

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**BOARD OF DIRECTORS REGULAR MEETING AGENDA
APRIL 9, 2010 (Second Friday of Each Month)
SCMTD SANTA CRUZ CONFERENCE ROOM
110 VERNON STREET
SANTA CRUZ, CALIFORNIA
9:00 a.m. – 11:00 a.m.**

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION - 9:00 a.m.

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS
NONE
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. NONE

REGULAR AGENDA

6. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH ATHENS ADMINISTRATORS FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS FOR AN AMOUNT NOT TO EXCEED \$300,000
Presented By: Margaret Gallagher, District Counsel
7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH SEDGWICK CMS FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS
Presented By: Margaret Gallagher, District Counsel
8. CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING FY10 BUDGET RECONCILIATION ACTIONS
Presented By: Leslie R. White, General Manager

9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH DIAMA-SHIELD, LLC FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE FOR AN AMOUNT NOT TO EXCEED \$130,000
Presented By: Frank Cheng, MetroBase Project Manager
10. CONSIDERATION OF EXTENSION OF PURCHASE ORDER/ CONTRACT FOR EMPLOYMENT OF TEMPORARY HELP THROUGH ROBERT HALF INTERNATIONAL FOR TEMPORARY EMPLOYMENT STAFFING FOR THE GRANTS ANALYST POSITION THROUGH JUNE 30, 2010 FOR A TOTAL AMOUNT NOT TO EXCEED \$128,000
Presented By: Leslie R. White, General Manager
11. **ORAL PRESENTATION:** DISCUSSION OF THE SERVICE PLANNING AND REVIEW COMMITTEE (SPARC) RECOMMENDATIONS FOR SERVICE CHANGES TO BE CONSIDERED AS A PART OF A FALL 2010 (SEPT. 16, 2010) 15 BID SERVICE REDUCTION NECESSITATED BY LOW REVENUE RESULTING FROM THE CURRENT RECESSION
Presented By: Ciro Aguirre, Operations Manager
12. **ORAL ANNOUNCEMENT:** THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, APRIL 23, 2010 AT 9:00 A.M. AT THE SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER ST, SANTA CRUZ
Presented By: Vice Chair Robinson

ADJOURN

NOTICE TO PUBLIC

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching the Board during consideration of Agenda Item #2 "Oral and Written Communications", under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District Resolution 69-2-1.

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The Conference Room is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors

meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 9, 2010
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT WITH ATHENS ADMINISTRATORS FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS FOR AN AMOUNT NOT TO EXCEED \$300,000 FOR A TWO YEAR CONTRACT PERIOD.

ACTION REQUIRED AT THE APRIL 9, 2010 BOARD MEETING

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a contract with - Athens Administrators for third party administration of workers compensation claims for an amount not to exceed \$300,000 for a two year contract period.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms for third party administration of Santa Cruz METRO's workers compensation claims.
- Nine firms submitted proposals for Santa Cruz METRO's review.
- A three-member evaluation committee comprised of Santa Cruz METRO management staff reviewed and evaluated the proposals.

III. DISCUSSION

Santa Cruz METRO requested proposals from qualified Workers' Compensation Claims Administrators to process workers compensation claims. On November 9, 2009, Santa Cruz METRO Request for Proposal No. 10-14 was mailed to thirty firms, was legally advertised, and a notice was posted on Santa Cruz METRO's web site. On December 11, 2009, proposals were received and opened from nine firms. A list of these firms and their final ranking is provided in Attachment A. A three-member evaluation committee comprised of Santa Cruz METRO management staff have reviewed and evaluated all proposals.

The evaluation committee used the following criteria as contained in the Request for Proposals:

Evaluation Criteria		Point Values
1.	Qualifications of Firm/Staff	50
2.	Program/ Philosophy	50
3.	Cost/Price Proposal	50
4.	Disadvantage Business Enterprise Participation	5
Total Points Possible		155

The top four ranked firms were invited for oral interviews with the evaluation committee. Upon completion of the interviews a final ranking was determined.

The evaluation committee is recommending that a contract be established with Athens Administrators for third party administration of workers compensation claims for an amount not to exceed \$300,000 for a two year contract period. Contractor will provide all services meeting all Santa Cruz METRO specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funds to support contract are included in the Human Resources FY10 Workers Compensation Insurance budget (account 502081).

V. ATTACHMENTS

Attachment A: List of firms that submitted a proposal

Attachment B: Contract with Athens Administrators

Prepared By: Lloyd Longnecker, Purchasing Agent
Date Prepared: March 30, 2010

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at www.semtl.com

6.2

**LIST OF FIRMS THAT SUBMITTED A PROPOSAL IN RESPONSE
TO SANTA CRUZ METRO RFP NO. 10-14 FOR THIRD PARTY
ADMINISTRATION OF WORKERS COMPENSATION CLAIMS**

1. Athens Administrators of Concord, CA
2. York Insurance Services Group, Inc. of Concord, CA
3. Sedgwick Claims Management Services of Memphis, TN
4. Tristar Risk Management of Long Beach, CA
5. Innovative Claims Solutions of Rancho Cordova, CA
6. Intercare Holdings Insurance Services, Inc. of Roseville, CA
7. JT2 Integrated Resources of Pleasanton, CA
8. Pegasus Risk Management of Modesto, CA
9. Corvel Enterprise Comp, Inc. of Irvine, CA

**PROFESSIONAL SERVICES CONTRACT
FOR THIRD PARTY ADMINISTRATION OF
WORKERS' COMPENSATION CLAIMS (10-14)**

THIS CONTRACT is made effective on April 19, 2010 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("Santa Cruz METRO"), and ATHENS ADMINISTRATORS ("Contractor").

1. RECITALS

1.01 Santa Cruz METRO's Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO's Need for Third Party Administration of Workers' Compensation Claims

Santa Cruz METRO has the need for Third Party Administration of Workers' Compensation Claims. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated November 9, 2009, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Third Party Administration of Workers' Compensation Claims and whose principal place of business is 2552 Stanwell Drive, Concord, California. Pursuant to the Request for Proposals by Santa Cruz METRO, Contractor submitted a proposal for Third Party Administration of Workers' Compensation Claims, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On February 26, 2010, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO, to provide the Third Party Administration of Workers' Compensation Claims described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 9, 2009 including Addendum No. 1 dated November 30, 2009.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for Third Party Administration of Workers' Compensation Claims, signed by Contractor and dated December 11, 2009.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued November 9, 2009.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 9, 2009.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by METRO.

At the option of Santa Cruz METRO, this contract agreement may be renewed for three (3) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$300,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Athens Administrators
P O Box 696
Concord CA 94522-0696
Attention: Bruce Lees, Vice President of Sales

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

SANTA CRUZ METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR – ATHENS ADMINISTRATORS

By _____
James R. Jenkins
President

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT - A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

For Third Party Administration of Workers' Compensation Claims

METRO RFP No. 10-14

Date Issued: November 9, 2009

Proposal Deadline: 5:00 P.M., December 11, 2009



Contents of this RFP

Part I.	Instructions to Offerors
Part II.	General Information Form
Part III.	Specifications
Part IV.	General Conditions
Part V.	Contract/Agreement
Part VI.	FTA Requirements for Non-Construction Contracts
Part VII.	Protest Procedures

PART I

INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** METRO has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO METRO:** Proposals (1 unbound original and 4 copies) must be delivered to METRO Purchasing Office, 110 Vernon Street, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by METRO. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to METRO and the advantage to METRO of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of METRO, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO METRO:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to METRO

that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for proposals, unless a longer time period is specified by METRO in the RFP.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of METRO to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with METRO; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make METRO a third-party beneficiary thereunder; (b) grant to METRO the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to METRO any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to METRO. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **METRO'S PREROGATIVE:** METRO reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit METRO to negotiate a contract, nor does it obligate METRO to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

METRO reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to METRO Administrative Office no later than ten (10) calendar days after the date of notification of award by METRO. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, METRO may award the contract to another offeror; in such event, METRO shall have no liability and said party shall have no remedy of any kind against METRO.
17. **DISADVANTAGED BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit METRO has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of METRO contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

19. PUBLIC RECORDS ACT:

- A. Responses to this IFB shall be subject to the provisions of the California Public Records Act (Government Code Sections §6250 et. seq.).
- B. The Bidder may label information as “Trade Secret”, “Confidential” or “Proprietary”. METRO will not advise as to the nature or content of documents entitled to protection from disclosure under the California Public Records Act. METRO will use its best efforts to inform the Contractor of any request for any documents provided by the Bidder to METRO marked “Trade Secret”, “Confidential”, or “Proprietary”. However, it is incumbent on the Contractor to assert any rights to confidentiality and to seek and obtain a court order prohibiting the release of such information.
- C. Under no circumstances, will METRO be responsible or liable to the Bidder or any other party for the disclosure of any such labeled information, whether the disclosure is required by law or a court order or occurs through inadvertence, mistake, or negligence on the part of METRO or its officers, employees, agents, and/or Contractors.
- D. The Bidder, at its sole expense and risk, shall be responsible for prosecuting or defending any action concerning the information contained in the IFB and shall hold METRO harmless from all costs and expenses, including attorney’s fees, in connection with such actions.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) _____ certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) _____, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

Signature and Title of Authorized Official

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name _____

Signature of Authorized Official _____

Name and Title of Authorized Official _____

Date _____

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: _____

Signature: _____

Company Name: _____

Title: _____

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____ CONTRACTOR'S ADDRESS _____
 DBE GOAL FROM CONTRACT _____ % _____
 FED. NO. _____
 COUNTY _____ PROPOSAL AMOUNT \$ _____
 AGENCY _____ PROPOSAL OPENING DATE _____
 CONTRACT NO. _____ DATE OF DBE CERTIFICATION _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with METRO. By submitting a proposal, offeror certifies that he/she is in compliance with METRO's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

SIGNATURE OF CONTRACTOR

DATE

AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

* If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.

** DBE's must be certified on the date proposals are opened.

*** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
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TOTAL CLAIMED DBE
PARTICIPATION \$ _____ %

PART III

SPECIFICATIONS FOR WORKERS COMPENSATION CLAIMS ADMINISTRATION

1. GENERAL INFORMATION

1.1 Introduction

The Santa Cruz Metropolitan Transit District (METRO) is an independent public transit agency. It is the sole public transit operator in Santa Cruz County providing bus service on 428 directional miles of roadway. METRO operates service on 38 fixed routes and jointly operates Highway 17 Express service with Santa Clara Valley Transportation Authority, Cal Trains, and the Capital Corridor JPA. METRO operates a fleet of 146 vans and buses.

METRO has an operating budget of \$34 million with approximately 330 employees and a payroll of \$17 million annually. Employees are divided into six major subdivisions, five of which are covered by collective bargaining agreements. The groups are as follows:

- Bus Operators (UTU Local 23)
- Paratransit Employees (UTU Local 23)
- Vehicle Service (SEIU Local 415)
- Administrative / Maintenance (SEIU Local 415)
- Professional (SEIU Local 415)
- Management (nonunion)

METRO's workers' compensation claims are currently administered by Sedgwick Claims Management Services, Inc. As of June 30, 2009 there were 103 open claims pending, 94 indemnity and 9 medical only. METRO incurs approximately 15 to 25 new claims each year. Average cost of incurred claims over past five-year period is \$3,410. Estimated future liability is approximately \$3.5 million.

Current workers compensation coverage and limits: Statutory workers compensation limit \$5,000,000/
\$5,000,000 Employer's Liability limit, with a self-insured retention of \$350,000.

1.2 Intent of Request for Proposal

METRO seeks proposals from qualified Workers' Compensation Claims Administrators. The contract will be awarded based on the results of a review of the proposals and possible interviews.

The contract period of performance will be for two years with the option to renew for up to three additional years. Fixed prices for the first two years will be established as part of the initial contract. Any rate increases negotiated in the optional extension years shall not exceed the annual percentage change to the Consumer Price Index for the San Francisco-Oakland-San Jose area in effect on the anniversary date of the contract agreement for the new contract period. Costs for any enhancements in service will be negotiated.

1.3 Proposer's Qualifications

METRO will award a contract to the firm that is most capable of performing the services described in the RFP, based upon the criteria specified below.

Additionally, the selected firm must have adequate financial resources and references, which attest to the quality of the firm's past work and its record in meeting projected timetables and objectives.

METRO reserves the right to investigate the qualifications of all firms under consideration and to confirm any part of the information furnished by a proposer, or to require other evidence of managerial, financial or technical capabilities, which are considered necessary for the successful performance of the contract.

1.3.1 Minimum Qualifications

For a proposal to be considered, a firm must meet the following minimum qualifications:

- a) The firm must currently operate a workers' compensation claims office in Northern California.
- b) Proposed management staff (including supervisors) must possess a California Self-Insured Administrators Certificate and prior recent management experience in the handling of California workers' compensation claims.
- c) The proposed project manager shall have at least seven (7) years of experience in providing third party workers' compensation claims administration services.
- d) Proposals that do not meet these minimum qualifications will not be considered beyond preliminary evaluation.
- e) The firm's database must be configured to allow access to our claims by selected METRO personnel.

2. SCOPE OF WORK

2.1 Implementation/Transition Planning

Each firm will provide a detailed description of how the transition from the current provider will take place. This should include suggested timelines for specific transitional items to include, but not limited to (1) transition of physical and electronic files, (2) bill payment (3) file review (4) contact with claimants, medical professionals, and legal personnel where required. Any costs associated with the transitions should also be included as separate line items.

If selected all suggested timelines, processes and procedures are subject to METRO approval.

2.2 Proposed Staffing

The proposed staffing should include resumes and qualifications for the key management positions. It should also include the minimum qualifications for other key positions. Proposers should note that qualified and experienced claims personnel will be needed to integrate the claims administration tasks with the high information demands of METRO, while handling and resolving any operational or management concerns. In addition to claims adjustment duties, the examiner will be required to assist METRO by discussing claims and developing and implementing strategies to bring about claim closures. METRO is concerned with turnover since it is important that there is continuity in handling claims. As part of this proposal please provide the percentage of turnover separated by clerical staff and claims representatives for the past five (5) years.

