

AGENDA
Tulare County Regional Transit Agency
Finance Committee
February 16, 2021, 2:00 p.m.

NOTE: This meeting will allow Board Members and the public to participate in the meeting via Teleconference, pursuant to the Governor's Executive Order N-29-20 (March 17, 2020), available at: <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.17.20-N-29-20-EO.pdf>

Zoom Meeting | Direct Link:

<https://us02web.zoom.us/j/86088775988?pwd=eWFJU0JCWFUwMThSS3FnMU5pQXI5QT09>

Toll Free Call in: (888) 475-4499 | **Meeting ID:** 860 8877 5988 | **Passcode:** 920816

Call in only instructions: Enter your meeting ID followed by #, Enter # for participant ID, Enter the passcode followed by #.

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, including auxiliary aids, translation requests, or other accommodations, or to be able to access this agenda and documents in the agenda packet, please contact the Tulare County Association of Governments ("TCAG") office at 559-623-0450 at least 3 days prior to the meeting. Any staff reports and supporting materials provided to the Board after the distribution of the agenda packet are available for public inspection at the TCAG office.

- 1. CALL TO ORDER, WELCOME AND ROLL CALL**
- 2. PUBLIC COMMENT**

NOTICE TO THE PUBLIC
PUBLIC COMMENT PERIOD

At this time, members of the public may comment on any item of interest to the public and within the subject matter jurisdiction of TCRTA Policy Committee but not appearing on this agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak with a total of fifteen (15) minutes allotted for the Public Comment Period. Speakers are requested to state their name(s) and address(es) for the record.

- 3. ACTION: APPROVE MINUTES OF JANUARY 26, 2021 MEETING**
- 4. COMMITTEE TOPICS**
 - a. **FTA Sub-Allocation Methodology**
 - b. **Funding Strategies for Regional Fare System**
 - c. **Funding Strategies for On-Demand and Non-Emergency Medical Transportation Services**
 - d. **Woodlake and City of Tulare Service Request**
- 5. ADJOURN**

The next scheduled meeting of the Tulare County Regional Transit Agency (TCRTA) Finance Committee will be held on Tuesday, March 16, 2021 at 2:00 p.m.

**Tulare County Regional Transit Agency
Finance Committee
Minutes**

January 26, 2021, 2:00 p.m.

Members Present: Kuldip Thusu, Monte Reyes

Members Absent:

Alternates Present:

Staff Present: Ted Smalley, Elizabeth Forte, Rich Tree, Brideget Moore,
Servando Quintanilla

1. CALL TO ORDER, WELCOME AND ROLL CALL

The meeting was called to order at 2:01 p.m.

2. PUBLIC COMMENT

No public comments were heard.

3. APPROVE MINUTES OF DECEMBER 8, 2020 AND JANUARY 5, 2021 MEETING

Upon motion by Member Reyes and second by Member Thusu, the minutes of the December 8, 2020 and January 5, 2021 meetings were approved.

4. COMMITTEE TOPICS

A. INTERIM FY 2020/2021 BUDGET

Mr. Tree presented that draft interim budget to give the committee opportunity to make any changes or include anything additionally before the February meeting TCRTA meeting.

Member Reyes provided comments and recommended a drug abuse prevention policy, requesting clarification on the services that would include testing, voluntary referral program and inquired about what part of the budget it would come from.

Member Thusu discussed contracts with Blue Cross and Blue Shield for non-emergency medical transport and the ability to bill services directly. Mr. Tree stated that no transit agencies in the area do this, but it could certainly be researched.

Mr. Smalley explained that employment is under the County and they would be providing pre-employment testing. He further stated that the County had that process contracted out, but TCRTA would likely go with what the County transit agency does. In looking at what Porterville and the County does, staff would make sure what was set up was good in the interim period, then TCRTA could decide to set things up differently if needed. Mr. Smalley mentioned the County services available to employees and the opportunities available out there to explore.

