's employees.
- 7.1.C The Contractor's Training Program shall include robust provisions to train, test, qualify, certify, and monitor Disadvantaged Business Enterprise (DBE) subcontractors as well as other smaller subcontractors.
- 7.1.D As part of On-Call Services, the Contractor may also be required to train, test, qualify, certify, or provide "train the trainer" classes for SCRRA employees for training that is already provided to Contractor employees. Any training not provided to Contractor employees may be directed through a Work Directive.

- 7.1.E As part of On-Call Services, the Contractor shall also be required to train, test, qualify, certify, monitor, or provide “train the trainer” classes for SCRRA’s Member Agency employees, consultants, government employees (FRA, CPUC, FTA, etc.), other railroads, contractors, suppliers, and vendors performing closely related construction, rehabilitation, Third Party support work, oversight, and inspection on the Arrow service.
- 7.1.F The Contractor’s training instructors shall be experienced MU and facility maintenance professionals abreast of the latest changes in the workplace and have previously served as managers, supervisors or hands on worker and subject matter experts in the fields they are instructing. The instructors and instruction program shall utilize best industry practices in instructional design and technology, multimedia services, and administration. The training program shall cost effectively and efficiently manage student workforce time. In addition to classroom training, maximum use of hands-on training and the use of test laboratories equipped with simulator and bench test shall be applied as applicable. Safety quality and environmental awareness shall be embedded into all training courses.
- 7.1.G SCRRA will electronically furnish to the Contractor any available manuals, rules, and similar materials that the Contractor shall include or consider for use in its Training Program. A summary of these SCRRA-provided materials is available in System Safety Plan, Training Summary Requirements, and FRA Regulation Matrix (Exhibit 51).
- 7.1.H Commencing at NTP 1, SCRRA shall coordinate with existing contractors and vendors to provide necessary orientation and training needed for their specific responsibilities relating to SCRRA’s equipment, software tools and facilities.

7.2 TRAINING AND CERTIFICATION PLAN

The Metrolink System Safety Plan, Training Summary Requirements, and FRA Regulation Matrix establish the minimum requirements of the Contractor’s Training and Certification Plan (CDRL 10). The Training Plan and Certification Program shall be integrated with the employee hiring process to assure that all new employees (including those that have not recently worked on the Service) will meet the minimum training requirements prior to the Service date. Employees retained from the existing maintenance contracts and employed under the new Contract, must be fully retrained, retested, requalified, and recertified by Service date. The Training Plan will include the location, layout, and capabilities of the Contractor’s training facilities. The Contractor’s plan must comply with 49 CFR Part 243 Training, Qualification and Oversight for Safety Related Railroad Employees.

The Contractor shall submit a Training and Certification Plan for all staff that at a minimum specifies:

- 7.2.A Training standards, training courses to be offered, the classes of employees that will attend, and the estimated number of person days of training that will be provided for each course and the frequency of refresher training.
- 7.2.B Certification criteria and recertification schedules including an ongoing proficiency testing program for all crafts that ensures that Contractor employees have the knowledge and skills required to safely and competently administer their duties. Testing shall include equipment and procedures unique to Service operations.
- 7.2.C Training resources required such as instructors, visual aids, training materials and other training equipment.
- 7.2.D Assistant General Manager/Training-Rules-Compliance-Safety (TRCS or SRCT) organization chart indicating full-time and part-time staff serving the training management representative for the functional areas (operations, equipment, etc.) and subject matter experts who shall be responsible for formulating and coordinating all training activities and be available to meet with representatives of SCRRA to review all training programs and reports.

- 7.2.E Supervisors shall successfully complete the training courses required of employees whom they supervise, including refresher training.
- 7.2.F Supervisors shall successfully complete the training courses required of employees whom they supervise, including refresher training.
- 7.2.G Backfill training to ensure that adequate levels of qualified personnel are available so that personnel absences, promotions, or transfers do not affect performance of Services.
- 7.2.H Systems and processes will be established to allow SCRRA to continuously and in real-time determine the training status of all Contractor's Employees.

7.3 TRAINING AND CERTIFICATION IMPLEMENTATION

- 7.3.A The Training and Certification Plan (CDRL 10) which includes the training staff is to be included in the Mobilization and Transition Plan and Schedule and shall allow 90 days for SCRRA review and approval prior to commencing any training. The Training Plan and Certification Program shall be integrated with the employee hiring process to assure that all employees will be adequately trained prior to the Service date. The Training Plan will include the location, layout, and capabilities of the Contractor's training facilities.
- 7.3.B Contractor's workforce training shall be ongoing and a very high priority throughout the duration of the Contract. During Mobilization and on an annual basis throughout the term of the Contract, as part of the Training Plan and Certification Program, the Contractor shall submit a Training Plan Schedule. The Contractor shall schedule training activities to optimize employees' time and to minimize impacts to the provision of Services under the Contract.
- 7.3.C SBCTA and SCRRA employees shall be allowed to attend and observe, in the Contractor's training programs.
- 7.3.D All employees shall be trained to industry best practices and the extent necessary to be fully qualified, abreast of the latest changes in technology, regulations, and rules and competent to perform their duties. Those who are identified as being deficient in knowledge, skills or certification shall promptly attend and pass courses of instruction specific to their craft or service area or be removed from performing any Services. The Contractor may reinstate the removed Contractor personnel to Service once the employee successfully completes the required training. SCRRA reserves the right to request evidence that the Contractor's employees and subcontractors who are providing Services are appropriately trained and certified and has completed appropriate efficiency and competency tests.
- 7.3.E The Contractor shall meet semi-annually with SCRRA to review the effectiveness of the approved training program. The Contractor shall also provide SCRRA with a semi-annual training report furnished at least two weeks prior to the semi-annual training review. The Contractor also shall provide monthly reports to SCRRA on performance of efficiency testing as required by SCRRA and/or federal regulations. The Contractor's report shall include the training, testing, certification, and monitoring status of all employees and shall track DBE firms and other small business training status.
- 7.3.F Training materials developed specifically for the maintenance of the MU and AMF such as SOP developed under this Contract shall be the property of the SCRRA. Access to the training materials required for regulatory compliance that is not developed specifically for this SOW, shall be provided to SCRRA and shall remain the property of Stadler.
- 7.3.G Upon request, the Contractor shall provide to SCRRA electronic records that verify training and qualifications.

7.4 TRAINING RECORDS

Contractor is responsible for maintaining up-to-date Contractor employee training records (including applicable subcontractor, vendors, and suppliers) and shall submit training records to SCRRA. A copy of all training records will be provided electronically to SCRRA and kept current as Contractor employees turn over.

7.5 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of the provisions of this Section 7 shall be included in Base Services prices.

7.6 ON-CALL SERVICES

If directed by SCRRA, Contractor shall provide training, testing, certification, and post training record retention and monitoring to SCRRA staff, outside contractors, suppliers, and vendors, Third Party contractors or consultants working on the Services and the Contractor shall be compensated on a Work Directive basis.

Exhibits applicable to this Section:

- Exhibit 51 FRA Regulation Matrix
- Exhibit 9 Metrolink System Safety Program Plan
- Exhibit 11 Metrolink's Supplier's Code of Conduct
- Exhibit 13 Training Summary Requirements

SECTION 8. SAFETY

The Contractor shall conduct its operations in compliance with the SCRRA System Safety Program Plan (SSPP) Exhibit 9, FRA Part 270, and all other applicable safety and operating rules; all safety provisions of the Scope of Services; and all federal, state, and local laws and regulations. The Contractor Safety Manager shall have the responsibility to ensure compliance with all requirements of this section and shall be cross trained to oversee all the functional areas performed by the Contractor under this Contract.

8.1 CONTRACTOR SAFETY MANAGEMENT PLAN (SMP) and SAFETY MANAGEMENT SYSTEM (SMS) RESPONSE PLAN

- 8.1.A The Contractor shall furnish for SCRRA approval, no later than 90 days prior the transition/operation of any scope, the Contractor's Safety Management Plan (SMP) and Safety Management System (SMS) Response Plan (CDRL 13) that outlines the organizational structure, duties, and responsibilities of the employees that describes how the Contractor will comply with the SCRRA SSPP and is inclusive of employee, customer and operational safety, employee health and environmental safety. The Contractor will prepare and submit the appropriate forms as identified in the SCRRA SSPP to SCRRA for review and approval. SCRRA will report the data to the FRA or FTA through the electronic reporting system.
- 8.1.B The Safety Management Response Plan shall be updated annually and made consistent with the most current version of the SCRRA SSPP and shall be submitted to the SCRRA Safety Officer for review and approval no later than December 01 of each year. The Safety Action Plan shall be created and published specifically for Arrow. Investigation reports, forms, files software, data and metrics shall be identified as Arrow and assigned to Arrow. Contractor's standard "corporate" safety program and forms shall not be used.

8.2 IN ADDITION TO THE REQUIREMENTS ABOVE, THE SAFETY MANAGEMENT RESPONSE PLAN AND SAFETY MANAGEMENT SYSTEM ELEMENTS INCLUDE:

- 8.2.A General Safety Rules for Employees
- 8.2.B The Contractor shall establish and enforce an Accident and Incident investigation procedure which is compatible with SCRRA's existing program and meets applicable FRA requirements of 49 CFR Part 225
- 8.2.C Accident/Incident Reporting
- 8.2.D Hazard Identification and Management (including "close calls/near misses and leading indicators")
- 8.2.E Substance Abuse program as specified by 49 CFR Part 219 Control of Alcohol and Drug Use
- 8.2.F Fatigue Management and Hours of Service
- 8.2.G Employee safety certification
- 8.2.H Voluntary Employee Safety Reporting following specific rules and guidelines
- 8.2.I Auditing of rail operations and maintenance (O&M) activities for compliance with SCRRA, federal, and state requirements
- 8.2.J 24/7 response to all accidents or safety - related incidents
- 8.2.K Reporting administrator to provide information required by 49 CFR Part 225 Railroad Accident/Incident: Reports Classification and Investigation and other federal and state reporting requirements to SCRRA Reporting Officer
- 8.2.L Use of the Metrolink safety reporting software system Vector for entering safety- related information such as identified hazards, corrective actions, training records, accident/incident information, and audit reports (both internal and external)
- 8.2.M Completion of an annual internal audit to determine compliance with the SCRRA SSPP
- 8.2.N Staffing of an EOC as defined in the Passenger Train Emergency Preparedness Plan (PTEPP) (Exhibit 14)
- 8.2.O Participation in the Metrolink tri - annual SSPP third - party audit
- 8.2.P Coordination of required Emergency Response Drills with local agencies and in compliance with SCRRA's PTEP
- 8.2.Q Coordination of Contractor Safety Committee and Safety Meeting requirements
- 8.2.R Participation in the SCRRA System Safety Review Committee, Risk Register, Metrolink Rules Committee, and the Incident Reduction Task Force
- 8.2.S Participation in Monthly System Safety Action Team Meeting
- 8.2.T Oversight of Contractor training requirements as identified in the SCRRA SSPP
- 8.2.U Management of all environmental and employee health issues as required by CALOSHA
- 8.2.V Occupational noise program complying with the SCRRA's existing program and applicable FRA requirements of 49 CFR 1910.95 and 49 CFR 227.
- 8.2.W Review of work plans for safety compliance, and field audits of maintenance, inclusive of night and weekend work.

8.3 SAFETY AUDITS

- 8.3.A The Contractor Safety Management shall participate, when requested by SCRRA, to audits by SCRRA's Safety and Compliance Department or SCRRA's internal auditors or audits by outside parties or agencies such as Member Agencies, APTA, FRA, or CPUC. Following receipt of an audit report with findings and recommendations, the Contractor Safety Manager shall develop and submit, electronically, a corrective action plan to SCRRA for approval within 30 Business Days for all deficiencies or recommendations that result from the audit (Corrective Action Plan-CDRL 11). The Contractor's Safety Manager shall be responsible for completion of the corrective action plan.
- 8.3.B SCRRA will conduct routine audits consistent with the SCRRA SSPP and SMS, the Contractor shall participate in those audits as well as furnish requested documentation. The Contractor shall perform an annual internal audit as directed by SCRRA to determine compliance with the SCRRA SSPP. The Contractor shall prepare a written summary of findings, with a remedial action plan, for SCRRA review within 30 days of the completion of the internal audit. The Contractor shall implement corrective actions recommended by the internal audit or by third-party auditors, after review with and approval by SCRRA designated personnel. The Contractor shall invite and allow SCRRA management to participate in all safety-related reviews, including, but not limited to, efficiency tests, internal safety audits, and other reviews of a related nature.

8.4 SYSTEM SAFETY PROGRAM PLAN (SSPP)

The Contractor shall comply with and support the most current SCRRA SSPP. Updates and modifications to the plan are made regularly, and the Contractor shall participate with SCRRA during annual update and review of the SCRRA SSPP and comply with all changes to the plan. The Contractor shall also participate in the review and update of other safety related documents as required by the SCRRA.

8.5 SAFETY COMMITTEES

- 8.5.A The Contractor shall maintain a safety committee program and participate in SCRRA's System Safety Action Team Meetings in compliance with the SCRRA SSPP. The Contractor's Asst. General Manager/Training - Rules - Compliance - Safety and Safety Managers shall be responsible for auditing the safety committee meetings and shall attend and participate.
- 8.5.B Minutes of these meetings shall be forwarded each month to the SCRRA Safety Officer. The Asst. General Manager/Training - Rules - Compliance - Safety and Safety Managers also shall participate in a monthly safety meeting with SCRRA Safety Officer.

8.6 EMERGENCY OPERATIONS CENTER

In the event of an Emergency, Contractor shall provide staffing support for an Emergency Operations Center as defined in the SCRRA Passenger Train Emergency Preparedness Plan (Exhibit 14) as part of On-Call Services.

8.7 EMERGENCY RESPONSE DRILLS

The Contractor shall participate in one field drill/exercises and tabletop/EOC drill annually, which will be organized and staged by SCRRA in accordance with ICS and 49 CFR 239.

The tabletop drill will include such emergencies as active shooter, train fire, serious train accident with multiple injuries and fatalities. Field drills will be conducted annually.

8.8 UNSAFE CONDITION REPORTING

- 8.8.A The Contractor shall notify SCRRA of any unsafe conditions, which shall be recorded by the Contractor in the Contractor's software system and in SCRRA's safety reporting software system, Vector. The Contractor may be required to initiate and utilize an anonymous hazard reporting system or confidential close call reporting system (C3RS).
- 8.8.B Contractor shall conduct a Bi-Monthly Safety Walk of Contractor occupied Arrow facilities and report all observations to the SCRRA Bi-monthly Safety Walk Observations) on the 15th day following the Bi-Monthly Safety Walk.
- 8.8.C Where SCRRA or Contractor determines an immediate and serious hazard exists, the Contractor or SCRRA representative has the authority to immediately contact the appropriate personnel to request that the hazardous conditions be corrected, or hazardous practices halted. Should contact prove infeasible or unsuccessful, the Contractor or SCRRA representative shall have the authority to stop the project work, train, or equipment movement. SCRRA reserves the right to conduct unannounced inspections aimed at identifying and eliminating unsafe practices, operations, and conditions.

8.9 REGULATORY AGENCY REPORTING

SCRRA is the Operating Railroad for all incident and injury reports to regulatory agencies, including but not limited to FRA, CPUC and Cal-OSHA and in accordance with FRA regulations contained in 49 CFR 225. The Contractor shall prepare and maintain an Internal Control Plan for Accident and Incident Reporting (CDRL 12) as required by 49 CFR 225. The Internal Control Plan shall be submitted for SCRRA review and approval within 90 days prior to In-Service date. The Contractor shall immediately enter all incident and injury information into SCRRA's safety reporting software system (currently Vector) and shall update the information routinely. They shall provide the SCRRA Safety Department with a full report within 15 days of the accident or incident, the report shall provide all of the required details to determine a root cause. The Contractor shall designate a reporting officer as the primary contact for all reporting requirements, and the Contractor's reporting officer and SCRRA staff shall meet monthly to discuss the previous month's incidents and on-going issues involving reporting compliance.

8.10 ACCIDENT AND INCIDENT INVESTIGATION AND REPORTING

- 8.10.A The Contractor shall immediately report all incidents and injuries to SCRRA and follow up with all reporting documentation in the investigation of all accidents, incidents, injuries to employees or passengers, Rule violation or damage to Service Property or Service Equipment. Contractor's responding managers shall be trained in and respond in accordance with ICS protocols, including compliance with SCRRA Incident Response Plan and participation at any Incident Command Post established on scene.
- 8.10.B Investigations must be documented on appropriate forms as prescribed in the Contractor-provided Internal Control Plan for Accident and Incident Reporting (CDRL 12). Completed investigative reports must include a detailed narrative description of the accident/incident, a description of the immediate remedial actions taken by the Contractor, a Corrective Action Plan outlining steps the Contractor will take to prevent the occurrence of the accident/incident in the future, and any applicable supporting documents.
- 8.10.C Completed investigative reports must be forwarded to the SCRRA Safety Department the next Business Day after the time the event took place. In cases where it is not feasible to forward a completed report within the next Business Day, a preliminary report must be forwarded. Follow-up reports must be made to SCRRA when corrective actions are completed or changed. The Contractor also shall enter all investigative reports and pertinent information into its own software system and SCRRA's safety reporting software system (currently Vector).

- 8.10.D The Contractor shall ensure investigation and reporting requirements are included in any contracts or subcontracts entered by the Contractor. The SCRRA Safety Officer shall approve these requirements. The Contractor shall ensure that all managers and all front-line employees have received the FEMA National Incident Management Incident System (NIMS) training appropriate to their job classification and responsibilities. Accident and Incident investigation and reporting requirements are specified in the Required Reports and Notification section of the Scope of Services.
- 8.10.E Nothing in this section shall relieve the Contractor from notification requirements found elsewhere in the Contract that require notification of accidents, incidents, or hazards to SCRRA officers, including without limitation those found in the Scope of Services. Final closeout reports of accidents or incidents provided to SCRRA shall contain summaries of discipline assessed, if any, and any recommended changes in operations, rules, standards, or training resulting from the accident or incident investigation.

8.11 EVENT RECORDERS, SERVICE EQUIPMENT AND TABLET TRACKING AND VIDEO RECORDERS

SCRRA currently has active video recording devices on equipment and throughout the Arrow system. SCRRA reserves the right to install and utilize additional video recorder camera systems on or within all Arrow Equipment and facilities. SCRRA shall have full and complete access to and where applicable control of or access to the following, without prior notification to the Contractor:

- 8.11.A MU event recorders and MU event recorders data
- 8.11.B MU video recorder camera systems and video recorder data
- 8.11.C Closed-circuit television (CCTV) systems at fixed facilities

8.12 REVISION OF SAFETY PRACTICES

The Contractor shall, with prior SCRRA approval, review and/or revise its SOPs, emergency response practices, training techniques, or reporting practices annually.

8.13 PROVISION OF SECURITY

The Contractor shall cooperate and comply with all security practices, policies, programs and plans as determined necessary by SCRRA. SCRRA will provide sworn peace officers and armed and unarmed security contracted security protection for SCRRA and its facilities, and the Contractor shall cooperate with the sworn peace officers and contracted security firm resources as provided for this purpose. The Contractor shall include communication and coordination with peace officers in all SOPs and emergency plans.

8.14 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in this Section 8 shall be included in Base Services prices.

Exhibits applicable to this Section:

- Exhibit 9 Metrolink System Safety Program Plan
- Exhibit 14 Metrolink Passenger Train Emergency Preparedness Plan

SECTION 9. QUALITY PROGRAM

9.1 GENERAL REQUIREMENTS

The Contractor shall establish and implement a Quality Program based on a recognized industry best practice such as the Association of American Railroads Quality Assurance Program. The Program shall provide quality assurance and quality control procedures, processes, and resources to ensure that all

Services are performed satisfactorily.

The Quality Program shall include quarterly reports and recommendations to Contractor senior management and SCRRA. The Contractor shall enforce the elements of the quality program with all subcontractors and suppliers performing services.

The Contractor shall conduct reviews of its quality program effectiveness and provide reports no later than the 15th of each quarter to the SCRRA Operations Department.

At a minimum, the program should include for the following areas of focus:

- 9.1.A Rail Vehicle Maintenance Services for the ZEMU
- 9.1.B Rail Vehicle Maintenance Services for the DMU (in the event NTP 2 of the Contract is issued)
- 9.1.C Facilities Maintenance (in the event NTP 3 of the Contract is issued)
- 9.1.D Materials Management (in the event NTP 4 of the Contract is issued)

9.2 QUALITY PROGRAM PLAN

The Quality Program Plan (QPP), (CDRL 14) shall include the quality assurance and quality control documented procedures, policies, plans, and organization activities of the Contractor, and Subcontractors, which shall assure that all work, testing, and documentation conforms to the requirements of this Contract.

The QPP shall also include:

- 9.2.A The Contractor's Organization Chart (CDRL 4), showing the lines of authority
- 9.2.B Responsibility for quality assurance and quality control functions and relationships with other functions
- 9.2.C Titles and names of Key Personnel
- 9.2.D Titles and functions of all quality personnel

The quality management system for each area of the Contractor's work shall be defined in the QPP. The QPP (CDRL 14) shall be submitted for SCRRA review no later than 90 days after NTP. The Quality Assurance Program shall include the following general requirements, at a minimum:

- (1) Management responsibility
- (2) Inspection and testing methodology
- (3) Inspection Standards
- (4) Workmanship Standards
- (5) Configuration and Document Control
- (6) Measurement, Analysis, and Improvement
- (7) Control of non-conformance
- (8) Corrective and Preventive Action
- (9) Audits
- (10) Training

9.3 STANDARDS AND REFERENCES

- 9.3.A The QPP shall identify the process whereby SBCTA is assured that the maintenance work performed on Arrow assets (DMUs, ZEMUs, facilities, yards, shops, information technology systems, and other SBCTA or SCRRA property and software used in the performance of the Contract) is compliant with the OEM or established, SCRRA-approved overhauled/rebuilt requirements and SCRRA-approved maintenance procedures established for these assets.

- 9.3.B Within the work areas, processes, procedures, and criteria shall be developed to measure compliance with the Contract and requirements of the specific activity. The Contractor shall ensure that workmanship is maintained at a level of quality consistent with the technical and functional requirements of the work. Workmanship shall be defined to the greatest practical extent by written standards, with references to SCRRA technical specification(s) or recognized industry standards accepted by the Contractor and SCRRA as examples of satisfactory workmanship.
- 9.3.C All procedures, processes and instruction documents shall be referenced to recognized regulatory or national standards documents where appropriate, such as FRA, AAR, AREMA, APTA and American National Standards Institute (ANSI). To the extent practical, all maintenance documents for equipment, systems, and purchased items shall be based upon and referenced to the latest instructions of the OEM. When OEM instructions are not available, or not relevant to SCRRA applications, the Contractor shall develop a proposed standard for SCRRA to review with supporting documentation.
- 9.3.D Once approved by SCRRA, a standard shall be maintained and documented through the configuration management system. Any corrective action that requires changes in plans or procedures shall be reviewed through the configuration management process.
- 9.3.E The calibration standards shall be traceable to the National Bureau of Standards. The calibration history and frequency records shall be maintained and available. The calibration dates and due dates shall be displayed on equipment.

9.4 QUALITY INSPECTIONS

The Contractor shall conduct quality inspections required to demonstrate full compliance with the Contract. The Contractor shall provide an inspection system capable of producing objective evidence that materials provided and finished work performed by the Contractor meet the quality requirements of this Contract.

The quality inspection shall be considered acceptable when, at a minimum, it provides for the detection and removal of non-conforming work or material where it can be corrected in advance or to a more progressive state prior to being placed into Revenue Service.

9.5 QUALITY AUDITS

- 9.5.A The quality audit plan (CDRL 15) shall identify minimum audit requirements for internal audits to be performed of all functional areas as well as Subcontractors and major suppliers. Emphasis shall be given to all areas directly impacting customer service, comfort, and safety. The Contractor shall provide copies of all audit reports and findings to SCRRA within three Business Days of conclusion of the audit.
- 9.5.B A Quality Audit Summary Report shall be prepared and submitted to SCRRA on an annual basis (Section 18). The specific schedule for submission of these reports shall be included in the Quality audit plan.
- 9.5.C SCRRA reserves the right to conduct its own audits of the Contractor or the Subcontractors and suppliers at any time. The Contractor shall fully cooperate and assist in such audits, as requested by SCRRA. The Contractor shall afford access to SCRRA for inspection of all service equipment to ensure that it is serviceable and properly stored, and may conduct spot inspections of service equipment, support property, and all Service Property for compliance with the requirements of this Contract. The Contractor shall promptly address any SCRRA quality assurance findings of deficiencies and shall conduct any additional training required to remedy such deficiencies.

9.5.D SCRRRA reserves the right to conduct quality assurance reviews of the Contractor's training, inspection, maintenance, and safety programs, as well as procedures, and documentation.

9.6 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in this Section 9 shall be included in Base Services prices.

SECTION 10. MOBILIZATION

As set forth in Article 4.1 of the Contract, there are 2 potential Mobilization periods contemplated within this Contract as follows:

1. ZEMU Mobilization – the period commencing at NTP 1 and concluding five (5) months later;
2. DMU, AMF and Materials Management Mobilization – the period commencing at NTP 2 and concluding on the DMU Maintenance Service Date, AMF Maintenance Service Date and Materials Management Service Date.

During each of the above-referenced Mobilization Phases, the Contractor shall mobilize and train sufficient personnel, centrally located within the Arrow Service area, to perform all transition and start-up services deemed necessary by SBCTA to enable the Contractor to commence the associated Base Services in accordance with the associated Service Dates (e.g. ZEMU Maintenance Service Date, DMU Maintenance Service Date, AMF Maintenance Service Date and Materials Management Service Date) and the Contractor's approved Mobilization plan (CDRL 1), which shall be modified after each NTP) in accordance with the following schedule:

The Contractor shall fully cooperate and coordinate with SBCTA, SCRRRA, and existing SCRRRA service contractors to help ensure a smooth transition of maintenance services including the following:

- (1) In accordance with the Contractor's approved interface and access schedule in the Mobilization plan (CDRL 1), SCRRRA will direct the coordination of existing SCRRRA service contractors for receiving relevant information regarding the Service Property, Service Equipment, the AMF and/or materials management, dependent upon which of the NTPs are exercised. In the event access to all DMU and AMF maintenance records, facility breakdown structures and other necessary historical records are not provided within five (5) days of NTP 2, the completion of mobilization may be delayed, and the associated Maintenance Service Date may need to be adjusted to allow Contractor the full period for mobilization. The Contractor shall furnish sufficient staff at such joint transition meetings to visibly observe and assess the existing SCRRRA service, contractor's operations, safety measures, and other operations and maintenance activities. At these meetings, the Contractor shall thoroughly document sufficient information to review and revise, where necessary, required plans identified in the CDRL List and SOPs.
- (2) At no time will the Contractor's Mobilization efforts, including hiring of existing contract employees, coordination, and observation or the training of those employees, affect the existing SCRRRA service contractor's performance or safe operations. The Contractor shall prepare complete submittals for SBCTA or SCRRRA approval, as applicable, and allow 10 business days for SBCTA or SCRRRA, as applicable, to review and request resubmittal or provide final approval for the Mobilization CDRLs required for the Contractor to confidently perform the Base Services associated with each of the exercised NTPs by the applicable Service Date (s).