The selected firm shall furnish the necessary professional, technical and clerical personnel to provide services, as required.

The selected firm shall appoint the adequate number of staff required to administer the program with no administrator responsible for more than 180 open injury/litigated claims.

- a) The assigned claims representative will be certified by the State of California to administer self-insured accounts.
- b) The selected firm will appoint and make known to METRO a Program Manager and Claims Representative who will be responsible for all coordination between METRO and the selected firm. The selected Contractor shall not replace Program Manager and Claims Representative during the term of the contract without prior approval of METRO.
- c) A representative from the selected firm will attend, upon request of either METRO or METRO appointed attorney(s), depositions, court hearings and/or court approved settlements meetings.
- d) The selected firm must arrange for independent investigators or experts when, in the claims administrators judgment or at the request of METRO such action is deemed necessary to (g) properly process questionable claims; (2) assist in determining the potential nature and scope of liability claims; (3) prepare litigated cases; or (4) assist in determining and prosecuting fraudulent claims.

2.3 Administration of Existing and New Workers' Compensation Claims

At a minimum, the proposal should include the information on the proposer's procedures for handling the following:

- a) New claims reporting
- b) Claims operations procedures
- c) Payment Processing Procedures
- d) Estimating future liability practices
- e) Claims investigation procedures
- f) Medical Management Procedures
- g) Fraud unit program
- h) Litigation management and/or support
- i) Medicare reporting procedures

2.3.1 New Claims Reporting

The selected firm will be required to design, submit and implement a program dedicated to providing injury report forms and procedures for the expeditious reporting of METRO's workers' compensation claims to METRO and to the State of California, as required by the Labor Code. An outline of the proposed program, including any innovative ideas the firm has used successfully on similar projects, is to be submitted with the proposal.

2.3.2 Claims Operations Procedures

Proposals are to include a description of the claims operations procedures. Cite the number of indemnity claims and medical only claims an examiner may have.

- a) The selected firm will process all claims in accordance with requirements as provided by State and Federal laws for reporting, notification and rejecting/denying of claims.
- b) The claims representative will contact the claimant within 24 hours of receiving the first report of injury.
- c) The selected firm shall provide a toll-free telephone number for access by injured workers. The toll-free number is the responsibility of the selected firm.
- d) The selected firm will manage, direct, attend and coordinate the litigating of claims with METRO's selected attorney(s) in the preparation and defense of METRO's claims; and, participate in the negotiation of settlements and releases.
- e) METRO reserves the right to approve, disapprove or select any and all service providers including medical case managers, rehabilitation counselors, primary medical treatment in-patient and out patient facilities, physicians, specialists, chiropractors, legal services investigators, and any other provider seemed necessary by METRO .

2.3.4 Payment Processing Procedures

The selected firm shall issue checks to make benefit payments to injured workers, medical facilities, caregivers and all other vendors in accordance with all provisions of the Labor Code and time limits set forth therein. The firm will be responsible for objections and payment of liens. METRO shall require that the selected firm file objections, process liens and make payments to medical facilities, caregivers and vendors in accordance with all provisions of federal and state law within the time limits set forth therein.

The selected firm shall be required to develop a method for reimbursing METRO for said additional costs.

- a) It is the sole responsibility of the selected firm to administer all transactions in a manner outlined by the workers' compensation laws of California, Federal Medicare reporting, and the procedures of METRO.
- b) The selected firm must adhere to current industry standard estimates of separated costs for all expenditures on each claim and adhere to procedures for reviewing and adjusting reserve adequacy at least every 90 days.
- c) The selected firm must actively collect any overpayment of expenses paid to a vendor.
- d) The selected firm must pay to METRO any penalties against METRO, which are found to be the result of the selected firms lack of proper claims handling.
- e) The selected firm must monitor all cases for potential subrogation recoveries, and perform all the tasks necessary for the recovery of costs including but not limited to the preparation and filing of

all legal reports with the appropriate State and Federal agencies and/or courts and other interested parties.

- f) All penalty payments must be reported to the Human Resources Manager or his/her designee in the month that they occur.

2.3.5 **Estimating Future Practices**

Each proposer is to describe its program for reviewing claims for the sufficiency and adequacy of reserves. The description should include proposed reserve work sheets. In addition, the proposer must describe the management control, which will be installed in order to insure ongoing implementation of the reserve review process.

The selected firm shall report and update all potential excess claims as defined by the CSAC-Excess Insurance Authority and its re-insurers. When a future liability would exceed 50% of the retention level, the Claims Supervisor shall immediately notify the excess insurance carrier in writing with a copy to METRO 's Human Resources Manager.

When an estimated future liability is established that will exceed the retention level, the Claims Account Supervisor shall immediately notify the excess carrier, with a copy to METRO 's Human Resources Manager.

Each claim with a future liability over \$50,000 must be reported to the Human Resources Manager or his/her designated representative within 30 days of firm's knowledge of the estimated liability amount.

As mentioned earlier in this document, proposers shall include a description of the minimum qualifications that would be required for in-house field investigation staff or outside vendor staff.

It is also the responsibility of the selected firm to create and administer cost control provisions in the management of these investigative vendors. The proposal should include a plan for this cost requirement.

2.3.6 **Medical Management Procedures**

Proposals are to include a plan for a medical management program. At a minimum, the program must discuss the following components:

- Medical Bill Review

- Industrial Clinic management program

- Criteria for management and selection of medical specialty providers

The proposal may also include any other creative cost control measures, which the proposer may wish to submit.

METRO currently has existing panels of industrial clinics. The selected firm will be responsible for managing this panel, with all recommendations for deletions or additions to the panel be approved by the Human Resources Manager, or designated representative.

The selected firm shall be required to recommend medical specialty panels to METRO .

2.3.7 **Fraud Investigation Unit Program**

Proposers should submit a plan for the handling of suspected or known fraud cases. This plan will insure control in potential fraud cases; for example, medical and legal fraud, fraudulent claims filing, etc.

At a minimum, the function of the Fraud Unit should be to:

- a) Proposer should have a Fraud Indicator Training Program and provide the training program to examiner staff in the office of the selected firm.
- b) Investigate all files with Fraud Indicators and develop a case presentation for reporting to METRO to obtain permission to make referral to enforcement agencies.
- c) Integrate fraud investigation findings with local and state agencies as provided by the workers' compensation Fraud Recovery Act of 1992.

- d) Document and report savings generated as a result of objected liens or withdrawn claims, incorporated with reporting of any legal fees incurred and investigation expense also incurred as a result of the fraud investigation component.

2.3.8 **Litigation Management**

The staff of the selected firm will continue the claim handling on litigated claims and monitor & review defense counsel's work on the claim. The selected firm is to have standards for the defense attorneys regarding timely reporting, length of time from when file received to opening report, on appearances, etc. Attorneys shall not be retained to perform work, which could be handled by the Examiner or Hearing Representative. METRO will assign attorneys as needed.

On cases where Petitions for Reconsideration are sought, prior approval must be received from METRO's Manager of Human Resources before a petition or appeal may be considered.

2.4 **Automated Claim File Diary System**

The selected firm shall have responsibility for establishing and maintaining an automated claim file diary system. The proposed program should include a description of the time frames to be included in a claim file diary system. The proposal should include proposed standard time intervals for the claims examiners diary for review of claims, including the standards for both medical only and indemnity claims and should also include the time frame for the diary plan for supervisory review of claims.

2.5 **Coordination with METRO Staff**

The selected firm will be required to interact with METRO's designated personnel. Activities may include attendance at meetings, at either the office of the selected firm or METRO locations, telephone requests for claims status information, or other workers' compensation claims research, as required.

The claims staff must meet with METRO staff on a semi-annual basis (at a minimum). The purpose of the meetings will be to review current cases, review the functioning of the workers' compensation program, develop coordinated plans for handling claims, review of cost savings plans, and coordinate plans for returning employees to work. During the course of the contract METRO may request the selected firm address specific issues regarding claims, which may require additional meetings.

During the start-up phase of the contract, the staff of the selected firm must be available for training and management meetings.

In addition, during all phases of the contract, the management team of the selected firm must be available to participate in management meetings scheduled by METRO.

2.6 **High Visibility Claims**

Certain claims have high visibility with METRO management, because of the special circumstances surrounding the claim. These claims are referred to as high visibility claims and the handling examiner or supervisor will report on these claims to the Human Resources Manager, or his/her designated representative, every 30 days. The Human Resources Manager will identify these claims as they arise.

The report should be typed and in narrative form. The information contained in the report should include:

- a) Date of injury
- b) List of all claims, if more than one
- c) Division employee worked in at time of injury
- d) Brief summary of how injury occurred and whether or not case is compensable
- e) Current medical status, i.e. employee on TD, type of medical treatment, diagnosis, prognosis, etc.
- f) Future Liability Work Sheet
- g) Plan of Action
- h) Rehabilitation status when applicable
- i) Failed medical exams or unusual or special circumstances.

METRO, if necessary, will coordinate meetings regarding these claims.

2.7 Cooperation and Coordination with Outside Auditors

The selected firm must assist all METRO retained auditors by providing access to all requested claim files within three days of receipt of a request, and cooperate in providing all other resources required, such as unit tours, sample of the internal forms of the selected firm and staffing credentials. Proposers are notified that audits could be performed by both METRO staff and by retained outside auditors.

2.8 Subrogation

The selected firm in coordination with METRO handles workers' compensation subrogation. The staff of the selected firm is responsible for detecting possible sources of recovery from third parties; notifying METRO of possible subrogation; advising METRO of possible settlements (C & R or Stipulated Awards); and providing METRO with claims status, including paid amounts.

2.9 Reply to METRO Inquiries

Correspondence from METRO personnel requiring a written response shall have such answer transmitted within five (5) working days of receipt. Correspondence requiring a verbal answer shall have such answer transmitted, either personally or by electronic means (Voice Mail, email or Fax), within 24 hours of receipt. The selected firm shall respond to all METRO telephone inquiries within one (1) working day.

2.10 Management Reports

The selected firm will prepare and present annual management reports providing status information and statistics according to topical headings, which may be provided by METRO.

2.11 Annual Reports

- a) The selected firm will prepare on behalf of and submit to METRO for signature the annual Workers' compensation Self-Insured Report as required by the State of California. The report will be prepared and submitted 30 days prior to the State of California's due date.
- b) The selected firm will prepare on behalf of and submit to METRO for signature any reports required by the State of California (such as OSHA300 form).

2.12 Settlements

The selected firm shall have no settlement authority. Settlement authority shall be in writing from the Human Resources Manager or designated representative.

2.13 Whole Person Analysis

Each firm should submit a strategy plan for analyzing, recommending and resolving multiple body part claims. The strategy must meet Federal and state legal requirements.

2.14 Future Medical Awards

Proposers shall submit a plan for managing cases, which are open only for the issue of future medical care. Proposers should include recommendations for examiner diary frequency, employee contacts and other loss control and management methods for handling this body of claims. The plan should include a method for also utilizing the statutory time frame referred to in California Labor Code Section 5405. The firm awarded this contract will be responsible for working with METRO to determine the feasibility for developing possible Compromise and Release agreements when a C & R is in the best interest of METRO.

2.15 24-Hour Serious Injury Service

Each Proposer must provide 24-hour service for immediate handling of serious or traumatic injury claims. The plan should include provision for a claims examiner/ supervisor who will be available to receive claim reports and immediately commence arrangements for medical treatment and claims investigation, in cooperation with METRO personnel.

The selected firm is to supply a full panel of psychiatrists/licensed psychologists throughout METRO's operating region who are trained in crisis intervention and who are available 24 hours a day for emergency

psychiatric counseling. The panel must be trained to assist METRO employees who have been involved in serious pedestrian/passenger injury/fatality accidents.

The selected firm should include a method for providing METRO a roster containing a list of examiners or supervisors and their telephone beeper numbers for handling of after-hours serious/catastrophic cases.

2.16 Claims Roundtables

The proposers must include a plan, which considers the need for roundtable discussions to discuss status and case strategy for case investigation and resolution. The claims examiner will be responsible to coordinate attendees. The roundtable meetings will be scheduled on an as needed basis and could include the examiner, supervisor, defense counsel and METRO representatives.

2.17 Fine Notification

The proposers shall submit a plan, which defines a method for promptly notifying METRO, in an organized manner, of any fines, penalties, court judgments, settlements, proposed appeals and other important developments involving workers' compensation claims.

2.18 Records, Files and Transcripts

The selected firm may be required to package, organize and transport METRO's files, at the selected firm's cost, to a secure area, if a new administrator is selected.

All records, files transcripts, computer tapes including loss run data base files and other materials related to the management and administration of METRO workers' compensation claims are the property of Santa Cruz Metropolitan Transit District and must be relinquished in good order and condition upon termination of the contract with the Third Party Administrator.

2.19 Training

The selected firm shall be able to provide training to departmental staff regarding changes in laws and case decisions. The selected firm shall assist in developing and maintaining a procedures manual that will comply with state laws.

3. Technical Proposal Evaluation Process

The overall evaluation process will be performed by a Proposal Evaluation/ Negotiation Committee. The evaluation criteria will be the sole basis for determining the technical acceptability of proposals. The technical proposal should be specific and complete in every detail.

The proposals will be evaluated according to the following criteria:

- Qualifications of the firm
- Qualifications of the proposed staff
- Proposer's program
- Cost/Price

3.1 Evaluation Scoring

Evaluation Criteria		Point Values
1.	Qualifications of Firm/Staff	50
2.	Program/ Philosophy	50
3.	Cost/Price Proposal	50
4.	Disadvantage Business Enterprise Participation	5
Total Points Possible		155

Based on the results of the evaluation scoring of the proposals received, a "short list" of two to three firms will be selected for interviews. METRO's evaluation committee will conduct any interviews.