B. CONSIDERATION OF ADDITIONAL CALSTART SERVICES

Mr. Tree discussed the \$100,000 dollars for branding and consulting services. He went on to share that CalStart had reached out to TCRTA regarding other opportunities for competitive grants. Costs ranged from 4,000-10,000 and he wanted to bring it up to the committee that CalStart was looking to partner for grant writing services.

Ms. Forte discussed a secondary charge for grant writing.

Discussion ensued regarding return on investment from grant writers and options for success and payment options.

Mr. Smalley discussed possibly providing a base amount and bonus if the awardee was successful. Dr. Thusu discussed having a grant bank and building from grants that have already been put together and potentially experience cost savings.

Mr. Tree stated that Woodlake and Tulare had requested a look at their services and that he would keep the group updated on the discussion and was excited to take the first steps to the best course of action.

5. ADJOURN

The meeting adjourned at 2:23 p.m. Mr. Tree confirmed that the next scheduled meeting of the Tulare County Regional Transit Agency (TCRTA) Finance Committee would be held on Tuesday, February 16, 2021 at 2:00 p.m. via Zoom.

Tulare County Regional Transit Agency (TCRTA)

Date: February 8, 2021

Memorandum

To: Ted Smalley, Executive Director

From: Richard Tree, TCRTA Staff

CC: Elizabeth Forte, TCAG Staff

RE: FTA Funding Sub-allocation Methodology

The Federal Transit Administration (FTA) apportions “formula funds” to urbanized areas (UZAs), which are determined by the U.S. Bureau of the Census, and these funds are the primary source of financial support for public transportation.

In Tulare County, the 2010 Census designated two urbanized areas, Visalia and Porterville. Visalia UZA is designated as large urban with a population 200,000 and greater; Porterville is designated as small urban with a population between 50,000 and 199,999.

UZAs can have a single or multiple public transportation operators within a UZA. Porterville and the County are the public transportation operators for the Porterville UZA; Visalia, Tulare, and the County are the public transportation operators in the Visalia UZA.

Incorporated jurisdictions, within the UZA, who do not self-operate, but have another public transportation operator operating within their jurisdiction are Farmersville, Exeter, and Lindsay. In 2004, these municipalities agreed to have Visalia and the County to operate public transportation within their jurisdictions.

It is important to note that FTA funds are allocated to urbanized areas rather than to transit operators.

For the Visalia UZA, the FTA determined Visalia to be the designated direct recipient, and may authorize another public entity to be a “direct recipient” of federal funds by way of a “split letter.” The amount of funds available to recipients is determined cooperatively by public transit providers, the MPO, and the designated recipient for the UZA. The FTA can only make grants to recipients after the direct recipient, Visalia as an example, provides a split or sub-allocation letter to the FTA regional office.

FTA guidance states that sub-allocations should be based on the investment needs of the individual agencies, which may or may not be well-represented by a split or formula. The key is that the metropolitan planning organization, TCAG, and the “direct recipient”, Visalia and Porterville, be able to demonstrate that whatever system they use “adequately represents” the current needs of the urbanized area(s).

The FTA does not prescribe the methodology to be used to sub-allocate formula funds within a UZA; this is a local decision. However, Department of Transportation (DOT) planning guidelines state that using a predetermined split or formula, for sub-allocating funds in the UZA, is not necessarily consistent with the goals of the metropolitan planning process. The split letter process in larger urbanized areas often includes a large sub-allocation to the local government of transit and smaller sub-allocations to the smaller local governments that fill in the UZA and often have limited fixed route and paratransit service.

Those entities that aspire to be FTA recipients, for example Farmersville, Exeter, and Lindsay, must agree to certify that they understand and adhere to hundreds of pages of regulations; have the technical and financial capacity to produce the projects in the manner these regulations specify. Or they can choose to have another operator service their jurisdiction. But a clear and consistent sub-allocating methodology should include all jurisdictions.

Transit Cooperative Research Program Synthesis 113 stated that the majority of UZAs use the exact FTA formula data and values to sub-allocate FTA funds. The Synthesis also stated that public transportation operators were more likely to use the exact FTA formula and MPOs were more likely to use a local approach.