10.1 MOBILIZATION PLANS

Contractor shall submit a ZEMU Maintenance Mobilization Plan (CDRL 1) for review and approval within 7 days after NTP that includes:

- 10.1.A A detailed Mobilization Phase Schedule that identifies activities, the sequence and progress for transition and start-up of all Mobilization. Phase services. This shall include meeting the Mobilization Phase equipment and readiness training requirements of the Contract. The Mobilization Phase Schedule shall be part of the Mobilization Plan (CDRL 1). The Mobilization Plan shall identify all contractual milestone dates and clearly distinguish tasks, and portions of tasks, that must be completed prior to the ZEMU Maintenance Service Date. Additionally, the Mobilization Plan must include durations and dates for: 100% staffing, submission of plans, programs, guidelines, information systems, manuals, schedules, and forms, asset condition assessment and acceptance, and critical paths of activities required to meet each milestone. The plan shall also identify the Contractor's staffing schedule.
- 10.1.B Identification of the roles and responsibilities currently performed by SCRRA's existing contractors that will be transitioned to the Contractor's own staff. Contractor shall also identify services provided by staff provided by Contractor and those provided by sub-contractors. The Contractor shall provide a list of vendors that will be utilized under a purchase order.
- 10.1.C The Contractor's Employee Hiring Plan (CDRL 16) shall include its proposed method to comply with the requirements of 49 U.S.C. § 5333(b) (formerly Section 13(c) of the Urban Mass Transportation Act).
- 10.1.D Staffing and Organization Plan as submitted with proposals and incorporated into the Contract, including:
 - (1) An organization chart (CDRL 4) with job descriptions for all positions to SCRRA including refined organization charts providing a head count for all full time Basic Service Contract employees (prime, subcontractors, vendors, consultants, subject matter experts) categorized by functional area. The organization chart should include vehicles (Contractor's, SBCTA's and SCRRA's), Tablets, and headquarter or daily reporting locations and vehicle and equipment assignment (both Contractor and SBCTA/SCRRA owned.) Additionally, a separate but similar organization chart should be provided for the Work Directive type work. DBE and Mentor Protégé firms and number of employees shall be also indicated on the Organization charts.
 - (2) Contractor will comply Exhibit 53, FRA Tier 1 Passenger New Starts Deliverables.
 - (3) Personnel assignments by time of day to assure that forces are deployed effectively and efficiently to complete scheduled tasks.
 - (4) Job descriptions shall identify critical skill positions where the Contractor shall place emphasis on filling vacancies due to the importance of these skill sets to the performance of Services.
 - (5) Training program, including course descriptions, certification, training schedules, competency tests, Subcontractor training plans and schedules and requalification plans.
- 10.1.E Asset condition surveys - Contractor and SBCTA shall perform a joint audit of Service Equipment, capital spare parts, and AMF assets and identify any assets that are not in a condition adequate to meet any of the requirements set forth in this Contract. Any deviation from the condition data provided by SCRRA or supplemental information provided shall be justified with clear documentation and may require a mutually agreed upon, independent, third- party reviewer and review.

- 10.1.F Identification of existing contractors' owned, leased, or rented equipment that must be replaced by SCRRA-provided equipment or Contractor's owned, leased or rented equipment.
- 10.1.G Detailed interface and access schedule for receiving relevant information and where necessary, training staff regarding the Service Property, Service Equipment, and operations. The Contractor shall conduct the interface and access to avoid duplicative joint transition meetings or observations previously viewed and assessed. SCRRA shall notify the Contractor of any requested interface and access that potentially disrupts services performed by existing contractors or is duplicative and the Contractor shall revise its proposed interface and access schedule including adjusting hours to limited access time frames on different work shifts.
- 10.1.H Specifics regarding support required from SCRRA staff and/or contractors.
- 10.1.I Overall Information Technology Systems Deployment Plan (CDRL 39). detailing all software, hardware, mobile devices (tablets, smart phones, etc.) and any training required.
- 10.1.J During the Mobilization period, the Contractor shall submit for SCRRA review all plans, submittals, SOP's, and submittals per regulatory requirements for all Services commencing on the Service date. (CDRL 26).
- 10.1.K The Contractor shall submit a Service Equipment Maintenance Management Plan (CDRL 30).
- 10.1.L The Contractor shall submit Maintenance Interval Procedures (CDRL 18) to SCRRA for review and approval no later than 90 days prior to In-Service date.
- 10.1.M The final list of cleaning chemicals (CDRL 29) and processes shall be developed and delivered to SCRRA for review and approval no later than 90 days after NTP (Cleaning Chemicals and Processes List).
- 10.1.N Contractor shall revise Maintenance Mobilization Plan (CDRL 1) for review and approval within 30 days after NTP 2, 3 and 4 that includes the applicable criteria set forth in Section 10.1.

10.2 MOBILIZATION PRICE

The cost for performance of all Services identified above shall be included in Mobilization price in the Pricing Schedule.

Contractor shall not be subject to Liquidated Damages during any of the 2 enumerated mobilization periods.

Exhibits applicable to this Section:

- Exhibit 53 FRA Tier 1, Passenger New Starts Deliverables

SECTION 11. TRAIN OPERATIONS AND CREWING (N/A)

N/A

SECTION 12. CUSTOMER SERVICE (N/A)

N/A

SECTION 13. MAINTENANCE OF SERVICE EQUIPMENT

13.1 SERVICE EQUIPMENT MAINTENANCE

The Arrow Service is a rail transit service between Downtown San Bernardino and University of Redlands, nominally operating 30-minute peak and 60-minute off-peak frequencies and servicing five stations along the 9-mile route; it began operations in October 2022. The service is operated with three Diesel Multiple Units (DMUs) and it is anticipated that a hydrogen-hybrid Zero Emission Multiple Unit (ZEMU) will transition into the fleet in late 2024. These two MU types are essentially identical except for the propulsion systems. The DMU uses a diesel-electric propulsion technology while the ZEMU uses a hydrogen battery hybrid propulsion system. Both types of systems provide electrical power to the traction motors, which are common to both models.

In parallel with the delivery of the ZEMU, SBCTA has contracted with another entity to perform retrofit work to the AMF to support maintenance of the ZEMU and construct a hydrogen fueling station on site. Until the AMF retrofit is complete and Contractor is the exclusive maintainer of the AMF, Contractor will make reasonable efforts to perform Base Services related to the ZEMU without access to a facility. During such time, the monthly service price shall be adjusted as per the Pricing Schedule.

- 13.1.A On the ZEMU Maintenance Service Date and DMU Maintenance Service Date, respectively, Contractor shall assume responsibility for the maintenance of the Service Equipment defined in Table 1 below and its use to provide and support passenger rail service for the Arrow Service. Contractor must ensure that the Service Equipment meets all FRA requirements and is suitable for use in the Arrow Service.

Table 1 Fleet of Multiple Units.

Service Equipment					
MU#	Type	#	Seats	Year	Manufacturer / Model
3401-3403	DMU	3	132	2022	Stadler / FLIRT 3
3501	ZEMU	1	132	TBD	Stadler / FLIRT H2
Total		4			

- 13.1.B The Contractor may, with SBCTA's written approval, contract Service Equipment maintenance (including servicing, periodic maintenance and overhaul, and other program/heavy repairs) to one or more third parties.
- 13.1.C The Contractor shall not undertake any alteration or modification of Service Equipment without express written permission from SBCTA. If the modification is originated by the Contractor, the Contractor shall submit a written description of the work, with sketches and wiring schematics as appropriate, and a detailed cost estimate for approval. During the modification program, the Contractor shall submit periodic progress reports at least monthly and shall keep a permanent record of those units which have been modified. Revised vendor components that replace obsolete components and may require minor modifications to install, shall not be considered modifications under the intent of this section.
- 13.1.D All local, state, federal and SCRRRA required air pollution control standards shall be met. No adjustment or modification shall be made to any equipment that would affect the emission quality standard. For DMUs, the Contractor shall follow written instructions for idling and fuel conservation, refer to Metrolink Fuel Conservation Program, Exhibit 20. Automatic fuel shutoff equipment on DMUs shall always be maintained in working order

- 13.1.E SBCTA and SCRRA Special Tools and Test Equipment (Exhibit 63) is a list of tools and test equipment that SBCTA and SCRRA have procured for rolling stock equipment maintenance to be made available to the Contractor on the associated Service Dates. Prior to such availability being made, SBCTA and/or SCRRA and the Contractor shall perform an audit as to the quantity, type and condition of the tools and test equipment. Any initial calibration, repair or replacement costs shall be borne by SBCTA. Thereafter, Contractor shall be responsible for calibration, repair and replacement of Special Tools and Test Equipment damaged by the Contractor. SBCTA shall procure any other special tools and test equipment required for new and overhauled rolling stock incorporated into the Service Equipment after the Service Date.
- 13.1.F Contractor shall be responsible for developing and integrating the life cycle maintenance program for the Service Equipment into the overall inspection, testing, and maintenance plan for the Service Equipment for the duration of the Contract. Any additional development or integration beyond the end of the Contract shall be handled as On-Call Services.
- 13.1.G Throughout the period of performance for this Contract, at SBCTA's discretion, SBCTA may issue Work Directives for the enhancement and/or replacement of various vehicle systems, for the overhaul and upgrade of Service Equipment, and for the repair of damaged Service Equipment where the work may be performed off-site. The Contractor shall be responsible for preparing the Service Equipment for shipment off-site, for cooperating with SBCTA in the acceptance of the Service Equipment upon return and for coordinating the return of the vehicles into Revenue Service operation. This work would not to be considered Base Services, but rather, On-Call Services. The Contractor shall work in partnership with SBCTA and SCRRA to ensure that the ability of the other contractors to perform any duties, obligations, or liabilities under the terms of their individual contracts is not compromised.
- 13.1.H The Contractor is responsible for following SCRRA's PTC On-board inspection, Verification, and Certification Plan as listed in Exhibit 23. All regulatory requirements of record keeping shall be followed by the Contractor. The Contractor shall not modify any SCRRA PTC training or qualification program unless given written consent by SCRRA's PTC department. Contractor shall submit to SCRRA any requested changes in training requirements for SCRRA approval.
- 13.1.I The Contractor is responsible to ensure maintenance of equipment personnel are trained as described on the PTC On-board Inspection, Verification, and Certification Plan as listed in Exhibit 23. Contractor won't perform any PTC duties, maintenance or inspections unless qualified per SCRRA's program. The Contractor shall not modify any SCRRA PTC maintenance program or interval unless given written consent by SCRRA's PTC department. Contractor shall submit to SCRRA any requested changes in onboard PTC maintenance requirements for SCRRA approval. SCRRA will provide training to Contractor management who will then train and qualify Contractor maintenance of equipment personnel. Contractor is not allowed to change SCRRA's PTC training program unless given permission by SCRRA's Train Control & Communications department. Contractor is not allowed to have a Contractor employee performing any PTC maintenance tasks on a train unless they are PTC qualified and up to date on training according to SCRRA's PTC training curriculum. Contractor shall ensure all Contractor maintenance of equipment employees are also re-certified as outlined in SCRRA's PTC training curriculum (Exhibit 23). For any newly PTC qualified Contractor maintenance of equipment employees that will perform PTC departure tests, the Contractor shall provide to designated SCRRA representative the employee's unique ID (6-digits) and unique PIN (4-digits) seven (7) days prior to new employee maintaining any train for the SCRRA to upload PIN/ID information to PTC database to allow employee to perform PTC departure test.

- 13.1.J As an On-Call Service, the Contractor will be responsible for managing the oversight and re-railing of all Service Equipment derailments. This will include the development of an authority approved SOP (CDRL 50) for handling derailments, a third-party contract with a reputable vendor that is available 24x7 for the re-railing and transport of derailed equipment, and the clean-up of all related materials. The track maintenance contractor will be responsible for all track caused derailments and will be required to comply with their contractual requirements. The equipment contractor shall collaborate and coordinate with track and signal contractors to expedite the mitigation of derailments on property. If the primary cause of derailment is directly related to a negligent act or omission of the Contractor, a Contractor employee or Subcontractor, these shall not be considered On-call Services, and the Contractor shall bear all associated costs.
- 13.1.K Contractor will be required to follow and abide by proposed CFR 246 Certification of Signal Employees, which include any Contractor or subcontractor employees involved in the maintenance, troubleshooting, testing and installation of PTC systems on the MUs. This includes. This new CFR regulation has been issued and will go into effect after NTPs but Contractor should be aware of the regulations and requirements that will be imposed on their staff, including but not limited to Hours of Service tracking/logging, training and certification, audits, recertifications and background checks for certified employees.

13.2 FLEET AVERAGE MONTHLY AVAILABILITY CALCULATIONS

A formula has been developed based upon total Monthly Fleet Availability for the DMU-Fleet and the ZEMU-Fleet.

Availability Percentage (AP) = $100 \times (\text{Available Time (AT)} - \text{Unavailable Time (UT)}) / \text{AT}$

Where:

- AT = Monthly total number of hours the MUs should have been available.
- UT = Monthly total number of hours the MUs were unavailable when scheduled.

Specific availability criteria for the ZEMU and DMU fleets are detailed in sections 13.6 and 13.7, respectively.

13.3 SERVICE EQUIPMENT AVAILABILITY AND FLEETS REQUIREMENTS OVERVIEW

- 13.3.A Beginning on the DMU Maintenance Service Date (if applicable), the Contractor shall collect and analyze DMU availability information described herein. The availability goal for the Fleet of Revenue Service DMUs is to achieve a minimum of 95% availability. The vehicle availability shall be reported as part of the monthly Fleet Availability, Performance, and Cleanliness Report.
- 13.3.B Beginning when the ZEMU enters Revenue Service, the Contractor shall collect and analyze ZEMU availability information described herein. The availability goal for the Revenue Service ZEMU is to achieve a minimum of 95% availability. The vehicle availability shall be reported as part of the monthly Fleet Availability, Performance, and Cleanliness Report.
- 13.3.C For clarity, the ZEMU Fleet shall be measured and calculated separately than the DMU Fleet for these purposes.
- 13.3.D The Service Equipment shall be maintained with the goal to achieve the availability levels targeted by this Contract. The Contractor will be responsible for providing a Maintenance Service Plan that outlines how the Contractor will seek to achieve the availability targets. The Service Equipment shall be maintained in compliance with all applicable regulatory, SCRRA, and OEM requirements.

- 13.3.E The Contractor shall not defer maintenance or repair work on any Service Equipment vehicle without the prior written permission of SBCTA for the purpose of reducing cost and improving maintainability, reliability, and availability of the Service Equipment.
- 13.3.F All equipment maintenance shall be performed as outlined in SCRRA's EAM system and maintenance/inspection records shall be entered into the system as well. Any changes, additions or removal of rolling stock maintenance inspection tasks or intervals need to be submitted to SCRRA for review and approval; if approved, the Contractor shall be responsible to update SCRRA's EAM system to reflect changes in maintenance tasks.
- 13.3.G Service Equipment that is undergoing long term maintenance or damage repair (Laid Up Bad Order) shall not be included when calculating the equipment's availability.
- 13.3.H Beginning on the Service Date, the Contractor shall analyze and provide Service Equipment availability information daily to SCRRA, for example, the Daily Shop Sheet. Ninety (90) days after the Service Date, the Contractor shall submit to SCRRA a Service Equipment Availability, Performance, and Cleanliness Report. The report shall identify potential areas for availability improvements and describe proposed corrective actions and schedule for the implementation of preventive actions and anticipated results of each.
- 13.3.I Required each month the Service Equipment availability information per vehicle type (DMU and ZEMU), per MU, and by period. The information shall include vehicles required, vehicles available and used, vehicles available and not used, vehicles not available for use, per vehicle utilization and revenue service miles and hours for the month.
- 13.4 SERVICE EQUIPMENT AVAILABILITY REQUIREMENTS**
- 13.4.A To be considered available for revenue service, including spares, equipment must have the characteristics set forth below and be at the designated location to support train distribution and train trip schedule requirements. Equipment "available for revenue service" shall mean equipment from the revenue service vehicle fleet that has the following attributes:
- (1) Daily Maintenance Interval (MI) work has been performed
 - (2) PTC Requirements as noted in Exhibit 23 (PTC Onboard Inspection, Verification and Certification Plan)
 - (3) Passed all required tests and inspections including PTC scheduled maintenance and tests
 - (4) Compliant with SCRRA inspection criteria and condemning limits
 - (5) Posted as being available for service
 - (6) The MU has left the AMF at the scheduled time and is performing the scheduled hours of service. If the MU fails to leave the facility when scheduled and a different MU has to be sent, it counts as being unavailable.
- 13.4.B The vehicle availability requirements for the Revenue Service Vehicle Fleets shall include vehicles designated for daily service, operating spares and stored serviceable vehicles, but shall not include vehicles undergoing damage repair or long-term maintenance. SCRRA may change the Service Plan in response to changes in service demand.
- 13.4.C The Contractor shall ensure laid up good order equipment is available for use on an as needed basis. To be considered available for service, laid up good order equipment must have the characteristics set forth as follows:

- (1) Required inspections have been performed
- (2) All controlling ends that are to operate in the lead are PTC functional. For the purposes of this section, PTC functional means:
 - a. PTC system on all controlling ends that are to operate in the lead are NOT in a failed state
 - b. Successful PTC departure test has been completed on all controlling ends that will operate in the lead within past 24 hours
 - c. Successful PTC initialization (entered the PTC disengaged state) has been completed on all controlling ends with Metrolink (SCAX) as operating and employing railroad
 - d. All PTC circuit breakers (PTC main and PTC Radio), cut-out switches (emergency, penalty, and horn) and pneumatic valve are sealed in the "ON/Cut-in" position
- (3) Compliant with SCRRA and regulatory inspection criteria and condemning limits
- (4) Posted as being available for service

13.5 TRAINSET REQUIREMENTS

- 13.5.A The Contractor shall make MUs available in accordance with the scheduled departure time for each train from the AMF in Revenue Service. MUs and maintenance requirements will change as service patterns and equipment condition change.
- 13.5.B Each MU placed in service must meet the following characteristics:
- (1) The minimum Service Equipment availability requirements for scheduled trips
 - (2) Each car on the Trainset has all passenger entry doors operational
 - (3) All vehicles in the Trainset comply with the applicable regulatory, SCRRA and OEM requirements
 - (4) Contractor shall ensure that no Trainset is released for service unless all controlling ends that are to operate in the lead are PTC functional. For the purposes of this section, PTC functional means:
 - a. PTC system on all controlling ends are NOT in a failed state
 - b. Successful PTC departure test has been completed on all controlling ends that will operate in the lead within past 24 hours
 - c. Successful PTC initialization (entered the PTC disengaged state) with Metrolink (SCAX) as operating and employing railroad has been completed on all controlling ends (rear and buried units) that will operate in the lead out of an SCRRA repair location or location where equipment receives Class 1 air brake test.
 - d. All PTC circuit breakers (PTC main and PTC Radio), cut-out switches (emergency, penalty, and horn) and pneumatic valve are sealed in the "ON/Cut-in" position
- 13.5.C The Contractor is responsible to update all consist information in the SCRRA-provided Asset Management System
- 13.5.D The Contractor shall provide the Service Equipment availability report at the start of each day, prior to the first scheduled departure. Service Equipment levels must be maintained throughout the day in accordance with the Arrow Service Plan.

13.6 ZEMU AVAILABILITY CRITERIA

Due to the new propulsion system and the development nature of the ZEMU project, SBCTA will waive the minimum availability target for six (6) months once testing is complete and the ZEMU enters revenue service (Revenue Service Break-in Period). The Parties agree that a targeted minimum availability rate of 95% within two years of the completing the Revenue Service Break-in Period is indicative of a successful pilot project and readiness for production mode.

Availability performance shall be measured in availability percentage, which shall be calculated by applying the following formula.

$$\text{Availability Percentage (AP)} = 100 \times (T - UT) / T$$

Where:

- AT = Monthly total number of hours the ZEMU should have been available.
- UT = Monthly total number of hours that the ZEMU was unavailable when scheduled

At the conclusion of each month, the Contractor shall calculate the AP, rounded to the nearest 1/10 of a percent, and determine the AP.

There are no Liquidated Damages associated with the measurements and calculations set forth in this Section 13.6.

13.7 DMU AVAILABILITY CRITERIA

The DMU-Fleet is targeted achieve a minimum availability rate of 95%.

Availability performance shall be measured in availability percentage, which shall be calculated by applying the following formula.

$$\text{Availability Percentage (AP)} = 100 \times (AT - UT) / AT$$

Where:

- AT = Monthly total number of hours the DMUs should have been available.
- UT = Monthly total number of hours that the DMUs were unavailable when scheduled

At the conclusion of each month, the Contractor shall calculate the AP, rounded to the nearest 1/10 of a percent, and determine the AP.

There are no Liquidated Damages associated with the measurements and calculations set forth in this Section 13.7.

13.8 DMU AND ZEMU AVAILABILITY EXCEPTIONS

If a vehicle is not in service due to the following reasons, it will be exempt from the fleet availability calculations:

- 13.8.A Damage due to vandalism, accidents, or force majeure
- 13.8.B Any SCRRA directed removal from service of Service Equipment

13.9 OUT OF SERVICE VEHICLES

The Contractor shall not permit any Service Equipment to remain out of service without SCRRA, regulatory or OEM justification.

13.10 SERVICE EQUIPMENT'S PERFORMANCE

- 13.10.A Beginning on the ZEMU Maintenance Service Date and DMU Maintenance Service Date (if applicable), the Contractor shall collect and analyze Service Equipment performance information described herein. The vehicle performance goal for the Revenue Service MUs is to achieve a minimum of 20,000 Mean Distance Between Failures (MDBF) for the Service Equipment. The vehicle performance shall be reported as part of the monthly Fleet Availability, Performance, and Cleanliness Report.
- 13.10.B Ninety (90) days after the ZEMU Maintenance Service Date and DMU Maintenance Service Date (if applicable), the Contractor shall submit, as part of the Fleets Availability, Performance, and Cleanliness Report, the results of the analysis of the previous three months with supporting data that will be used to establish the baseline for Service Equipment Performance for assessment of improvements. The report shall identify potential areas for performance enhancements and describe proposed corrective actions and schedule for the implementation of preventive actions and anticipated results of each.
- 13.10.C The Equipment Performance information shall include, as a minimum, individual vehicle performance, vehicle type (DMU and ZEMU) performance, Service Equipment performance in terms of Revenue Service miles for the month. The report shall identify causes for reported train delays. The report shall identify and explain reasons for any variances and provide plan and schedule for implementing appropriate corrective and preventive actions.
- 13.10.D Mean Distance Between Failure ("MDBF") shall be calculated by the Contractor and reported to the SCRRA monthly as part of the Fleets Availability, Performance, and Cleanliness Report.
- 13.10.E A failure for Revenue Service MDBF calculations is defined as a vehicle failure that causes the train to be delayed six minutes or more, the train to be annulled, or the vehicle to undergo unscheduled service, repair, or maintenance.
- 13.10.F MDBF calculations are defined as a vehicle failure that causes the train to fail completion of the prescribed work-plan for the timeframe in which it is called for duty. The MDBF for the Service Equipment fleets shall be calculated in the following manner:
- (1) The mileage in service during the reporting period divided by number of failures in the reporting period.
 - (2) Calculation shall be carried out as follows:

$$(\text{Miles in Month X for vehicle-type}) \div (\text{Number of Failures of vehicle-type in Month X}) = \text{MDBF for Vehicle type (DMU and ZEMU) in Month X}$$
 - (3) For example:
 In May the DMU fleet ran 12,420 miles;
 experienced 2 failures in May;
 therefore, MDBF for DMU fleet in May = $12,420 / 2 = 6,210$ miles
 MDBF shall also be calculated for each individual Service Equipment type (DMU and ZEMU) as a means of tracking vehicle specific performance.
- 13.10.G Mean Distance Between Service Failure (MDBSF) is defined as in-service failures of vehicle systems that do not affect the On-Time Performance of the train or MDBF calculations but may affect the passengers. These failures include, but are not limited to:

- (1) HVAC System Failure - Failure to maintain temperatures within the design values;
 - (2) Door Failure - Failure of a door to operate as designed;
 - (3) Lighting System Failure - Failure of 10% or greater of the lights in the interior of the vehicle to remain illuminated for the duration of the trip;
 - (4) Communication System Failure - Failure of the Public Address System, Intercom, Signage or Vehicle Radio en-route; and
 - (5) Ride Quality Failure - Failure of the truck and suspension system to provide the designed ride quality.
 - (6) Inoperable bell, horn, windshield wiper
 - (7) Ineffective windshield wiper
 - (8) Inoperable sander
 - (9) Defective engineer's and/or observer's seat
 - (10) Service Equipment with low water and/or oil
 - (11) Passenger compartment door will not stay in closed position
 - (12) Defective and/or missing AED.
 - (13) ZEMU Hydrogen Storage System (HSS) or Energy Storage System (ESS) issue
- 13.10.H The MDBSF for each type of vehicle shall be calculated in the same manner as described for MDBF. MDBSF shall be calculated by the Contractor and reported to SCRRA monthly as part of the Fleets Availability, Performance, and Cleanliness Report. The Contractor shall monitor and report vehicle specific MDBSF to SCRRA monthly to ascertain whether there are any problematic DMUs and/or ZEMUs that require immediate action and to determine the Contractor's compliance with its obligations under the Contract.
- 13.10.I Mean Distance Between Service Event ("MDBSE") is defined as an event that requires a positive action on the part of a crew member to adjust, cut-out or reset any onboard equipment or requires notification to the SCRRA Mechanical Department of an underlying condition that requires action by a Qualified Maintenance Person (QMP) or Qualified Person (QP) after the vehicle has been released for service whether or not the event results in a failure or service failure.
- 13.10.J MDBSE for each vehicle type (DMU and ZEMU) shall be calculated in the same manner as described for MDBF.
- 13.10.K Mean distance between service events shall be calculated by the Contractor and reported to SCRRA on a monthly basis as part of the Fleet Availability, Performance, and Cleanliness Report.
- 13.10.L MDBSE shall also be calculated on a vehicle-basis and shall be utilized as a means of tracking and evaluating vehicle specific performance and effectiveness of inspection, testing and maintenance activities.
- 13.10.M There are no Liquidated Damages associated with the measurements and calculations set forth in this Section 13.10.

13.11 MAINTENANCE PROGRAM

- 13.11.A The Contractor shall develop and implement plans, processes, procedures, and programs that enhance the performance and availability of the Service Equipment by prioritizing short range and long-range inspection, testing and maintenance goals and objectives. The Contractor shall have the Service Equipment available for service, for planned maintenance and for non-scheduled maintenance. Service Equipment shall not be dispatched with safety hazards or obvious defects. The Contractor shall be responsible for repairs to Service Equipment resulting from crossing accidents, debris damage and other operating anomalies. Unless otherwise designated by SBCTA, reimbursement for such repairs will be addressed in accordance with Section 17 Work Directives for On-Call Services of the Contract. The Contractor may be responsible for Service Equipment repair costs for damage that was Contractor's responsibility.
- 13.11.B The Contractor shall keep all information racks on board trains stocked with materials approved and provided by SCRRA. Trains must be checked once daily to ensure racks remain neat and stocked with materials. All passenger cars shall have all loose trash, including newspapers and paper cups, picked up and disposed of in appropriate receptacles.
- 13.11.C The Contractor shall provide an integrated inspection, testing and maintenance program that includes details for inspection procedures, intervals, and criteria; test procedures and intervals; scheduled preventive Maintenance Intervals; maintenance procedures; and testing and measuring equipment required to perform inspections, tests, and maintenance in SCRRA's provided EAM system. The program shall include provisions to address the reliability of the equipment by considering that availability and performance are directly dependent on the prediction, detection, and correction of vehicle malfunction.
- 13.11.D Contractor shall make available certified personnel to facilitate movement of Service Equipment within the AMF and Service Property at any given time. The Contractor's training program shall address training and certification to perform the duties as outlined above.
- 13.11.E As of the ZEMU Maintenance Service Date, the Contractor is responsible for providing trained and qualified personnel to operate the wayside power and battery charging systems and monitor the state of charge of the ZEMU traction battery.
- 13.11.F As of the DMU Maintenance Service Date, the Contractor shall provide full time 24 hours/day every day of the year coverage with qualified maintenance personnel (QMP) and management personnel on duty to ensure Service Equipment is properly prepared and operational for service requirements. To support operations, field personnel shall be available to respond to mechanical issues throughout the Arrow Service system, during Revenue Service.
- 13.11.G As part of Base Services, Contractor shall support PTC hardware replacements, software configuration and system power cycles on the Service Equipment only within the Arrow Service. Contractor shall be responsible for responding to PTC onboard hardware/software follow - up and actions per SCRRA direction only at the AMF. Contractor shall support fleet-wide PTC onboard software changes as directed by SCRRA that will require Contractor to install new PTC onboard software and verify software prior to releasing Service Equipment for service. Contractor shall not modify onboard PTC infrastructure (hardware, software or configuration) unless directed by SCRRA; any modifications to the onboard PTC infrastructure outside daily operations shall be handled through a separate work directive. SBCTA shall be responsible for costs associated with such replacements and/or changes.