3.2 Type of Contract Awarded

METRO intends to enter into a fixed price contract with a firm for the services described above. The contract period of performance will be for two years with the option to renew for up to three additional years. Fixed prices for the first two years will be established as part of the initial contract. Pricing for subsequent years shall not exceed the consumer price index. Costs for any enhancements in service will be negotiated.

METRO 's Board of Directors will award a contract on January 22, 2010. The successful contractor can begin the transition process on February 1, 2010 with the transition completion date of February 28, 2010.

3.3 Performance Guarantees

The selected firm shall agree to provide performance guarantees. At a minimum, proposers are required to submit a program of performance guarantees covering the following areas:

- a) Timelines to responses to METRO operations management requests.
- b) Error rates for administrative errors, financial errors and payment errors.
- c) Coordination of benefits/subrogation.
- d) Turn around time for claims payments.
- e) Prompt personal contact to claimants by examiners.

4. PROPOSAL CONTENTS

All proposals shall be in the format prescribed below. In order to insure that each proposal is reviewed and scored properly, it is important that each proposer follow the format with care. Proposals should be as brief and concise as possible.

1. Cover Letter
2. Required Proposal Documents
3. Qualifications of the Firm/Staff
4. Proposer's Program
5. Cost/Price Proposal

4.1 Cover Letter

A cover letter, not exceeding two single-spaced pages and signed by a principal or officer of the proposing firm shall summarize major points in the proposal. The letter shall address the firm's approach to the project. It should also describe the full name of the firm, size, background, the name and phone number of a contact person.

4.2 Qualifications of the Firm/Staff

This section shall describe the firm's history (in brief) and experience relevant to METRO's needs. It shall include a description of the firm's past or current assignments that demonstrates that the firm is qualified to manage the workers' compensation claims. In addition, the section should describe the firm's operation in Northern California including the location of offices.

METRO may investigate the qualifications of proposers and require additional information to confirm representations made in proposals, or seek other evidence of managerial, financial or technical capabilities needed for performance of the work. Such investigation shall include the right to check references not furnished by a firm in its response to this RFP. **SUBMISSION OF A PROPOSAL SHALL CONSTITUTE AUTHORIZATION OF METRO TO MAKE ALL REASONABLE INVESTIGATIONS NECESSARY TO EVALUATE PROPOSER'S QUALIFICATIONS.**

This section shall also include a staffing plan and each of the proposers shall guarantee that the key personnel indicated in the organizational chart will be assigned to this project unless their employment is terminated. If substitutes backup personnel are planned on a contingency basis, they should be indicated on the organizational chart. This section shall include brief resumes of key employees who will be assigned to METRO work. Resumes shall summarize education, training and experience.

Also included in this component shall be:

- a) A detailed resume of the firm's Project Director who would directly oversee the activities of METRO 's workers' compensation program.
- b) A project staffing plan containing resumes for key staff.
- c) Minimum qualifications for all claims staff positions.
- d) Performance criteria and performance evaluation criteria as well as other information requested in Section 2.0.
- e) An estimate of the percentage of time each of the key management personnel will spend on this project.

4.3 Proposer's Program

This component shall provide a detailed description of how the proposer will accomplish the tasks outlined in Item 2 above. The proposer may submit any innovative ideas it has used successfully on similar projects. Any other information deemed pertinent to qualifications of the firm may be included.

Also included in this component shall be the following elements:

- a) Organization and planning of work.
- b) Work flow diagram.
- c) Program for handling existing and new workers' compensation claims including information required in Section 2.3.
- d) Parts of work to be subcontracted if any.
- e) A schedule including milestones, work products and estimates of the person hours required to complete the various procedural manuals and projects described within Section 2.0.
- f) Identification of tasks, if any, which must be accomplished by METRO , during or prior to the commencement of the contract.
- g) All cost saving techniques to be utilized on METRO claims.

Provide an explanation of your firm's philosophy of claims adjusting and litigation management.

- a) Do you offer designated/dedicated claim teams? If yes, please describe.
- b) Please state your optimal number of claims per adjuster. (Med only/indemnity)
- c) How often are adjuster's caseloads reviewed?
- d) What action is taken when a large disparity in an adjuster's caseload becomes apparent?
- e) What are your average closing ratios?
- f) Describe how your adjuster's work is supervised?
- g) How often do you ensure that your adjusters are adhering to the client's special handling instructions?
- h) What is your criterion for converting medical only claims to indemnity claims?

4.4 Proposal Submission

A complete submittal will consist of one signed unbound original and four (4) copies of the proposal documents. All submittals must be received at the reception desk of METRO 's office at the address provided below no later than 5:00 p.m. on December 11, 2009. **PROPOSALS RECEIVED AFTER THAT EXACT TIME WILL BE RETURNED UNOPENED.** Proposal packages must be sealed and marked as follows:

"RFP No. 10-14 for Third Party Administration of Workers' Compensation Claims"
Send proposal packages to:

Santa Cruz Metropolitan Transit District
Attn: Purchasing Office
110 Vernon Street
Santa Cruz, CA 95060

5. ADDITIONAL INFORMATION AND CHANGES

The Purchasing Office will only respond to written questions relating to this procurement. Questions of a substantive nature may be faxed to the attention of Lloyd Longnecker, Purchasing Agent at (831) 423-2918 or emailed to llongnecker@scmtd.com. No oral modification of this RFP shall be valid. Any modifications shall be by written RFP addendum and issued by the Purchasing Office.

6. FORMAT

Each proposer, in responding to this RFP, should develop answers to all the elements contained in this RFP. Proposals shall be prepared on 8 1/2" x 11" paper, bound on the long side. All text shall be clear of binding. A response should be concise in its presentation, particularly with respect to past experience and resume of key personnel. One unbound original and 5 copies shall be provided.

7. CONFIDENTIAL DATA

Proposer shall clearly mark each page of its proposal that contains trade secrets or other confidential commercial or financial information that the proposer believes should not be disclosed outside METRO . No part of any proposal will be disclosed outside METRO prior to contract award. All documents submitted as part of the proposal become the property of METRO .

8. SCHEDULE.

The anticipated schedule of activities related to this RFP is as follows:

EVENT	DATE
Distribution of RFP	November 9, 2009
Deadline for submission of written questions or request for addenda	November 30, 2009
METRO's Written Response (Addenda to RFP)	December 8, 2009
Proposal Due Date	December 11, 2009
Oral Interviews/Contractor Selection	January 6, 2010
Board Approval of Contract	January 22, 2010

PART IV

GENERAL CONDITIONS TO THE CONTRACT

1. GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements METRO is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

METRO may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by METRO upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever METRO determines that such termination is in METRO's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by METRO, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to METRO in the manner, at the time, and to the extent directed by METRO all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case METRO shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of METRO, to the extent METRO may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to METRO and deliver in the manner, at the time, and to the extent, if any, directed by METRO the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to METRO; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by METRO, any property of the types referred to above provided, however, that the Contract shall 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 METRO, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to METRO to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as METRO may direct; (8) complete performance of such part of the Work as

shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as METRO 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 METRO has or may acquire an interest.

2.02 Termination for Default

2.02.01 METRO may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, METRO may procure, upon such terms and in such manner as METRO may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to METRO, the Contractor shall be liable to METRO for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and METRO shall be considered to have been terminated pursuant to termination for convenience of METRO pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of METRO provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3. FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude METRO from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

3.02 Notification by Contractor

Contractor shall notify METRO in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by METRO to evaluate any Contractor request for relief under this Article 3. METRO shall examine Contractor's notification and determine if the Contractor is entitled to relief. METRO shall notify the Contractor of its decision in writing. METRO's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from METRO for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

5. PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. METRO shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of METRO is to ensure that such services are performed and rendered in a competent and cost effective manner.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against METRO for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless METRO (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which METRO may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's negligence, recklessness or willful misconduct under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

7. INSURANCE

7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects METRO and any insurance or self-insurance maintained by METRO shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractor's vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
 - (a) Full Personal Injury coverage.
 - (a) Broad form Property Damage coverage.
 - (a) A cross-liability clause in favor of METRO.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by METRO.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after METRO shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify METRO in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide METRO at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to METRO.

8. SINGLE PROPOSAL

If only one proposal is received in response to the RFP, Offeror may be required to submit to METRO within five (5) days of METRO demand, a detailed cost proposal. METRO may conduct a cost or price analysis of the cost proposal to determine if the proposal price(s) are fair and reasonable. Offeror shall cooperate with METRO in compiling and submitting detailed information for the cost and price analysis.

9. NO DISCRIMINATION

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

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of METRO contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

I. PROMPT PAYMENT

11.01 Prompt Progress Payment to Subcontractors

The prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with METRO's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

A. Prompt Payment of Withheld Funds to Subcontractors

METRO shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by METRO of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by METRO. Any delay or postponement of payment may take place only for good cause and with METRO's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in METRO withholding reimbursement for completed work.

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on METRO Liability

METRO's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on METRO premises or distribute same to METRO employees.

13.05 Publicity

Contractor agrees to submit to METRO all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein METRO's name is mentioned or language used from which the connection of METRO's name therewith may, within reason, be inferred or implied. Contractor further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of METRO.

13.06 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on METRO property, (2) ensure that its employees take appropriate protective measures, and (3) provide METRO's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on METRO property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify METRO against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by METRO; and any such action by Contractor without METRO's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of METRO. Any such action by Contractor without METRO's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

13.15 Audit

This Contract is subject to audit by Federal, State, or METRO personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on METRO premises or in a METRO vehicle.

13.17 Responsibility for Equipment

13.17.01 METRO shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by METRO.

13.17.02 Contractor is responsible to return to METRO in good condition any equipment, including keys, issued to it by METRO pursuant to this Agreement. If the contractor fails or refuses to return METRO-issued equipment within five days of the conclusion of the contract work METRO shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of METRO.

13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements METRO is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

PART V

PROFESSIONAL SERVICES CONTRACT FOR THIRD PARTY ADMINISTRATION OF WORKERS' COMPENSATION CLAIMS (10-14)

THIS CONTRACT is made effective on _____, 2009 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("METRO"), and _____ ("Contractor").

1. RECITALS

1.01 METRO's Primary Objective

METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 METRO's Need for Third Party Administration of Workers' Compensation Claims

METRO has the need for Third Party Administration of Workers' Compensation Claims. In order to obtain these services, METRO issued a Request for Proposals, dated November 9, 2009, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A."

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Third Party Administration of Workers' Compensation Claims and whose principal place of business is _____. Pursuant to the Request for Proposals by METRO, Contractor submitted a proposal for Third Party Administration of Workers' Compensation Claims, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On _____, METRO selected Contractor as the offeror whose proposal was most advantageous to METRO, to provide the Third Party Administration of Workers' Compensation Claims described herein. This Contract is intended to fix the provisions of these services.

METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 9, 2009

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to METRO for Third Party Administration of Workers' Compensation Claims, signed by Contractor and dated December 11, 2009.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by METRO for this project in accordance with the Request for Proposals issued November 9, 2009.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 9, 2009.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by METRO.

At the option of METRO, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by METRO. METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$ _____ maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by METRO (or any grantor of METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

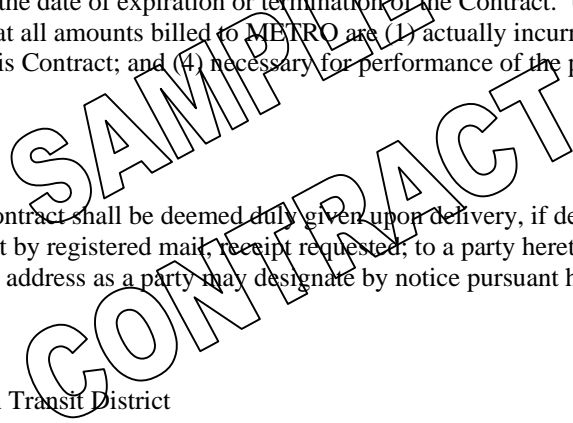
All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested, to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

METRO

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____



7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR -

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

SAMPLE
CONTRACT

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by METRO or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to METRO, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, METRO shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as METRO or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require METRO to enter into such litigation to protect the interests of METRO, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that METRO, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after METRO makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for METRO of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or METRO shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, METRO shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to METRO (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by METRO if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

12.2 DBE Obligation

METRO and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, METRO and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. METRO and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13.0 CONFLICT OF INTEREST

No employee, officer or agent of METRO shall participate in selection, or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. METRO's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform METRO whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform METRO.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

METRO and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by METRO, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when METRO or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. METRO or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, METRO, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.

- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by METRO or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of METRO or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of METRO or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, METRO (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of METRO, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. METRO and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, METRO and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

METRO and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

METRO and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by METRO and Contractor of proprietary rights, copyrights or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to METRO or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by METRO or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees.
 - (iii) Reporting for Own Employees.
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non- appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:
 - (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

- (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
- (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

POLICY

It is the policy of the Santa Cruz Metropolitan Transit District (METRO) that it is responsible for resolving all Pre-Bid, Pre-Award and Post-Award Procurement Protest disputes arising out of third party procurements using good administrative practices and sound business judgment. It is METRO's intention that its procurement process provides for fair and open competition in compliance with federal and state laws and METRO policies.

METRO has established these Pre-Bid, Pre-Award and Post-Award Procurement Protest Policy and Procedures so that all procurement protests/disputes are filed, processed and resolved in a manner consistent with the requirements of the Federal Transit Administration (FTA) Circular (4220.1F) *Third Party Contracting Guidance*, dated November 1, 2008, which are on file at METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060, and available upon request.