The FTA allocation formula for UZAs with a population less than 1,000,000 is the following:

- 50% - Bus Revenue Vehicle Miles
- 25% - Population
- 25% - Population x Density

In 2010, when the Visalia Large UZA was established, the local approach for FTA sub-allocation formula (Visalia & Tulare) is the following:

- 20% - Bus Revenue Vehicle Miles
- 40% - Population
- 40% - Ridership

In 2004, both Porterville and Visalia agreed to provide a federal funding “credit” to the County, Farmersville, Exeter, which is a percentage of the total cost to operate public transportation within their jurisdiction by way of either an MOU or Transfer Agreement.

The split letter process allows for the equitable sub-allocation of the formula funds. The MPO and public transit operators can make adjustments to their local FTA Section 5307 allocation formula as needs and priorities change. It is not rare for split letter agreements to be modified when circumstances change, however, Synthesis 113 revealed that, once established, agencies reported that it is difficult to modify a sub-allocation approach, as it usually implies that one or more parties will have increased funding at the expense of other public transportation operators.

Consistent with FTA best practices, the sub-allocation schedule for the Porterville and Visalia UZAs should be reviewed in an effort to establish a uniform methodology for all jurisdictions within the UZA and establish a methodology policy for any FTA formula funding the UZA is apportioned. The consistency of a uniform methodology, across all jurisdictions within the UZA, can achieve an equitable sub-allocation schedule.

In lieu of the unexpected CARES Act funding and the recent release of FTA FY 2021 Apportionments, the potential lack of consistency to follow the established sub-allocation methodology, across all jurisdictions, could potentially lead to an agency either not receiving any funds or an unequitable amount.

In the case of TCRTA, there have been changes that have already taken place and changes that are on the horizon which would lead to changing the split letter, MOU, and Transfer Agreements. It is important to consider these issues early in the decision-making of TCRTA.

I hope this information provides an avenue for discussion and that each agency cooperate to achieve both sustainable and greater mobility within the region. Should you have any questions, please feel free to contact me.

Sincerely,



Richard Tree

TCRTA Staff

**BREEZE ROUTE 100
MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITIES OF SANTA MARIA AND LOMPOC, AND
THE COUNTY OF SANTA BARBARA**

**Regarding Continuation of the Breeze Route 100 Project to
Provide Regular, Fixed-Route, Public Transit Service between
Santa Maria and Lompoc**

**Effective Date: The later of the following to occur: i) July 1, 2020 or ii) the last date
on which all PARTIES have signed the MOU**

This Memorandum of Understanding (MOU, also referred to herein as Agreement) is entered into by and between the City of Santa Maria, a municipal corporation ("Santa Maria"), the City of Lompoc, a municipal corporation ("Lompoc") and the County of Santa Barbara, a local governmental subdivision of the State (the "County"), **collectively referred to herein as "PARTIES" or "The PARTIES"** and individually as "PARTY" for the purpose of defining **The Parties'** roles, responsibilities, and commitments in conjunction with the continuation of a project to provide regular, fixed-route public transportation service on the Highway 1/135 corridor between Lompoc and Santa Maria.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, **The PARTIES** agree as follows:

1. Project Description

The Breeze Route 100 Continuation Project ("PROJECT") will provide regularly scheduled, fixed-route, intercity bus service between Santa Maria and Lompoc. The PROJECT will be open to the public, for all trip purposes, and will be fully accessible to persons with disabilities. Santa Maria in coordination with Lompoc and the County will operate the service. The service will continue and the MOU shall remain in effect for approximately sixty (60) additional months from the Effective Date as defined above until June 30, 2025 unless terminated early by any PARTY, contingent on the availability of funding.

2. Lead Agency

Santa Maria shall be the sole administrator of the PROJECT and shall be responsible for service contracting with a qualified bus operator ("CONTRACTOR") and compliance with all federal and state requirements. Santa Maria will be compensated for its administrative activities, including direct and indirect cost, to operate the PROJECT, to the extent such costs are clearly attributable to the PROJECT, and those costs will be shared equally by the **PARTIES** as part of the PROJECT'S operating costs detailed in the ANNUAL REPORT. Direct costs will be tracked by actual staff hours attributed to the PROJECT, and will be billed at Santa Maria's billing rates which will be provided within the ANNUAL REPORT for the previous completed

fiscal year, the current (in-progress) fiscal year, and for the next fiscal year, to which the ANNUAL PROJECTION applies. Indirect costs are based on Santa Maria's Cost Allocation Plan. Indirect cost rates will be provided to the **PARTIES** with the ANNUAL REPORT.