- 13.11.H The Contractor shall be responsible for the movement of MUs within the mechanical limits of the AMF. The Contractor shall be responsible for providing the personnel, direction and control of train and rolling stock movements within the AMF yard limits at any given time or day. The Contractor shall develop a plan (CDRL 48) that details the procedures, communication and coordination among Contractor staff as well as other SCRRA contractors that may be moving Service Equipment within the AMF mechanical limits so that Contractor is not moving MUs when another contractor is moving MUs in the mechanical limits.
- 13.11.I The Contractor shall be responsible to train and qualify personnel to perform Service Equipment movement duties consistent with GCOR and CFR requirements relevant to SCRRA's equipment maintenance, operations, and the Contract.
- 13.11.J The Contractor shall be responsible for refilling of Consumables in Service Equipment (e.g., sanding and windshield washer fluid)

13.12 SERVICE EQUIPMENT MAINTENANCE PROGRAM

- 13.12.A The Contractor shall develop and implement a comprehensive preventive maintenance, inspection, and cleaning Program which shall incorporate:
 - a. Component, system- and vehicle-level Life Cycle Maintenance Program (LCMP); FRA inspection requirements; SCRRA procedures; OEM maintenance requirements; and cleaning standards.
 - b. Preventive and predictive maintenance tasks and procedures to produce ongoing, consistent, and reliable equipment performance and availability.
 - c. Comprehensive condition-based maintenance plan and schedule for monitoring, replacing, repairing, and restoring vehicle systems and parts before failures occur without adversely affecting availability and performance.
 - d. Coordinate all inspection, maintenance, and test activities so as not to detrimentally impact availability. The program shall include all revenue and non-revenue equipment.
 - e. Contractor shall utilize SCRRA's equipment database and OEM remote monitoring system to monitor and analyze vehicle, system, and component performance to develop maintenance, troubleshooting and repair strategies to improve equipment maintainability and reliability.
- (1) Within 90 days after first inventory reconciliation (during mobilization), the Contractor shall inspect the inventory of tools and submit updated records to SCRRA. In conjunction with this update, the Contractor shall collaborate with SCRRA's Materials Management staff to validate current levels of inventory and make recommendations for sufficient inventory levels for rolling stock, i.e., wheels, brakes, tools, etc.
- (2) 90 days prior to In-Service Date, the Contractor shall provide the plan and schedule for the SEMP implementation to SBCTA and SCRRA for review and approval. The plan and schedule shall be implemented on the ZEMU Maintenance Service Date and, if applicable, the DMU Maintenance Service Date.
- (3) The SEMP shall contain an option that includes condition-based maintenance (CBM).
- (4) Reports shall be provided to SCRRA outlining the current status of the equipment as it relates to the SEMP. The summary report shall include comparison of previously reported results for all vehicle types (DMU and ZEMU), and include recommendations to SCRRA on procedures, practices, and actions to improve fleet availability and reliability. The Contractor shall be required to coordinate the content and frequency of these reports with SCRRA.

- 13.12.B The Contractor shall implement systematic problem-solving techniques including root cause analyses as part of its efforts to increase the reliability of Service Equipment systems and components and its investigation into defects and failures encountered in the inspection, testing and maintenance of the Service Equipment. The Contractor shall identify the top 10 major components and top 10 failure modes by value of criticality on an annual basis. The Contractor shall then implement the appropriate corrective actions and incorporate suitable preventive actions to eliminate or reduce future occurrences, if applicable. The Contractor shall utilize the information developed through the program to supplement and continually improve the Service Equipment reliability, availability, and performance.

The Contractor may be required to conduct emissions monitoring and analysis to ensure the fleet is meeting applicable EPA standards. This work will be completed under a separate work directive as On-Call Services.

- 13.12.C Contractor shall provide continued access for a single user to utilize the database tools and software used by the Contractor as part of the SEMP after completion of the Contract.

13.13 MAINTENANCE MANAGEMENT SYSTEM

- 13.13.A SCRRA currently employs the Trapeze Enterprise Asset Management (EAM) System for its equipment and the contractor will be required to utilize this system. The EAM system is used for maintenance management, tracking and documentation of daily defects, periodic maintenance, repairs, modifications, and capital program work, etc. The Contractor will be required to use any additional software provided by SCRRA. The Contractor shall ensure that SCRRA's EAM system is the official repository of all maintenance management of Service Equipment and shall ensure data in the EAM system is accurate and up to date. During the ZEMU Mobilization, SCRRA shall provide access for Contractor to the EAM at no additional cost to Contractor. Contractor may interface the EAM with the Stadler Rail Management System (SRMS).

13.13.B EAM Information Tracking

- (1) No later than 60 days after NTP, the Contractor shall be trained by SCRRA to utilize SCRRA's EAM system. The Contractor shall input data required to accurately reflect Service Equipment availability, performance, and cleanliness as required by the Fleets Availability, Performance, and Cleanliness Requirements. The EAM shall be the tool for collecting, tracking, and analyzing vehicle availability, performance, and cleanliness data.
- (2) The Contractor shall track availability, performance and cleanliness on a vehicle-specific basis and system specific basis using the EAM as the source of information. All data reported in this system must have the ability to be sorted by task, part number, date, employee performing work, hours, location, repeat failures as defined by part number, task, equipment ID and supervisor. The task must define the work scope, action taken (example: replace, repair), time to accomplish task and amount of material consumed to perform task (if applicable). Free form text cannot be accepted to close a work order.

13.13.C Maintenance Instructions

- (1) Inspection, servicing, maintenance, and repairs of all Service Equipment shall be carried out in conformance with the approved SEMP.
- (2) All maintenance, including programmed maintenance, shall be performed in accordance with OEM or vendor manuals, and the approved SEMP. All maintenance inspections must conform to FRA, CPUC and APTA Passenger Rail Equipment Safety Standards (PRESS) rules and regulations.

13.13.D Maintenance Intervals

The work performed during Maintenance Intervals (MIs) shall be documented and compliant with regulatory requirements and OEM recommendations. For each Maintenance Interval, identified below, the Contractor shall develop and implement unique, detailed inspection procedures and criteria, test procedures, and preventive maintenance integrated with the SEMP.

The Maintenance Interval Procedures shall incorporate the Contractor's core preventive maintenance practices and procedures knowledge, while improving upon the current component repair and overhaul procedures. The Contractor shall submit these Maintenance Interval Procedures to SCRRA for review and approval during the Mobilization period and no later than 90 days prior to In-Service date.

The PTC inspection requirements are dictated by SCRRA. (Exhibit 23) The Contractor is prohibited from modifying PTC inspections on the trains unless given approval by SCRRA's Train Control & Communications department.

The following Maintenance Intervals are required (the Contractor is responsible for identifying any necessary additional MIs):

- (1) Service Equipment Intervals
 - a. Daily MI
 - b. Car Body PM included with Daily MI
 - c. 92-day MI
 - d. 184-day MI
 - e. 368-day MI
 - f. 1472 - day Air Brake Inspections
 - g. PTC inspections
 - h. 1000 hrs. – Power Pack PM
 - i. 1000 hrs. – Air Brake compressor
 - j. 540 – day TM Gear oil

13.14 SERVICE EQUIPMENT CLEANING

Each train consist and fleet-type shall be cleaned in accordance with the cleaning intervals described below. For each cleaning interval, the Contractor shall develop and implement detailed cleaning procedures and criteria that include, at a minimum, the cleaning steps identified below. The Contractor shall submit these Cleaning Interval Procedures to SBCTA for review and approval no later than 90 days after the issuance of NTP 1 and NTP 2, respectively. Each cleaning interval performed shall be recorded in the EAM system by task ID, vehicle ID number and date performed.

Minor graffiti shall be addressed as part of each of the classes of cleaning listed below. If there is a significant graffiti incident, and SCRRA does not deem the graffiti offensive, the Contractor shall keep the equipment in Revenue Service until its next regularly scheduled time for service and inspection and address the car at that time (such time not to exceed 24 hours from notice or discovery of the graffiti). If SCRRA deems the graffiti is offensive, the vehicle shall be removed from Revenue Service at the point of discovery and moved to an appropriate facility for graffiti removal as soon as practicable.

SCRRA shall have the right to perform regular or random walk-throughs of train consists that have been released by the Contractor for service to perform cleanliness audits.

As used in this Section, "wipe down" shall be defined as cleaning a surface using a damp cloth with cleaning solution while not leaving a film, residue or streak when completed. The final list of cleaning chemicals and processes shall be developed and delivered to SCRRA for review and approval during the Mobilization period and no later than 90 days after NTP 1 for the ZEMU and no later than 90 days after NTP 2 for the DMU (Cleaning Chemicals and Processes List).

13.14.A Service Equipment Daily B-1 (Passenger Area) Cleaning

Service Equipment Daily B-1 Cleaning shall take place no less than once every day a Trainset is operated in Revenue Service and for each Trainset scheduled to enter Revenue Service and not approved by the SCRRA as Long Term Out of Service. The Service Equipment Daily B-1 Cleaning shall be performed on all Trainsets prior to initial morning service. The Service Equipment Daily B -1 Cleaning shall involve the following work:

- (1) Interior
 - a. Remove all trash and replace plastic bags
 - b. Wipe down all seating surfaces
 - c. Clean all spills and vacuum floors
 - d. Clean all windows
 - e. Sweep flooring and wash floor and heater guards
 - f. Wipe down all handles and passenger grab handles, stanchions and hand- holds
 - g. Remove all graffiti and unauthorized materials (e.g., stickers and gum) from interior surfaces
- (2) Exterior
 - a. Wash exterior with an approved cleaner along with AMF train wash when needed
 - b. Hand wash and squeegee windows

13.14.B Service Equipment 92-day B-2 (Passenger Area) Cleaning

The Service Equipment B-2 Cleaning shall take place once every 92-calendar day for each Trainset not approved by SCRRA as Long Term Out of Service. The Service Equipment Class B -2 Cleaning shall involve the following work:

- (1) Interior
 - k. Deep clean and wipe down all interior panels
 - l. Vacuum and clean floor and seats
 - m. Wash and squeegee all windows
 - n. Wipe down all surfaces, including handles, hand-holds, trash receptacles and light lenses handles
 - o. Clean and wipe down seat cup holders and armrest
- (2) Exterior
 - c. Thorough washing including difficult to reach areas
 - d. Detailed hand wash and squeegee windows

13.14.C Service Equipment 180-days Class A (Passenger Area) Cleaning

The Service Equipment Class A Cleaning shall take place no less than once every 180 calendar days for each Service Equipment that is not designated as Long Term Out of Service with SCRRA's approval. In addition to this cleaning, floor and seat cleaning shall take place no less than every 92 days. The Service Equipment Class A Cleaning shall involve the following work:

- (1) Interior
 - a. Steam clean seat backs, seat bottoms, and seat frames
 - b. Perform a detailed cleaning all interior surfaces, including stanchions, partitions, and ceiling panels
 - c. Replace or clean air filters and ventilation systems
 - d. Wash floor and heater guards more intensively than in the daily cleaning
 - e. Inspect and repair/replace all decals and safety signage
 - f. Clean door tracks including side doors
 - g. Wash floor and heater guards
 - h. Wipe down all trash receptacles
 - i. Wipe down all light lenses (covers)
 - j. Restock timetables and other SCRRA authorized publications
 - k. Inspect all n and unauthorized materials (e.g., stickers and gum) from interior surfaces.
- (2) Exterior
 - a. Remove all debris from the exterior of the vehicle

13.14.D Service Equipment Daily Cleaning

Contractor shall not be required to perform any cleaning, including Emergency Response Cleaning, while the Service Equipment is in-service.

13.14.E Service Equipment Daily (Cab and Power Pack) Cleaning

The Service Equipment Daily Cleaning shall take place no less than once every calendar day for each Trainset not approved by the SCRRA as Long Term Out of Service. The Service Equipment Daily cleaning shall involve the following work:

- (1) Interior
 - a. Remove all trash and replace plastic bags
 - b. Wipe down any seating surfaces; and
 - c. Wash and squeegee windshield and windows
- (2) Exterior
 - a. Wash cab and the Power Pack with an approved cleaner along with AMF train wash when needed
 - b. Hand wash and squeegee windshields where applicable

13.14.F Service Equipment 92-day Class A (Cab and Power Pack) Cleaning

The Service Equipment Class A Cleaning shall take place no less than once every 92 days for each Trainset not approved by SCRRA as Long Term Out of Service. The Service Equipment Class A Cleaning shall involve the following work:

- (1) Interior
 - a. Wipe down cab control stand, consoles, and floor
 - b. Clean the Power Pack equipment rooms per OEM recommendations
- (2) Exterior
 - a. Power wash trucks and diesel fuel tank (when applicable)
 - b. Remove all debris from the exterior of the vehicle
 - c. Inspect all decals and reflective materials and repair/replace as required; and
 - d. Remove all graffiti and unauthorized materials from exterior surfaces

13.15 CORRECTIVE MAINTENANCE

13.15.A The Contractor shall perform all Corrective Maintenance of Service Equipment.

13.15.B The Contractor shall acquire and maintain the necessary tools and fixtures, or have access to any required special tools, fixtures or expertise, required to perform all levels of Corrective Maintenance. Necessary tools are at a minimum those required by the OEM to properly maintain the equipment.

13.15.C Corrective Maintenance shall be performed as required in a timely manner to ensure Service Equipment availability and shall not be deferred. Repairs made by the Contractor shall at a minimum follow the standards and practices described in this section. The Contractor shall administer all applicable warranties, including fleet defect and other field modification programs. Inspections, troubleshooting, and repair work shall seek to reveal circumstances where SBCTA warranties apply. Such work shall be part of the Base Services.

13.15.D The Contractor shall prepare and maintain the data necessary to advance claims, both for individual repairs and for fleet defect and field modification programs and meet locally with suppliers as SBCTA requests. Such preparation and maintenance shall be facilitated by the rail vehicle maintenance information system and by the material management system provided by the Contractor.

13.15.E The Contractor shall maintain enough resources to address Corrective Maintenance to maximize Service Equipment availability and performance. Rolling stock spares, and capital assets belonging to SBCTA, shall not be stripped of parts to use on other equipment, unless the Contractor receives prior approval from SBCTA.

13.15.F The Contractor may engage in retrofits, field modifications, renovation, warranty repairs, and other program rolling stock work as a subcontractor to SCRRA supplier without penalty, but only when applied to SCRRA rolling stock and only with the approval of SCRRA. The Contractor shall demonstrate to SBCTA's satisfaction that its financial accounting and control systems and procedures will prevent SBCTA from being inappropriately charged for the costs of such work.

13.15.G Component Failure Due to Improper Maintenance

All repairs resulting from a component failure that is caused by improper maintenance shall be the responsibility of the Contractor. The Contractor's continuous equipment performance monitoring and implementation of the LCM Program shall be designed to minimize Corrective Maintenance due to component failure.

13.15.H Component Failure Due to Wear

The Contractor shall implement a maintenance approach that will ensure that components are replaced in advance of the point of failure due to normal wear-and-tear to the greatest extent possible.

13.15.I Component Failure Due to Vendor Defect

Corrective Maintenance activities resulting from defective components supplied by a vendor are the responsibility of SBCTA.

The Contractor shall immediately inform SBCTA, in writing, of cases where vendor defective components have caused failures and when available, document the findings of an investigative inspection and the corrective actions necessary. This shall be supported by the Contractor's Quality Assurance Program.

13.16 FLEET FUELING

13.16.A SBCTA will be responsible for ordering, paying for and delivering diesel and hydrogen fuel. The Contractor shall manage and monitor fuel handling activities within the Service Property for Service Equipment. The Contractor shall monitor fuel deliveries, document observations on an SBCTA-approved checklist and maintain them for not less than 36 months. Contractor shall perform the daily fueling of trains as needed to support Metrolink Service Plan.

13.16.B The Contractor shall be responsible for flushing / purging / de-fueling of any or all hydrogen systems on-board the ZEMUs (high- and low-pressure systems) including the replacement of inert gas e.g., nitrogen, with hydrogen or vice versa to support maintenance activities or for any other need such as initial fill of replaced hydrogen tanks. This includes following all hazard mitigation procedures identified through Hazard and Operability Analysis (HAZOP) assessments. Prior to completion of the AMF retrofits and necessary approvals for Contractor to use the AMF facility, the cost of such additional services shall be borne by SBCTA and invoiced on a monthly basis. Upon completion of the AMF retrofits and after confirmation of safety compliance by Contractor and other applicable regulatory authorities, such costs will be part of the Base Services pricing.

13.16.C The Contractor shall be responsible for managing layover of the MU and battery plug-in charging.

13.17 DAMAGED COMPONENTS**13.17.A Damaged Components**

Any work to repair or replace damaged components that result from vandalism, ROW accidents or incidents, or debris strikes caused by unauthorized third parties or trespassers shall be reimbursed to the Contractor. This work shall be covered as On-Call Services through issuance of a Work Directive.

The Contractor shall present the SBCTA with a Corrective Maintenance Incident Report providing a description of the circumstances that caused the damage, the extent of the damage, estimated schedule to complete the work and the cost estimate to complete these repairs within one (5) Business Days of the event causing the damage or discovery of damage. Exceptions for one Business turnaround for estimates may be granted on a case-by-case basis. The Corrective Maintenance Incident Report template shall be submitted to SBCTA in a draft form for review and approval no later than 60 days after In-Service date (Corrective Maintenance Incident Report-).

The Contractor shall provide supporting evidence that the damage is due to vandalism, ROW accidents or incidents, or debris strikes caused by unauthorized third parties or trespassers.

The Contractor shall maintain control in and around the Arrow maintenance and layover facilities as a deterrent to vandalism and unauthorized entry. The incident report claiming vandalism against the Arrow rolling stock shall include a demonstration that security measures implemented by SCRRA were in place at the time of the incident and, to the extent possible, provide a description of how the security measures implemented by SCRRA were evaded or compromised to allow for the act of vandalism.

Work to repair or replace components that are damaged due to vandalism, ROW accidents or incidents, and debris strikes shall not commence until SBCTA directs the Contractor to proceed. SBCTA will review and provide disposition of work to be performed within three business days of receipt of Corrective Maintenance Incident Report.

Email shall not be considered a formal request or approval. A formal document signed by an authorized representative of the Contractor and an authorized SBCTA official shall constitute the appropriate notification of a request and authorization of approval with the conditions of approval or disapproval of the request.

13.17.B Disputes Regarding Responsibility for Corrective Maintenance

If the Contractor and SBCTA are unable to resolve differences in terms of responsibility for Corrective Maintenance, the dispute shall be resolved pursuant to the Disputes provision set forth in Article 37 of the Contract.

SBCTA reserves the right to direct the Contractor to commence work that is the subject of a dispute pursuant to the Disputes provision set forth in Article 37 of the Contract.

13.18 CONFIGURATION CONTROL AND MANAGEMENT

13.18.A The Contractor shall employ an integrated Configuration Management and Change Control Program. This program includes the processes and procedures required to systematically document and verify configuration information for each vehicle. The Contractor shall maintain configuration records of hardware, software, and firmware for each vehicle. The Contractor shall be responsible for the control and documentation of all changes and modifications to each vehicle. The program shall maintain current configuration status reports for each vehicle.

13.18.B The configuration of the fleet shall not be degraded. Configuration management shall be improved as opportunities arise, and the Contractor shall use the vehicle information and material management systems to implement systematic improvements to the configuration management of the fleet.

13.18.C Contractor shall not modify MU software, firmware or configuration without prior notification to SCRRA and receipt of SCRRA written approval. Contractor shall account for any impact to downstream systems, such as PTC, when modifying MU software, firmware or configuration. MU software, firmware or configuration changes that would impact the PTC system will need to be processed through SCRRA's PTC Configuration Management System for review and approval.

13.19 MAINTENANCE DATABASE

Contractor will utilize the SCRRA-provided EAM software for maintenance, testing and capital planning, and will be required to train and become proficient on the system as outlined in 2.8 Maintenance Database.

13.20 MODERNIZATION, ADDITIONS, AND IMPROVEMENTS

- 13.20.A Changes to rolling stock configuration require SBCTA approval and must result in documented, controlled, uniform, and traceable systems on the Service Equipment and inventories. Prior to providing approval, SBCTA shall require documentation including:
- (1) Rolling stock affected
 - (2) Drawings, prints, and schematics
 - (3) Inventory
 - (4) Inspection and repair forms
 - (5) Parts books
 - (6) Detailed description of the work, including material, tools, disposal of removed items, and industrial safety and environmental precautions
 - (7) Updating of vehicle configuration files
 - (8) Procedures for functional testing and inspection of the finished work
 - (9) Instruction for transportation crews
 - (10) Benefits anticipated
 - (11) Approval signoffs per SCRRA SSPP
- 13.20.B First modifications may be for tests of changes, e.g., prototypes. Such tests shall be clearly identified on the equipment being tested. Once approved, all modifications must include modifying pool spares and new material, including small renewal parts.
- 13.20.C All retrofits and changes required by SBCTA (except for modifications, additions, and improvements that can be included during the normal maintenance cycle) shall be considered On-Call Services.
- 13.20.D SBCTA may inspect any equipment utilized on the Service Property at any time, and remove from service and replace any equipment which, in SBCTA's sole discretion, is in an unacceptable condition.
- 13.20.E Contractor shall coordinate with SBCTA and provide an annual Service Equipment State of Good Repair (SOGR) Plan (CDRL 37). The Plan shall be submitted by October 15 of each year. The SOGR Plan shall provide a one, five and ten-year outlook and include condition assessments for the Service Equipment with a level of detail sufficient to monitor and predict the performance of the assets.

13.21 WHEEL TRUING AND REPLACEMENT

- 13.21.A Wheel Truing
- (1) The Contractor shall regularly perform wheel truing operations to maintain the proper profile and dimensions of the Service Equipment wheels.
 - (2) Truing shall be conducted according to industry best practices and in compliance with applicable safety standards.
 - (3) The frequency of wheel truing operations shall be determined based on the OEM recommendations, applicable standards, regulations, and the current condition of the wheels.
 - (4) The Contractor shall maintain accurate records of all truing activities, including, but not limited to, dates, specifications, wheel part number, and any relevant observations or findings such as damage, shelling, or flat spots.

- (5) The Contractor shall notify SCRRA within five (5) days in writing if there is a 20% or more increase in wheel truing or wheel replacement activities compared to the previous 6-months reporting period. MU data recordings, maintenance logs, video surveillance where available, third-party inspection reports, maintenance inspection reports, and/or operator logs.
- (6) Wheel truing shall be priced separately and included as part of On-Call Services.

13.21.B Wheel Replacement

- (1) In cases where wheel truing is not sufficient to restore the wheel's integrity or when the wheels reach the end of their service life, the Contractor shall replace them with new wheels.
- (2) The Contractor shall ensure the availability of suitable replacement wheels.
- (3) Wheel replacement shall be carried out in a timely manner and shall not affect Service Equipment availability.
- (4) The Contractor shall notify SCRRA within five (5) days in writing if there is a 20% or more increase in wheel truing or wheel replacement activities compared to the previous 6-months reporting period
- (5) Wheel replacement shall be priced separately and included as part of On-Call Services.

13.22 PARTS AVAILABILITY AND OBSOLESCENCE MANAGEMENT

- 13.22.A Parts availability of the ZEMU shall be governed by SP 9.1 of the ZEMU delivery contract. In addition, for the ZEMU and DMU, if material, component, assembly or software is no longer supported by the manufacturer or licensor, the Contractor shall develop a suitable succession plan and develop a replacement for the impacted material or software. While, the Contractor is responsible for the redesign and development of any obsolete material, component, assembly or software to ensure the contractual performance of the fleet, the costs associated with redesign and development are not covered by the Base Fee. In addition, any cost associated with re-certification of the vehicles as required by regulatory authorities is not covered by the Base Fee.
- 13.22.B The obsolescence management process shall consist of all steps required to manage the following:
 - (1) Manufacturing discontinued discrete components (e.g. discrete processor modules, capacitors, dampers, air compressor, etc.)
 - (2) Manufacturing discontinued complete systems or sub-systems (e.g. brake system, circuit boards, etc.)
 - (3) Perform qualification testing
- 13.22.C For every specific case of obsolescence, typically various options will be available to manage it. The Contractor will undertake all measures to mitigate the negative effects of obsolescence for the material or software. Specifically, the Contractor agrees to issue formal reporting to the SBCTA no less than fifteen (15) days after receiving notice of obsolescence and additional reporting not less than seven (7) days after mitigating solutions have been considered. In addition, the Contractor shall issue formal reporting consisting of a report status of all identified obsolete or potentially obsolete materials and software with mitigating solutions and their respective status of action during the annual obsolescence meeting. The Contractor shall arrange for an annual meeting with SBCTA to review the Obsolescence Management plan and the reports.

- 13.22.D Component or system obsolescence shall not relieve the Contractor from the material supply requirements and relevant penalties.
- 13.22.E The Obsolescence Management Plan shall be submitted to SBCTA in a draft form for review and approval no later than 60 days after NTP 1 for the ZEMU and no later than 60 days after NTP 2 for the DMU (Obsolescence Management Draft). The plan shall detail all planned processes and coordinated activities for monitoring, reporting, and assessing the impact of hardware and software obsolescence, whether impending or already occurred. It also shall include the known and expected dates of obsolescence of all Service Equipment systems, as well as any relevant portions of Service Equipment systems, in addition to the expected mitigation strategies.
- 13.22.F Unless explicitly described as an On-Call Service, the cost for performance of provision of this Section shall be included in Base Services prices.

13.23 ON-CALL PRICING TASKS FOR SERVICE EQUIPMENT

The following tasks are not included in the Base Services and shall be performed in accordance with the requirements defined in SECTION 17, ON-CALL SERVICES.

- 13.23.A Major Overhauls - DMUs
- 13.23.B Major Overhauls - ZEMUs
- 13.23.C Designated Repairs- DMUs
- 13.23.D Designated Repairs- ZEMUs
- 13.23.E Procure and install any additional equipment, hardware or software not included as base components within the vehicle
- 13.23.F PTC hardware modifications, overhauls, and upgrades; this includes procurement, installation, and validation tasks
- 13.23.G Procurement and installation of wayside/track validation monitoring systems installed on vehicles
- 13.23.H Wheel Truing
- 13.23.I Wheel Replacement
- 13.23.J Diesel Engine Component Overhaul
- 13.23.K Train Brake Kit Component Overhaul
- 13.23.L Trailer Wheelset Wheel truing
- 13.23.M Motor Wheelset Wheel truing
- 13.23.N Motor Wheelset Wheel replacement
- 13.23.O Trailer Wheelset Wheel replacement

SECTION 14. FACILITY USAGE AND MAINTENANCE

14.1 ACCESS AND USAGE OF FACILITIES

As of NTP 3 and throughout Contractor's tenure, SCRRA shall furnish keys and grant the Contractor access to utilize the AMF.