APPLICABILITY

This regulation is applicable to all METRO employees. This regulation is applicable to any Interested Party as defined herein who has a protest/dispute against METRO in the Pre-Bid, Pre-Award and Post-Award procurement phase.

DEFINITIONS

“Common Grant Rules” refers to the Department of Transportation regulations “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR Part 18, which apply to Federal grants and cooperative agreements with governmental recipients of Federal assistance including Indian tribal governments.

“Interested Party” means a party that is an actual or prospective bidder or offeror whose direct economic interest would be affected by the award or failure to award the third party contract at issue. A subcontractor does not qualify as an “interested party”.

“Protest” means a formal declaration of disapproval or objection issued by a concerned person, group, or organization that arises during the procurement process. A Protest is a potential bidder's or contractor's remedy for correcting a perceived wrong in the procurement process. See “Types of Protests” below.

“Protester” means a person, group, or organization that files a formal declaration of disapproval or objection. A protester must qualify as an “interested party”.

“Types of Protests”: There are three basic types of Protests pursuant to this regulation, based on the time in the procurement cycle when they occur:

- a.) A pre-bid or solicitation phase Protest is received prior to the bid opening or proposal due date. Pre-bid protests are those based on the content of the initial Notice and/or solicitation published by METRO requesting bids from vendors or other interested parties.
- b.) A pre-award Protest is a protest against making an award and is received after receipt of proposals or bids, but before award of a contract.
- c.) A post-award Protest is a protest received after award of a contract. A post-award Protest must be received within 5 business days of the making of the award. A post-award Protest generally alleges a violation of applicable federal or state law and/or METRO policy or procedures relative to the seeking, evaluating and/or awarding of the contract.

STANDARDS.

All Protests must be filed in writing with the METRO Administrative Offices, Finance Manager, Santa Cruz Metropolitan Transit District, 110 Vernon Street, Santa Cruz, CA 95060, or electronically at financemanager@scmtd.com . No other location is acceptable.

A Protest must be in writing and set forth the specific grounds of the dispute and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protest shall include the name and contact information of the Protester, solicitation/contract number or description, and what remedy the Protester is seeking. The Protester is responsible for adhering to this regulation.

A Protester must exhaust all of METRO's administrative remedies before pursuing a protest with the FTA.

METRO's Finance Manager shall make a determination on the Protest generally within ten (10) working days from receipt of the Protest. The Decision of the Finance Manager must be in writing and shall include a response to each substantive issue raised in the Protest.

Any Decision by the Finance Manager may be appealed to the Board of Directors. The Protester has the right within five (5) business days of receipt of the Finance Manager's Decision to file an appeal restating the basis of the Protest and the grounds of the appeal. In the appeal, the Protester is only permitted to raise information and issues previously provided in the Protest or discovered after the Protest was submitted to the Finance Manager for Decision and directly related to the grounds of the Protest. The Protester shall be provided with at least 72-hour notification of when the Board of Directors will hear the Appeal. The Protestor may appear, be represented and present evidence and testimony at the Appeal Hearing. The Board of Directors' decision shall constitute METRO's final administrative determination.

In the event that the Protester is not satisfied with METRO's Board of Directors' final administrative determination, he/she may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having the jurisdiction over Protest(s) and Appeal(s).

At any time, the Protester may request reconsideration of METRO's Final Decision if data or information becomes available that was not previously known, or there has been an error of law or regulations.

The Protester may withdraw its Protest or Appeal at any time before METRO issues a final decision.

If METRO postpones the date of proposal submission because of a Protest or Appeal of the solicitation specifications, addenda, dates or any other issue relating to the procurement, METRO will notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that a Protest/Appeal had been filed, and the due date for proposal submission shall be postponed until METRO has issued its final Decision.

Reviews of Protests by FTA are limited to 1) METRO's failure to have or follow its protest procedures, or its failure to review a complaint or Protest; or 2) violations of Federal law or regulation.

A Protest Appeal to the FTA must be filed in accordance with the provisions of FTA Circular 4220.1F. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under METRO's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 1650
San Francisco, CA 94105-1839

Telephone: (415) 744-3133
Fax: (415) 744-2726

METRO RESPONSIBILITIES TO FTA

METRO's Finance Manager will notify the FTA when he/she receives a third party contract protest to which the

FTA Circular (4420.1F) *Third Party Contracting Guidance* applies, and will keep the FTA informed about the status of the Protest including any appeals.

METRO's Finance Manager will provide the following information to FTA:

- a. Subjects: A list of Protests involving third party contracts and potential third party contracts that:
 - (a) Have a value exceeding \$100,000, or
 - (b) Involve controversial matter, irrespective of amount, or
 - (c) Involve a highly publicized matter, irrespective of amount.

- b. Details: The following information about each Protest:
 - (a) A brief description of the Protest,
 - (b) The basis of disagreement, and
 - (c) If open, how far the Protest has proceeded, or
 - (d) If resolved, the agreement or decision reached, and
 - (e) Whether an appeal has been taken or is likely to be taken.

- c. When and Where: METRO will provide this information:
 - (a) In its next quarterly Milestone Progress Report, and
 - (b) At its next Project Management Oversight review, if any.

- d. FTA Officials to Notify: When METRO's Board of Directors denies a bid Protest, and an appeal is likely to occur, METRO's Finance Manager will inform the FTA Regional Administrator for Region IX, or the FTA Associate Administrator for the program office administering a headquarters project directly about the likely appeal.

METRO's Finance Manager will disclose information about any third party procurement Protest to FTA upon request. FTA reserves the right to require METRO to provide copies of a particular Protest or all Protests, and any or all related supporting documents, as FTA may deem necessary.

Santa Cruz Metropolitan
Transit District



ADDENDUM NO. 1

Santa Cruz Metropolitan Transit District Request for Proposals(RFP)

No. 10-14 For Third Party Administration of Workers' Compensation Claims

RFP DUE DATE: December 11, 2009 @ 5:00 PM, PST

Date of Addendum Issue: November 30, 2009

Notice is hereby given that the Santa Cruz Metropolitan Transit District (METRO) is providing the following clarifications, modifications, additions and / or deletions to the Request for Proposals(RFP) No. 10-14 for Third Party Administration of Workers' Compensation Claims . This Addendum shall become a part of the original RFP as issued by METRO.

Receipt of this Addendum No. 1 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the Invitation for Bid.

All questions concerning this Addendum shall be referred to Lloyd Longnecker, Purchasing Agent at 370 Encinal Street, Suite 100, Santa Cruz, CA 95060, (831) 426-0199 Voice, (831) 423-2918 Fax, or email address llongnecker@scmtd.com.

This Addendum forms a part of the Contract Documents, and modifies the following as noted below:

1. **ADDENDUM CONTENT:** Addendum No. 1: A total of two (2) pages
2. **CHANGES TO PREVIOUS ADDENDA:** (NONE)
3. **BIDDERS REQUESTS FOR CLARIFICATIONS:**

3.1 *QUESTION: The RFP did not provide a specific format for the Cost/Price Proposal section. Will you be providing a fee schedule form at a later date, or is the pricing format at each vendor's discretion?*

ANSWER: There is no fee schedule form for Cost/Price Proposal Section. Offeror shall provide a Cost/Price proposal on Offeror's letterhead that completely details all costs/charges associated with any resulting contract for these services.

3.2 *QUESTION: Who is METRO's excess carrier?*

ANSWER: CSAC-EIA (California State Association of Counties – Excess Insurance Authority)

3.3 *QUESTION: What is the annual medical bill volume?*

ANSWER: 1,007 bills processed for the period 7/1/2008-6/30/2009.

3.4 *QUESTION: How many utilization reviews are typical per month?*

ANSWER: 148 UR charges for the period 7/1/2008 - 6/30/2009.

370 Encinal Street, Suite 100, Santa Cruz, CA 95060 (831) 426-6080, FAX (831) 426-6117

METRO OnLine at <http://www.scmtd.com>

RFP No. 10-14, Addendum No. 1 – Issue: November 30, 2009

3.5 *QUESTION: Does METRO use an MPN?*

ANSWER: No

4. CHANGES TO RFP TERMS AND CONDITIONS: (NONE)

END OF ADDENDUM NO. 1

Lloyd Longnecker
Purchasing Agent

EXHIBIT - B

ORIGINAL

**REQUEST FOR PROPOSAL
FOR
Third Party Administration of
Workers' Compensation Claims**

METRO RFP No. 10-14



PREPARED BY



**P.O. BOX 696
CONCORD, CA. 94522-0696
Bruce Lees
925.826.1103
blees@athensadmin.com**

DECEMBER 2009

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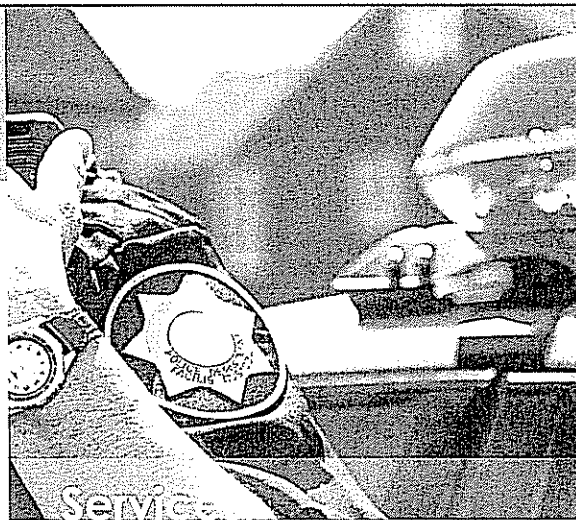
Athens Administrators provides public entities with specialized solutions tailored to meet the unique needs of the industry.

- *Understand Public Safety Officer Presumptions*
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- *Stewardship: We provide high level program loss analysis. This information helps to deliver overall improved program results.*
- *We develop specific claims programs and best practices that are designed to satisfy our client's objectives*
- *ATHENSScan: Our paperless operating environment which drives efficiencies and reduces claim administration costs*
- *ATHENSFocus: Our on-line analytic dashboard that generates "Board Ready" summary data for your liability or workers' compensation programs*
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- *Proven total claim cost containment programs in place*
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- *Aggressive Litigation Management*
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- SU/Investigation
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- Vet Insurance Groups
- High Deductible
- Capitive

Contact Us

Northern California
Bruce Lees | 925.826.1103

Southern California
Michael Landa | 909.451.1710

info@athensadmin.com
Post Office Box 696 | Concord, CA 94522-0696

WWW.ATHENSADMIN.COM





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December 11, 2009

Mr. Lloyd Longnecker
Purchasing Agent
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Re: Request for Proposal for Third Party Administrator Services

Dear Mr. Longnecker:

Athens Administrators, Inc. is pleased to submit our proposal to provide workers' compensation claims administration services to Santa Cruz Metropolitan Transit District. We appreciate your interest and the opportunity to present our resources and capabilities. We have read your request for proposal in its entirety and can comply with all of the expectations stated within the document. We are confident in our ability to design and implement a program that will satisfy your specific needs and exceed your expectations. We also believe that we will be able to achieve significant reductions in the overall cost of your workers' compensation program. This will be accomplished through a high level of communication with Santa Cruz Metropolitan Transit District, unique approaches to claim administration that will be applied by experienced staff in a closely managed environment. Athens has provided workers' compensation claims services to self insured entities throughout California for over thirty years. We currently have hundreds of Public Agency clients located throughout the state. Our Public Agency clientele includes; Cities, Hundreds of Fire Protection Districts, Transportation Districts, Housing Authorities, Utility Districts and Water Districts. Athens has a tremendous level of expertise in your class of business, specifically in dealing with union environments and all the involved departments of transit districts.

Since 1976 Athens Administrators has consistently closed claims at a cost significantly lower than those in our industry. Between 1994 and 2008 Athens' average claim costs were 38% lower than the statewide average¹. On top of this Athens was ranked in the top five of all TPA's audited by the California Division of Workers' Compensation at the time of our last audit. We have also been ranked one of the best places to work in the Bay Area by the San Francisco Business Times three out of the past four years. Our attention to detail and commitment to delivering exceptional work product has also resulted in extremely high client retention rates over the years. These are just some of the key reasons why we believe that Athens is the best alternative. We are excited about the potential of partnering with Santa Cruz Metropolitan Transit District to develop an exceptional workers' compensation program.

We are confident that our staff and overall approach to administering your program will improve your results. We noted that METRO may be interested in exploring the introduction of a performance guarantee program. We embrace participation in these types of programs and look at them as an opportunity to regularly validate the high level of work that we produce. You will have my full support and commitment that Athens Administrators will deliver as promised and I will always be available directly to respond to any problems or concerns you may have. Please feel free to contact me directly to discuss our proposal. I can be reached at (925) 826-1100 or toll free 866-482-3535 extension 1100, Fax (925) 609-5401, email jjenkins@athensadmin.com.

Best Regards,

A handwritten signature in black ink, appearing to read 'James R. Jenkins', is written over a horizontal line.

James R. Jenkins
President
Athens Administrators

¹ Based on information published by the WCIRB 2008

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) Athens Administrators certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

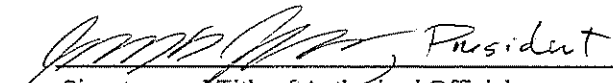
Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) Athens Admin, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

 President

Signature and Title of Authorized Official

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

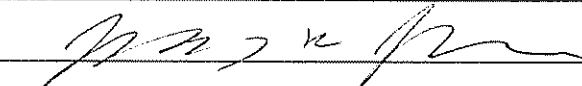
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg 1413 (1/19/96).