3. Service Proposal

This MOU contains the service and financial parameters, and operating performance measures to operate the PROJECT. Annual performance measures for the term of the PROJECT will provide thresholds to gauge the PROJECT'S performance. If the service is failing to meet one or more performance measures, then reasonable efforts will be made to modify the service to improve performance. The service may also be discontinued by termination of the MOU after reasonable efforts have been made.

4. Procurement of Insurance Coverage and Indemnification

THE PARTIES agree to procure and maintain liability insurance in an amount sufficient to protect against claims that may be filed against **THE PARTIES** for the services they provide, or **THE PARTIES** may elect to self-insure against such claims as provided by their respective government policies.

In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties pursuant to Government Code Section 895.6, **THE PARTIES** agree all losses or liabilities incurred by a **PARTY** shall not be shared pro rata but instead **THE PARTIES** agree pursuant to Government Code Section 895.4, each **PARTY** hereto shall fully indemnify and hold each of the other **PARTIES**, their officers, board members, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying **PARTY**, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to that **PARTY** under this Agreement. No **PARTY**, nor any officer, board member, employee or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of other **PARTIES** hereto, their officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other **PARTIES** under this Agreement.

5. Contractor Insurance

Santa Maria shall require the CONTRACTOR of the PROJECT to comply with the indemnity and insurance requirements specified in Attachment A and provide all **PARTIES** with copies of the Certificates of Insurance, including the endorsement(s) naming **THE PARTIES** as additional insureds.

6. Nondiscrimination

Santa Maria shall require CONTRACTOR of the PROJECT to comply with each **Party's** nondiscrimination policies, as well as the non-discrimination requirements of any other funding agencies, including the following nondiscrimination language insofar as consistent with those requirements:

During the performance of this Agreement, CONTRACTOR and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee, applicant for employment or service customer because of legally protected characteristics or conduct including sex, race, color, ancestry, religious creed, national origin, physical disability, medical condition, age, or marital status. Contractor shall insure that the evaluation and treatment of their employees, applicants for employment and service customers are free from such discrimination.

7. Service Plan

The PROJECT will operate five days a week, Monday through Friday. To the extent practicable, the services will provide for efficient interlinking connections between Santa Maria Area Transit (SMAT), City of Lompoc Transit (COLT), the Wine Country Express, and other transit services.

The PROJECT will provide eight (8) round-trips per weekday. The service will operate generally between the transit center in Santa Maria and the Colt Transit Center with stops at intermediate locations including a stop at Vandenberg Air Force Base. PARTIES will coordinate schedule and services changes to avoid service disruption to current passengers.

8. Funding

The PARTIES will share equally in the net operating and net capital costs associated with the PROJECT. Net operating costs is the total operating cost minus passenger fares and other operating revenues, including grants. Capital costs include vehicle replacements and supporting infrastructure to operate vehicles for the PROJECT. Net capital costs is the total capital cost minus any grants, if any.

The primary source of funding for the PROJECT will be Transportation Development Act (TDA) funds designated by the PARTIES, or other funding if it becomes available.

9. Annual Report

After the final close of each accounting year for the City of Santa Maria, Santa Maria will provide an Annual Report (ANNUAL REPORT) to the PARTIES. The purpose of the ANNUAL REPORT is to evaluate the performance and to calculate an equal annual contribution from each PARTY for the PROJECT.

Santa Maria shall provide answers and additional data, as reasonably necessary in response to questions from any of the **PARTIES** regarding the ANNUAL REPORT. Santa Maria will respond to questions and request for clarifications up to sixty days after the release of the ANNUAL REPORT.