Section 10 of this SOW shall dictate the period Contractor will have to complete AMF Maintenance mobilization. SBCTA and SCRRA shall have keys and access to all facilities furnished to the Contractor, and SBCTA and SCRRA reserves the right to audit or inspect the AMF and its equipment at will. Access control systems, locks, and key issuance shall be maintained and controlled by SBCTA and SCRRA.

State and federal inspectors and law enforcement officers are permitted to enter the facilities without prior notice to SCRRA. The Contractor shall immediately notify SCRRA when such official visits occur.

14.2 SECURITY AT FACILITIES

- 14.2.A SCRRA will provide on-site security services for the Service Property.
- 14.2.B SCRRA shall monitor any security cameras and monitor surveillance feeds of facilities from the SOC.
- 14.2.C The SCRRA is responsible for maintaining, repairing, or modifying physical and badge access to facilities and buildings.
- 14.2.D Contractor shall be responsible for SCRRA pass codes, keys and/or identification, building access cards loaned to Contractor for entry and exit to the SCRRA's premises while performing services under the contract. Contractor shall return all keys and/or access cards upon contract termination or when requested by SCRRA. Identification access cards shall not be used by any persons other than the person to whom the card was issued. All lost, stolen, or broken keys and access cards shall immediately be reported to the SCRRA Safety Department. For security purposes, SCRRA reserves the right to re-key any locks as required due to Contractor's loss of control over keys issued to Contractor at a market rate per lock, to be charged back to the Contractor. Contractor to maintain a record for SCRRA -issued keys and distribution. SCRRA will issue access badges and keys: keys may not be reproduced.

14.3 CONTRACTOR MAINTAINED FACILITIES

As of the AMF Maintenance Service Date, the Contractor will be responsible to maintain the AMF which is summarized below:

- 14.3.A Arrow Maintenance Facility (AMF) located at 958 West 3rd Street, San Bernardino, CA, 92410, comprises a 2.9-acre maintenance yard, with a 15,219 SF maintenance building. The building includes two working platforms above the two pits, with office space, a maintenance shop for multiple repair and scheduled maintenance work. There is no fueling or sanding infrastructure. There are two tracks with access puts for under equipment inspections inside a building. There is one air compressor, lifting jacks, HVAC equipment, mobile train washer and roll-up doors in the maintenance building. Other equipment includes, but is not limited to emergency generator, and transfer switch. AMF also has a train wash pad with a reclamation system and chemical drum storage building. There is an oil sceptor system on site. The maintenance facility has gates and secure fencing. AMF will be shared with maintenance of equipment, train operators and material management staff and for train operator crew briefings. The AMF will undergo retrofit works associated with ventilation, electrical, gas detection and fire suppression systems in 2024 to enable the housing of the hydrogen and traction battery related equipment in the ZEMU vehicles. Additionally, hydrogen fueling infrastructure will be installed. The retrofit and hydrogen fueling system installation are SBCTA's responsibility. Contractor facility responsibilities at this facility include:

- (1) Perform facility maintenance requirements pertaining to lighting, signage, landscaping services, weed abatement, trash/debris cleanup on yard tracks, facility equipment, HVAC, electrical, and plumbing
- (2) Perform janitorial services and shop cleaning.
- (3) Monitor, test, maintain, inspect, repair, and troubleshoot SCRRA - owned systems at the AMF and on - site equipment including but not limited to HVAC, generators, fire protection systems, dry agent system, pumps, controls and alarms, oil-water separator, water heater, train washing equipment, compressed air system, wayside power stations, crane, utility carts, forklifts, jacks, NOx system, security gates, plumbing and electrical systems. [See Asset List (SCRRA Facilities Equipment with PM Schedule Exhibit 26)].

14.4 FACILITY MAINTENANCE – GENERAL REQUIREMENTS

- 14.4.A At Contractor Maintained Facilities, the Contractor shall comply with the approved SCRRA Facilities Equipment with PM Schedule (Exhibit 26).
- 14.4.B Contractor shall maintain facility assets according to maintenance and inspection tasks and intervals as outlined in the SCRRA-provided Asset Management System.
- 14.4.C Exhibit 26 outlines utility carts and equipment provided by the SCRRA to the Contractor. SCRRA has access to other vehicles for example a hi-rail bucket trucks, lifts or stake bed, that can be requested from SCRRA when needed for Contractor use.
- 14.4.D Any Contractor tools, equipment, vehicles, or vehicle usage (own, rent, or lease) used for this contract in addition to the vehicles provided by SBCTA shall be at the Contractor's cost; this will include fuel, Operations and Maintenance for the vehicles.
- 14.4.E Contractor shall document maintenance, inspection, repairs, work order and testing records in the SCRRA-provided Asset Management system. Documentation will include licenses and certificates for any system, equipment or machines as required by federal, state, or local regulatory agency. This will include all labor hours by the contractor's employees and subcontractors, material/supply costs, and special equipment costs for major repairs.
- 14.4.F Contractor shall provide updates for asset history files of completed work orders for all equipment individually identified as an asset. Updates shall include causes for failures and repairs made. The contractor shall provide work reception and dispatch function twenty-four (24) hours a day, seven (7) days per week, 365 days a year.
- 14.4.G The contractor shall functionally close out all work in the SCRRA's Asset Management System within five (5) business days when ability permits. The work will not be considered complete until all required data entry work and other administrative requirements are completed.
- 14.4.H Training, operating instructions, operating manuals, warranties will be provided to SCRRA no more than 30-days after purchase for all new equipment and systems installed as part of the work.
- 14.4.I The Contractor shall comply with all federal, state and local laws and follow the most restrictive guidance in cases of conflicting guidance. All work shall be performed in accordance with all applicable laws, codes, manufacturer's recommendations and accepted industry standards. SCRRA policy, regulations and specifications will apply as developed.
- 14.4.J The Contractor or subcontractor shall not undertake any alteration or modification of buildings, facilities, systems, which includes electrical, plumbing, structural, and sub-support systems, or apply any signage to any interior or exterior surface without prior SBCTA approval.

- 14.4.K The Contractor shall be responsible under base services without SBCTA approval for any repair of facility system or equipment that is less than \$10,000. Any repair that is greater than \$10,000, and not part of the base scope, will be issued through an On-call Work Directive. The Contractor shall provide an estimate of the repair to SBCTA for approval prior to the work being performed.
- 14.4.L During the term of the Contract, various warranty periods for the major equipment items and other facility sub-systems may apply. All maintenance services shall be performed in a manner that assures the integrity of the warranty for each item serviced. Notwithstanding the indemnity obligations of SBCTA set forth in the Contract, if the Contractor, through its direct or indirect actions or omissions voids the warranty for a specific piece of support equipment or component, the Contractor shall, at its sole expense, assume the remaining warranty obligations for such piece of support equipment or component. All components that are removed for replacement or repair shall have applicable serial numbers recorded for both the used and new component.
- 14.4.M SBCTA shall provide Contractor with drawings of the AMF and Service Property. As - built drawings of the Arrow service and support facilities summary are shown in the SCRRA Facilities Summary Exhibit 26
- 14.4.N Contractor shall perform all technical work with skilled staff certified and knowledgeable about that specific equipment or system.
- 14.4.O Contractor shall coordinate with SCRRA and provide an annual Facilities State of Good Repair (SGR) Plan. The Plan shall be submitted by October 10 of each year. The SGR Plan shall provide an outlook for the term of the Contract and be updated yearly through the end of the Contract and include a condition assessment for the AMF following the Facilities Condition Assessment Procedure Exhibit 61 ((49 CFR Section 625.25(b)(2)). If SCRRA requests additional assessments such as a five- and ten-year outlook beyond the Contract period, such services can be provided as On-Call Services.
- 14.4.P Stormwater Pollution Prevention Plans for maintenance facilities to be abided by Contractor – Exhibit 39
- 14.4.Q SCRRA is responsible and will manage all AQMD, CUPA and Stormwater permits. Contractor is solely responsible maintaining equipment to the permit requirements, filing any variances related to operations to appropriate regulatory agency and subject to any fines and violation due to Contractor not following permit requirements and regulations.
- 14.4.R The disposal and recovery of hazardous materials, such as oil and engine coolant, shall be coordinated with SBCTA staff under a separate agreement/scope. Lubricating oil leaks shall be repaired promptly, and oil shall not accumulate on decks or in passageways. Rags and towels shall not accumulate and shall be put in proper containment after use.
- 14.4.S Within 90 days of Contractor having full access to the AMF, Contractor shall ensure parts and components are stored and secured only in designated areas and protected from heat, cold, moisture and humidity as required to preserve the integrity of the parts and components.
- 14.4.T All designated facilities shall be kept clean and maintained in a state of good repair.
- 14.4.U Contractor shall immediately notify SBCTA of any issue that could pose a hazard to the public, equipment or any person.
- 14.4.V Contractor shall be responsible for ensuring the facility temperatures, controls, humidity levels, light levels and other environmental conditions are maintained in accordance with industry standards and as otherwise defined in this contract. The Contractor shall also actively participate in assisting SBCTA in reducing energy costs and the execution of energy reduction programs.
- 14.4.W Contractor shall follow and conform to on-track protection requirements outlined in Exhibit 64 (Facilities Personnel On-Track Protection Procedures) when performing any facility maintenance tasks on or within the foul of SCRRA's nearest running rail.

14.5 FACILITY ROUTINE AND PREVENTATIVE MAINTENANCE (PM)

Contractor shall review the Facility and Equipment PM program in SCRRA's Asset Management System and provide SCRRA with any recommendations or changes. These shall consider all maintenance aspects, be based on system condition or performance, and aim to achieve SCRRA's goal of maintaining facility quality while reducing life-cycle costs. The Contractor shall not modify any PM tasks or scheduled without SBCTA written approval. The Contractor will be responsible to update the SCRRA's Asset Management System PM tasks for any SCRRA approved PM changes.

The Contractor will perform routine facility maintenance and repair services at the AMF which include but are not limited to:

- (1) Maintenance of all facility doors, locks, windows, roofs and means of fire egress.
- (2) Routine review and maintenance of normal and emergency power supplies (i.e., generators, transfer switches) and electrical switchgear
- (3) Recommendations to administration concerning life safety procedures.
- (4) Maintenance of facility equipment and structures to ensure a safe environment.
- (5) Maintenance of grounds, parking lots, water, and dump stations to ensure a safe and clean environment, interior and exterior pest and rodent control.
- (6) Maintenance of facility systems, i.e., heating, ventilation, and air conditioning units, water back-flows preventers, etc. in full compliance with the code and to ensure a safe environment.
- (7) Preventative maintenance of support equipment and systems (jacks, train washing equipment and forklifts, cranes, wayside power stations, etc.)
- (8) Assistance with long-range capital and maintenance planning and budgeting
- (9) Routine maintenance includes but not limited to changing or repair of non-functioning lights, outlets, fuses, troubleshooting issues, minor floor tile or covering repairs, jetting, or snaking of sewer pipes up to 6" or smaller, oil sceptor and storm drains cleaning. Repairs to faucet or toilet flushometer gaskets or components, etc. Replacement of worn or damaged hoses in the yards, minor pothole repair or filling cracks. Equipment filters, belts, oils.
- (10) Utility cart maintenance and repair, including tires and batteries.
- (11) Contractor maintenance on the fire protection systems shall consist of monthly and annual inspections and testing, as well as semi-annual dry agent service. Inspections and testing must be conducted by a certified fire protection systems contractor and coordinated by the Contractor, including annual recertification, and charging of fire extinguishers and dry agent system.
- (12) Contractor will provide painting as required for routine touch up or painting projects throughout the year. A maintenance schedule shall be kept ensuring high traffic areas such as entrances, lobbies, doors, and corridors are properly maintained in a timely manner.

14.6 FACILITY CORRECTIVE MAINTENANCE AND REPAIR – MAJOR WORK

Facility Corrective Maintenance is classified as repairs to AMF equipment due to component failures not caused by lack of maintenance or neglect by Contractor.

Corrective Maintenance for tasks not under routine maintenance above \$10,000 will be performed under an On-Call Work Directive. SBCTA reserves the right to have other contractors to perform these tasks as desired. Contractor must provide proof of competitive pricing.

14.7 FACILITY MAINTENANCE – SITE SPECIFIC MAJOR SCOPES OF WORK

Detailed scope of work and expected effort for Contractor major services at AMF:

14.7.A SHOP CRANE MAINTENANCE

- (1) The Contractor/subcontractor must be NCCCO (National Commission for the Certification of Crane Operators) certified for the type of crane listed in Table I and be in compliance with applicable Federal OSHA standards or regulations.
- (2) All work listed shall be performed in accordance with California Code of Regulation Title 8, §5031, Inspection and Maintenance; §5034, Adjustments and Repairs; §5025, Certification; §5020, Operational Testing; §5021, Equipment over Three Tons Rated Capacity; and §5022 and §5023, Proof Load Test and Examination when applicable.
- (3) The Contractor shall perform a timely and effective Preventive Maintenance (PM), and service calls for repairs when required. SCRRA shall coordinate the specific dates of performance with the Contractor.
- (4) The Contractor shall furnish all labor, tools, supplies, repair kits, oil, grease, hoses, seal kits, all associated hardware, all associated travel/transportation costs to and from the work site, all repair services performed to perform timely and effective preventative maintenance (PM) every 90 days, including the performance of Emergency Service calls as required for the cranes.
- (5) Table 1 displays the SCRRA-owned cranes that Contractor will be responsible to maintain

Table 2 AMF Cranes

Crane Number	Equipment	Qty	Manufacturer	Model Number	Serial Number
1*	15 Ton Bridge Crane*	1EA	NEW		19x647

- (6) All repairs, preventive maintenance, quadrennial proof load test and emergency services are to be performed in accordance with Original Equipment Manufacturer (OEM) manual. The Contractor shall make available to SCRRA point of contact (POC) and enter into SCRRA's provided Asset Management System a written report detailing work completed for each Crane and status of any repair work in progress. The report shall include at minimum the following information:
 - Date/time of service request
 - Name of SCRRA personnel requesting service
 - Identify if a PM or Emergency Service Request
 - Date/time of response (sign-in)
 - Date/time of service completed
 - Equipment, model number, serial number of the malfunctioning equipment
 - Description of equipment malfunction
 - Repair performed.
 - Replacement part nomenclature, model number and serial number
 - The cost of each part replaced.
 - Number of hour(s) incurred when remedial maintenance services are provided
 - Name of the technical representative performing the PM or remedial services

- (7) Preventative Maintenance will be performed by a qualified field engineer/mechanic/technician/electrician on a quarterly scheduled basis. PMs include visual and operational inspection of all components and any repair or adjustment necessary to ensure proper operational Cranes in accordance with OEM specifications and guidelines. The services to be performed include quarterly (every 90 days) preventive maintenance and certification to include but not limited to the following:

1. **Structure** (inspect and clean):

- General Structure and Welds
- Girder Connections
- Alignment and Tracking
- Guards and Covers
- Bumpers
- Railsweeps
- Catwalk and Railing
- Capacity Markings
- Clearance

2. **Machinery** (inspect and clean)

- Brake and Hydraulics
- Gear Case
- Wheels
- Wheel Bearings

3. **Trolley** (inspect and clean)

- Connection to Hoist
- Tow Arm
- Brake
- Gear Case
- Motor

4. **Hoist** (inspect and clean)

- Holding Brake
- Robe Drum
- Robe Guide
- Wire Rope
- Block Assembly
- Hook and Latch

5. **Electrics** (inspect and clean)

- Warning Device Light
- Warning Device Horn
- Bridge Power Disconnect
- Pushbutton Festoon
- Control Festoon
- Wiring and Conduits
- Motor
- Control Enclosures Control Operations Hoist/Trolley Conductors
- Lights
- Bridge Power Collections
- Pushbutton Pendent
- Radio Transmitter
- Radio Receiver

- (8) Emergency service calls shall be performed as required but within 4 hours or less of telephone or e-mail notification. The contractor shall respond to a repair service call that is required due to malfunction of the equipment. Emergency service calls shall include the cost to travel to and from the work site. The hourly rate for emergency services shall begin upon the arrival at the work site. Emergency service calls include but are not limited to repairs on an as required basis to replace or overhaul unserviceable components, assemblies, sub-assemblies, and electrical components to keep the equipment fully operational. Minor repairs will have the maximum twenty-four (24) hour turn-around time after notification by SBCTA, excluding SBCTA holidays and weekends. If parts/supplies are not readily available to meet the twenty-four (24) hour repair criteria, the contractor will be required to provide to SBCTA a written justification for the delay and the estimated delivery date of the parts/supplies.
- (9) Parts and materials used by the Contractor in performance of this contract shall be new and conform to the original equipment manufacturers or re-manufacturers specifications unless otherwise approved by SBCTA. Rebuilt assemblies may only be used with prior approval of SBCTA when it is a standard industry practice, and the rebuilt assembly or subassembly carries the same manufacturer's or re-manufacturer's warranty as a new assembly or subassembly. Any part removed is SBCTA property and shall be returned upon request of SBCTA unless the replacement part is predicated upon an exchange basis with the part being replaced. Contractor shall provide all repair parts and supplies necessary for preventative maintenance and repair of requirement and will be reimbursed by SBCTA for actual cost, to include any material handling fee.
- (10) Warranty for materials and services furnished under this contract shall be covered by the most favorable commercial warranties the Contractor provides to customers for such materials and services, but if not otherwise specified, not less than a minimum of ninety (90) days warranty. The Contractor agrees that the rights and remedies provided herein are in addition to and do not limit any rights afforded to SBCTA by any other clause of this contract. New equipment received by SBCTA under manufacturer's warranty will not be repaired without prior approval of SBCTA. SBCTA may request the Contractor to inspect the equipment to determine if the provisions of the manufacturer's warranty are applicable. Payment for Contractor inspection will be determined in accordance with the schedule of prices.

- (11) Contractor will complete all work order closeouts, PMs and repairs for each equipment on SCCRA's provided Asset Management System.

14.7.B HVAC MAINTENANCE

Contractor shall be solely responsible for providing all required HVAC preventative maintenance services necessary to keep the Arrow Service fully operational during the entire term of the Contract, including but not limited to the following:

- (1) Contractor shall submit a schedule of work to be performed, at least one (1) week prior to the beginning of that work, for SBCTA's approval. Revisions to the schedule may be necessary to accommodate planned use of the Arrow facilities.
- (2) Contractor shall develop, maintain and update as part of the maintenance system documentation, data on each item of major equipment. The data shall also include necessary information to identify/reorder routine consumable and/or normally predictive failure components/sub-assemblies.
- (3) Contractor will complete a "Preventative Maintenance Program" work order closeouts for each equipment PM on SCRRA's Asset Management System.
- (4) Contractor shall provide annual status reports, which are to review each piece of equipment contained in the major equipment lists provided by SCRRA. These reports shall describe the current condition of that equipment and its anticipated remaining service life. These reports shall be submitted to SCRRA's designee on or before October 10th of each year. Contractor shall provide new operation and maintenance manuals for all major system components installed by the Contractor as requested by SCRRA.
- (5) Contractor shall be available, at no additional charge, to provide technical consultation regarding design changes and equipment selection, based on past experiences with similar systems.
- (6) Contractor shall maintain all equipment in good working order at all times. Contractor shall ensure that all equipment is maintained in a satisfactory condition and capable of providing the designed capacity with required system performance and reliability.
- (7) Response Time: Twenty-four (24) hour response to all heating, ventilating, refrigeration and air conditioning, and/or boiler maintenance and remedial services requests for all the SCRRA owned facilities. Contractor must guarantee a maximum 4-hour response time for emergencies and a 4-24 hour response time for non-emergency service calls, twenty-four (24) hours per day, seven (7) days per week, including holidays. Whether or not the problem is an emergency will be determined by SBCTA's designee calling in the work during and/or after normal business hours.
- (8) Contract specific preventative maintenance duties include the following items as they apply to the AMF equipment:
 1. Package Air Conditioning, swamp coolers & Split Systems (every 90 days)
 - Check unit's general condition. *
 - Check refrigerant temperature / pressures. *
 - Check amperage draw of condenser and compressor motors. *
 - Inspect wire for damage and check continuity if required.
 - Clean and tighten electrical connections.

- Clean bearings and lubricate as required.
- Check condition of belt(s) and adjust required.
- Check operating and safety controls and cycles system in heating and cooling.
- Provide and replace air filters (MERV 13 or higher).
- Clean condenser coils biannually during the spring and summer service. *
- Check and clean condensate drain.

* Provide readings and input to EAM system for each unit.

14.7.C BACKUP GENERATOR MAINTENANCE

Contractor shall be solely responsible for providing all required generator preventative maintenance services under \$2,500 that will be required to keep all backup generators at AMF fully operational as of the AMF Maintenance Service Date and through the entire term of the Contract; including but not limited to the following:

- (1) Contractor shall develop, maintain and update as part of the maintenance system documentation, data on each item of major equipment. The data shall also include necessary information to identify/reorder routine consumable and/or normally predictive failure components/sub-assemblies.
- (2) Contractor will complete a "Preventative Maintenance Program" work order closeouts for each equipment PM on SCRRA's Asset Management System.
- (3) Contractor shall maintain detailed and accurate records applicable to the maintenance of the equipment indicated in these specifications, either using the SCRRA's Asset Management System. Include within those reports a dated history of all breakdowns/repairs that took place within the reporting period, for each listed piece of equipment.
- (4) Contractor shall provide annual status reports, which are to review each piece of equipment contained in the major equipment lists provided by SCRRA. These reports shall describe the current condition of that equipment and its anticipated remaining service life. These reports shall be submitted to SCRRA's designee on or before October 10th of each year.
- (5) Contractor shall provide new operation and maintenance manuals for all major system components installed by the Contractor as requested by SCRRA.
- (6) Contractor shall be available, at no additional charge, to provide technical consultation regarding design changes and equipment selection, based on past experiences with similar systems.
- (7) Contractor shall maintain all equipment in good working order at all times. Contractor shall ensure that all equipment is maintained in a satisfactory condition and capable of providing the designed capacity with required system performance and reliability.
- (8) During each monthly visit the items listed on the following page will be performed:

LUBRICATING SYSTEMS

Check for Leaks (All Services)
 Check Lube Oil Level (Inspections Visit)
 Change Lube Oil Filter (Major Service)
 Change Oil (Major Service)
 Check Hoses and Connections

EXHAUST SYSTEM

Check for Leaks
 Check Heat Exchanger Zincs
 Check for Exhaust Restrictions

AIR INTAKE SYSTEM

Check for Leaks
 Inspect Air Cleaner
 Check Piping and Hose Connections
 Inspect Turbo

FUEL SYSTEM DIESEL & GASOLINE

Check for Leaks
 Inspect Fuel Filters (Inspection Visit)
 Check Fuel Lines and Connections
 Check Float Switch/Transfer Pump
 Change Fuel Filter (Major Service)

FUEL SYSTEM PROPANE & NATURAL GAS

Check for Leaks
 Operate Dual Fuel Change Over
 Crank Time to Start

SWITCH GEAR

Check Start Switch in Auto
 Inspect Buss Bars/Feed Connection
 Check Transfer Switch Operation

GENERATOR

Grease Bearing
 Wipe Down Dust on Gen and Control
 Check Breaker Operation

ELECTRICAL SYSTEM

Check Operation Alarms
 Check Safety Devices
 Check Battery Terminals
 Check Battery Electrolyte and Level
 Check Battery Charging System
 Record Frequency
 Record Amp, Volts, KW

COOLING SYSTEM

Check for Leaks
 Check Coolant Level
 Check Coolant Filter (Inspection Visit)
 Check Hose and Connections

Check Belt Condition
 Check Fan Hub – Grease if Req'd
 Check Water Pump
 Drain Condensate Trap
 Check Motor Operated Louvers
 Check Radiator Air Restrictions
 Check Operation Coolant Heater
 Change Coolant Filter (Major Service)

ENGINE RELATED

Inspect/Tighten Mounting Hardware
 Check for Excessive Vibration
 Change/Clean Crankcase Breather

IGNITION SYSTEM

Exercise Automatic Crank System
 Check Overcrank
 Reconnect Starter and Exercise Auto Crank
 Check Spark Plugs, Points and Condenser
 Check Spark Plug Wires

GOVERNOR

Check Electronic Governor Control
 Check Mechanical Governor Linkage
 Check Hydraulic Governor Oil
 Check Governor Operation

OPERATION CONDITION

Record Crank and Rest Time
 Record Crank Voltage Drop
 Record Fuel Level
 Record Anti-Freeze Protection
 Record DCA Concentration
 Record Time for Engine to come online (Sec)
 Record Operating Oil Pressure
 Record Operating Temperature
 Record Air Cleaner Restriction

Monthly Schedule of Services

First Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Second Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Third Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Fourth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Fifth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Sixth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Seventh Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Eighth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. At this time the technician will fill out the customers run log and keep log at the generator set Location.

Ninth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Tenth Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Eleventh Visit: The technician will perform a complete inspection of generator set and a 1/2 Hour Exercise Test on the generator set. The technician will fill out the customers run log and keep log at the generator set Location.

Twelfth Visit: The technician will perform a Major Service of the generator set and a minimum 1/2 Hour Exercise Test under load (75% of the generator capacity). The technician will fill out the customers run log and keep log at the generator set location.

- (9) Minimum twice a year, with SCRRA's permission, simulate an under-load (with transfer switch) power failure to ensure the proper operation of all emergency backup system components.
- (10) All work to be coordinated with SCRRA Facility Maintenance staff and/or SCRRA Signal Maintainer.
- (11) Contractor is responsible to respond to all emergency call outs within Four (4) hours.

14.7.D JANITORIAL SERVICES

- (1) Contractor janitorial services must be performed during non-business hours specified in this Contract. Any requests for janitorial services to be performed outside of the specified hours must be approved by SBCTA prior to performing the work.
- (2) Contractor must supply all janitorial cleaning supplies and equipment including but not limited to vacuums, floor machines, mops, buckets, ringer, etc.
- (3) The Contractor shall supply all janitorial products such as toilet paper, hand towels, toilet seat covers, and hand soap, for all locations serviced by the Contractor. Products supplied shall be those designed for use in installed holders. SBCTA reserves the right to change these specifications, including installed dispensers, throughout the life of the contract.
- (4) The Contractor shall maintain a minimum of one (1) week's supply of all paper supplies in all facilities at all times during the life of the contract that can be utilized by agency personnel for the purpose of restocking the facilities' dispensers.
- (5) Contractor is to maintain an on-hand inventory log of janitorial materials for each site.
- (6) The Contractor shall submit by November 1 annually CDRL 47 (Janitorial Services Plan) for SBCTA review and approval the timeline, frequency for when and how often each janitorial task is to be performed at each Contractor maintained facility. Contractor shall include technical data sheets and material data sheets on all chemicals proposed for janitorial use in CDRL 47.
- (7) Below is a list of Tasks that must be included in CDRL 47 development:
 - A. Tasks.
 - 1. **Trash and Recycling Receptacles** - All waste receptacles, recycling containers, and other trash containers within the building shall be emptied and returned to their initial locations. The interior, exterior and housing of trash and recycling receptacles, and walls next to the receptacles, shall be damp-wiped to remove soil. Wet spills on the interior of wastebaskets shall be cleaned and dried. Trash receptacle plastic liners shall be replaced as needed, when dirty, wet or torn.
 - 2. **Trash and Recycling Storage Areas** - All trash shall be placed inside trash dumpsters. All recycling shall be placed inside recycling totes or dumpsters. The area around all dumpsters shall be kept clean of all materials, paper, litter, etc. Dumpsters shall be closed after use.
 - 3. **Outside Entrances and Steps** - Porches, handicap ramps, steps, fire escape stairways, basement stairways and any other areas within 20 feet of an entryway outside the buildings shall be swept to remove all soil, litter, and trash, soil, dirt, cobwebs, etc. Handrails by any handicap ramp will be wiped down.
 - 4. **Entrance Mats** - Entrance mats located in either the exterior or the interior of entrances shall be cleaned.