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name Athens Administrators

Signature of Authorized Official 

Name and Title of Authorized Official James R. Jenkins, President

Date 12-11-09

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

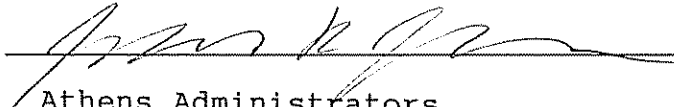
A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: 12-11-09
Signature: 
Company Name: Athens Administrators
Title: President

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____
Signature: _____
Company Name: _____
Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____ CONTRACTOR'S ADDRESS _____
 DBE GOAL FROM CONTRACT _____ % _____
 FED. NO. _____
 COUNTY _____ PROPOSAL AMOUNT \$ _____
 AGENCY _____ PROPOSAL OPENING DATE _____
 CONTRACT NO. _____ DATE OF DBE CERTIFICATION _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with METRO. By submitting a proposal, offeror certifies that he/she is in compliance with METRO's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

SIGNATURE OF CONTRACTOR

DATE

AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
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TOTAL CLAIMED DBE
PARTICIPATION \$ _____ %



Qualifications of the Firm/Staff

We have reviewed and will comply with the entire SCOPE OF WORK proposed by METRO.

Athens Administrators, Inc. is a corporation and has been in business since 1976. We are a third party administrator of workers' compensation claims in California and liability claims in seventeen states including California. There are two individuals as owners of Athens Administrators. Athens Administrators home office is located at 2552 Stanwell Drive, Concord, California 94520. We have additional locations in Irvine and Sacramento, California, but METRO will be handled from our home office in Concord. Athens current turnover rate is just under 2% and current caseload average for the office is 143.

Athens Administrators understands public agencies and has tremendous experience handling sophisticated programs like METRO. We currently administer over 6,000 open indemnity claims for our clients that are based in California. Athens has developed cost effective, proactive programs that have achieved superior results. Our public sector clients value our products/services, commitment to being client focused and most importantly feel our services are critical in key areas to obtain bottom line cost reduction and providing greater efficiency in the handling of their claims which include; ensuring their employees receive the best available medical care, continuous communication with the risk management team, effectively returning employees to work, efficient staffing plans, best practices performance standards and our state-of-the-art technological resources. As California workers' compensation specialists, we understand this environment and proactively handle issues specific to public agency claims administration such as; 4850 exposure, volunteers, seasonal employees, Federal Claims (L&H Claims and Jones Act), heavy union involvement, integration of benefits, return to work programs, interaction with Board of Supervisors, PERS and other public employee disability retirement plans.

All of our supervisors and technical staff are state certified and fully designated to administer self-insured workers' compensation claims in California. Our technical staff is focused on identifying key issues that have a large financial impact on the overall claim and then proactively utilize all available internal and external resources to address and resolve these issues to reduce your bottom line costs. These techniques and standards of performance include thorough investigation of all questionable claims, timely and accurate provision of benefits, management of medical treatment, using the most cost-effective application of all managed care disciplines, litigation management, and a strong commitment to returning the employee to work.

The California workers' compensation marketplace is constantly evolving. Athens Administrators closely monitors the environment and responds as it changes. There are a couple of primary areas that we focus on when adapting to adjustments in workers' compensation legislation; staffing model and services offered. We continuously shape



these areas to assure that we always deliver optimal results to our clients. In conjunction with these focuses, technology is also a major component of Athens future vision. Significant investment in technology is a top priority for us and it will continue to be. We have found that effective internal and external technology applications make both our clients and our staff much more efficient and effective.

It is our goal to continue to be the leading claim administration service provider in the state of California. We believe that this will be accomplished by utilizing the most state of the art technology and by providing innovative services supported by an outstanding staff.

Existing Employers of Similar Scope

SF Bay Area Rapid Transit (BART)

Jesse Alcantara, Sr. Personnel Analyst
300 Lakeside Drive 20th Floor #2009, Oakland, CA, 94612
510-464-6198

Golden Gate Bridge Highway & Transportation District

Bill Stafford, Director Risk Management & Safety
1011 Andersen Drive, San Rafael, CA, 94901
415-257-4553

East Bay Municipal Utility District

Vladimir Besarabov, Workers' Compensation Manager
375 11th Street, Oakland, CA, 94607
510-287-0802

Staffing

Athens Administrators proposes the following minimal qualifications for each the identified positions:

Unit Supervisor – Minimum 9 years experience as a manager with Self Insured State Certification.

Senior Claim Examiner – Minimum 7 years workers' compensation claims handling experience, public entity experience, Self Insured State Certification, and/or IEA certification equivalent.

Assistant Claim Examiner – Minimum 3 years assistant claims examiner duties, public entity experience and Basic IEA technical training preferred.

All of our supervisors and examiners and claims assistants are state certified to administer workers' compensation claims. Our claims supervisors have an average workers' compensation claims administration experience of 20 years, senior claims examiners an average experience of 17 years and assistant claims examiners an average of 5 years. Our supervisors do not carry a caseload, enabling them to provide technical oversight of the individual claims and of the employers' workers' compensation programs, ensuring quality, service, results as well as compliance with regulatory and client-specific program performance standards.



James R. Jenkins, President
925-826-1100 jjenkins@athensadmin.com

James has 23 years of experience in the insurance industry. During his career, James has performed a wide range of roles in technical, managerial and sales positions both personal and commercial lines. He has an extensive background in underwriting, alternative risk with an emphasis on the formation and management of Captives. James earned a BS in Business Administration and Economics from St. Mary's College of California, and an MBA at the University of San Francisco. James has been with the firm since 1987.

The President will be performing total management of the entire organization, contractual obligations, and overall success of the program.

Linda Slaughter, Chief Operating Officer
925-826-1102 lslaughter@athensadmin.com

Linda joined Athens Administrators in 1979 from Aetna Casualty & Surety Company. At Athens, Linda devotes all of her time to the management of our claims operation, including the ultimate oversight of high profile claims, staff training and continuing education, quality assurance and audit performance results, and executive management and oversight of our information systems. Linda has served on several DWC advisory committees and continues to serve on the committee that writes and updates Self-Insurance Plans' Administrator's certification examination. She is a graduate of the University of California at Riverside with a B.A. in Psychology, has her Self Insurance Administrators Certificate, and has her Associate in Risk Management credential. Linda will celebrate her thirtieth year anniversary with Athens this year.

The COO of Athens and will be charged with all technical data integration issues, bill review staff management, management of all of the claims processes, outside vendor management, and assists the President with monitoring the success of the program.

Heather Hornbrook, Division Claims Manager
925-826-1146 hhornbrook@athensadmin.com

Heather has seventeen years of experience administering Workers' Compensation claims for both private and public accounts. She has a BA in journalism with a minor in criminal justice from California State University, Sacramento. She is a state-certified self-insurance administrator. Heather started her career with another TPA and joined Athens Administrators in 1993. She presently manages four unit supervisors and their staff. Heather's also charged with account management functions for Athens.

The Division Claims Manager is responsible for managing the employers' requirements, account management functions, and management of staff that will be working with METRO.

5% Estimated Time Spent (after implementation)



Elizabeth George, Claims Supervisor
925-826-1124 egeorge@athensadmin.com

Elizabeth is a Claims Supervisor with over 15 years of experience in the Workers' Compensation field handling both private and public sector accounts. She has her Bachelor of Science in Business Administration and holds her Self-Insurance Administrators Certificate. She is also fluent in both Spanish and English and has been with Athens for over 6 years. Elizabeth has direct experience with multiple insured and broker environments.

The Supervisor provides daily oversight of the METRO program, does not carry a caseload, and works directly with Adjuster and assistants to insure Scope of Work is followed.

15-20% Estimated Time Spent (after implementation)

Victor Barrientez, Senior Claims Examiners

Victor Barrientez is a Senior Claims Examiner with 19 years of experience in the workers' compensation industry, both as a claims examiner and as a supervisor. He has been with Athens Administrators for 5 of those years and has handled both private sector and public sector claims. He has experience with safety officer claims as well. Victor also has been an instructor for the Insurance Education Association. He has a Bachelor of Arts in Journalism from California State University, San Jose and holds his Self Insurance Certificate.

While the duties of the senior claims examiner are many and varied, their essential function is to provide proactive claims management of the individual claims they handle and to promote the overall success of the claims program. This equates to delivering at all times quality service, communications, and results for the employers and their injured workers. In order to achieve the senior examiners must be experienced, with manageable caseloads, and have adequate clerical and administrative support provided to them in order that they may fulfill their roles. All of our technical staff is state certified to administer self-insured workers' compensation claims. No one adjuster will handle more than 3 different employers.

The Senior Claims Examiner that will be METRO's main contact and will be in constant communication with injured worker, doctor, and METRO.

85% Estimated Time Spent (after implementation)

Kathy Bernal, Claims Assistant

Katherine Bernal is an Assistant Claims Examiner with over 20 years of experience in the workers' compensation industry. She has worked for Athens Administrators for 18 years and is one of our top performing assistants. She has worked on both public sector and private sector claims, including the transportation industry (BART and ABF Trucking).

The Claims Assistant provides the necessary technical support for the examiners. They work as a team. The Assistant is responsible for medical only claims. They also have clerical support.

25% Estimated Time Spent



Athens Organizational Chart - Tab 6

All proposed or selected staff will be designated and available to METRO and will exceed METRO's expectations expressed in this RFP. METRO will have contact information off all of the staff assigned to the account. There will never be any change to the team without METRO's consent.

5 Year Turnover Rate

Claims Supervisor 0%

Senior Claims Examiner 2%

Claims Assistant 2%



Proposer's Program

Athens takes a "Stewardship" approach to managing claims programs. This involves partnering with our clients to assess specific needs and to then develop customized claims management programs that are designed to combat claim exposures and costs. This will include METRO's criterion for claims handling, panel counsel, claim conversion, and overall claims strategy. We also bring to each of our client's programs state-of-the-art claim cost containment techniques at the onset of all claims. These techniques and standards of performance include thorough investigation of all questionable claims, timely and accurate provision of benefits, management of medical treatment, using the most cost-effective application of all managed care disciplines, litigation management, negotiation/resolution of claims and a strong commitment to returning the employee to work.

Our "Stewardship" approach ensures that examiners are focused on identifying key issues that have a large financial impact on the overall claim and proactively utilize all available internal and external cost containment resources to address and resolve these issues in an expedient fashion. We have reviewed METRO's Scope of Work/Technical Specifications and no concerns with being able to meet all of the expectations.

Define - Learn and evaluate needs of the customer

- *Development of client specific best practices based on their specific needs*

Perform - Deliver and be accountable to expectations

- *Efficient infrastructure and tight daily management of staff based on the clients best practices*

Measure - Analyze effectiveness

- *Analysis of data and comparison to stated goals and anticipated results.*

Report - Present hard data

- *Through reports, regular claim reviews and formal participation in Board Meetings*

Recommend - Suggest proactive strategies to improve results

- *An on-going basis through direct communication with the client*

Our knowledgeable, dedicated operations management team provides strong leadership and objectives. There are (4) levels of supervision and accountability: President, oversees the entire claims operations, Chief Operations Officer manages the claims technical processes and overall claims results and claims operations, and Division Manager monitors supervisory compliance with best practice performance standards, client specific special account instructions, legal and regulatory compliance. The designated Division Manager and supervisor will monitor METRO's Workers' Compensation claims in accordance with our Supervisory Audit Procedures.

Athens internal audit team reviews claims to assure legal and regulatory compliance, as well as conformity to best practices and client-specific performance standards. Athens has various types of internal audit procedures that are performed at all levels of the claims management program. In addition to the Diary Management System, the supervisor subsequently reviews claims at regularly timed intervals (not less than every 90 days) or when specific events occur such as surgery or litigation, when the claim



meets reserving or payment thresholds, and in the course of continuous random audits. The supervisor reviews delayed claims every 30 days until a decision is rendered. Higher value claims or claims with complex issues are also reviewed by the Division Manager. Management group reviews are also conducted.

Athens' claims staff is evaluated bi-annually. Individual goals are formulated on an annual basis and reviewed with the examiner during quarterly performance evaluations. Our supervisors provide constant coaching and counseling to our technical staff for ongoing claims handling development and future internal promotions.

Claims Workflow Diagram - Tab 7

New Claims Reporting

Claims can be reported to Athens by a variety of methods, according to each client's particular needs. The options include:

- Electronic Transmission of the 5020 (Web access)
- Via Regular Mail
- Via Our Telephonic Claims Reporting System Utilizing our Toll-Free "800" Numbers
- By Fax (Each member of our claims staff has their own, individual fax number. As such, faxes can be sent directly to them and will immediately come up on their computer terminals.)

Each client also has access to our RMIS System, enabling them to read all examiner file notes, claim status updates, action plans and current real time financial information. We provide acknowledgements of receipt of claims and Athens' claims management system can produce all required regulatory reports and data exports and we are state EDI compliant. The 800# for calling in 5020's service is provided by Actec.

Claims Operations Procedures

Contacting Claimants

Initial Telephone Contact for unrepresented employees, by the examiner must take place within 24 hours of receipt of the claim. All attempts at contact and results of the contact must be documented in the file notes and in the computer narrative notepads. Athens has designed a 3 Point Plus Contact computer notepad to document the results of the contact. This assists our management, supervision, and independent auditors in quickly assuring that we have total compliance in this critical area.

The phone contact is followed immediately by a customized note that acknowledges receipt of the claim and advises the METRO's injured employee of the names, toll-free phone number and extensions, of their claims examiner and claim assistant. An example is provided below:



We maintain regular telephonic follow-up with the injured worker(s) and bi-weekly as long as the employee remains on temporary total disability. (For many of our clients with aggressive early return to work programs, telephonic follow-up between the doctor, injured worker, and employer is more frequent.) It is important to maintain open and positive lines of communication with the employees and to assist them and respond to their questions and concerns in order to avoid unnecessary litigation and/or change of physicians.

Implementation & Takeover

Transition Plan

Athens adheres to estimated industry guidelines for transfer of claims administration. We normally recommend 30 to 60 days for a smooth transition of existing claim files. This includes a complete, detailed, conversion of all your claims and financial data from your prior administrator.