The ANNUAL REPORT shall clearly and accurately present the following, in sufficient detail for all **PARTIES** to understand the figures:

1. Audited financial from the prior fiscal year including actual total operating costs, actual operating and capital expenditures, actual direct and indirect costs, fares, revenues, capital reserve balances, net operating costs, and infrastructure costs specific to operate the PROJECT. In addition, the ANNUAL REPORT will include operating data from the prior year. The ANNUAL REPORT shall also include a comparison of the financial and operating data from the prior fiscal year to the two prior fiscal years.

2. Balance for the PROJECT and per **PARTY**.

3. Monthly and annual operating data and capital data necessary to evaluate the operating performance measures established pursuant to Section 14 of this MOU, and any other data that is readily available to evaluate the effectiveness of the service.

4. Audited deferred revenue balances, and a comparison of budget and audited actual operating costs.

5. Vehicle status report that includes the following for each vehicle for the PROJECT: date of manufacture, date placed into PROJECT service, expected service life years, extended life years, planned date of replacement, life miles, vehicle age, mileage from previous (reporting) year, length of bus, fuel type used, and status (i.e. spare, active, contingency, to be decommissioned).

6. An annual projection to operate the PROJECT for the next fiscal year, as described in further detail in Section 10 of this MOU.

7. Surplus balances reflected in the ANNUAL REPORT will be used for the capital reserve for future vehicle replacement and/or infrastructure improvements required to operate the PROJECT.

8. Total and equal share of the operating deficit from the prior year, total and equal contribution from **PARTIES**, and the related variances. The ANNUAL REPORT will also report the impact of operating deficit to the capital reserve to cover the operating costs. Operating deficit is when the net operating costs exceeds the annual operating contribution from the prior year. Capital contributions for vehicle replacements and infrastructure are held in reserve for future vehicle purchases and infrastructure needs to operate the PROJECT.

10. Annual Projection

Santa Maria will prepare an annual projection (ANNUAL PROJECTION) to operate the PROJECT for the next fiscal year and will provide it to the **PARTIES** as part of the ANNUAL REPORT. The purpose of the ANNUAL REPORT is to facilitate each **PARTY**'s TDA claims for the next fiscal year. The ANNUAL PROJECTION will include the following for the next year and an additional four years: operating costs, fare revenues, other revenues, vehicle replacement and infrastructure costs required to operate the PROJECT, and projected operating performance. The annual projected net operating costs will be equally divided to each **PARTY** as their contribution.

In the event Santa Maria does not provide a complete ANNUAL REPORT by February 1st every year, the **PARTIES** contributions will be limited to the amount approved by the Working Group for the prior year until such time as the ANNUAL REPORT is complete, the **PARTIES**' questions are answered with sufficient supporting data, and the Working Group has discussed and voted upon contributions for the next year.

In the event that the PROJECT incurred operating and/or capital deficits, the **PARTIES** will receive a detailed explanation and accounting within the ANNUAL REPORT of such deficits from the prior fiscal year to reimburse the PROJECT. Reserves will first be used to cover deficits from the prior fiscal year. The ANNUAL PROJECTION will include additional funds to cover future deficit plus the prior year deficit.

Prior year audited actuals will be used to set the baseline for the annual projection for the next fiscal year. The **PARTIES** agree to commit their contribution and direct annual payments to Santa Maria to cover operating and capital expenditures up to 5% above the amount approved by the Working Group for the prior year, subject to approval of the **PARTIES**' respective governing bodies. ANNUAL PROJECTION in excess of 5% will be reviewed, discussed, and subject to vote by the Working Group. In the event all **PARTIES** do not agree to increase the equal annual contribution more than 5%, then such annual contribution shall be limited to a maximum 5% increase as described above, and the Working Group will vote and decide upon reductions to capital expenditures or service (operating expenditures), or to use reserves to balance the projection with the agreed contributions. In event that the Working Group has not acted on the reductions to capital expenditures or operating expenditures within six months of the ANNUAL PROJECTION, Santa Maria will reduce expenditures equal to the deficit that is in excess of the 5% increase limit.