5. **Cigarette Containers** - Empty reservoir or holding containers to remove ashes and debris. Pick up and dispose of all cigarette butts on the ground located within 5 feet of all cigarette containers.
6. **Entrance Doors/Windows** - Clean both sides of glass entrance door and frames and windows immediately adjacent to the entrance doors.
7. **Entrance Floors Inside** - The surfaces shall be swept or dust-mopped prior to wet mopping to remove all loose soil and dust. All accessible areas shall be mopped to remove all soil, scuff marks, and non-permanent stains. Baseboards shall be wiped to remove all splash marks.
8. **Drinking Fountains** - Remove all streaks, smudges, stains, scales and other obvious soil from drinking fountains and entire cabinet. Disinfect all plastic and metal surfaces including the orifice and drain. Stainless steel sections shall be polished with an appropriate cleaner.
9. **Internal Building Surfaces and Walls** - Remove smudges, fingerprints, pen marks, streaks, etc., from washable surfaces including brass, stainless steel, around light switches, doors, doorways, door handles and casings, interior glass (such as reception counters and reception windows), bulletin boards and display cases, laminated plastic surfaces, clear sections of office cubicles, kick and push plates, and vertical/horizontal blinds with a treated cloth. Areas adjacent to entrance glass within buildings that lead into offices shall also be completely cleaned and restored free of soil and streaks. Any damage to the surfaces or walls should be reported to the SCRRA.
10. **Non-Carpeted Floors** - Sweep up or vacuum all surface, including under chairs, trash receptacles, desks and other furnishings, behind doors, and corners. The entire area (100%) will be thoroughly dry-mopped or cleaned with appropriate solution. New installed tile flooring shall be sealed and waxed 48 hours after installation is completed.
11. **Tables, Counters, Desks, Chairs, Sofas** - Remove any non-permanent stains, spots, spills and pencil marks from tables, counters, and desks using a sponge or cloth dampened in mild detergent solution. The cleaning shall not be of such a degree as to remove the finish or leave abrasive marks. Chairs and sofas, where applicable, shall have cushions lifted for the purpose of the removal of any trash. Information written on whiteboards (dry/wet erase boards) shall not be cleaned off by Contractor unless requested by the SCRRA.
12. **Stairs and Stairwells** - Stairwells, stairs, landings, and steps shall be vacuumed and/or damp mopped. Flights include the landings and steps on stairways between floors.
13. **Break room/Concession/Kitchenette Area** - Clean and disinfect sinks, floor sinks, counters, exterior of appliances and cabinets, tables and chairs.
14. **Clean and Disinfect Toilets and Urinals** - Clean and disinfect all exposed surfaces of the toilets and urinals. A non-abrasive cleaner shall be used on the exposed hardware. The cleaning includes the drying and polishing of all exposed hardware. All foreign material shall be removed from the urinal drain trap. Remove scale, scum, mineral deposits, rust stains, etc., from the interior of toilet bowls and urinals. After cleaning, the toilet seat must be completely dried and placed in an upright position. Stopped-up toilets shall be plunged free of obstructions. The Contractor supervisor shall report all plumbing discrepancies to the SCRRA immediately.
15. **Paper Products Dispensers** – Re-supply all paper towel, toilet paper and toilet seat cover dispensers to their maximum level when stock is low, but do not overfill. Replace consumed rolls and partial rolls, which appear to be down to the last 10-15%. The dispenser interior, exterior and adjacent surfaces shall be wiped with a sanitizer to remove fingerprints and smudges when filling. Inoperable devices shall be reported the SCRRA.

16. **Soap Dispensers** – Soap dispensers shall be re-filled with liquid soap when there is stock is low. The dispensers and adjacent surfaces shall be wiped with a germicidal detergent to remove fingerprints and smudges. Inoperable devices shall be reported the SCRRA. In cases of any contradictions, complying with the Agency and State EPP Policy and proper sizing for installed dispensers takes precedence. Supplies are part of the Base Services.
17. **Counter Tops and Sinks** - Clean and disinfect all exposed surfaces of the sink. A non-abrasive cleaner shall be used on the exposed hardware. The cleaning includes the drying and polishing of all exposed hardware. All metal hardware, such as faucet valves, drain and faucets, shall be free of streaks, spots, stains, etc. Inoperable or broken fixtures shall be reported daily to supervisors.
18. **Walls, Partitions, and Doors** - Clean the partition walls, partition doors, and walls surrounding the urinals and toilets. Remove any nonpermanent stains, spots and streaks using a cloth/sponge dampened with a germicidal detergent solution. This also includes the light switches, and doors, and any of the walls within the restroom.
19. **Mirrors** - Remove soil, streaks, smudges, film etc., from the surface of the mirrors. The frame of the mirror and shelves and other adjacent areas also shall be cleaned.
20. **Vertical/Horizontal Blinds** - Dust all vertical and horizontal blinds with a treated cloth or yarn duster.
21. **Dusting** - Dust all surfaces, including windowsills, banisters, handrails, ledges, pictures, plaques, cubicle wall tops, door tops, tops and sides of book shelves and cabinets, etc. with a treated microfiber cloth, or yarn duster up to 80 inches from the floor. Computers, printers, general equipment in all buildings are included for dusting. Dusting shall include the following surfaces: employees' desks, employees' computers, and shelving within a bookcase.
22. **Storage Areas/Closets** – Sweep non-carpeted floors and vacuum carpeted floors to remove all debris.
23. **Floor Drains** – Remove all built up deposits, embedded hairs, etc., from the grate and neck of the drain. Replace the grate properly. Clean the inside of the drain by pouring 50/50 mixture of clean water/disinfectant through the drain.
24. **Restroom, Locker and Shower Floor** – All surface litter such as paper, tape, towels, etc., shall be removed before machine scrubbing. The deep cleaning shall remove heavy stains, mildew, and mineral deposits from the surface and grout. Mop the floor and wipe all baseboards with a damp clean rag. Areas not accessible with the buffer shall be manually scrubbed with an abrasive hand pad.
25. **Shower Walls and Floors** - Wash shower walls, curtains, shower floors, bathtub areas using an approved germicidal cleaner. Clean the shower drains.
26. **Furniture** - Vacuum all cloth furniture. Removable cushions shall be lifted and vacuumed underneath. Wipe down all vinyl and hard surfaces with a damp cloth.
27. **Clean all outside lights attached to building exteriors entrance (up to a height of 15 feet and 20 feet from entrance door(s))** – remove cobwebs from lens covers and lamp housing.
28. **A/C Supply Vents, Returns and Exhaust Fan Grills** - Clean all particles from vents and wall or ceiling area adjacent to the vent.
29. **Window Washing** - Exterior and interior washing of all perimeter windows; all interior partitions; and towel dry all window sills. If any items are moved away from windows by window washers they shall be returned to original location. Workers will give occupants every opportunity to clear window areas prior to washing. Any damage to windows, building, occupant's furniture,

equipment or occupant work papers shall be reported immediately to the SCRRA. Contractor shall notify the Authority of any existing deterioration in windowsills or frames. If it is determined by the SCRRA that additional washings are needed during this Contract period, the dates of the additional washings are to be agreed upon by the SCRRA and the Contractor. The price for additional washing shall be the negotiated between the parties.

B. General Technical Requirements

1. The Contractor must provide adequate floor care equipment to perform stripping, scrubbing, spray buffing, burnishing, and polishing of hard flooring.
2. Contractor outdoor sidewalk and concourse cleaning equipment including, but not limited to automated scrubbing and pressure washing equipment, and equipment capable of reclaiming all outdoor wash water.
3. Contractor carpet cleaning must include a deep cleaning, such as extractor or encapsulation methods.

C. Janitorial Supplies

1. The Contractor shall provide all cleaning chemicals and equipment necessary to perform the cleaning standards of the contract. The Contractor is required to use floor care products that meet and are guaranteed by the manufacturer to equal or surpass the test method developed by the American Society of Testing Material (ASTM) for determining the slip resistance of floor finishes (ASTM D2047).
2. Contractor must comply with all applicable sections of SCRRA's Environmentally Preferable Purchasing (EPP) Policy including, but not limited to:
 - All janitorial paper products for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines shall contain the highest post-consumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines found at www.epa.gov/cpg. Specifically, the following minimum post-consumer recycled content percentages apply: paper towels - 40% post-consumer; bathroom tissue - 20%; and paper napkins - 30%. In addition, janitorial paper products shall be unbleached or processed without chlorine or chlorine derivatives.
 - Contractors shall supply industrial and institutional cleaning products, including general-purpose, bathroom, glass and carpet cleaners, that meet Green Seal's Industrial and Institutional Cleaning Standard, GS-37. To the extent practical, Contractor shall use products that meet Green Seal's standard for industrial and institutional Floor Care Products, GS-40, and Green Seal's industrial and institutional Hand Cleaners, GS-41
 - Manufacturers of plastic trash liners shall be in compliance with the State of California's Recycled Content Trash Bag Program:
<http://www.ciwmb.ca.gov/BuyRecycled/TrashBags/>.

D. Currently Used Janitorial Equipment and Supplies

Below is list of currently used janitorial equipment and supplies that Contractor can reference

1. Equipment

- Item:
 - Paper towel Dispensers
 - Roll
 - Toilet Paper Dispenser
 - Base type (Jr-Jumbo Size)
 - Stainless Steel Type (Jr-Jumbo Size)
 - Hand Soap Dispenser
 - Pump
 - Pumice hand cleaner dispenser 1gal.
 - GoJo Dispenser 2000ml
 - Hand Sanitizer (Approved EPA)-Optional
 - Contractor to provide replacement equipment when equipment failures are reported to fit the supplies outlined.

2. Supplies

- Item:
 - Trash can liners, 24" x 33", 30" x 37", 40" x 48"
 - Toilet Seat Covers
 - Roll Towels (Natural color, 12/600')
 - Jr. Jumbo Toilet Paper
 - Jr. Jumbo Toilet Paper (Regular & Premium)
 - Power Scrub Pumice
 - Hand Soap, Gallon Type.
 - S
 - GOJO -Orange Pumice Hand Cleaner # 7255
 - Chemical Supplies: This list is not inclusive, but the minimum standards required:
 - Graffiti cleaner
 - Spot remover/cleaner
 - Disinfectant
 - Germicide
 - Mild detergent
 - Metal cleaner/polish
 - Furniture polish
 - Bathroom deodorizers
 - Urinal deodorizers

- Work Location Specifications
 - (1) Arrow Maintenance Facility (AMF) (948 W. 3rd Street, San Bernardino, CA, 92410)
- Janitorial Cleaning Hours: 7:00 am to 5:00 pm
- Approximate Square Footage: 1859
- Current frequency for janitorial services: 5 days a week

14.7.E LANDSCAPE/HARDSCAPE SERVICES

Maintenance of landscape/hardscape shall be provided on as needed basis as part of the base scope.

(1) The Contractor shall provide complete landscape maintenance at AMF, including, but not limited removing and controlling weeds; controlling removing trash and debris; and other maintenance required to maintain the work sites in a safe, attractive and useable condition.

(2) The Contractor shall provide at their own cost all labor, materials, parts, tools equipment, transportation, hauling, dumping, and other items needed to perform hardscape maintenance tasks as required under this Contract.

(3) The Contractor shall provide complete clean up services at AMF, parking lots, asphalt/concrete paving, culverts, fencing, rock walkways, and landscaped areas. The work will include, but will not be limited to, removal of trash and debris, removal and controlling of weeds and brush, tree limbs and any other trash and vegetation that may accumulate on the property due to weather or human negligence.

- A. **Weeds, Disease and Pest Control** - All landscape and hardscape areas within the specified scope of work shall be kept free of weeds at all times. The complete removal of all weed growth shall be accomplished on a continuing basis. SCRRA may request a colored material as evidence of applied work. The Contractor shall regularly inspect all landscaped areas for the presence of disease, insect or rodent infestation. The Contractor shall advise SCRRA within four (4) days when insect or rodent infestation is found, and the action to be taken. Upon approval of SCRRA, the Contractor shall implement approved control measures, following all federal, state, county and municipal laws, regulations and ordinances required for the approved work; approved control measures shall be continued until the disease, insect or rodent is controlled to the satisfaction of SCRRA. The Contractor shall utilize all safeguards necessary during disease, insect or rodent control operations to ensure safety of the public, SCRRA employees and employees of the Contractor and the employees of SCRRA's Operating Contractors.

(4) General Maintenance and Clean-Up

- The Contractor shall collect all rubbish and debris at all worksites and dispose of same in a lawful manner at the Contractor's expense the same day they are generated.
- Parking lots must be kept clean
- After heavy windstorms, the entire areas shall be cleaned of litter, fallen branches, tumble weeds, palm branches, etc.
- The Contractor shall keep paved areas, walkways or driveways clean of any dirt or soil that might be washed from adjacent slopes or planted areas caused by weather or irrigation systems.

(5) Other Requirements

- The Contractor shall replace, at Contractor's own expense, any decomposed granite requiring replacement due to negligence resulting from Contractor's failure to provide maintenance in accordance with the provisions of this agreement. These requirements are not to be construed as requiring the Contractor to replace decomposed granite due to conditions beyond the Contractor's control, but are to be considered strictly as a normal maintenance condition within accepted practice.

(6) Hardscape Areas

- The Contractor shall control, remove, haul off and properly dispose of any weeds or other growth which may occur around any of the buildings, structures, inspection pits, concrete or asphalt walkways and driveways on this site.

(7) Extraordinary Landscape/Hardscape Maintenance

- Extraordinary Landscape maintenance will be handled through an on-call work directive.
- The replacement of hardscape material, may be considered extraordinary maintenance Services if damage or malfunction is mainly caused by any of the following:
 - Acts of God
 - Civic Disorder
 - Vehicle Collision
 - Vandals
 - Power Failures
 - Underground wiring damage
- The Contractor shall contact SCRRA regarding any extraordinary Landscape Maintenance Services work and seek prior approval before the work is scheduled. SCRRA will instruct the Contractor before any extraordinary work is commenced if any safety or security guidelines are applicable.
- Below is a list of tasks that would constitute extraordinary landscape maintenance:
 - Extraordinary Services
 - Trees exceeding 25 feet
 - Tree removals and with stump grinding to ground level if applicable
 - Landscaping upgrades
 - Repairs due to wear and age
 - Weed abatement to areas not within Base Services

(8) Environmental Guidelines

- Contractor is to comply with California Assembly Bill 1826. It is expected that all landscaping wastes generated by the contractor will be removed from the site and recycled as green wastes and will not be disposed in landfills.
- Work Location Maps
 - Landscape and Hardscape Maintenance
 - **Arrow Maintenance Facility (AMF)**
 - Landscape and hardscape maintenance at AMF is outlined in pictures below with blue shaded areas.

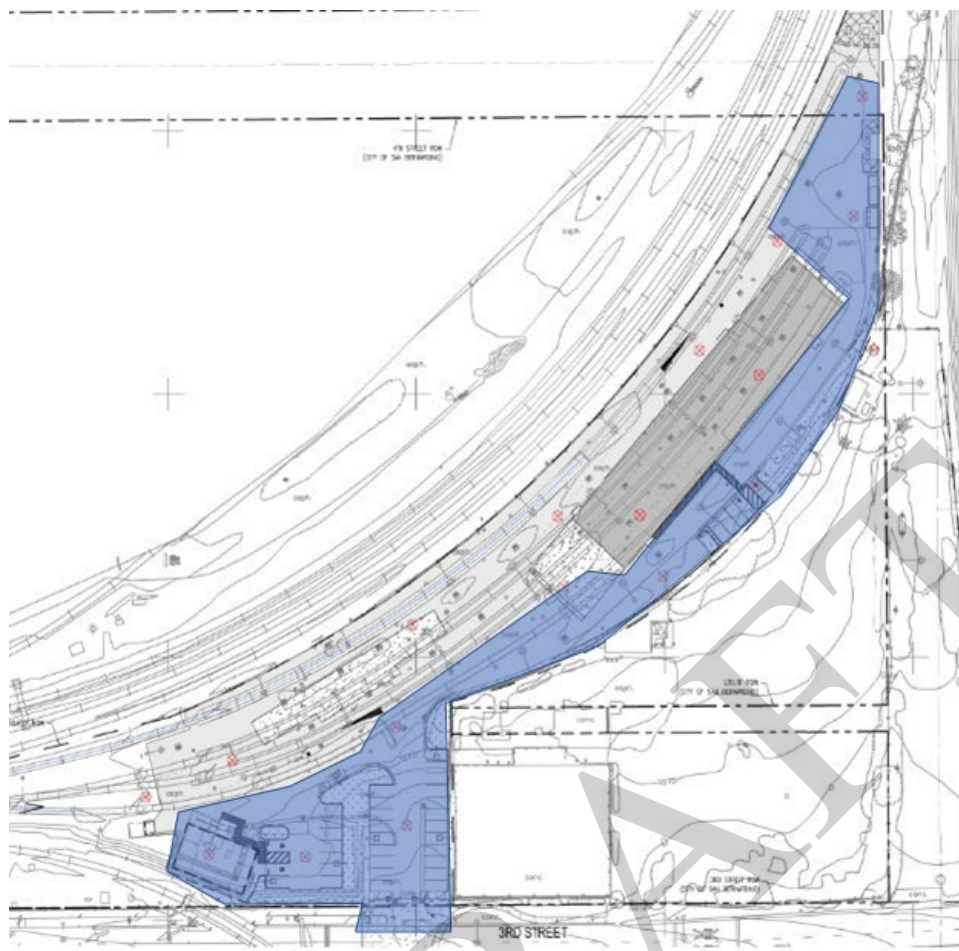


Figure 1 - AMF Landscape/Hardscape Contractor Maintenance

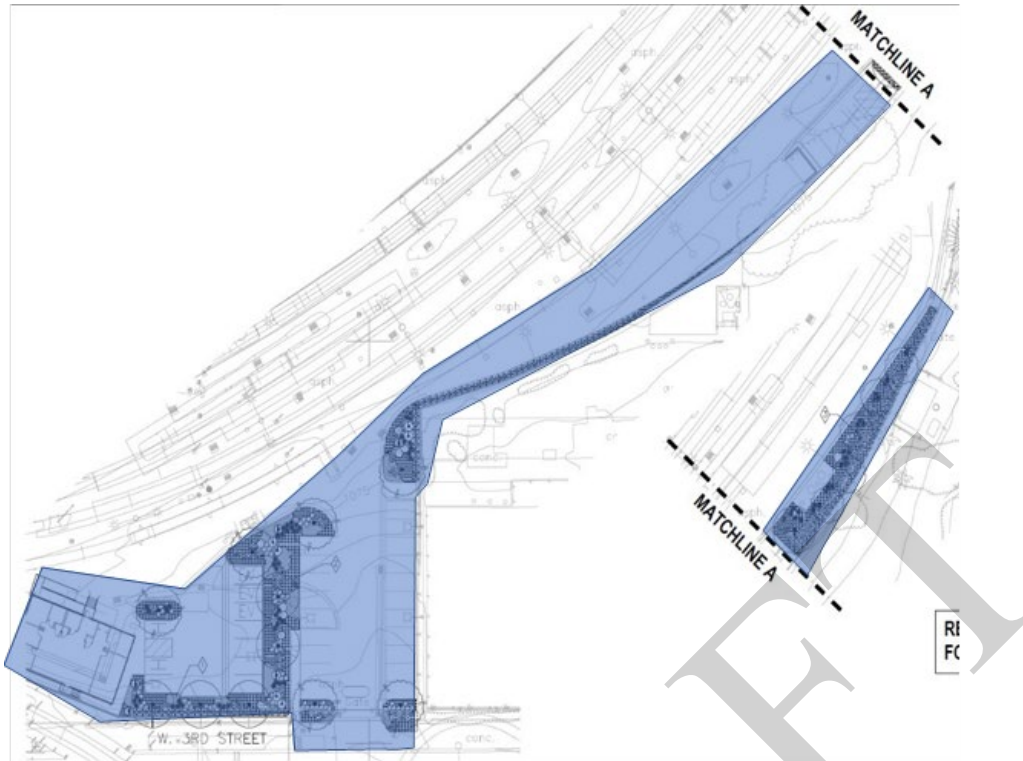


Figure 2 - AMF Landscape/Hardscape Contractor Maintenance #2

14.8 MAINTENANCE DATABASE

Contractor will utilize SCRRA-provided EAM software for maintenance, testing and capital planning, and will be required to train and become proficient on the system as outlined in Section 16 – Information Technology Systems.

14.9 FACILITY ON-CALL SERVICES

The following tasks are not included in the Base Services and shall be performed in accordance with the requirements defined in SECTION 17 ON - CALL WORK DIRECTIVE SERVICES.

- (1) Facility Capital and rehabilitation support
- (2) Overhaul of facility equipment and systems
- (3) Designated repairs of facility infrastructure, equipment and systems
- (4) Vandalism
- (5) Procure and install any additional equipment, hardware or software not included as base components within the facility
- (6) Procurement of trailers for facility purposes
- (7) Fencing and paving for facilities
- (8) Services to locate underground utilities within SCRRA facilities
- (9) Third - party services
- (10) Extraordinary landscape maintenance

SECTION 15. SCRRRA-FURNISHED NON-REVENUE RUBBER TIRE VEHICLES

SCRRRA will provide the following non-revenue rubber tire vehicles for Contractor's use:

CLIENT VEH#	VIN	Make Name	VIN Model	Status	Model Year	HYRAIL
SCRA0459	3TYRX5GN8PT085862	TOYOTA	TACOMA	Active	2023	NA
SCRA0460	3TYRX5GN0PT085788	TOYOTA	TACOMA	Active	2023	NA

SCRRRA will provide listed non-revenue rubber tire vehicles, including fuel, servicing, and repairs for the Contractor's exclusive use in supporting and performing the Services. The exact list of non-revenue rubber tire vehicles covered by this provision shall be coordinated between the Contractor and SCRRRA four (4) months in advance of each Fiscal Year in conjunction with the Annual Budget Process.

All Non-revenue rubber tire vehicles and equipment provided by SCRRRA shall be used exclusively to perform the Services associated with this contract.

SCRRRA must pre-approve all Contractor employees (including subcontractors) who drive vehicles owned, leased, or rented by SCRRRA.

All Contractor employees assigned an SCRRRA vehicle must be available to respond 24/7, including holidays, weekends and AWS days, 365-days a year. Off duty days or weekends must be prearranged with the driver's supervisor. Failure to answer an emergency call-out may result in suspension of vehicle assignment.

Only persons conducting business with SCRRRA shall ride in SCRRRA provided vehicles.

SCRRRA provided non-revenue rubber tire vehicles and equipment shall be maintained by the SCRRRA including fuel and lube in accordance with the SCRRRA Non-Revenue Fleet Driver's Handbook (Exhibit 38).

Contractor's use of SCRRRA provided Non-revenue rubber tire vehicles and equipment will be subject to compliance with the SCRRRA Non-Revenue Fleet Driver's Handbook.

SCRRRA provided Non-revenue rubber tire vehicles driven over 15,000 miles per year by the Contractor will be credited (deducted from the Contractor's progress payments) at the Internal Revenue Service (IRS) standard mileage rate for each mile over 15,000 miles.

Any Contractor vehicles or vehicle usage (own, rent, or lease) used for this contract in addition to the vehicles provided by SCRRRA shall be at the Contractor's cost; this will include fuel, Operations and Maintenance for the vehicles.

Contractor shall service and maintain the SCRRRA's provided vehicles in good working condition at all times.

SCRRRA provides fuel (fuel cards) and periodic maintenance for SCRRRA-owned vehicles. Drivers are responsible for taking assigned vehicles periodic maintenance to SCRRRA approved Maintenance providers specified in SCRRRA's Fleet Driver's Handbook.

All vehicles and equipment provided by SCRRRA shall be used to perform Services and if used for On-Call Work Directives, the use of SCRRRA provided equipment shall be charged to the On-Call Work Directive Project and credited back to the SCRRRA's Base Maintenance Services budget.

Contractor shall be subject to SCRRRA planned and/or unannounced inspection and audit of SCRRRA provided vehicles.

Exhibits applicable to this Section:

- Exhibit 38 Fleet Driver's Handbook

SECTION 16. INFORMATION TECHNOLOGY (IT) REQUIREMENTS

Included in its Base Services, the Contractor shall provide all equipment including servers, workstations, laptops, tablets, routers, switches, telephones, cell phones and wireless LAN (Local Area Network), Wi-Fi and all software to support the Contractor's internal systems used to provide Services in the Contract, except for the hardware and software provided by SCRRA for specified applications listed below. If requested by SCRRA, SCRRA-funded hardware and software procured or licensed by the Contractor and used on the Services shall be assigned to SCRRA and Contractor.

Examples of software and hardware operated thereon that the Contractor must furnish and maintain include but are not limited to the following: FRA hours of service tracking, financials and invoice generation including documentation and record keeping of all costs, payroll, any Contractor controlled SOP documents or requirements, training and testing records.

The Contractor shall furnish and maintain all local or remote IT related equipment and software utilizing Contractor's equipment or Contractor's software. Computer equipment installed within the AMF and interconnected with SCRRA's networks shall comply with SCRRA standards. Implemented hardware and software without prior SCRRA approval may be removed by SCRRA. The Contractor shall provide detailed design configurations and diagrams for all hardware, software (including business application software) and network infrastructure for SCRRA approval.

Computer equipment shall comply with SCRRA standards which may change from time to time. Implemented hardware and software without prior SCRRA approval may be removed by SCRRA. The Contractor shall provide detailed design configurations and diagrams for all hardware, software (including business application software) and network infrastructure for SCRRA approval.

The Contractor shall submit an IT Plan for SCRRA review and approval no later than 90 days after In-Service date (CDRL 39). The plan shall include a list and description of the systems, computer hardware, software, and communications equipment to be provided by the Contractor and procedures and methodologies that demonstrate how the Contractor will meet the requirements of the Scope of Service described herein. The IT Plan must describe the security policies for Contractor systems, computer hardware, software, networks, and devices that are used to meet the requirements of the Scope of Service.

16.1 IT EQUIPMENT UTILIZATION POLICY

The Contractor shall operate all SCRRA-provided IT Equipment (hardware and software) in accordance with Metrolink IT Policies and Procedures (Exhibit 33). The Metrolink IT Policies and Procedures prohibit removing updates and upgrades without SCRRA approval and prohibit removal of equipment from other than approved locations. As requested and provided by SCRRA, the Contractor is required to upgrade hardware, update software security patches and upgrade to a version that is supported by the hardware and software manufacturer. SCRRA-owned computer equipment shall not be used for any purpose other than in direct support of Service requirements.

16.2 DATA SECURITY AND OWNERSHIP

The Contractor shall comply with all SCRRA policies, which shall be provided to the Contractor, regarding data security and access to physical work facilities. SCRRA will own all operational data and reserves the right to request any operational data related to safety, security, or the operations and management of the train not stored in the SCRRA network. Upon completion of Services, the Contractor will be required to provide all operational data to SCRRA in an agreed-upon electronic format.