Sample Implementation Flowchart - Tab 8



Organization & Assimilation of Files

We have extensive experience in the takeover and transitioning of large programs from other third party administrators and carriers. Athens has an established formal program to ensure prompt proactive claims administration. We use a ***task force approach***, triaging all incoming claims by senior technical staff, identifying all key facts, issues and develop a proactive action plan to move the claim towards closure. Reserves are reviewed and allocated for probable ultimate cost and through this formal process, ***we are able to achieve significant and immediate cost reductions and file closures.***

- Once the physical files are received in our office, Athens will use “AthensScan” our powerful paperless document and claim file management system to scan all claim documents into our system.

Until the final electronic claim and financial data is received from your current TPA, our examiners and assistants will manage the files manually. Payments will be made manually and all activity recorded in the physical file. In accordance with generally accepted guidelines and state regulations, your current TPA should provide us with lists of benefit payments and due dates, delayed claims and their due dates, trial dates and future diaries. We will monitor these manually until the electronic data is received and uploaded into our system. When the electronic computer data is received and uploaded into our computer, we will have all prior financial and claim detail data previously captured by your prior TPA integrated into our system. We will add to this data our new diary dates, manual payments, trial, dates and begin entering new activity.

Implementation Phase

An implementation meeting will be scheduled immediately with all key METRO personnel to discuss and identify specific claims handling instructions, protocols and services that meet the philosophies and goals of your organization. The result of this meeting will be The Special Account Instructions, which is a formal narrative document that outlines the claims handling process for the METRO.

Athens has extensive experience with importing and exporting data. We have performed over 20 claims data conversions from other systems. Athens shares data with clients and other exchange partners, including insurance carriers, brokers, program directors, actuaries, banks, and regulatory agencies. We currently maintain 19 custom import and export programs that were programmed exclusively for Athens. Similar data import or export programs can be written for the exchange of data with the METRO. The cost for customized programming would be a pass-through expense.

Payment Processing Procedures

Payments / Loss Fund Accounting

Athens maintains secured ftp sites for sharing of data, and all data files are PGP encrypted. Athens utilizes Positive Pay for all funding accounts that we maintain. Should the client elect to maintain their own bank account, we can provide the bank with nightly check information as required for their Positive Pay program.



Claims Payments Procedures

Claims payments are issued in accordance with the Laws of Workers' Compensation for the state of California. There are systems in place that ensure timely issuance of disability compensation payments, medical payments, settlements and other vendor services payments.

Athens prints laser checks for each client daily. These checks are printed using bank specifications, and are formatted to match our claims payment software. Bank signature cards and sample facsimile signatures are provided to the bank with client authorization. Our claims management system maintains a detailed record of all payments issued, including dates and user ID's. The laser check software also keeps a detailed log of every transaction and system maintenance activity. Payments are released daily and processed by our accounting representative who monitors the funding account for necessary funds. All checks are reviewed and approved by two supervisors before being processed and mailed each day. Monthly reconciliation of payments is performed in our accounting department.

Trust Fund and Fund Disbursement Administration

Athens assists clients to establish a workers' compensation funding account that best suits their needs. Most of our clients set up their own zero balance account that can be funded daily from another interest-bearing account. This type of arrangement with their bank allows the client to control the account, maintain minimal or zero balance, and to take advantage of the retention of funds in their own interest-bearing account. If a direct-pay funding account is established, we recommend a funding level of twice the average monthly payout. This enables Athens to continue paying benefits into the second month while the account is replenished for the prior month. Financial checks and balances are an integral part of our claims management system. In addition to user security codes that limit reserving and payment authority levels, the system includes a duplicate payment search and checks each payment for adequate reserves.

Our claims management system includes a high level of financial checks and balances as part of its payment-processing module. User security logins and passwords allow only authorized users to enter payments. Additional security limits reserving and payment authority levels to appropriate users. Our claims management requires that adequate reserves must exist on the claim before a payment can be entered, and each payment is reviewed by the system for OFAC compliance and duplicate payments. Designated non-claims staff may only enter vendors. Payees cannot be modified.

Payments can be entered or approved in the claims management system by the claims staff according to authority levels. A Supervisor must enter payments over \$10,000. A Division Manager must enter payments over \$25,000. The Chief Operations Officer must enter payments over \$50,000.

Payments can be entered manually or imported through electronic interfaces. Once payments are entered, Athens' finance department performs the payment processing. This process is the final approval process before checks are actually printed. The system



reviews each payment for adequate reserves, authority levels and duplicate payments one last time and sets the payments in a status ready to print.

Prior to printing the checks, the payments are listed on a daily log that is reviewed and approved by two supervisors. This log enables the supervisors to review all payments prior to printing. In addition to the daily log, each user has their own payment batch list for review. Athens Administrators utilizes laser check printing technology to issue daily workers' compensation benefit checks. All payments are entered and processed through the claims management system.

With written approval and sign-off, the payment logs are given to the IT support staff that prints the checks. All payments are generated through the claims management system and are printed on laser check printers using security check stock. Access to these printers, the check stock, and signature CD is limited only to those have check printing authorization. The printers and check stock are kept in a locked room, and the signature CD is kept in a locked safe. Checks are printed with barcodes that are resorted for reduced rate mailing. Each check is printed with two signatures. Our laser check writing software tracks all activity with date and time stamps.

Medicare

Athens has monitored this new law as CMS implements new rules and guidance. We are engaged in modifying our computer system and training our staff to capture the required data elements and to coordinate claim payments with Medicare under the new rules. Please be assured that Athens will be prepared for the testing period beginning July 1, 2009. Athens has entered into a relationship with Gould & Lamb, LLC, to provide mandatory reporting services at **no** additional cost to our clients.

Gould & Lamb is a leading service provider in the area of Medicare Secondary Payer (MSP) and Mandatory Insurer Reporting (MIR) compliance, and offers an integrated solution for administration of settlements involving Medicare Set-Asides (MSAs), MIR administration, and Medicare compliance.

We plan to work exclusively with Gould & Lamb to ensure timely and accurate compliance with MMSEA and other Medicare laws. However, you are under no obligation to use Gould & Lamb. In the event you elect to use another agent for reporting, then for a reasonable fee Athens will provide a standard data file to you for transfer to your agent of choice.

Estimating Future Practices

Claim reserves reflect the probable ultimate cost of the claim. Reserve estimates are not determined by formulas, but, rather, are based on current information in the file including medical reports, current and anticipated medical treatment, and periods of disability, disputed or litigated issues, and additional areas of investigation. Medical reserves are based on current information in the file and anticipated future medical treatment. After a claim has been settled with a future medical award, future medical reserves are calculated based on a three-year average and the injured worker's life expectancy. Any reserve



change over \$20,000 must be approved by the claim supervisor. All reserves over \$50,000 must be approved by management. Reserves are reviewed no less frequently than every 90 days and an explanation of any changes is entered into the claim notepads. Additionally, at the request of the client, we notify the client of any reserve changes that exceed a specified amount.

The key to good claims management is an effective diary system that enables an examiner to properly manage each claim in an expedient manner. Our computer system has an automated diary system that is utilized by all our staff. A detailed list of diaries is displayed each time a user logs onto the computer. The automated diary system sets and examiner diary for 28 days and a Supervisor Diary for 42 days from the date the claim was entered. A second manual diary is also maintained. At a minimum the claims unit supervisors are required to review open Indemnity claims every 90 days. Examiners are required to review open Indemnity claims at least every 30 days. Our knowledgeable, dedicated managers and supervisors provide strong supervisory oversight. Athens internal audit team reviews claims to assure legal and regulatory compliance, as well as conformity to best practices and client-specific performance standards. Athens requires that all claims activities be documented in the examiner notepad.

Medical Management

Bill Review

Athens Administrators has in-house bill review service capabilities. Our bill review software is state-of-the-art Windows based software from ACS CompIQ that is updated on a regular basis to reflect current fee schedules and PPO networks. The medical bill review software system is used to detect a broad range of questionable billing practices, excessive and duplicate charges, over-utilization, and unnecessary services. Our qualified trained staff reviews each bill to determine appropriateness of treatment and to ensure provider compliance with fee schedule ground rules. Athens Administrators has flexibility and options when it comes to choosing your PPO Networks for Bill Review purposes. We utilize multiple PPO networks, such as Medex, Coventry, EOS, CCN and Blue Cross. We provide initial Geo-Access mapping to determine the PPO penetration and identify the most cost effective PPO for ultimate savings. Athens will monitor the effectiveness of the PPO networks for the District and will make changes when necessary to obtain the best possible savings and return on investment. Athens has negotiated reduced rates with outside vendors for diagnostic testing, durable medical equipment, prescription drugs, and other supplies and services.

Utilization Review

Athens takes a proactive approach by partnering with Professional Dynamics for Utilization Review. The goal of Utilization Review is to ensure the medical necessity and appropriateness of the plan of treatment and to expedite care, which will result in the earliest, safe, and return to work. Athens has partnered with outside utilization review service providers with approved plans. Frequency, duration, and site of care are reviewed for each case. Once a treatment is pre-authorized, the appropriate documents are submitted to the treating facility and so noted in the claim record for the examiner, auditors and Clients. This information is accessible to all authorized participants.



With the efficiencies brought about by AthenScan, our paperless document image system, our examiners are able to electronically submit utilization referrals immediately from their desktop. We have eliminated the need to photocopy and fax records. The Utilization Review responses are returned within 48 to 72 hours of the request or sooner in accordance with any applicable state requirement(s). The examiner does not only receive these results electronically, but they are also loaded into our bill review software to ensure that only certified treatment is paid. UR results can also be provided electronically to the employer or defense attorney as requested. Cost for these services rendered is on a fee basis and paid on the claim file. Our software allows us to monitor and track these services. Utilization Review costs are paid off each claim file.

Guidelines for Utilization Review

Utilization Review and/or Pre-authorization is not required or necessary when there is a documented life-threatening degree of a medical emergency necessitating one of the treatments or services listed below in this section. A retrospective review may be conducted to determine the extent of the emergency.

Listed below are sample Utilization Review referral guidelines:

Preauthorization/Precertification

The health care treatments and services we feel require Preauthorization by a medical professional are:

- ✓ All non-emergency hospitalizations, ambulatory surgical center care, and transfer between facilities;
- ✓ Psychiatric or psychological therapy or testing except as a part of work hardening;
- ✓ All external and implantable bone growth stimulators;
- ✓ All chemonucleolysis, facet, or trigger point injections;
- ✓ All nonemergency myelograms, discograms, or surface electromyograms (EMG);
- ✓ All repeat individual diagnostic study. Diagnostic study is defined as any test used to establish or exclude the presence of disease/injury in symptomatic persons; the test can help determine a diagnosis, screen for specific diseases/injury, guide the management of an established disease/injury and help formulate a prognosis;
- ✓ All video fluoroscopy procedures;
- ✓ Radiation therapy or chemotherapy;
- ✓ Biofeedback except as part of work hardening;
- ✓ All Physical Therapy, Occupational Therapy, and Chiropractic treatment;
- ✓ Work Hardening/Work Conditioning;
- ✓ Pain Management;
- ✓ All durable medical equipment in excess of \$500 and all TENS units and Muscle Stimulators;
- ✓ Nursing home, convalescent, residential, and all home health care services and treatments;
- ✓ Pain clinics, chemical dependency clinics, or weight loss clinics;
- ✓ All non-emergency dental services, including reconstructive dental care or dental appliances;
- ✓ Experimental, new, or not commonly used procedures;
- ✓ Service requests following latent periods of any type of treatment (i.e. 8 – 12 weeks); and
- ✓ Concurrent/retrospective reviews with hospitalization.



When preauthorization of the above medical services did not take place, a retrospective review can be performed at the time the medical bill is received to insure medical necessity and appropriateness prior to bill payment.

Peer Review

If a review of the historical medical treatment is needed to determine if it was reasonable and necessary and medically appropriate, a peer review by a doctor of like specialty can be performed to dispute charges and prevent future unnecessary payments. A peer review is recommended to assist with the following:

1. When extend of injury does not match accident description, questionable mechanism of injury (the results may help deny the claim or help understand the relation).
2. When doctor specialty does not match diagnosis (Chiropractor with a diagnosis of a fracture).
3. If Chiropractic care exceeds four weeks.
4. Use as second opinion on current and future treatment plan of the treating doctor. (Review possible over-treatment by the doctor).
5. Patient has more than six months gap in treatment (if medical shows worsening it may not be related to compensable/accepted injury).
6. To obtain a second opinion on long term need of RX (should be done once a year unless peer review doctor or IME states that the medication will be needed for life).
7. When we have notice of an intervening injury (determine if treatment is due to compensable/accepted injury or intervening injury).
8. Review complex and/or high impairment ratings given by treating or designated doctors. (Make sure that the impairment rating testing was done properly and that the impairment was tabulated correctly).
9. Use in combination with IME to insure abundance of the medical evidence supports decisions on claims issue. (IME and PEER vs. treating doctor, simple two vs. one).
10. When patient or treating doctor attempt to add a new body part(s) to the compensable/accepted claim.
11. To help separate compensable from non-compensable, pre-existing medical condition and/or disability.
12. To manage medical costs on catastrophic claims as an opinion of future treatment rather.
13. To address whether DMEs are reasonable for the claim.

Nurse Case Management

Athens Administrators uses outside services for both traditional nurse case management and for Utilization Review. Our goal is to insure reasonable and appropriate treatment, support return-to-work efforts, and control or reduce costs. Traditionally, nurse case managers have been used to help manage serious, complex injuries or claims that are not progressing, for example, where the injured worker remains off work with no medical improvement or fails to keep medical appointments. In these types of situations we always consult with the client regarding the desirability of retaining the services of either a telephonic or field nurse case manager. These services are only utilized with the prior consent and approval of the client.