11. Securing Funding

The **PARTIES** will work cooperatively to pursue other federal or state grant opportunities where appropriate for the PROJECT in order to augment or reduce Transportation Development Act and local funds needed for continuation of the service.

Santa Maria will be responsible for submitting grant applications.

If a local match is required to receive grant funding, then subject to necessary **Party** approvals, the **PARTIES** will share equally in the matching funds needed to meet the required local match, and will execute the necessary paperwork to facilitate receipt of grants.

12. Records, Audit and Review

Santa Maria shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent transit operator, and where necessary shall require CONTRACTOR to keep such records, and shall maintain or require the maintenance of such records for at least five (5) years following the termination of this Agreement. Such records shall include documents necessary to show compliance with Paragraph 14 "Performance Measures." All accounting records shall be kept in accordance with generally accepted accounting principles. Any **PARTY** shall have the right to audit and review all such documents and records at any time during Santa Maria's or CONTRACTOR's regular business hours upon reasonable notice.

13. Working Group

A Working Group will be established consisting of staff representatives of the following agencies:

- Santa Maria
- County
- Lompoc
- SBCAG (non-voting)

The Working Group may take any action by a vote of two (2) affirmative votes, with each agency receiving one vote, provided such action is consistent with the terms of this MOU.

SBCAG shall be a non-voting member of the Working Group. SBCAG and additional non-voting members may be added and removed from the Working Group by majority vote.

The Working Group will assist in the development and evaluation of detailed service plans, routes, schedules, budgets, costs and schedules of capital expenditures, performance measures, and other service details. Santa Maria will inform the Working Group of awards of service contracts and extensions to existing services contracts within sixty days after execution. The Working Group will meet a minimum of once a year to discuss the performance, decide upon modifications to the PROJECT within the Working Group's approval authority, and make recommendations regarding fare structures and other aspects of the PROJECT.

14. Operating Performance Measures

The Working Group, as established in Section 13, shall develop operating performance measures and their benchmarks to evaluate the effectiveness of the service. The operating performance measures are listed as follows:

- farebox recovery ratio (goal of 20%)
- operating cost per passenger
- operating cost per vehicle service hour
- passengers per vehicle service hour
- passengers per vehicle service mile
- passengers per trip
- net operating and capital costs of PROJECT per each **PARTY**

Operating Performance Measures and their benchmarks will be included in the ANNUAL REPORT.

As required by the Federal Transit Administration, Santa Maria, as the administrator of the service will collect and report financial (operating expenses) and non-financial (ridership) data to the National Transit Database. Santa Maria will track data for the PROJECT separately.

In the event it becomes necessary to make changes to the PROJECT before the ANNUAL REPORT is ready with mutual agreement, then Santa Maria will schedule meetings and provide necessary data to evaluate service and make changes.

15. Bus Equipment

The PROJECT service will utilize Americans with Disabilities Act (ADA) compliant transit buses suitable for freeway operations.

If Santa Maria utilizes an existing bus from another agency, possession of the vehicle title shall be transferred to Santa Maria.

If Santa Maria purchases a new bus, it shall be registered to Santa Maria, for the specific use of the PROJECT. Santa Maria shall use the Capital Reserve to purchase buses. If additional funds are required, the PARTIES shall equally share the net costs pursuant to Sections 8, 9, and 10 of this MOU.

If this Agreement is terminated and the PROJECT is discontinued, then the PROJECT buses shall be sold by the Lead Agency, and all proceeds from the sale shall be equally split among the current **PARTIES** of the PROJECT.

If any bus is sold prior to the termination of this Agreement, all proceeds from the sale shall be directed to the Capital Reserve for future bus purchase and/or required for

bus infrastructure. If a simple majority of the **PARTIES** agree a Capital Reserve is not needed, the proceeds shall be equally split among the **PARTIES** of the **PROJECT**.

If another **PARTY** becomes Lead Agency, then title to **PROJECT**'s vehicles and insurance shall be transferred to new Lead Agency.