16.3 HARDWARE AND MOBILE DEVICES

16.3.A The Authority is responsible for furnishing and maintaining all computer hardware, mobile devices and related equipment required for its staff to perform the Services of this Agreement.

- 16.3.B The Contractor may request to provide its own devices, hardware, software and applications for Contractors use along with any costs, and SCRRA will review and if merited and budgeted will approve the request. If SCRRA prefers to take ownership of any Contractor provided and maintained software, hardware, devices and equipment, the terms, conditions and cost for assuming Ownership shall be negotiated.
- 16.3.C SCRRA may equip the Contractors Conductors with mobile devices and barcode scanning devices for inputting, recording, accessing, and transmitting information electronically. Fare collection/ inspection and train delay data software and devices (smartphones) will be provided by SCRRA. The model of mobile devices and barcode scanning devices furnished shall be determined by SCRRA.
- 16.3.D Contractor to use SCRRA provided software applications to monitor, test and troubleshoot train control issues. Delay Application – SCRRA utilizes a proprietary cell phone application for use by train crews to submit trip report data. The application, called the Delay App, operates on iOS and Android mobile operating systems.
- 16.3.E SCRRA utilizes a proprietary software system (Vector) a web-based system, available via public Internet, for tracking, monitoring, and managing accident, incident, and hazardous condition information for SCRRA rail system. Contractor will be required to enter all SCRRA requested data and assist SCRRA in maintaining Vector or an SCRRA approved alternative solution proposed by the Contractor. Contractor will be provided with user access to this system for purposes of entering accident and incident related data. SCRRA will provide and maintain the software license for the Vector Software.
- 16.3.F The Contractor shall equip its managers, field and facility supervisors, foremen, and train crews with tablet devices for inputting, recording, accessing, and transmitting information electronically including inspection and asset management data, photos, rule books, timetables, track charts, manuals, track and time information, GPS location data, end of limits warnings, Bluetooth - enabled interfaces with inspection tools and other technology applications and functions. The model of tablet devices furnished shall be submitted to SCRRA for approval to ensure compatibility with any SCRRA - furnished applications.

16.4 SCRRA-FURNISHED SOFTWARE OR SYSTEMS

- 16.4.A Configuration Management System (Currently IBM Rational)
- SCRRA utilizes a proprietary software system (IBM Rational) for change and configuration management. The IBM Rational system is accessible via the public Internet. SCRRA will provide and maintain the Configuration Management System. Contractor will be provided with user access to this system for purposes of entering change requests and in support of Train Control and Network on - site Tier 1 responsibilities.
- 16.4.B Delay Application
- Authority utilizes a proprietary cellphone application for use by train crews to submit trip report data. This application, called the Delay App, operates on iOS and Android mobile operating systems.
- 16.4.C N/A

16.4.D Vector Solutions (Vector EHS Management)

SCRRA utilizes a proprietary software system (Vector Solutions) a web-based system, available via public Internet, for tracking, monitoring, and managing accident, incident, and hazardous condition information for the SCRRA rail system. Contractor will be required to enter all efficiency testing, training records, other SCRRA requested data and assist SCRRA in maintaining Vector or an SCRRA-approved alternative solution proposed by the Contractor. Contractor will be provided with user access to this system for the purpose of entering efficiency testing data. SCRRA will provide and maintain the software license for the Vector Solutions software.

16.4.E Fueling Software

Contractor to utilize SCRRA-furnished software for fuel monitoring and dispensing.

16.4.F N/A

16.4.G Trapeze EAM System

SCRRA currently maintains asset data, inspection requirements, repository for defects and work orders, PM scheduling, work assignment, material request from SCRRA material management, on-time performance, capital/rehab planning, and fuel tracking utilizing a Trapeze-based software platform. The EAM system is used for maintenance management, tracking and documentation of daily defects, periodic maintenance, repairs, modifications, and capital program work, etc.

The Contractor shall use SCRRA's EAM system as the official repository of all Service Equipment and AMF maintenance, work order, PM scheduling, material request from SCRRA material management, work assignment, and inspection management and shall ensure data in the EAM system is accurate and up to date.

Within 30 days of issuance of each NTP 1, the Contractor will provide SCRRA with a list of all Contractor staff requiring access to SCRRA's EAM system; SCRRA will collect System Request Forms (SRFs) for such Contractor staff and submit to SCRRA's IT Department to create accounts. Contractor is responsible to logon and follow SCRRA IT protocols to maintain EAM access.

SCRRA will train Contractor's Key Personnel 90 days before ZEMU Maintenance Service Date on the use of the EAM system for facilities and Service Equipment maintenance tasks; Contractor will then train remaining Contractor staff by ZEMU Maintenance Service Date. (Facilities EAM BPA), Exhibit 48 (Rolling Stock EAM BPA) Exhibit 47 and (EAM Training) Exhibit 49.

All Service Equipment and facility maintenance shall be performed as outlined in SCRRA's EAM system and maintenance/inspection record shall be entered into the system as well. Any changes, additions or removal of Service Equipment or facility maintenance inspection tasks or intervals need to be submitted to SCRRA for review and approval; if approved, the Contractor shall be responsible to update SCRRA's EAM system to reflect changes in maintenance tasks and the appropriate staff shall be notified and trained on system changes prior to implementing in the EAM production environment.

SCRRA currently employs the Trapeze Enterprise Asset Management (EAM) System for its equipment and the Contractor will be required to utilize this system. The Contractor will be required to use any additional software provided by SCRRA.

16.5 CONTRACTOR FURNISHED SOFTWARE OR SYSTEMS**16.5.A Hours of Service Tracking System**

Contractor is responsible for tracking all staff hours subject to Hours of Service utilizing an FRA approved tracking system. SCRRA will have continuous access to system for review and audit. Contractor will provide Appendix B 219 reports to SCRRA quarterly. SCRRA currently utilizes Track HOS, application from Railroad Software Company and Contractor is encouraged to utilize this same application for the purposes of this section.

16.5.B Other Contractor Controlled Software

Contractor is responsible for providing its own software for its internal controlled functions including but not limited to payroll, employee record keeping, financial records, invoicing, testing, and training records, regulatory (FRA) and safety requirements.

16.6 BASE SERVICES

Unless explicitly described as an On-Call Service, the cost for performance of Services described in the provisions of this Section 16 shall be included in Base Services prices.

Exhibits applicable to this section:

- Exhibit 33 – Metrolink IT Policies and Procedures
- Exhibit 48 - Facilities EAM BPA
- Exhibit 47 - Rolling Stock EAM BPA
- Exhibit 49 - EAM Training

SECTION 17. ON-CALL SERVICES AND WORK DIRECTIVES**17.1 GENERAL**

- 17.1.A** Upon request by SBCTA, the Contractor shall perform On-Call Services for tasks that are not included in Base Services. Generally, tasks that cannot be planned for in advance because they arise intermittently or from an urgent, unexpected need, will be authorized by SBCTA under an Work Directive. Work Directives may include unplanned or non-recurring maintenance services, support services for third-party capital projects, rehabilitation work, and/or actual procurement of materials and equipment. When On-Call Services are required, SBCTA shall issue a Work Directive to the Contractor that will identify the scope of work required and the basis for compensation. The process for SBCTA issuance of Work Directives and compensation for On-Call Services shall comply with the provisions of this Section 17 On- Call Services and Work Directive Services.
- 17.1.B** SBCTA shall issue an On-Call Work Directive Request for Proposal to the Contractor, which may include plans, specifications, and estimates of various quantities of work to be performed or materials to be furnished either by SBCTA or Contractor. The Work Directive will identify the timeline for the work to be completed require the Contractor to prepare submittals and site-specific work plan (SSWP), indicating the Contractor's proposed method and schedule for performing the work in the Work Directive.
- 17.1.C** The Contractor shall submit a proposal indicating the estimated number and type of labor hours, materials, equipment and a schedule for all resources, the Contractor's approach to performing the work, and a proposed cost. Upon receipt of the proposal SBCTA shall evaluate it and accept it or negotiate with the Contractor as necessary.

- 17.1.D In the event the parties are unable to agree upon the estimated costs of the On-Call Services, SBCTA may decide not to issue a Work Directive and may accomplish the work through any other method it deems necessary. Any work performed by the Contractor prior to receipt of a Work Directive shall be considered unauthorized work, and the Contractor shall not be entitled to compensation for the work.

17.2 ON-CALL SERVICES PERFORMED WITH BASE SERVICES RESOURCES

- 17.2.A On-Call Services related to maintenance support may be performed utilizing Base Services resources. Generally speaking, On-Call Services which are typically utilized for third-party, and capital support and rehabilitation/capital maintenance services shall not be performed utilizing labor, equipment or materials assigned to Base Services. Should the Contractor determine that labor, equipment and materials utilized in performing Base Services can be utilized for On-Call Services without adversely affecting the safety, quality, productivity, effectiveness, labor and equipment utilization or schedule for the performance of Base Services, then these resources can be proposed to perform On-Call Services. The Contractor's proposal shall detail these resources and associated costs for SBCTA approval. Upon completion of the On-Call work stipulated in a Work Directive, the Contractor shall be paid as per Section 2.1 of the Pricing Schedule, On-Call Services/Work Directives or as otherwise agreed by the Parties.
- 17.2.B Should the Contractor utilize staff designated during regular shift hours, or equipment or materials assigned to Base Services for On-call work without SBCTA's approval, then SBCTA may withhold all payments for that On-call work until the Contractor provides a detailed reconciliation of all personnel, equipment and materials for SBCTA's review. Based on SBCTA's approved reconciliation, all Base Services labor, equipment and material will be deducted from the amount stipulated in the On-Call Work Directive.
- 17.2.C Contractor is cautioned that labor performing "Public Works" type work under an On-Call Work Directive may be subject to prevailing wage rates as opposed to any rates established under Exhibit B-Pricing Schedule. Contractor must comply with all prevailing wage rate requirements and submit certified payrolls demonstrating compliance with the prevailing wage rate requirements.

17.3 PROGRESS OF WORK

- 17.3.A The Contractor shall submit to SBCTA within the time specified in the Work Directive a practicable progress schedule for the Contractor's work. If the Work Directive does not specify, the Contractor shall submit a progress schedule every two weeks after issuance of the Work Directive. The Contractor's progress schedules shall be prepared by using critical path method software. Schedules shall show the order in which the Contractor proposes to carry out the work, the dates on which the work tasks will start (including procurement of materials and equipment), and the anticipated dates for completing those work tasks.
- 17.3.B The Contractor shall perform its work to not cause delays to work performed on SBCTA's construction and third-party projects. The Contractor shall take immediate and appropriate steps should a potential delay arise.
- 17.3.C During the progress of each Additional Services project, the Contractor shall notify the designated SBCTA personnel when the cumulative incurred project costs under the on-call Work Directive within the next fifteen (15) days will exceed fifty percent (50%) of the authorized amount indicated in the Work Directive.
- 17.3.D The Contractor shall be granted an extension of time for any portion of the delay in completion of the work if the delay was not within the control of the Contractor (e.g., caused by force majeure strikes, labor disputes, freight embargoes and changes in scope) provided that the Contractor shall have first notified SBCTA in writing of the causes of delay within fifteen (15) days from the beginning of that delay.

- 17.3.E No extension of time shall be granted for any delay caused by a shortage of materials unless the Contractor furnishes to SBCTA satisfactory justification documenting delivery schedules from multiple procurement sources.

17.4 SUBSTITUTIONS FOR EQUIPMENT

The Contractor may request SBCTA approval to use new or improved equipment of a different size or type in place of the equipment specified in an On-Call Work Directive. Such proposed equipment must be capable of producing work equal to, or better than, that which can be produced by the equipment specified. SBCTA shall have the right to reject alternative equipment which is not producing work that is equal, in all respects, to the equipment specified. Upon rejection, the Contractor shall be required to use the equipment originally specified and shall remove or otherwise remedy, at the Contractor's expense, any defective or unsatisfactory work produced with the rejected alternative equipment.

17.5 CONTRACTOR-FURNISHED INFORMATION

Any manufacturers' warranties, guaranties, instruction sheets and parts lists that are furnished with certain articles or materials incorporated in the work shall be delivered to SBCTA before acceptance of the Work Directive. SBCTA's reports and records of inspections made, and tests performed, when available at the site of the work, may be examined by the Contractor.

17.6 SBCTA-FURNISHED MATERIALS

Once SBCTA-furnished materials, such as Capital Spares and special tools, are delivered by SBCTA for the Contractor's use, the Contractor shall be solely responsible for the materials, and shall pay all demurrage and storage charges. Notwithstanding the indemnity obligations of SBCTA set forth in the Contract, any SBCTA-furnished materials lost or damaged by the Contractor or its employees, including but not limited to equipment, facilities and materials shall be repaired or replaced by the Contractor at the Contractor's sole expense.

17.7 DEFECTIVE MATERIALS

If SBCTA determines that any materials do not conform to the requirements of the Work Directive, such materials shall be rejected whether in place or not. They shall be removed immediately from the site of the work, unless otherwise permitted by SBCTA. Rejected material that subsequently corrected must be reviewed and approved by SBCTA. Upon failure of the Contractor to comply promptly with any order, SBCTA shall cause the removal and replacement of the rejected material and deduct all costs from any monies due the Contractor.

17.8 CAPITAL AND REHABILITATION PLAN

Contractor shall coordinate with SBCTA and provide an annual Capital and Rehabilitation Plan (CDRL 45) which shall be submitted to SBCTA by September 30th of each calendar year.

The Capital and Rehabilitation Plan shall include at the following components:

- (1) Facilities and related infrastructure
- (2) Revenue equipment
- (3) Non-revenue equipment

17.9 FIELD AUTHORIZED ON-CALL WORK DIRECTIVES

- 17.9.A SBCTA and the Contractor acknowledge that the need may arise for On-Call Work Directive Services which require immediate attention to contain costs, protect property or allow for the ongoing safe and timely operation of trains but do not rise to the level of an emergency. In such cases, SBCTA may issue a written Field Authorized On-Call Work Directive. Such Work Directive will include a general description of the scope of the services, which is sufficiently

detailed to allow the Contractor to begin performing the On-Call Services. A Field Authorized On-Call Work Directive may not exceed \$25,000. SBCTA may, without the need for a formal contract amendment, notify the Contractor if the \$25,000 threshold set forth in this paragraph changes from time to time. Upon receipt and acceptance of a Field Authorized Work Directive, the Contractor must begin performing the On-Call Services within 24 hours. Within 5 days of the issuance of a Field Authorized Work Directive, SBCTA will begin the process to issue an On-Call Work Directive which shall result in an executed Work Directive within 14 days or less.

- 17.9.B Any Field Authorized Work Directive must be signed by SBCTA's authorized representative (SBCTA Project Manager or SCRRA's Contract Administrator) or the work will be considered as unauthorized and at the sole expense of Contractor.

17.10 EMERGENCY ON-CALL WORK DIRECTIVES

- 17.10.A SBCTA and the Contractor acknowledge that the need may arise for emergency work which is unanticipated and which must be performed without delay. SBCTA will provide the Contractor with notice, written or oral, of significant cost emergency work and the Contractor must promptly respond and perform the required work. Emergency Work Directive will be issued as soon as possible but typically after the emergency work is initiated. Any Emergency On-Call Work Directive estimated to exceed \$50,000 should be authorized in writing before the Contractor has exceeded \$50,000 in costs for the emergency work. The written authorization will be a Work Directive. SBCTA may, without the need for a formal contract amendment, notify the Contractor if the \$50,000 threshold set forth in this paragraph changes from time to time. As soon as practical after receipt and acceptance of an Emergency On-Call Work Directive, SBCTA will begin the process to issue an On-Call Work Directive.
- 17.10.B Any Emergency Work Directive must be signed by SBCTA's authorized representative or the work will be considered as unauthorized and at the sole expense of Contractor.

SECTION 18. REQUIRED DATA COLLECTION, REPORTS AND NOTIFICATIONS

In addition to data collection and reporting requirements identified in other Scope of Services Sections, FRA New Starts Deliverables and other reports and data required before or on Start Date, the Contractor shall perform data collection and submit the required reports and notifications to SBCTA according to the timeframe and frequencies specified below. The Contractor shall submit reports in formats mutually agreeable to the Contractor and SBCTA. Reports identified in this section shall be sent electronically to SBCTA departments and individuals designated by SBCTA.

18.1 ANNUALLY

- 18.1.A By Jan 15 for the previous year:
- (1) Annual facilities & maintenance audit of in-service and out of service assets and their condition, to include a review of inspections, maintenance, state of good repair and regulatory compliance.
 - (2) Quality Audit Summary Report (Section 9 Quality Program)
- 18.1.B By February 1, an annual report of Contractor's Drug and Alcohol 219 program.
- 18.1.C By July 15 for the previous Fiscal Year:

Report of inventory of all SBCTA or SCRRA - provided materials, materials purchased by the Contractor, and spare parts priced at Actual Costs paid by SBCTA or SCRRA at the time of purchase; fixed assets held by or under the control of the Contractor with values that exceed \$500; and complete description and explanation of required inventory adjustments more than \$5,000

18.1.D By August 30 of each year:

Forecasted Service Impact Deficient Condition Reports (DCRs) as described in Section 22, Information Technology Systems. Contractor shall submit the completed FSIDC Forms for Rolling Stock equipment and facilities in an approved format (CDRL 40). Completion and submittal of these numbered and tracked Forms informs SCRRA of asset conditions that must be programed for replacement, rehabilitation, or modernization or the asset condition will deteriorate and result in a future service impact.

18.1.E By Oct 10 of each year:

SGR Plan (CDRL 37) as detailed in Section 4.1.M of this SOW.

18.2 SEMI-ANNUAL (January 1 and July 1)

18.2.A 49 CFR 217 Program 6 months Review

18.2.B Training Report

18.3 QUARTERLY

By 7 Business Days after the end of each quarter:

18.3.A Training report, including specific programs, person-hours, and employee performance issues addressed (electronically, in a format capable of segregation).

18.3.B Report containing results of the Drug and Alcohol 219 program.

18.3.C Organizational Chart & Personnel Map

18.3.D LCM Program Updates

18.3.E Materials Usage Report including detail of all materials used in execution of the Work Directive, the source of the material, the date material was incorporated within the railroad system, the location where the materials were installed, and the contractor that installed the material.

18.3.F Equipment Report, including list of all equipment and vehicles and the hours worked and on standby for each (labor allocation & dwell time for material delays)

18.3.G Safety Performance Report

18.3.H On-Call Services Cost Tracking Report, including the following information for each Work Directive:

- (1) Description of every open Work Directive;
- (2) Costs incurred during the most recent billing period;
- (3) Total costs incurred to date;
- (4) Not-to-exceed maximum (if any); and
- (5) Estimated cost to complete.

18.4 MONTHLY REPORTS:

18.4.A Estimate of that month's invoice amount for accrual purposes. This accrual level information, in excel format is due to SBCTA two (2) calendar days before the end of the current month.

18.4.B By the 15th of the month:

- (1) Performance on efficiency testing, training, testing, certification, and monitoring status of all employees

- (2) A complete listing of all Contractor and subcontractor Full Time Equivalent personnel performing Base Service by position title and identification number. All other pertinent information including but not limited to vehicle assignment if applicable, shall be provided. Full time staff are those personnel whose primary responsibility is Base Services under this Contract including Extra Board and are not assigned other duties outside of Arrow Service. Personnel performing Services on a part time or intermittent basis shall not be included.
- (3) Monthly Invoice (CDRL 42) related to On-Call Services shall include a breakdown of hours worked by employee, date, and Work Directive, if applicable, in an agreed-upon format, i.e., attendance/ timekeeping reports and Key Personnel attributes, along with a detailed variance report for the previous month and year-to-date versus budget, including supporting documentation. Quality Program Plan (QPP) Review Report (see Section 9)

18.4.C Out of Stock Material List

18.4.D Inventory Data Account Report

18.4.E Fuel Dispensed Usage Report

18.4.F Fleet Availability, Performance, and Cleanliness Report

- (1) Include the vehicle(s) performance
- (2) Include Mean Distance Between Failure ("MDBF") & Mean Distance Between Service Failure (MDBSF) calculations

18.4.G Submit Modification Periodic Progress reports of those units which have been modified

18.4.H Completed maintenance by equipment number, showing:

- (1) Wheels trued and changed during month
- (2) Major components changed out during month
- (3) Significant maintenance activity, including extraordinary material usage or component failure

18.4.I Anticipated maintenance for coming month by equipment number, showing:

- (1) Wheels to be trued and changed
- (2) Major components to be changed out

18.4.J Preventive maintenance for next 12 months and 4-year Clean Oil Test and Stencil (COT&S) Program by equipment number, showing:

- (1) Wheels to be trued and changed
- (2) Major components to be changed out

18.4.K Equipment history file by equipment number, compiling:

- (1) Past repairs over last 12 months
- (2) Anticipated and preventive repairs for next month, next 12 months and 4-year COT&S Program

18.4.L Report of replacement of damaged or missing onboard signage for priority seating, wheelchair accessibility, bicycle and luggage stowage or any other signage providing information to PNAs.

18.4.M Report of the AMF facility maintenance performed for the previous months completed

maintenance on the facility and for the next months, maintenance that is scheduled.

- 18.4.N A statement describing the material usage by project control number, material ownership (Contractor, SBCTA or Third Party), and material class.
- 18.4.O Maintenance work performed during the past month and planned for the next month, including comparisons of planned production vs. actual.
- 18.4.P Report on the performance of the employee efficiency testing program including information on distribution and type of tests, as well as failures.
- 18.4.Q Employee Injury and Fatality Statistics Report, including Federal Employers' Liability Act (FELA) or worker's compensation claims filed/paid, the number of FRA reportable employee injuries per 200,000-person hours worked, organized by Sections in this Scope of Services, and trend analysis and recommendations for continuous improvement.
- 18.4.R Report of damage, by accident, vandalism, or whatever reason, to any property used in providing the Services where such damage exceeds \$500.
- 18.4.S A complete listing of all Contractor and subcontractor personnel performing On-Call Services by position title, number, and Work Directive. This listing shall include both Full Time Equivalent and personnel performing On-Call Services on a part time or intermittent basis.

18.5 WEEKLY

18.5.A By the following Monday:

- (1) A weekly report summarizing the Contractor's key performance metrics regarding minutes of delay, equipment availability, weekly facility inspection adherence, and status of open facilities tickets.
- (2) Equipment and Facilities Trouble Log

18.6 DAILY

18.6.A By next day at 7:00 a.m. reports of the following:

- (1) Delays under the Contractor's responsibility
- (2) Fleet status (including estimated repair/opening times, bad orders)
- (3) QMP MOC Mechanical Help Desk Report
 - o Unit History Report with QMP input
- (4) Special event activity
- (5) Contractor Employee injuries
- (6) Details of accidents, incidents, or unusual occurrences during the previous service day

18.7 WITHIN 10 DAYS (AD HOC REPORTS AND INFORMATION)

SBCTA shall have the right to obtain from the Contractor, within 10 days of a request, any information related to the services or the Service Property that the Contractor possesses and is legally permitted to provide to SBCTA; provided however, that if the Contractor reasonably requires additional time beyond (10) days, it shall notify SBCTA and shall provide the information within the stated time additional time.

18.8 UPON REQUEST

18.8.A By next day at 5:00 p.m.:

- (1) Copies of Contractor-maintained "Trouble Log" reports for maintained Service Equipment and facilities which document all known unusual occurrences on the Metrolink system, including results of Contractor follow-up and closeout
- (2) Accident/Incident reports status
- (3) Post-incident employee statements
- (4) Contractor's standard maintenance of equipment conditions, inspection, and test reports

18.9 NOTIFICATION REQUIRED WITHIN 24 HOURS

Notification within 24 hours, followed by complete record of all reports and correspondence within five days. At a minimum, all incidents listed below shall be reported to SBCTA, as soon as the Contractor becomes aware of them:

- (1) Damage which is not FRA - reportable
- (2) Theft or loss of SBCTA and SCRRA property
- (3) Expulsion of a trespasser from AMF property
- (4) Earthquake action with no property damage or injury

18.10 REPORTS REQUIRED IMMEDIATELY

Those event reports specified below requiring "Immediate Notification" shall be furnished within two hours of incident.

With respect to activities at the AMF, Contractor shall provide Immediate Notification, followed by complete record of all reports and correspondence within 24 hours of any of the following:

- (1) Death
- (2) Injuries to employees, the public, passengers, trespassers, or any other person on Service Property
- (3) Assault
- (4) Occupational illness (includes inhalation, absorption, ingestion, direct contact, hearing loss, poisonous plants, sunstroke, bites from animals, insects or snakes)
- (5) Loss of consciousness
- (6) Alcohol and drug use
- (7) Property Damage (includes SBCTA or SCRRA property or damage to property of others)
- (8) Fire
- (9) Explosion/detonation
- (10) Rupture
- (11) Any incident with possible environmental impacts, such as diesel fuel spills, illegal disposal of hazardous material on the Service Property, and spills from rail cars
- (12) Flooding/washout

- (13) Any accidents or incidents in connection with the Contractor or its subcontractors or SBCTA contractors, including incidents involving on - track equipment or off - track vehicles
 - (14) Earthquake with property damage or injury
 - (15) Bomb threats
 - (16) Violation of operating or safety rules
 - (17) Any “false clear” signals
- 18.10.A Immediate Notification (followed by complete record of all reports and correspondence within 48 hours)
- (1) FRA - reportable damage
 - (2) FRA, CPUC or OSHA visits and violations
 - (3) HAZARD OF ACCIDENT - A Hazard of Accident is an incident where no injuries, death or property damage occurs but where a human, mechanical, signal or other malfunction creates a condition that could result in an accident. Hazards of Accident shall be reported immediately, with copies to designated SCRRA personnel.

SECTION 19. ANNUAL BUDGET PROCESS

19.1 PREPARATION OF ANNUAL BUDGET

19.1.A Preparation of Preliminary Service Plan

Prior to September 1 of each year during the term of the Contract, SCRRA will prepare and submit to the Contractor a preliminary service plan (CDRL49), which shall include a detailed description of the quantities of Services SCRRA expects the Contractor to provide in the next Fiscal Year (FY) and will form the basis for an Approved Budget. It is recognized that said service plan will represent SCRRA staff recommendations which will be subject to subsequent review and approval by SCRRA before a definitive service plan for the next Fiscal Year can be relied upon by the Contractor.

19.1.B Preparation of Proposed Operating Budget

No later than September 30 of each year during the term of the Contract, the Contractor shall prepare and submit to SCRRA a proposed budget for provision of the Services described in the preliminary service plan for the next Fiscal Year. The proposed budget shall be based on the service plan provided by SCRRA under Section 19.2. and the FY adjusted Base Service price. The proposed budget submission shall:

- (1) Be consistent with the preliminary service plan;
- (2) Specify the number of personnel, both management and non-management, including a list of all positions whose time will be chargeable directly during the coming Fiscal Year;
- (3) Specify all elements of compensation;
- (4) Specify the assumptions used in developing the proposed budget; and
- (5) Identify and explain variances in the Contractor’s proposed budget from the Base Service price, and variances in the Contractors proposed budget from the prior Fiscal Year, if applicable.

In addition to the Contractor's proposed operating budget, the Contractor shall submit by September 30, a list of the Contractor's recommendations for procurements, renovations and other maintenance work for equipment and facilities utilized in the provision of the Services which is beyond the scope of the routine maintenance covered by the Contract and estimates of costs associated with such projects. All projects are subject to SCRRA approval. Additionally, the forecasted cost of known On-Call Services projects and programs shall be estimated and submitted so that SCRRA can consider and include the contract capacity and budget authority for these projects and programs at the same time as the annual Base Services Plan and Budget.