As Athens handles claims state-wide for a variety of clients, we have established a list of excellent individual nurses who have a proven track record of achieving superior results in this area. Utilization of these nurses in the right situations has produced substantial savings for our clients in terms of shortened periods of disability, reduced permanent disabilities, early return to work, reduced vocational rehabilitation and medical costs, and



greatly reduced litigation rates. Compensation for services rendered is on a fee for service and/or contingency basis.

Medical Provider Networks

In METRO's case we will integrate your existing industrial clinics. If the need arises to evaluate the clinics and possible MPN formation, Athens provides assistance to each of our employer clients with their MPN decisions and is pleased to provide a variety of MPN choices and options. We have successfully assisted in the development of and integration of new and existing MPNs. The MPN options can be electronically linked with Athens bill review software affording us with the ability to completely monitor the use of providers and ensure that treatments remain in the network. We would be supportive of the METRO's decision in either direction.

Through our partnership with Medex, Coventry and Blue Cross, we are committed to providing the most comprehensive PPO network for MPN certification in the industry. Key features of the MPN are:

- ✓ Access to the Medex, Coventry and Blue Cross PPO network in California
- ✓ An application template that includes the necessary continuity of care policies, transfer of care policies, economic profiling policy, second and third opinion process, and independent medical review (IMR) process
- ✓ The required notification materials are provided in both English and Spanish
- ✓ A toll free number with dedicated customer service associates for assistance in locating a provider or making appointments
- ✓ Web-based provider finder with the ability to customize provider directories

Fraud Investigation Unit Program

We manage the process from all levels of the organization. Investigation services and Anti-Fraud training are critical components of an overall effective claims administration program. We have entered into an exciting strategic partnership with Frasco, Inc. This partnership will elevate the Athens Investigation and Fraud Program to a new level of professionalism. As we looked to develop this program, Frasco was the clear choice as a partner for us. They are an established company that has proven over time to be driven by the same passion for delivering exceptional work product to their clients. The Athens Investigation and Fraud Program will have two primary components; a Special Investigation Unit and an Investigation Firm Management Platform. There is enhanced electronic interface for the examiners to manage the investigation process from their desktop. Frasco also performs oversight audits on all panel firms listed below. METRO would have the ability to add to this panel if needed and approved. There is a preferred pricing rate in place for all the members of our program.

Claims requiring outside field investigation require notifying the client as to our reasons we believe such an investigation is necessary and also obtain the client's consent prior to making the assignment. When using outside investigators, we coordinate our assignments with the client and possibly the defense attorney on the claim. Athens works with the client to identify a client contact person so that no unexpected communication is made. Examples of criteria necessitating a field investigation and/or sub-rosa may include:



- ✓ Medical reports that indicate subjective complaints that far outweigh objective findings, leading to excessive lost time from work.
- ✓ Refusal to participate in a medically approved Modified Duty Program.
- ✓ Suspicions raised by our doctor or any other source that the employee may be working or engaged in physical activities while off work.
- ✓ "Stress", discrimination, and job-conflict issues, which require a face-to-face discussion and evaluation of the employees and their versions of the event.
- ✓ Failure of the injured worker to respond to repeated phone calls to their home (indicating that the employee may be engaged in outside activities).

Current approved panel of investigation firms:

Frasco Investigative Services
Curry Investigations
D.L. Price Investigations
Frye Claim Consultation
Immendorf & Company
J.H. Askins
Leary & Associates
Perez Investigations
RHI Claims Support
Smith & Associates

Delays & Investigations

Every claim placed on delay status, will be approved by the supervisor to identify all key technical issues, nature and scope of the injury, provide instructions and determine case assignment to the METRO senior claims examiner. Athens will consult with the METRO at all stages during the delay process to discuss updates and secure input. Delayed claims will be reviewed no less than (30) days by the METRO senior examiner and supervisor during this period. Once a compensability decision is made, the senior claims examiner will promptly notify key METRO personnel. Certain claims may require outside field investigation and we always first notify of the client as to our reasons as to why we believe such an investigation is necessary and also obtain the client's consent prior to making the assignment. When using outside investigators, we coordinate our assignments with the client and the defense attorney on the claim. Athens works with the client to identify a client contact person so that no unexpected communication is made.

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- ✓ Receipt of applicant's medical report that varies greatly from our doctors' as to degree and duration of disability.
- ✓ Evidence that the claimant may be working while on disability or engaged in meaningful physical activities (i.e., fresh grease under fingernails at time of our IME).
- ✓ Missed medical appointments and/or refusal to cooperate with scheduled examinations.
- ✓ Index Bureau returns indicating a prior pattern of industrial and non-industrial claims.



- ✓ Evidence of conflicting testimony in deposition.
- ✓ Evidence of a second, previously undisclosed job.
- ✓ Receipt of a phone call from a co-worker or personal acquaintance as to possible fraud.

Litigation Management

We recognize that there are some cases that are better referred to defense counsel in order to achieve maximum results. These cases generally involve serious complex claims, very questionable claims where significant discovery, including depositions, are required or where there is a great likelihood that the case will go to trial. Referral to a defense attorney only occurs when approved by METRO.

When a decision to refer to defense counsel has been made, the examiner will send a narrative letter to the attorney with an outline of the case, the issues and clear directions for further handling by the attorney. This letter must be reviewed and approved by the Claims Supervisor. The examiner will remain actively involved in the claim, continue to direct all legal activity and perform as much of the routing handling as possible on these cases. Once a claim has been referred to defense counsel, the examiner will continue to oversee all activity on the claim.

Athens asserts a strong Quality Control Program, in which we consistently monitor and measure both the performance and quality of the services being provided to ensure superior service and cost savings results for our clients. Our customized reporting capabilities allow us to track costs and our regular internal audits review results for quality. Outlined below is a summary of our cost controls in place for litigation:

- Hourly rates to be broken down in to 1/10ths
- Itemized by date of activity
- Identify all billers
- When there are multiple files, no duplication of charges
- All billings should reflect actual time spent
- No minimum billing rates
- Prorate all multiple appearances between employers
- Itemize all expense items
- Mileage will be reimbursed at the current IRS rate
- Incoming faxes will not be billed
- Outgoing faxes will be paid on an itemized long distance phone rate
- Postage will be paid as an actual itemized cost
- Only bill for long distance phone calls at itemized long distance rate
- No bill for local phone calls
- No bill for inquiries

Defense attorneys who bill at the traditional fee for service method must agree to work within specific guidelines similar to those outlined below. These guidelines were developed as part of our litigation cost control program in an effort to maintain control over the legal billing process. All legal expenses and bills must be itemized and are reviewed prior to payment.



Claim Diary System

The key to good claims management is an effective diary system that enables an examiner to properly manage each claim in an expedient manner. Our computer system has an automated diary system that is utilized by all our staff. A detailed list of diaries is displayed each time a user logs onto the computer. The automated diary system sets and examiner diary for 28 days and a Supervisor Diary for 42 days from the date the claim was entered. A second manual diary is also maintained. At a minimum the claims unit supervisors are required to review open Indemnity claims every 90 days. Examiners are required to review open Indemnity claims at least every 30 days. Our knowledgeable, dedicated managers and supervisors provide strong supervisory oversight. Athens internal audit team reviews claims to assure legal and regulatory compliance, as well as conformity to best practices and client-specific performance standards. Athens requires that all claims activities be documented in the examiner notepad.

Coordination with METRO Staff

Athens Administrators provides strong supervisory oversight. We do not allow our supervisors and managers to carry caseloads as they are focused on providing continuous oversight of the claims and programs. We have an internal audit team that reviews random samples of claims, by client, to assure legal and regulatory compliance, as well as conformity to Best Practices Performance Standards and client-specific *Special Account Instructions*.

Sample Special Account Instructions - Tab 11

Our knowledgeable, dedicated operations management team provides strong leadership and objectives. There are (4) levels of supervision and accountability: President, oversees the entire claims operations, Chief Operations Officer manages the claims technical processes and overall claims results and claims operations, and Division Manager monitors supervisory compliance with best practice performance standards, client specific special account instructions, legal and regulatory compliance. The designated Division Manager and supervisor will monitor the City's Workers' Compensation claims in accordance with our Supervisory Audit Procedures.

Athens has various types of internal audit procedures that are performed at all levels of the claims management program. In addition to the Diary Management System, the supervisor subsequently reviews claims at regularly timed intervals (not less than every 90 days) or when specific events occur such as surgery or litigation, when the claim meets reserving or payment thresholds, and in the course of continuous random audits. The supervisor reviews delayed claims every 30 days until a decision is rendered. Higher value claims or claims with complex issues are also reviewed by the Division Manager. Management group reviews are also conducted. In addition, all claims are reviewed by the supervisor at critical times during the course of each claim including, but not limited to:

- All delayed claims
- Reserve changes over \$20,000
- Settlements



- Claims with subrogation
- Legal defense referrals
- Major surgeries
- Any experimental procedures
- Claims for Serious & Willful Misconduct
- 132(a) Claims
- Suspected fraud
- Any serious injury or death claim

High Visibility Claims

Athens normally conducts in-house file reviews. We encourage this process and work with each client to develop the most successful timetable. For METRO we would recommend quarterly file reviews. The format and agendas are agreed upon prior to the review. We will meet or exceed all requirements in 2.6.

In addition, we normally conduct Critical Claims Roundtables. These sessions are mandatory and are attended by every senior level staff member in our office (supervisor level or higher). The goal of this meeting is for each individual to submit complex cases from their units to the group for discussion and analysis. This forum allows for unusual claims to be attacked by our entire senior staff. We believe that the end result will be the most efficient handling of even the most intricate cases in our office. Athens requires that all claims activities be documented in the examiner notepad.

For the agenda we customize our file review format based on the client's specific needs and wants. Normally, the client will give us a list of claims or a criterion to choose. We then provide a written summary of the claim and action plan along with current financials. The file review itself is best if it is an interactive discussion between us and the client in order to strategize on potential resolution of the claims.

Auditors

Athens will accommodate any and all METRO auditor requests.

Subrogation

Subrogation

Once a claim has been identified as having a subrogation potential, it is also coded in the computer and special-focus diaries are established by both the examiner and the supervisor. Our computer has query or ad hoc reporting capabilities which enable us to run special reports for our clients as well as for our own internal controls, listing all active subrogation claims and data specific to each claim.

Subrogation Red Flags:

- Motor Vehicle Accidents
- Dangerous conditions on premises (slip and fall)
- Construction site accidents
- Defective products, including machinery
- Assault/battery
- Industrial injuries aggravated by a subsequent industrial or non-industrial accident
- Compensable consequence injuries



- Contractual obligation (hold harmless language)
- Receipt of a civil subpoena
- Receipt of a civil complaint and/or Notice of Action
- Index/Edex report
- Medical Records Review
- Deposition Testimony

Our examiners manage all aspects of the active pursuit of subrogation but always discuss first with the client to make certain there is approval to pursue subrogation against an individual or entity. This "subrogation" procedure applies to actions for recovery against third party defendants as well as co-defendants in workers' compensation claims. If we feel that recovery is economically viable but must move beyond the lien stage and require a Suit in Intervention by counsel, we will always discuss with our client before proceeding.

METRO Inquiries

Athens agrees to all of METRO's reply requests. All of the criteria will be included in the Claims Handling Instructions.

Management Reports

Over the years our system has been modified extensively to meet the specific customized requirements of Athens Administrators and our customers. One of Athens' strengths is our ability to collect, manage, analyze, and export claims information, reports, and data. Athens' claims management system can accommodate unlimited levels of location coding and customizable codes and descriptions. Through the use of custom code sets, we are able to extract accurate, detailed, and relevant data that satisfies the needs of each client. We have a web-based entry of 5020's (Employers' First Report of Industrial Injury or Illness), Self-Insurers Annual Report generation, 1099 reporting to the IRS, OSHA reports, and electronic interface with the Index Bureau and WCIS. Athens' claims management system can produce all required regulatory reports and data exports and we are state EDI compliant.

Our system provides extensive on-line capabilities for reporting claims, customized report generation and immediate real time access to key information from any location. Athens can meet the requirements for loss runs, electronic data, reports, and online interface. Our web based system, provides convenience and access to real-time and "point in time" financials for generating customized Ad Hoc reports, multiple program reports for data downloads and monthly loss reports which can be exported into other applications such as pdf or excel. An extensive list of standard reports is available through our program. Selection parameters, such as dates, locations, type of claim, and status, allow the user to create custom reports.

Sample Loss Reports – Please see Tab 9



Annual Reports

In addition to these reports, Athens provides its clients with very comprehensive annual reports, which provide both a global and a detailed analysis of all claim, risk management (including safety), and financial program evaluations. This is done in colored graphic/chart form for easy reading by management and includes our analysis of any deficiencies in the program and very specific recommendations for program improvement. The reports are department/cost-center specific and, as requested by our clients, more frequent special-focus reports can be done if the need arises. The Database Management System is continuously upgraded and enhanced to take advantage of the latest technology developments and user needs. Athens coordinates with our customers to provide a full array of stewardship and benchmarking reports. This process promotes our philosophy of service and a team approach for our customers. A complete selection of Management Reports with numerous reporting options and criteria is available. Our system, as previously noted, is designed to generate Management Reports "as of" a specific date. Athens provides each client with a monthly report package, which includes those reports and criteria selected by the client to meet their needs. Reports can be provided at any interval as set forth by the client through our customized reporting schedule.

Sample Stewardship Report – Please see Tab 10

Settlements

Athens considers all ramifications when making the determination to recommend taking a case to trial and this is done on a case-by-case basis. Settlement authority is always obtained from the client before entering into any negotiated settlement and/or proceeding to trial. Special procedures are established with each client so that proposed settlements could be reviewed and authority given to Athens by the client. Examiners are required to review open Indemnity claims at least every 30 days and update the electronic notepad. This involves outlining current status, issues, and proactive action plan to resolve the claim file. We use a customizable "Settlement Request" form that outlines the issues of the case and the proposed settlement in the format requested by the client. This form is faxed or mailed to the client for approval and signatures and becomes a permanent document in the claims file.