16. Service Contracting

Santa Maria will prepare any Request for Proposals (RFP) needed for the provision of operating services by a **CONTRACTOR** for the **PROJECT**. The RFP shall meet all applicable federal requirements. The Working Group will be provided the opportunity for review and input on the scope of work for service contracts. Santa Maria will also be responsible for the sale of advertising, if any, on the **PROJECT**.

17. Fares

One-way fares for the service will be set initially at \$2.00 for adults and \$1.00 for seniors and persons with disabilities. Monthly passes will be set initially at \$75 for adults and \$37.50 for seniors and persons with disabilities. All local transit agencies will work together to insure that transfers are free from the intercommunity service to local systems. Fare changes shall be evaluated when determined necessary by a simple majority of the Working Group. The Working Group will evaluate data to formulate recommendations for fare changes subject to the approval of Lead Agency's governing body.

18. Marketing

Marketing activities, promotional materials, printed schedules, etc. will be developed by Santa Maria. Marketing costs are included in the anticipated annual operating cost of the **PROJECT**. All **PARTIES** to this MOU will work cooperatively to input marketing strategies that maximize ridership and effectiveness of the services. The service will be promoted by all **PARTIES**. All **PARTIES** will post the service schedule and other information on their websites. SBCAG's existing guaranteed-ride-home program will be available to users of the service through the Traffic Solutions program. The guaranteed-ride-home service is not the responsibility of the **PARTIES** and is not a part of this agreement.

19. Amendment

This Agreement may be amended or extended only by the written consent of all **PARTIES**.

20. Termination

Any **PARTY** to this MOU may terminate its participation under this Agreement by giving 90 days written notification to the other **PARTIES**.

21. Integration

This Agreement represents the entire and integrated Agreement between **THE PARTIES** and supersedes any and all other negotiations, representations, and/or agreements, either oral or in writing, between **THE PARTIES** hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.

22. California Law to Apply

This Agreement shall be construed under and in accordance with the laws of the State of California. All obligations created under this Agreement are performable in California.

23. Jurisdiction

Jurisdiction and venue of all lawsuits over the terms of this Agreement shall be in the superior court of Santa Barbara County, State of California.

24. Warranty of Authority

Each person signing this Agreement on behalf of a **PARTY** warrants that he or she has authority to do so.

25. Waivers

The waiver by any **PARTY** to this Agreement of any term, covenant, or condition of this Agreement or of any provision, ordinance, or law, shall not be deemed to be a continuing waiver of such term, covenant, condition, or law, or of any subsequent breach or violation of the same, or of any other term, covenant, and ordinance of law. Failure to enforce with respect to a default shall not be construed as a waiver.

26. Severability

The provisions of this Agreement are severable. If any part of this Agreement is held invalid by a court of competent jurisdiction, then the remainder of the Agreement shall remain in full force and effect unless amended or modified by mutual written consent of **THE PARTIES**.

27. Points of Contact

All notices referenced in this Agreement shall be in writing and shall be given by first class mail addressed as follows, or at such other address or to such person **THE PARTIES** may from time to time designate in writing:

City of Santa Maria

Transit Services Manager
110 South Pine Street, Suite 101
Santa Maria, CA 93458

City of Lompoc

Public Works Director
100 Civic Center Plaza
Lompoc, CA 93436

County of Santa Barbara

Alternative Transportation Manager
123 East Anapamu Avenue, 2nd Floor
Santa Barbara, CA 93101


Santa Barbara County Association of Governments

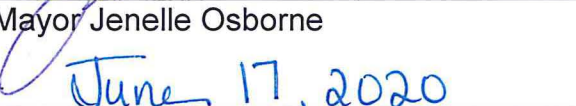
Director of Rail and Transit Programs
260 North San Antonio Road, Suite B
Santa Barbara, CA 93110

28. Counterpart Signatures & Effective Date

THE PARTIES agree that this Agreement may be signed in counterparts and shall become effective when fully executed by all **PARTIES**.