SCRRA would seek authority for the Contractor to plan and begin the process for submitting the On-Call Work Directives with the expectation these will be approved when the Work Directive process has been completed. (CDRL 49)

19.1.C SCRRA Review of Proposed Operating Budget

By no later than October 31 of each year, SCRRA shall present to the Contractor comments on the proposed budget submission which shall specify the line items or supporting documentation, if any, to which SCRRA objects, and the basis for each objection.

19.1.D Operating Budget Negotiation

SCRRA and Contractor shall promptly negotiate with respect to any line items to which Authority objects and shall complete the negotiation process by no later than December 1 of each year. SCRRA shall submit the proposed budget to its Board and receive final approval by mid-June.

19.1.E Operations without a Budget

If SCRRA is unable to obtain an Approved Budget by the beginning of the next Fiscal Year under circumstances in which no change in the level of train service is directed and implemented, SCRRA shall make payments to the Contractor according to the agreed upon Base Price. Any cost incurred as a result of changes in the Service Plan, SCRRA to pay Contractor retroactively upon Board approval of the Fiscal Year budget.

19.1.F Budget Amendment for Unforeseen Events

Upon the occurrence of events that were not reasonably foreseeable at the time of approval of the Approved Budget, the parties shall agree upon amendments to the Approved Budget for that Fiscal Year to reflect those changes.

19.2 BASE SERVICES

The cost for performance of Services identified above shall be included in the Base Services price.

SECTION 20. METROLINK SERVICE PLAN

The Metrolink Service Plan (MSP) - Exhibit 16 - describes the level and type of train service, maintenance of equipment and facilities maintenance required as of the Service date, unless otherwise modified.

All the following are part of the Metrolink Service Plan:

20.1 REGULARLY SCHEDULED TRAIN SERVICE (weekday, weekend and holidays)

20.1.A The Metrolink Service Plan schedule is that shown in the Metrolink Public Timetable or as provided in the Annual Budgeting process. The latest timetable for the train services can be found online on the SCRRA website <https://www.metrolinktrains.com>.

20.1.B SCRRA operates a Sunday schedule on certain observed holidays including New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day and others, as a part of Regularly Scheduled Train Service.

20.1.C In addition to the weekday and weekend regularly scheduled trains included in the public timetable, numerous non-revenue or “deadhead” and switching short and sometimes longer non-revenue moves are required to position trainsets. Non-revenue switching moves include assuring train consist are properly equipped and set up in the right order and removal and replacement of equipment scheduled for maintenance.

20.1.D Planned Special Trains

- (1) Special Trains are trains operated for special events such as sporting events or holidays, with schedules that differ from routine operations. A list of the typical Special Trains currently scheduled is provided in Exhibit 16 (MSP). The quantity and schedule for Special Trains will be determined each year during the Annual Budget Process described in Section 19 this process may be updated quarterly. The MSP developed for a given year will include an allowance for unscheduled and scheduled Special Trains as part of the Base Services.

20.2 TRAINS THAT MAY NOT BE IN THE METROLINK SERVICE PLAN

20.2.A Additional Unscheduled Special Trains

- (1) In addition to the Special Train service – Scheduled identified above and in the MSP, the Contractor shall provide Special Trains, including special event service, charters, excursions and Operation Lifesaver/Rail Industry and off-line trips (with Host railroad pilot, where necessary, paid for by SCRRA), as directed by SCRRA.
- (2) Services included for each Special Train shall include train make-up and breakdown services.
- (3) Except for those Special Trains identified in the MSP, any additional Unscheduled Special Trains will require a revision to the Annual Budget or authorized by Work Directive. When SCRRA anticipates providing special train service, it shall submit to the Contractor a notice in writing to operate such service as many days in advance of the event as possible. The Contractor shall use all reasonable efforts to accommodate such request, and promptly upon receipt of written notice, shall inform SCRRA in writing, the estimated cost of providing such service and the manner of compensations.

20.2.B Additional Test Trains

- (1) Contractor shall assume Test Train services are operated for a minimum of an eight-hour shift. In general, SCRRA shall notify the Contractor in writing no less than 72-hours prior to the operation of Test Trains although there may be an occasional short notice requirement for work trains to respond to an emergency. Contractor shall provide any test trains requested with 36-hours or more notice.
- (2) Services included for test trains shall include all non-revenue or deadhead and associated train make-up and switching moves required to support the Test Train Service.

20.2.C Maintenance of Equipment

The maintenance of equipment service plan details departmental goals, service plans, rolling stock fleet descriptions, fleet sizes, equipment layover locations and specific maintenance tasks that the contractor is responsible to support.

20.2.D Facilities

The Service Plan will include the Facilities and support equipment that the Contractor is responsible to maintain. The Contractor is responsible to determine the staffing level and staffing schedule and their support equipment and maintenance intervals on SCRRA provided EAM system as well as staffing needed to response to call outs and repairs.

20.3 UPDATES TO THE METROLINK SERVICE PLAN

SCRRA anticipates one system-wide change of schedule per year, typically on July 1st. However, SCRRA may issue schedule changes in special circumstances such as a new station opening. SCRRA will consult the Contractor prior to implementing these additional schedule changes.

20.3.A Schedule and Consist Changes

The Contractor or SCRRA shall develop and provide, one month prior to an anticipated schedule change, any recommendations for running time revisions or other scheduling matters which improve operating performance. Should operating miles exceed 140,000 in a fiscal year, the Contractor shall submit its plan and cost changes to SCRRA addressing the schedule change and increased to base maintenance cost.

20.3.B Facility Changes

SCRRA shall provide the Contractor notice two months in advance of Facility maintenance changes that will impact Contractor responsibilities; including but not limited to installation of HVAC at existing facility, addition of janitorial/landscaping services at an existing facility, addition of new facility and removal of existing facility. The Contractor and SCRRA shall negotiate any cost impact of the proposed changes.

SECTION 21. RESPONSIBILITIES UPON TERMINATION OR COMPLETION OF CONTRACT

N/A

SECTION 22. LIST OF SCOPE OF WORK EXHIBITS

Exhibit Number	Exhibit Name	Relevant Sections
5	SCRRA Head End Video Recorder (HEVR) System Policy & Procedures	4. Contractor and SBCTA Responsibilities 5. Requirements and Standard Operating Procedures
7	Metrolink and Arrow Operational Supplemental Instructions	5. Requirements and Standard Operating Procedures
9	Metrolink System Safety Program Plan	5. Requirements and Standard Operating Procedures 7. Training 8. Safety
10	Qualifications of Key Management and Personnel	6. Personnel Requirements
11	Metrolink's Supplier's Code of Conduct	6. Personnel Requirements 7. Training
12	SCRRA Drug and Alcohol Policy	6. Personnel Requirements
13	Training Summary Requirements	7. Training
14	Metrolink Passenger Train Emergency Preparedness Plan	8. Safety
16	The Metrolink Service Plan (MSP)	20. Metrolink Service Plan

Exhibit Number	Exhibit Name	Relevant Sections
20	Metrolink Fuel Conservation Program	5. Requirements and Standard Operating Procedures 13. Maintenance of Service Equipment
23	PTC On-board inspection, Verification, and Certification Plan	13. Maintenance of Service Equipment
26	Utility Carts and Equipment Provided by the SCRRA	14. Facilities Usage and Maintenance
28	Facilities Maintenance & Management Plan	5. Requirements and Standard Operating Procedures
33	Metrolink IT Policies and Procedures	16. Information Technology (IT) Requirements
38	Fleet Driver's Handbook	15. SCRRA-Furnished Non-revenue Rubber Tire Vehicles
39	Stormwater Pollution Prevention Plans	14. Facilities Usage and Maintenance
42	SCRRA Travel Procedures for Contractors	5. Requirements and Standard Operating Procedures
46	Rolling Stock Condition Assessment	4. Contractor and SBCTA Responsibilities
47	Rolling Stock EAM BPA	4. Contractor and SBCTA Responsibilities 16. Information Technology (IT) Requirements
48	Facilities EAM BPA	4. Contractor and SBCTA Responsibilities 16. Information Technology (IT) Requirements
49	EAM Training	4. Contractor and SBCTA Responsibilities 16. Information Technology (IT) Requirements
51	FRA Regulation Matrix	5. Requirements and Standard Operating Procedures 7. Training
52	General Code of Operating Rules (GCOR)	5. Requirements and Standard Operating Procedures
53	FRA Tier 1 Passenger New Starts Deliverables	10. Mobilization
55	Work Directive Process	13. Maintenance of Service Equipment
56	Rolling Stock Maintenance and Management Plan	5. Requirements and Standard Operating Procedures
60	Metrolink Transit Asset Management Plan	5. Requirements and Standard Operating Procedures
61	Facilities Condition Assessment Procedure	14. Facilities Usage and Maintenance
62	Facilities Condition Assessment	4. Contractor and SBCTA Responsibilities 14. Facilities Usage and Maintenance
63	Rev1 Authority Special Tools and Test Equipment	13. Maintenance of Service Equipment
64	Facilities Personnel On-Track Protection Procedures	14. Facilities Usage and Maintenance
68	PTC Onboard Hardware under Warranty	23. Materials Procurement and Management
69	PTC Product Return Instructions	23. Materials Procurement and Management

SECTION 23. MATERIALS PROCUREMENT AND MANAGEMENT

23.1 MATERIALS MANAGEMENT

- 23.1.A As of the Materials Management Service Date, Contractor shall be responsible for managing materials as set forth below. Provision and management of consumables for service equipment and AMF are included in full service maintenance fee, respectively.
- 23.1.B The Contractor shall procure Consumables and manage SBCTA-owned inventory, be responsible for, and shall manage the planning, purchasing, Quality Control, storage, distribution, and control of all materials related to Service Equipment and AMF (assuming the associated NTPs and Service Dates have been met) required to perform the Services under the Contract.
- 23.1.C The Contractor shall use SCRRA's Enterprise Asset Management (EAM) system to track material management.
- 23.1.D The Contractor shall return parts and materials to vendors or manufacturers as needed for warranty service, repair or replacement, engine overhauls, and Capital projects.
- 23.1.E The Contractor shall also provide minor Consumables including, but not limited to, rags, cleaning fluids and facility maintenance materials. The Contractor shall purchase Consumables for use, including but not limited to, engine oil filter, air filters, fuel filters, hydrogen fuel filters, purge filters, process air filters, DI filters, anti-freeze, and bulk lubricants such as traction motor grease, suspension bearing oil, governor oil and traction motor brushes. Any Consumables shall be in accordance with the Service Equipment and facility OEM requirements/approval in order to not invalidate any warranty requirements.
- 23.1.F Contractor shall schedule services related to the maintenance. This will include tool calibration, parts washers, oil waste and other hazard waste removal.
- 23.1.G Contractor shall maintain Materials Safety Data Sheet (MSDS) information and update as needed.
- 23.1.H The Contractor shall be responsible for managing the application of wayside power to the Service Equipment. The Contractor shall ensure the wayside power for ZEMU vehicles maintains the onboard ESS (Energy Storage System) State of Charge (SOC) and temperatures to within OEM recommended levels, including when the vehicle is powered down.
- 23.1.I SBCTA may provide a 3-phase 480VAC isolated power supply located at certain locations at the AMF for charging the ZEMU traction battery ESS.

23.2 MATERIAL MANAGEMENT MOBILIZATION

Section 10 of this SOW shall dictate the period Contractor will have to complete Material Management mobilization. As part of mobilization and for record keeping purposes, the Contractor and SBCTA shall perform a joint audit of on-hand material, detailing the quantities and types of usable, on-hand material that Contractor is willing to purchase and take ownership of from SBCTA or SCRRA during Materials Management Mobilization. For purposes of this Section, the "value" of each item shall be the cost that SBCTA or SCRRA paid for each item.

23.3 STORAGE AND HANDLING

- 23.3.A The Contractor shall store SBCTA-owned and SCRRA-owned inventory at the AMF. Should additional storage space be required, this shall be at the Contractor's expense. The Contractor shall be responsible to manage and distribute the issued materials, as required, at the AMF to support inspection, testing, maintenance, troubleshooting and repair requirements.

- 23.3.B The Contractor shall be responsible for designating qualified Quality Control personnel to establish and implement plans and procedures necessary to ensure all materials procured and utilized under the Contract comply with quality processes, standards, and regulations. The Contractor shall maintain records of all inspections and tests performed on the materials, including records of any non-conforming materials. SBCTA shall have the right to conduct independent inspections and tests to verify compliance with quality requirements.
- 23.3.C The Contractor shall be responsible for shipping and handling of SCRRA PTC onboard hardware with SCRRA's PTC onboard hardware provider (Wabtec Global Services) for purchases and repairs; the Contractor shall follow the Return Material Authorization (RMA) process outlined by PTC onboard hardware provider outlined in Exhibit 69 (PTC Product Return Instructions) when shipping PTC hardware for servicing/repairs. PTC onboard hardware warranty is under SCRRA's name. Contractor shall reference Exhibit 69 (PTC Product Return Instructions) and Exhibit 68 (PTC Onboard Hardware under Warranty). The PTC Onboard Hardware under Warranty by PTC provider over time and will be updated by SCRRA in writing to Contractor.

23.4 INVENTORY CONTROL

- 23.4.A SBCTA and the Contractor shall develop jointly an Inventory Maintenance Plan (CDRL 51). The Plan shall detail the amount of Inventory required to support inspection, testing, maintenance, troubleshooting and repair requirements in accordance with the SEMP. The plan shall include a process and schedule for monthly review and metrics for measuring the effectiveness of the plan. The plan shall be jointly reviewed and updated annually (each, an Inventory Maintenance Plan Update) (CDRL 51), by July 1st, or more frequently if required.
- 23.4.B The Contractor shall ensure no material shortages occur and shall determine the minimum and maximum levels and reorder point of each item to be maintained in Inventory as part of the Inventory Maintenance Plan.
- 23.4.C Based on the SEMP, the Contractor shall designate each item of critical or unique material (the "critical material") with SBCTA's approval to determine necessary stocking levels in order to ensure continuous availability during seasonal demands and to support fluctuations in lead times that typically occur. Critical material must be available in sufficient quantities to support the operation of Arrow Services.
- 23.4.D For the Inventory Maintenance Plan, the Contractor shall determine minimum levels of necessary common-use material to be stocked to support troubleshooting and running repair of Service Equipment in order to avoid train delays or inoperative or unusable vehicles.

23.5 PROCUREMENT OF MATERIALS FOR ON-CALL SERVICES

This section only applies to On-Call Services:

- 23.5.A During Mobilization period, Contractor is responsible for providing documentation to support sole source procurements for OEM materials (OEM List) (CDRL 46), in accordance with SCRRA policies. Thereafter, Contractor shall have no further obligation to provide procurement documentation associated with OEM materials for the Service Equipment included in the original OEM List. Contractor will maintain additions or revisions to the OEM list, with the proper justification, contingent to approval by SCRRA.
- 23.5.B The Contractor shall follow SCRRA - approved Contractor Procurement SOP (CDRL 47), consistent with SCRRA's Procurement and Contracting Policies, which will be developed cooperatively between the parties following NTP 2, during Mobilization period. SCRRA's Procurement and Contracting Policies are available online at (<https://metrolinktrains.com/doing-business>).

- 23.5.C All contractual arrangements for purchase of materials must be in an 'arm's length' arrangement unless otherwise approved by SCRRA. Any approved non - arm's length transaction shall be at the verified actual original supplier cost without Contractor mark - up of any kind.

23.6 WARRANTIES

- 23.6.A The Contractor must deliver to SBCTA all manufacturers' warranties, guaranties, instruction sheets and parts lists that are procured by the Contractor. In connection with On-Call Services, Contractor must purchase a two - year warranty, if available, unless specifically designated otherwise in the Materials Management Plan. If extended warranties beyond two years are available, Contractor shall inform Authority and Authority may direct Contractor to procure the extended warranty.

23.7 NEW AND OVERHAUL SERVICE EQUIPMENT AND FACILITY SUPPORT

- 23.7.A The Contractor working with SBCTA shall integrate material requirements for any new and overhauled Service Equipment and the AMF. The Plan shall detail the amount of inventory required to perform Contract Services for the new and overhauled Service Equipment.
- 23.7.B The Contractor is responsible to include/add materials for new and overhaul vehicles and facilities in SCRRA-provided Asset Management System.
- 23.7.C The Contractor is responsible to identify and record in the EAM all material warranties, including extended warranties, if applicable, for all items procured.

23.8 CAPITAL FUNDED MATERIALS

- 23.8.A The Contractor shall cooperate with and support SBCTA identifying the need and purchasing all capital funded materials for Service Equipment improvements/enhancements in compliance with Section 23.5.
- 23.8.B Contractor and SBCTA shall perform a joint audit of the quantity and condition of all ZEMU capital spares prior to the ZEMU Maintenance Service Date. After the ZEMU Maintenance Service Date, Contractor will be responsible to store ZEMU Capital Spares parts in a secure storage area.
- 23.8.C It is expected that Contractor will use capital spares as needed for both Preventive Maintenance and Corrective Maintenance to support the ZEMU and DMU Services. During ZEMU Mobilization, SBCTA and Contractor will develop a process through which capital spares can be readily issued to Contractor for use with appropriate authorization from SBCTA.
- 23.8.D The Contractor may not, under any circumstances, "borrow" or scavenge parts from capital spares.
- 23.8.E The Contractor shall provide written justification proposing the use of a specific number of capital spares based on need.
- 23.8.F Option for ZEMU Capital Spares
- The Contractor shall propose a ZEMU recommended capital spares list and pricing for purchase at the discretion of SBCTA. The spares list shall include recommended capital spares to support the ZEMU fleet, only for components unique to the ZEMU design, i.e., not common and interchangeable between DMU and ZEMU vehicles. Once purchased by SBCTA, the use provisions of Section 23.8 shall apply equally.
- 23.8.G Replacement of capital spares shall be handled as follows:

- (1) If the capital spare is being used as part of Preventive Maintenance, normal wear and tear, or damage to the Service Equipment that is outside the control of Contractor, Contractor shall notify SBCTA and SBCTA shall advise whether they either want to repair or replace the part at SBCTA's expense or not replace the part at all.
- (2) If the capital spare is being used for Corrective Maintenance due to the negligence or willful misconduct of Contractor, or the failure of Contractor to maintain the Service Equipment in accordance with the SEMP, Contractor must repair or replace the capital spare at its own cost.

23.9 FUEL MANAGEMENT

23.9.A Fuel Dispensing

Contractor is responsible to dispense fuel to Service Equipment. The Contractor has the ability to contact the Fuel Supplier to schedule non-scheduled trackside deliveries. Contractor is responsible to train and qualify Contractor staff on how to utilize fuel dispensing equipment. Contractor is responsible for developing a spill prevention plan.

23.9.B H2 Fuel Equipment maintenance

The H2 Fueling Equipment maintenance is SBCTA's responsibility, both operationally and financially.

23.9.C Diesel Fueling Equipment maintenance

Upon passage of the ZEMU Maintenance Service Date, the DMU Maintenance Service Date, the AMF Service Date and the Materials Management Service Date, the Diesel Fueling Equipment maintenance is the Contractor's responsibility

23.10 MATERIAL MANAGEMENT SYSTEM

The Contractor shall use SCRRA's Asset Management system to track material management.

23.11 MATERIAL MANAGEMENT DEMOBILIZATION:

Upon the termination or end of this Contract, the Contractor and SCRRA/SBCTA shall perform a joint audit of any on-hand Consumables as part of demobilization. SCRRA/SBCTA and Contractor shall agree on which Consumables SCRRA/SBCTA is willing to purchase and the value thereof. For purposes of this Section, the "value" of each item shall be the cost that Contractor paid for each item.

23.12 BASE SERVICES

23.12.A Unless explicitly described as an On-Call Service, the cost for performance of Materials Management Services described above shall be included in Base Services prices. These costs include, but are not limited to:

- (1) All labor/personnel costs related to the management, administration, field inventory, local delivery acceptance and unloading if applicable, local warehousing and site storage support and training.
- (2) All tools and equipment, electronic communications, software and hardware.

23.13 ON - CALL SERVICES AND PASS-THROUGH COSTS

23.13.A The materials purchased by the Contractor in accordance with this Section shall be paid by SBCTA or SCRRA. Contractor shall itemize all such purchases on each invoice and include documentation for material purchases, sales invoices, bills of lading, receiving documentation (location, date, person receiving and inspection notes) and inventory location.

23.13.B At a minimum, there will be an annual audit of the materials process and purchases. This audit will verify that the Contractor is purchasing material in accordance with Laws, Regulations, Authority Procurement Policies and Procedures and the actual material costs.

SECTION 24. CONTRACT DELIVERABLES REQUIREMENTS LIST (CDRL)

CDRL #	CDRL Name	Due	Authority Review or Approval	Reference Document(s)	Scope of Services Section
1	Mobilization Plan	Within 7 days after each NTP	Approval		4 Contractor and Authority Responsibilities 10 Mobilization
2	Incident Call- Out Response Plan	60 Day prior to In-Service date; 60 days for Authority to review and approve before performing any Base Services	Approval		4 Contractor and Authority Responsibilities
3	Key Personnel Plan (Qualifications, Resumes & Position Descriptions for Key Personnel)	First Submittal 14 days after NTP 1 and Updated Quarterly	Review		4 Contractor and Authority Responsibilities
4	Organizational Chart	First submittal 14 days after NTP 1 and Updated Quarterly	Review		6 Personnel Requirements 9 Quality Program 10 Mobilization
5	Contractor Collective Bargaining Agreements (CBA)	30 Days prior to in-service date then annually or upon change	Review		6 Personnel Requirements
6	Personnel "Heat" Map	30 Days prior to In-Service date, then updated Quarterly	Review		6 Personnel Requirements
7	Criminal Background Check Policy	90 days prior to In-Service date	Approval		6 Personnel Requirements
8	Metrolink Supplier's Code of Conduct Employee Acknowledgement of Receipt(s)	90 Days after NTP 1	Review		6 Personnel Requirements
9	Personal Protective Equipment (PPE) Plan	60 days prior to In-Service date	Approval		6 Personnel Requirements
10	Training and Certification Plan	90 days prior to In-Service date with 60 Days to review and approve before commencing training then annually or upon change	Approval		7 Training 4 Contractor and Authority Responsibilities
11	Corrective Action Plan	Within 30 days of receiving audit report	Approval	Metrolink SSPP	8 Safety
12	Internal Control Plan for Accident and Incident Reporting	90 days prior to In-Service date	Approval	Authority's Internal Control Plan	8 Safety
13	SMP/SMS Response Plan	90 Days prior to In-Service date	Approval	Metrolink SSPP	8 Safety
14	Quality Program Plan (QPP)	90 days after NTP 1	Approval		9 Quality Program
15	Audit Summary Report	90 days after In-Service date, then Submitted on an annual basis	Review		9 Quality Program
16	Employee Hiring Plan	30 days after NTP 1	Approval	Urban Mass Transportation Act	10 Mobilization
17	Service Equipment Maintenance Plan	90 days prior to In-Service date, then updated annually	Approval	Existing SCRRA Maintenance Management Plan	10 Mobilization
18	Maintenance Interval Procedure	90 days prior to In-Service date	Approval		10 Mobilization
19	Uniform Plan	90 days prior to In-Service date	Approval		6 Personnel Requirements
20	Train Operations Staffing Plan	60 days prior to In-Service date, then reviewed periodically	Approval		10 Mobilization

CDRL #	CDRL Name	Due	Authority Review or Approval	Reference Document(s)	Scope of Services Section
21	Crew and Consist Cycle Sheets	90 days prior to In-Service date; 14 days after notification of schedule change	Approval		11 Train Operations and Crewing
22	Service Disruption Recovery Plan	90 Days prior to In-Service date and 60 days to review and approve before performing any service impacting train operations	Approval		11 Train Operations and Crewing
23	Contractor Job Scripts	60 days prior to commencement of service, and updates 60 days after notification of schedule change	Approval	Crew Runs	11 Train Operations and Crewing
24	Crew Management System (Crew Calling Plan)	60 days prior to commencement of service, and updates 30 days after notification of schedule change	Approval		11 Train Operations and Crewing
25	Contractor's Service Plan	60 days prior to commencement of service, and updates 30 days after notification of schedule change	Approval	Crew Runs	11 Operations and Crewing
26	Contractor Standard Operating Procedures (SOP's)	45 days prior to In-Service date, then updated as required, not less than annually	Approval	Create List of SOP's	04 Contractor Responsibilities & 11 Train Operations and Crewing
27	Fare Enforcement Procedure	90 Days prior to In-Service date, then updated annually	Approval	Metrolink & Arrow Operational and Supplemental Instructions	11 Train Operations and Crewing
28	FRA Part 240/242 Plan	90 days prior to In-Service date	Approval		11 Train Operations and Crewing
29	Cleaning Chemicals and Processes List)	90 days after NTP 1	Review		13 Maintenance of Revenue Equipment 10 Mobilization
30	Service Equipment Maintenance Program Plan and Schedule (SEMP)	90 days prior to In-Service date, it shall have all its components	Review		13 Maintenance of Revenue Equipment 10 Mobilization
31	Configuration Management Change Control Program	90 days of NTP 1	Approval	Maintenance Management Systems	13 Maintenance of Revenue Equipment
32	Weekly Maintenance Production Plan	60 days after In-Service date, then updated weekly no later than 3pm on Friday	Approval	Maintenance Management Systems	13 Maintenance of Revenue Equipment
33	Corrective Maintenance Incident Report (template)	60 days after In-Service	Approval		13 Maintenance of Revenue Equipment
34	Inventory Data Account Report	90 days after 1st inventory reconciliation (during Mobilization); then in monthly reporting	Review		13 Maintenance of Revenue Equipment
35	Cleaning Intervals Procedures	90 Days After NTP 1	Approval		13 Maintenance of Revenue Equipment
36	Facility Maintenance Work Plan Schedule	90 Days After NTP 3	Approval		14 Facility Usage and Maintenance 4 Contractor and Authority Responsibilities
37	State of Good Repair (SGR) Plan	6 months of NTP 3 (October 10 of each year)	Submittal		14 Facility Usage and Maintenance 13 Maintenance of Revenue Equipment 18 Required Data Collection, Reports and Notifications
38	Technology Enhancement Plan	90 after NTP and 60 days to review	Approval		16 Information Technology Systems
39	IT Plan	90 days after In-Service date and 60 days to review	Approval		16 Information Technology Systems 10 Mobilization
40	Deficient Condition Report	90 days after In-Service date	Approval		18 Required Data Collection, Reports and Notifications
41	Agreement with Derailment Contractor	60 days prior to In-Service date	Approval		Operations and Maintenance

CDRL #	CDRL Name	Due	Authority Review or Approval	Reference Document(s)	Scope of Services Section
42	Monthly Invoice in Electronic Form	30 days prior to In-Service date, then improve and refine 6 months after Service date	Approval		18 Required Data Collection, Reports and Notifications
43	Contractor's Customer Service Plan	60 days prior to In-Service date	Approval		12 Customer Service
44	Office Space	10 Days after NTP 1	Review		10 Mobilization
45	Capital and Rehabilitation Plan	Annually, after Mobilization by December 31 st	Review		17 On-Call Services and Work Directives
46	OEM List	Mobilization	Approval		23 Materials Management
47	Contractor Procurement SOP	Mobilization	Approval		23 Materials Management 14 Facility Usage and Maintenance
48	Train Movement within the AMF	Mobilization	Approval		13 Maintenance of Revenue Equipment
49	Preliminary Service Plan	September 1 of each year	Approval		19 Annual Budget Process
50	Derailment SOP	Mobilization	Approval		13 Maintenance of Revenue Equipment
51	Inventory Maintenance Plan	Annually (by July 1 st)	Approval		23 Materials Management

CDRLs that have a strikethrough are not required.

Attachment B**PRICING SCHEDULE**

Not Included – Pricing Schedule Being Negotiated

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Attachment C

LIQUIDATED DAMAGES

In accordance with Article 5 of the Agreement, SBCTA may impose liquidated damages for the performance failures set forth in this Attachment C. These liquidated damages are SBCTA's exclusive remedy for Contractor failures. Further, the imposition of liquidated damages does not impact the parties' indemnity obligations.

Notwithstanding anything to the contrary, Contractor will only be held liable for the damages or liquidated damages when SBCTA demonstrates that the underlying event (giving rise to such damages) directly results from Contractor's improper maintenance of the vehicles (workmanship) and/or the lack of timely notice by Contractor about the needed material to perform the Contract.

Furthermore, it is specifically understood that, when considering/calculating the fleet availability, performance, reliability, cleanliness and on-time performance, Liquidated Damages will only be considered for issues that are directly resulting from Contractor's improper maintenance of the vehicles (workmanship) and/or the lack of timely notice by Contractor about the needed material to perform the Contract. With the exception of A.3, SBCTA will not assess Liquidated Damages related to the ZEMU until six months after the associated Maintenance Service Date. SBCTA will not assess Liquidated Damages related to the DMUs until three months after the associated Maintenance Service Date.

SBCTA shall be damaged if Contractor fails to perform the Services adequately or in a timely manner. For certain performance failures, actual damages to SBCTA may be difficult or impractical to determine. Accordingly, Contractor agrees to pay SBCTA Liquidated Damages as set forth in this Attachment C and as otherwise provided in this Contract. Such Liquidated Damages are intended to reasonably compensate SBCTA for harm or injury caused by Contractor and not susceptible to quantification and shall not be deemed to be a penalty. Liquidated Damages for any month will be limited, for all causes, to a maximum of ten (10) percent of the total invoice value for the month in which the damages occurred.

A. Train Performance

A.1 Contractor agrees to pay SBCTA Liquidated Damages as follows:

A.1.1 DMU Reliability: \$800 for each DMU that arrives at its final destination or arrives at the terminal/turn station more than six (6) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

A.1.2 DMU Reliability: \$7,700 for each DMU that arrives at its final destination or arrives at the terminal/turn station more than twenty-one (21) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

A.1.3 ZEMU Reliability: \$800 for each ZEMU that arrives at its final destination or arrives at the terminal/turn station more than six (6) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

Notwithstanding the foregoing, Liquidated Damages shall not be imposed if the delay is primarily caused by any of the following circumstances:

(1) a design defect in the ZEMU Propulsion System (including the power converter C750; DC/DC C400; E-Box; energy storage system; battery thermal management system; fuel cell system; brake resistors) or New Development Items (hydrogen storage and fuel cell cooling system; vehicle control unit software); and/or

(2) a failure of the Propulsion System and/or New Development Items, as defined above, that is not related to preventative maintenance of those components.

After the ZEMU completes two and half years in Revenue Service, the parties shall jointly evaluate and analyze the reliability data and ultimately agree upon ZEMU Reliability criteria that shall relate to the ZEMU Propulsion System and New Development Items and may result in Liquidated Damages for the remainder of the Contract.

A.1.4 ZEMU Reliability: \$7,700 for each ZEMU that arrives at its final destination or arrives at the terminal/turn station more than twenty-one (21) minutes later than the time stated in Metrolink's public timetable, if the primary cause of the delay is directly attributable to a vehicle-related failure, a negligent act or omission of Contractor, a Contractor employee or Subcontractor.

Notwithstanding the foregoing, Liquidated Damages shall not be imposed if the delay is primarily caused by any of the following circumstances:

(1) a design defect in the ZEMU Propulsion System (including the power converter C750; DC/DC C400; E-Box; energy storage system; battery thermal management system; fuel cell system; brake resistors) or New Development Items (hydrogen storage and fuel cell cooling system; vehicle control unit software); and/or

(2) a failure of the Propulsion System and/or New Development Items, as defined above, that is not related to preventative maintenance of those components.

A.1.5 MU Availability: \$7,700 for each MU Service annulled or terminated, if the primary cause of the delay is directly attributable to an MU-related failure, or a negligent act or omission of Contractor, a Contractor employee or Subcontractor. MU Services annulled or terminated will be considered 20 minutes late for the purpose of this Liquidated Damage calculation. This \$7,700 amount will increase by \$1,000 every three years for the life of this Contract. Each MU Service may be achieved by using any combination of the three (3) DMUs and the ZEMU.

A.1.5.1 The Liquidated Damages set forth in A.1.5 are based on the assumption that two (2) MUs per day are required to complete daily service (no more than 36 hours scheduled Service hours altogether per the approved Service Plan). In the event that SBCTA/SCRRA increases the Service hours beyond 36 hours scheduled Service hours beyond the approved service plan, LD will not be assessed for MU availability.

A.2 Liquidated Damages for Train Performance will be based upon the difference between actual and scheduled departure times of the train, minus any other delays to that trip identified by SCRRA's Director of Equipment or his or her designee, at the train's station. To the extent possible, delay times will be determined by replays of SCRRA's Wabtec dispatch system or by utilizing other train arrival monitoring system as SCRRA may adopt in the future.

A.3 The Contractor agrees to pay SBCTA Liquidated Damages as follows for each Service Failure:

Failure Type	Definition	Liquidated Damage
Vacant Positions	In the event any required role or key personnel position is vacant for more than 90 calendar days, liquidated damages may be assessed for each week until position is filled. For purposes of this section “vacant” shall only refer to resignations or terminations and does not refer to leaves of absence or temporary replacements.	\$5,000 per week
HVAC System Failures	Failure to maintain temperatures within the OEM HVAC Equipment design values.	\$3,300
Door Failure	Failure of a door to operate as designed	\$800
Lighting System Failure	Failure of 10% or greater of the lights in the interior of the vehicle to remain illuminated for the duration of the trip	\$800
Communication System Failure	Failure of the Public Address System, Intercom, Signage or Vehicle Radio enroute	\$800
Ride Quality Failure	Failure of the truck and suspension system to provide the designed ride quality as a result of a Service Equipment defect.	\$1,600
Cleanliness Failure	When the Total Score reported on Metrolink Daily Coach Cleaning Scorecard is less than 66 points. Total Scores shall be measured prior to any passenger Service.	\$800
On-Time Performance Measures	Failure to meet performance measures set forth in Section 8.1 of Exhibit 28 (SCRRA Facilities Maintenance and Management Plan Facilities Plan) Such liquidated damages shall only be associated with Inspections and Testing defined in Section 5 of Exhibit 28 as applied only to the AMF.	\$2,500 per occurrence.

Failure Type	Definition	Liquidated Damage
Major Equipment Availability	In the event facilities personnel fail to provide an initial response (but not necessarily resolve the issue) in accordance with the requirements set forth in Section 14.7 of the Scope of Work, liquidated damages may be assessed.	\$500 per occurrence per day Liquidated damages in this category will not exceed \$5,000 per month.
Efficiency Testing	If Contractor fails to adhere to its FRA Part 217 Efficiency Testing Program during any month, liquidated damages may be assessed. Failures to adhere to FRA Part 217 that result from vacations, unforeseen absences or leaves of absence shall not result in liquidated damages.	\$5,000 per month.
De-certifiable Rule 246 Violations	For each FRA Rule 246 de-certifiable violation, liquidated damages may be assessed.	\$5,000 per violation plus any costs associated with the applicable FRA civil penalties Liquidated damages in this category will not exceed \$25,000 per month, exclusive of FRA civil penalty.

Such amounts will increase annually, consistent with the agreed upon price adjustment clause in Attachment B for the life of this Contract.

There shall be no stacking of liquidated damages for a single event enumerated in A.1-A.4, and highest amount shall be used. For example, if a Door Failure results in a delay of over 21 minutes, CONTRACTOR cannot be charged both \$7,700 under A.1.2 and \$800 under A.4, and shall be charged \$7,700 since it is the higher amount.

B. Quality Control Reporting

B.1 Contractor's monthly QAP report is a required deliverable under this Contract. Each month, Contractor shall be assessed Liquidated Damages for late or incomplete reports because the failure to timely provide complete reports will be detrimental to SBCTA, and the injury to SBCTA will be difficult to quantify.

B.2 The Liquidated Damages assessed shall be \$800 per occurrence.

C. Service Equipment Quarterly Service Hours

C.1 DMU Service Hours: Contractor shall take reasonable measures to attempt to balance the number of service hours/mileage for each of the three (3) DMUs on an annual basis; however, there shall be no Liquidated Damages for failing to achieve this goal.

C.2 ZEMU Service Hours: Six (6) months after the ZEMU enters the Revenue Service, Contractor agrees to pay SBCTA Liquidated Damages for failing to meet the required quarterly service hours for the ZEMU as follows:

C.2.1 Failure to meet 295 quarterly service hours (15% of the expected MU service hours): \$5,000

C.2.2 Failure to meet 197 quarterly service hours (10% of the expected MU service hours): \$15,000

C.3 Twenty-four months after the ZEMU enters the Revenue Service, Contractor agrees to pay SBCTA Liquidated Damages of \$5,000 for failing to meet 393 quarterly service hours (20% of the expected MU service hours)

C.4 With respect to C.2 and C.3 and only during the warranty period, if the Contractor can demonstrate that the failure to meet the service hours is attributable to the Propulsion System design or Fleet Defect, these repair hours shall be deducted from the required service hours. The Contractor shall provide a report of the total hours expended on repairs. Fleet Defect is defined as cumulative failures of ten percent (10%) of the same components in the same or similar application, with a minimum of three (3) failures of the same component.

Liquidated Damages Cap

SBCTA will not impose Liquidated Damages of more than 10% of the annual base value of the Contract. In addition, the cumulative maximum Liquidated Damages assessed for any single calendar day shall be limited to a maximum of \$12,700 and the maximum for any single calendar month shall be \$77,000. Such amounts will increase annually, consistent with the agreed upon price adjustment clause in Attachment B for the life of this Contract.

Attachment D

ADDITIONAL CLAUSES

ENERGY CONSERVATION

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Federal Energy Policy and Conservation Act, 42 U.S.C. §§ 6321 et seq. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

RECYCLED PRODUCTS

The Contractor agrees to provide a preference for those products and services that conserve natural resources, protect the environment, and are energy efficient by complying with and facilitating compliance with Section 6002 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6962, and

U.S. Environmental Protection Agency (U.S. EPA), "Comprehensive Procurement Guideline for Products Containing Recovered Materials," 40 C.F.R. part 247. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement where the value of an EPA designated item exceeds \$10,000.

ACCESS TO RECORDS AND REPORTS

Contractor shall provide all authorized representatives of SBCTA and the State Auditor access to any books, documents, papers and records of the Contractor which are directly pertinent to this Agreement for the purposes of making audits, copies, examinations, excerpts and transcriptions. Contractor also agrees to maintain all books, records, accounts and reports required under this Agreement for a period of not less than four years after the date of termination or expiration of this Contract, except in the event of an audit, litigation or settlement of claims arising from the performance of this Contract, in which case Contractor agrees to maintain the same until SBCTA, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

SAFE OPERATION OF MOTOR VEHICLES

The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles. The terms "company-owned" and "company-leased" refer to vehicles owned or leased either by the Contractor or SBCTA. The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this agreement. The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

WORKPLACE DRUG AND ALCOHOL TESTING PROGRAMS.

The Contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Part 219. The Contractor's specific responsibilities include the following:

1. Submit to the FRA a drug and alcohol testing program as required under 49 CFR Part 219 as soon as possible after contract award.

2. Obtain the FRA's approval of the drug and alcohol testing program. Submit a copy of the approved drug and alcohol testing program and a copy of the FRA's letter of approval to SCRRA during the Mobilization period. Contractor will not be entitled to commence rail operation services until a copy of FRA's letter of approval is received by SCRRA.
3. Produce any documentation necessary to establish its compliance with Part 219, including but not limited to an annual report of Contractor's drug and alcohol testing program, which shall be submitted to SBCTA by January 31 (for the previous year) for inclusion in to SCRRA's annual report to the FRA.
4. Permit any authorized representative of the United States DOT, the FRA, the State Oversight Agency of the State of California, SBCTA or to SCRRA to inspect Contractor's facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Part 219, and to review the Contractor's testing process.

Contractor is solely responsible for ensuring that its employees, subcontractors, consultants and agents comply with 49 CFR Part 219 throughout the term of the Agreement. Moreover, Contractor is solely responsible for any delays caused as a result of Contractor's failure to comply with 49 CFR Part 219, including but not limited to any order to suspend work from the FRA.

The requirements of this section apply to all "covered work" and "covered service" under 49 CFR Part 219. The Contractor is solely responsible for determining whether it is performing "covered work" or "covered service" under 49 CFR Part 219, taking into account all amendments to the law.

Contractor will be required to cause its prospective safety-sensitive employees who may be assigned to perform safety-sensitive duties for SBCTA or SCRRA to undergo pre-employment drug testing and make drug test result inquiries of prior DOT-regulated employers. Safety sensitive employees shall also be subject to post-accident testing, reasonable suspicion testing, and random testing, and other tests as required by 49 CFR Part 219.

The Contractor must notify SCRRA's Project Manager/Contract Administrator immediately of any violation of the regulations or failure to test.

Any employee of the Contractor found to have violated the drug and alcohol regulations is subject to removal from duties under the Agreement, depending on the facts and circumstances of the situation.

If the Contractor utilizes their own pre-established program or a third party administrator's, Contractor must fully cooperate with SCRRA in such monitoring efforts, provide any requested documents or information, and comply with any corrective action that SCRRA requires of Contractor. Contractor agrees that all records produced and maintained in the performance of the program are subject to review by the Contractor upon request. Further, Contractor may be required to submit quarterly compliance reports to SCRRA.

Contractor agrees to submit within thirty (30) days of award of the contract (1) verification that its safety-sensitive employees are included as part of a random testing pool; (2) a copy of Contractor's substance abuse policy; and (3) the name of its third party administrator, if applicable. Failure to submit such documents within the prescribed time period, or failure to submit any other documentation relevant to the substance abuse testing requirements as required by to SCRRA, may result in the Agreement being terminated for default.

Contractor will include the requirements of this Clause in all subcontracts for "covered work" and "covered service" under 49 CFR Part 219 as well as subcontracts for the performance of safety-sensitive functions issued pursuant to this Agreement.

CLEAN WATER AND AIR REQUIREMENTS

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the Clean Air Act, as amended, 42 U.S.C. 7401 et seq. The Contractor agrees to report each violation to SBCTA and understands and agrees that to SBCTA will, in turn, report each violation as required to assure notification to the appropriate EPA regional office. The Contractor also agrees to include the requirements of this Clause in each subcontract exceeding \$150,000.

FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTIONS.

The Contractor affirmatively represents and certifies that it and its officers, directors, principals, and agents:

1. Do not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
2. Have not been convicted of any felony criminal violation under any Federal law within the preceding 24 months.

The Contractor agrees to include the requirements of this Clause in all subcontracts issued pursuant to this Agreement.

DRAFT

Contract No.: 24-1003106 Amendment No.: _____

Contract Class: Payable Department: Transit

Vendor No.: 02003 Vendor Name: Southern California Regional Rail Authority

Description: Assignment and Assumption Agreement

List Any Related Contract Nos.: _____

Dollar Amount							
Original Contract		\$	-	Original Contingency		\$	-
Prior Amendments		\$	-	Prior Amendments		\$	-
Prior Contingency Released		\$	-	Prior Contingency Released (-)		\$	-
Current Amendment		\$	-	Current Amendment		\$	-
Total/Revised Contract Value		\$	-	Total Contingency Value		\$	-
	Total Dollar Authority (Contract Value and Contingency)					\$	-

Board of Directors	Date:	9/4/2024	Committee	Item #
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Zero Dollar Contracts	Sole Source? <u>No</u>	No Budget Adjustment
Local	Construction and Maintenance Agreement	N/A

[illegible]

Victor Lopez

Task Manager (Print Name)

Additional Notes: Funding for the maintenance contract will be approved as part of the yearly Arrow Budget process.

**ASSIGNMENT AND ASSUMPTION AGREEMENT CONTRACT NO. 24-1003106
(SCRRA REFERENCE MU213-25)
BY AND BETWEEN
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
AND
SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
FOR THE MAINTENANCE OF ARROW VEHICLES AND THE ARROW
MAINTENANCE FACILITY**

This Assignment and Assumption Agreement Contract No. 24-1003106 (AGREEMENT) is by and between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (SBCTA) and SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA). SBCTA and SCRRA are each a Party, and collectively Parties to this AGREEMENT.

RECITALS:

- A. On November 13, 2019, SBCTA and Stadler US, Inc. (Stadler) entered into Contract No. 20-1002310 for the procurement of Zero Emission Multiple Unit (ZEMU) Rail Vehicles (the Delivery Contract);
- B. The Delivery Contract identifies as SBCTA's agent the Operator that operates and fuels the ZEMU and to whom SBCTA may assign the ZEMU as well as SBCTA's rights and obligations under the Delivery Contract;
- C. SBCTA and SCRRA have entered into Memorandum of Understanding No. 20-1002367 by which SCRRA has responsibility for operating and maintaining the Arrow service on which the ZEMU will operate, and hence SCRRA is the Operator as defined in the Delivery Contract;
- D. SBCTA and SCRRA have entered into Cooperative Agreement No. 22-1002687 for the Zero Emission Multiple Unit (ZEMU) Initiative, which defines the scope of SCRRA's and SBCTA's involvement during implementation of the ZEMU Initiative, including modifications to the AMF and development and deployment of ZEMU vehicle;
- E. SBCTA and Stadler have entered into an Agreement 24-1003105 for Maintenance of Arrow Vehicles and the Arrow Maintenance Facility, effective as of September X, 2024 (Underlying Agreement); Stadler consented to the Assignment of the Underlying Agreement under Section 44;
- F. The term "Services" as used in this AGREEMENT shall have the meaning as set forth in the Underlying Agreement;
- G. The Underlying Agreement specifies that Parties may enter into an Assignment and Assumption Agreement by which SBCTA will assign, and SCRRA will assume, all of SBCTA's obligations under this Contract;

- H. SBCTA desires to transfer and assign its rights, duties, and obligations under the Underlying Agreement to SCRRA, and SCRRA has agreed to accept and assume all the rights, duties, and obligations under the Maintenance Agreement from SBCTA; and
- I. This AGREEMENT serves to memorialize the assignment by SBCTA and assumption by SCRRA of the rights and obligations under the Underlying Agreement.

NOW THEREFORE, THE PARTIES HEREBY AGREE:

1. The Recitals set forth above are true and correct and are incorporated into and made a part of this AGREEMENT as if fully set forth herein.
2. The Underlying Agreement is attached hereto and is incorporated herein by reference.
3. As of the Effective Date, as defined in Section 7 below, SBCTA hereby assigns to SCRRA all of its rights, duties and obligations under the Underlying Agreement.
4. As of the Effective Date, SCRRA hereby accepts the assignment of the Underlying Agreement, and assumes all of SBCTA's rights, duties and obligations in the Underlying Agreement.
5. SCRRA and SBCTA acknowledge and agree that no federal funds shall be used to fund any Services provided in the Underlying Agreement.
6. The SBCTA Project Manager shall be replaced by a SCRRA Contract Manager with respect to the Underlying Agreement.
7. SBCTA agrees that for purposes of the Delivery Contract, SCRRA is its Operator and agent, covered under the Delivery Contract's indemnity provisions.
8. This AGREEMENT shall be effective upon full execution by the Parties (Effective Date).
9. This AGREEMENT shall be governed and construed in accordance with the laws of the State of California. Venue shall be in San Bernardino County.
10. This AGREEMENT may be executed in one or more counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same agreement.
11. This AGREEMENT constitutes the entire agreement between the Parties with respect to the matters discussed in this AGREEMENT and supersedes all prior agreements and understandings between the Parties with respect thereto. However, this agreement shall not be interpreted to supersede the agreements referenced in the Recitals, above.
12. Except as set forth herein, all provisions of the Underlying Agreement shall remain in full force and effect.

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

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

**SOUTHERN CALIFORNIA REGIONAL
RAIL AUTHORITY**

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By:

Darren M. Kettle
Chief Executive Officer

By:

Raymond W. Wolfe
Executive Director

Date:

Date:

APPROVED AS TO FORM

APPROVED AS TO FORM

By:

Don O. Del Rio
General Counsel

By:

Julianna K. Tillquist
General Counsel

Date:

Date:

Attachment: 24-1003106 (9904 : Arrow Service Maintenance Agreement Sole Source Contract)

Minute Action

AGENDA ITEM: 8

Date: August 15, 2024

Subject:

Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for Ontario Connector Project

Recommendation:

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

Approve Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP for Legal Services for the Ontario International Airport Connector Project, increasing the contract amount by \$1,400,000, for a new not-to-exceed amount of \$1,500,000, to be funded with State Transit Assistance Funds.

Background:

The Ontario International Airport (ONT) Connector Project (Project) will provide new passenger service between the Cucamonga Metrolink Station and the Ontario International Airport (ONT) Terminals 2 and 4 utilizing fully autonomous, all-electric, rubber-tired transit vehicles. The proposed Project includes the construction of a 4.2-mile-long transit service tunnel, stations to serve Cucamonga Metrolink Station, ONT Terminal 2, and ONT Terminal 4; a maintenance and storage facility to store and maintain vehicles; and an emergency access and ventilation (vent) shaft to provide a means of emergency passenger egress and first responder access. This new connection would increase mobility and connectivity for transit patrons, improve access to existing transportation services, provide a connection to future Brightline West service to/from ONT, and support the deployment of clean, emerging technology for transit opportunities between Cucamonga Metrolink Station and ONT.

On June 24, 2020, San Bernardino County Transportation Authority (SBCTA) and Kaplan Kirsch & Rockwell LLP (KK&R) executed Contract No. 21-1002451 for Legal Services for the Project, effective June 25, 2020 through June 25, 2025. On or around April 12, 2024, SBCTA General Counsel received notification from Brent Butzin, KK&R Partner and key personnel under the Contract, that he was leaving KK&R to move to Nossaman, LLP, and that his last day with KK&R would be April 26, 2024. Therefore, General Counsel initiated Contract No. 24-1003152 between SBCTA and Nossaman, LLP, to ensure Brent Butzin could continue uninterrupted services, with a contract term effective April 27, 2024, through March 31, 2029 and a not-to-exceed amount of \$100,000. The total contract authority for the KK&R contract is \$1,900,000, with a remaining balance of approximately \$436,000.

On July 3, 2024, the Board of Directors (Board) approved moving forward with the next phase of the Project's procurement and approved executing the Pre-proposal Works Agreements with the two shortlisted Design-Build firms, ONTheMove Joint Venture and Ontario Tunnel Contractors. The Board also authorized the release of the Request for Proposals (RFP) to the shortlisted Design-Build teams for the ONT Connector Project.

Following approval of the Pre-proposal Works Agreements associated with Request for Qualifications No. 23-1002870 approved on July 3, 2024, continued support of outside legal Entity: San Bernardino County Transportation Authority

Transit Committee Agenda Item

August 15, 2024

Page 2

counsel is required for the next phase of the Project, including the development of the RFP documents and Design-Build contract documents, to deliver the Project. Staff is recommending approval of Amendment No. 1 to Contract No. 24-1003152 with Nossaman, LLP, to add \$1,400,000 for a total not-to-exceed amount of \$1,500,000, using previously authorized project funding.

Financial Impact:

The Ontario Connector Project is included in the adopted Budget for Fiscal Year 2024/2025 and funded with State Transit Funds in Program 30, Transit.

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 amendment.

Responsible Staff:

Victor Lopez, Director of Transit & Rail Programs

Approved
Transit Committee
Date: August 15, 2024

Witnessed By:

San Bernardino County Transportation Authority

AMENDMENT NO. 1 TO CONTRACT NO. 24-1003152

BY AND BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

NOSSAMAN, LLP

FOR

LEGAL SERVICES FOR PROCUREMENT OF

ONTARIO CONNECTOR PROJECT

This Amendment No. 1 to Contract No. 24-1003152 is made by and between Nossaman, LLP ("ATTORNEY") and the San Bernardino County Transportation Authority ("SBCTA"). ATTORNEY and SBCTA are each a "Party" and are collectively "Parties".

RECITALS

- A. SBCTA, under Contract No. 24-1003152, engaged the services of ATTORNEY to provide legal services for the Ontario International Airport (ONT) Connector Project ("Contract");
- B. The Parties desire to amend the Contract to increase the not-to-exceed amount.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, ATTORNEY and SBCTA agree as follows:

1. Article 3 "COMPENSATION," subparagraph 3.1 is deleted and replaced in its entirety to read as follows:

3.1 The total Not-To-Exceed Amount is One Million, Five Hundred Thousand Dollars (\$1,500,000) for Work to be provided under this Contract. SBCTA shall compensate ATTORNEY for Work performed pursuant to the rates set forth in Exhibit B, "Attorneys' Fees and Charges," and include ATTORNEY's direct labor costs, indirect costs, and profit subject to 3.2 below. Escalation shall be at a specific rate, as shown on the Bureau of Labor Statistics Employment Cost Index for Total Compensation for private industry workers Table 5, Private Industry Workers, Occupational Group "Professional and Related" or its successor. The Employment Cost Index will be annually adjusted, apply to total benefits for the private industry economic sector, will not be seasonally adjusted, but will include a 12-month percent change. Escalation of the rates set forth in Exhibit B shall commence as of June 1, 2025, and shall be applied each June 1st for the term of the Contract. All costs and expenses shall be reimbursed for the amounts identified in Exhibit B. SBCTA will not reimburse for any expenses not shown in Exhibit B. Due to the uncertainties and variability of the Work, ATTORNEY does not agree that it can complete the Work within the Not-To-Exceed Amount. However, if the total cost of the Work approaches the Not-To-Exceed figure, ATTORNEY will notify SBCTA so that SBCTA and ATTORNEY can prepare a written amendment to this Agreement increasing the Not-To-Exceed Amount.

2. The Recitals set forth above are incorporated herein by this reference.
3. Except as amended by this Amendment No. 1, all other provisions of the Contract shall remain in full force and effect.
4. This Amendment No. 1 is effective upon execution by SBCTA.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No.1 below.

NOSSAMAN, LLP

By: _____
Brent E. Butzin
Partner

Date: _____

**SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY**

By: _____
Ray Marquez
Board President

Date: _____

APPROVED AS TO FORM:

By: _____
Julianna K. Tillquist
General Counsel

CONCURRENCE:

By: _____
Alicia Bullock
Procurement Manager

Additional Information

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
SRTP	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 st 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

TRANSIT COMMITTEE ATTENDANCE RECORD – 2024

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Eunice Ulloa City of Chino		X	X	X	X	X						
Ray Marquez City of Chino Hills		X	X	X	X	X						
Frank Navarro City of Colton		X	X	X		X						
Aquanetta Warren City of Fontana		X	X	X	X							
Larry McCallon City of Highland		X	X	X	X	X						
John Dutrey City of Montclair		X	X	X	X							
Alan Wapner City of Ontario				X	X							
L. Dennis Michael City of Rancho Cucamonga				X								
Sylvia Robles City of Grand Terrace												
Bobby Duncan City of Yucaipa					X							
Rick Denison Town of Yucca Valley		X	X	X	X	X						
Dawn Rowe Board of Supervisors		X		X		X						
Joe Baca, Jr. Board of Supervisors		X	X	X	X	X						

Communication: Attendance (Additional Information)

X = Member attended meeting Empty box = Member did not attend meeting
 Crossed out box = Not a member at the time Shaded box=The Transit Committee did not meet



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