CITY OF LOMPOC



Mayor Jenelle Osborne


Date

ATTEST:

By: 

Stacey Haddon, City Clerk

Approved as to Form:

Jeff Malawy
City Attorney

By: 

Jeff Malawy, City Attorney for City of Lompoc

CITY OF SANTA MARIA



Alice M. Patino, Mayor

5/22/2020

Date

ATTEST

By: M. Beth Cleary for
Rhonda M. White, CMC
Chief Deputy City Clerk

Approved as to Form:

Thomas Watson

City Attorney

By: 

Thomas Watson, City Attorney

COUNTY OF SANTA BARBARA

ATTEST:

Mona Miyasato

County Executive Officer

Clerk of the Board

By: Shirley La Guerra
Deputy Clerk

COUNTY OF SANTA BARBARA:

By: Gregg Hart
Gregg Hart, Chair
Board of Supervisors

Date: 6-16-20

APPROVED AS TO FORM:

Michael C. Ghizzoni

County Counsel

By: Ben Ruff
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

Betsy M. Schaffer, CPA

Auditor-Controller

By: Betsy M. Schaffer
Deputy

APPROVED AS TO FORM:

Ray Aromatorio

Risk Manager

By: Ray Aromatorio

Attachment A

CONTRACTOR shall comply with the following requirements. CONTRACTOR shall not subcontract any services provided under this Agreement without the written consent of the City of Santa Maria and full compliance by any subcontractor with the requirements of this Agreement.

1. Indemnification –CONTRACTOR (TRANSPORTATION COMPANY) agrees to indemnify, defend (with counsel reasonably approved by legal counsel for **THE PARTIES**) and hold harmless **THE PARTIES** and their authorized officers, employees, agents and volunteers from and against any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses (including but not limited to attorneys' fees) incurred by **THE PARTIES** on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. CONTRACTOR shall notify **THE PARTIES** immediately in the event of any accident or injury arising out of or in connection with this Agreement. This Indemnification provision shall survive any expiration or termination of this Agreement.

2. Insurance. Insurance Specifications –CONTRACTOR agrees to provide insurance set forth in accordance with the requirements herein. If CONTRACTOR uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, CONTRACTOR shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

A Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollar (\$1,000,000) limits covering all persons including volunteers providing services on behalf of CONTRACTOR and all risks to such persons under this Agreement.

If CONTRACTOR has no employees, it may certify or warrant to **THE PARTIES** that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Risk Manager.

B. Commercial/General Liability Insurance –CONTRACTOR shall carry General Liability Insurance covering all operations performed by or on behalf

of CONTRACTOR providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000) per occurrence and a two million dollar (\$2,000,000) general aggregate limit.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than three million dollars (\$3,000,000) for bodily injury and property damage, per occurrence.

D. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability. An Additional Insured Endorsement shall be provided on the Umbrella policy as it relates to the primary policies requiring an Additional Insured Endorsement.

3. Additional Insured – All policies, except for the Workers’ Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming and their officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for **THE PARTIES** to vicarious liability but shall allow coverage for **THE PARTIES** to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

4. Waiver of Subrogation Rights –CONTRACTOR shall require the carriers of required coverages to waive all rights of subrogation against **THE PARTIES**, their officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit CONTRACTOR and CONTRACTOR’s employees or agents from waiving the right of subrogation prior to a loss or claim. SUBCONTRACTOR hereby waives all rights of subrogation against **THE PARTIES**.

5. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by **THE PARTIES**.

6. Severability of Interests –CONTRACTOR agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between CONTRACTOR and **THE PARTIES** or between any FUNDING PARTNER and any other insured or additional insured under the policy.

7. Proof of Coverage –CONTRACTOR shall furnish Certificates of Insurance to the CITY OF SANTA MARIA Department administering the Agreement evidencing the insurance coverage, including Additional Insured Endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and CONTRACTOR shall maintain such insurance from the time CONTRACTOR commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Agreement, CONTRACTOR shall furnish a copy of the Declaration page for all applicable policies and will provide complete copies of the policies and endorsements immediately upon request.

8. Acceptability of Insurance Carrier – Unless otherwise approved by **THE PARTIES**, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".

9. Deductibles and Self-Insured Retention – Any and all deductibles in excess of \$10,000 shall be declared to the **THE PARTIES**. A Self-Insured Retention is not acceptable.