72% of indemnity claims are closed within the 1st year

Whole Person Analysis

Athens' strategy for whole person analysis on multiple body parts claims is applied throughout the life of the claim. We first identify all claimed body parts. Secondly, we conduct a compensability investigation to determine whether the body parts claimed are indeed injured and that the injury is work-related. Athens' team then ensures that treatment is coordinated among the various specialties for all accepted body parts, using utilization review and medical management tools. Once the employee's condition has reached maximum medical improvement, we apply the appropriate rating convention as adopted by the legislature, to determine the level of permanent disability for all compensable body parts, addressing apportionment and ensuring that the doctor discounts



any overlap of disability. If there are different dates of injury, efforts are made to mitigate the overall exposure by applying *Benson* case law when appropriate. Finally, Athens' team carefully crafts settlement documents to ensure that every body part claimed is addressed appropriately in the settlement agreement.

Future Medical

Dedicated future medical examiners and supervisors who focus solely on the future medical files is part a separate unit which is an optional pricing option. Through the process of diary control and oversight, there is constant evaluation of the medical issues and treatment with efforts on resolution and closure. This is an optional pricing model and has been very successful for some of our larger clients.

For METRO we are proposing a designated team (but this pricing model is optional). The Senior Claims Examiner on your account will have no more than two other accounts of smaller size. By not overloading our examiners our average claims caseload is 143 and we do manage up to a caseload of 155. Caseloads are reviewed monthly. Since we are paperless, the management of the examiners is extremely efficient. Our current closing average is 141%. Our paperless environment also frees up critical time for the Supervisors to perform a critical task of managing the expectations of our clients. Our Supervisors will call each client every month to get the pulse or measurement of how Athens is meeting the expectations set in the Special Account Instructions.

24 Hour Serious Injury Service

METRO personnel will be provided with a roster of at minimum two Athens' team members who will be available on a 24-hour basis for immediate handling of serious or traumatic injury claims. The roster will contain names, titles and two contact numbers, including cell phones. In addition, Athens provides a 24 hour hot-line for reporting claims, not dependant on the seriousness of the claim. Athens will provide a full panel of psychiatrist and or licensed psychologist throughout METRO's operating region that are trained in crisis intervention and are available 24 hours a day for emergency psychiatric counseling.

Claims Roundtables

Athens Administrators has implemented monthly Complex Claim Roundtable meetings. These sessions are mandatory and are attended by every senior level staff member in our office (supervisor level or higher). The goal of this meeting is for each individual to submit complex cases from their units to the group for discussion and analysis. This forum allows for unusual claims to be attacked by our entire senior staff. We believe that the end result will be the most efficient handling of even the most intricate cases in our office.

Fine Notification

Athens captures all payment types in our system. When a fine or penalty is paid, the data is captured and reported to our clients on a quarterly basis, with reimbursement made to the client for any fines or penalties that were the fault of Athens. Special claims handling instructions are totally customizable and are crafted with direction from our clients



regarding the manner in which communication and authorization is conducted and obtained. We will provide METRO prompt notification of any development on the claims in the manner most convenient for METRO, whether that is via telephone, email or by mailing copies of correspondence. We are also able to produce customized reports upon request.

Records, Files and Transcripts

We can agree to all of METRO's requirements surrounding files. We are a completely paperless claims office. However, we do store the physical documents offsite. If you choose Athens and we take over existing files, we will then back scan the entire project making it much more efficient for our staff. By going paperless, METRO also gains a built in Disaster Recovery Plan, green business practices, and ease of document sharing between our two firms. We have the ability to send METRO a virtual file or create a paper file upon request.

Training

Athens recognizes that the only way to ensure compliance with workers' compensation laws, regulations and statutes is to maintain a high level of continuing education and training in order to keep up with legislative, legal, and regulatory changes in our industry. We empower our staff by providing ongoing continuing education. We conduct training on a regular basis in the areas of subrogation, fraud, medical management and other key training areas within our Best Practices Performance Standards.

Partial List of Recent Mandatory Training Sessions:

MRSA webinar	8/21/08
AMA Guides update	8/26/08
Diminished Earning Capacity	9/18/08
Labor Code 4850	9/24/08
Fraud, DEU rater, Utilization Review, Liens & Subpoenas	10/28/08
Understanding EMG and NCS in Workers' Compensation	11/20/08
PD Rating	12/8/08
New AME/QME regulations	3/12/09

Athens requires all staff to attend and complete training sessions regarding legislative, legal and regulatory changes in the workers' compensation industry. Individual training programs and goals are formulated on an annual basis and reviewed with the examiner during quarterly performance evaluations. Our supervisors provide constant coaching and counseling to our technical staff for ongoing claims handling development and future internal promotions.

In addition to continuing education provided to all of our staff, Athens provides special focus topics for our units, such as blood borne pathogens, latex allergies, and MRSA. Athens collaborates with each client to develop special claims handling procedures that meet the needs of the client. These procedures are regularly reviewed with the claims team to ensure that we are providing the highest level of claims adjusting and



management. We can invite METRO to all of the examiner training opportunities or create special training sessions for METRO.

Innovative Programs

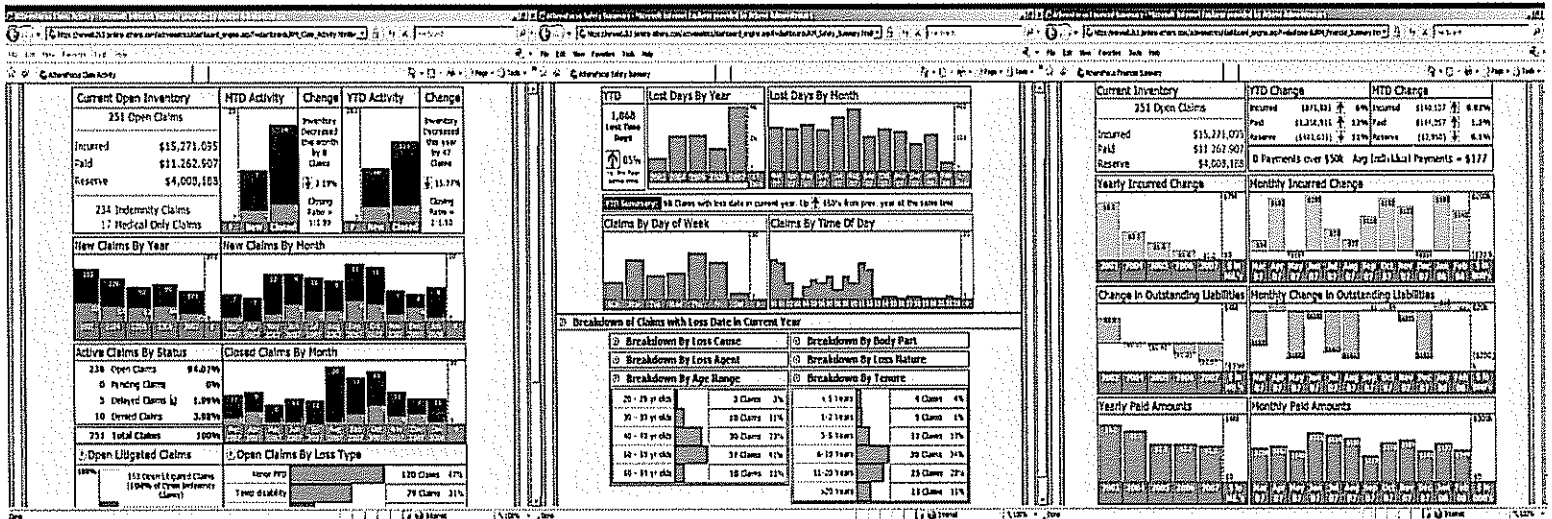
Paperless Operating Environment*

Over the past year Athens Administrators has invested significant time and capital resources toward the development and implementation of AthenScan - a powerful document imaging system unveiled in May 2005 that eliminates paper and creates a virtual claim file. AthenScan includes an automated workflow system for identifying and delivering mail, increasing efficiency, speed and accuracy for our claims staff. The advantages of this system are: increased control of all incoming correspondence, data integrity and increased productivity. The greatest advantage is bottom line cost reduction - claims are handled efficiently in a timely and expedient fashion to reach the ultimate goal - claim closure. The implementation of this new system has revolutionized the workflows of our claims operation and enabled us to significantly enhance our services in many ways, including:

- Protection of documents and claim files against unexpected loss or damage
- Improved workflow by eliminating the need to manually move documents and claim files
- Increased efficiencies through electronic integration of all facets of the claims administration process, including web-claims, ISO Claims Search (Index Bureau), medical cost containment, utilization review, subpoena and document retrieval
- Increased security by maintaining better control of documents and regulating document access
- New functionality to more effectively balance workloads and set priorities
- Improved records management and storage
- Portability of documents and information
- Integration with our in-house medical bill review – enhanced communication, efficiencies and results
- Dramatically increases efficiencies with program takeover

AthensFocus Risk Management System

We have recently launched our latest technological tool, AthensFocus. This is our internet based system that allows risk managers to closely manage their workers compensation programs from an overall perspective. We can then go in and program the customer specific website and create a real time risk management portal that will allow the risk management staff to review as frequently as they like, on their own time. This web based tool arms our customers with the power of information. This information allows Risk Managers to run their programs more effectively and to make high impact decisions with a greater degree of confidence. Below are sample screen prints from our AthensFocus. The information displayed is representative of what we believe our typical customer would like to focus on:



***Included** in our claims administration services. There are no additional costs or expense.

Critical Loss Intervention Process (CLIP)

In partnership with the client, Athens' claims staff and supervisors work with the client's key personnel to identify and develop a collaborative team that will be involved in a focused and customized file review. Without diminishing the value of reviewing of older, more established claims; the focus of CLIP is to address the claims within the first 30 days. The goal is to reduce barriers that interfere with compensability decisions, early intervention programs, return to work, and the integration of all disability benefits. The team decides the appropriate volume of claims to involve in the CLIP program, since there are certain responsibilities for all the parties involved, as well as the frequency of the review. From there the team manages the elements of pre-work, on-going, and resulting actions and decisions.

Companywide Claims Closing Incentive Program in Place – Fraction of the Action

We recognize, as do our clients, that "the longer claims stay open, the more they will cost". As such, we have developed an internal recognition incentive program for our staff called Fraction of the Action, which rewards our claim staff up to two extra paid vacation days per quarter if they meet their claim closing goals and their fines and penalties goals. Specifically, for every new claim entered in each quarter, they must close at least 1.25 claims. Everyone participates in this program and bonuses are granted for both individual and team results. Thus, eligibility extends from the mail room staff through the unit supervisors. Competition and peer recognition is accentuated by quarterly posting of individual and team performance and results. This process is closely monitored and controlled to prevent premature closings.



Business Continuity Plan

Athens has a fully developed and tested Business Continuity Plan as disasters can occur as a result of natural or human caused events. These events can result in business and service disruptions. Athens has developed recovery procedures to respond to any level of disruption. Emergency Response Teams and Recovery Teams have been designated and trained. Our Business Continuity Plan includes detailed emergency response procedures that respond to the needs of our personnel and our clients. It includes contingency plans for disrupted workflow, loss of computer services, loss of power, and the loss of our physical location.

Additional Attachments

Insurance Policies – Tab 12

Sample Claims Service Agreement – Tab 13

Sample Claims Best Practices – Tab 14

“A Claim on the Rise” article written by our President, James Jenkins – Tab 15



Cost/Price Proposal

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 Pricing Proposal for:
WORKERS' COMPENSATION CLAIM ADMINISTRATION SERVICES - RFP #10-14
 Prepared by:
 Athens Administrators

	Option 1	Option 2
Year 1	\$110,000	\$99,000
Year 2	\$114,000	\$101,000
TOTAL COST INITIAL TWO YEARS	\$224,000	\$200,000
Year 3	TBD	TBD
Year 4	TBD	TBD
Year 5	TBD	TBD

Staffing	# of Personnel	# of Personnel
Supervision	1 Designated	1 Designated
Senior Claim Examiner	1 Designated	1 Designated
Future Medical Claim Examiner	N/A	1 Designated
Assistant Claim Examiner	1 Designated	1 Designated

Medical Bill Review Cost Proposal	
Pricing	Charge
Medical Fee Schedule Reduction (OMFS) <i>(Includes: Medical, Pharmacy and Supplies)</i>	\$8.50 Per Bill
Hospital In Patient and Outpatient Fee Schedule Reductions	\$600 Per Bill
PPO Network Discount	22% of Savings
Duplicate Bills	No Charge
Duplicate Line Items	No Charge
Customized Reporting	No Charge

Ancillary Services	
Administration	Included
Data Management	Included
Account Management	Included
Claim Reporting (web, fax, telephonic)	Included
Custom "AthensDashBoard" Risk Management Web Site	Included
Web Site Access (2 Users)	Included
Detailed Annual "Stewardship Report" and "Presentation"	Included
Electronic Delivery of Monthly Loss Runs	Included
One Time Only Set Up Fee	\$7,500
	\$7,500



Performance Guarantee Programs

Athens Administrators is open to participate in a performance guarantee program. We will work with you to design a program focused on specific key objectives for METRO and/or welcome you to share your ideas on the type(s) of performance guarantee programs METRO is considering. The details and guidelines of the performance program will need to be defined and mutually agreed upon prior to executing a final agreement.

We have attached for your review some Sample Incentive/Guarantee Programs:

Sample Incentive Plan Language – *The \$ numbers utilized are for example purposes only.*

Athens will reduce the guaranteed flat annual fee amount by \$5000. The \$5000 that has been reduced will remain available, but only in the event that Athens achieves its mutually agreed upon Indemnity claims closing ratio of 1:1.05. In the event that Athens does not achieve the closing ratio objective the \$5000 will be refunded to METRO.

Additional Language Consideration

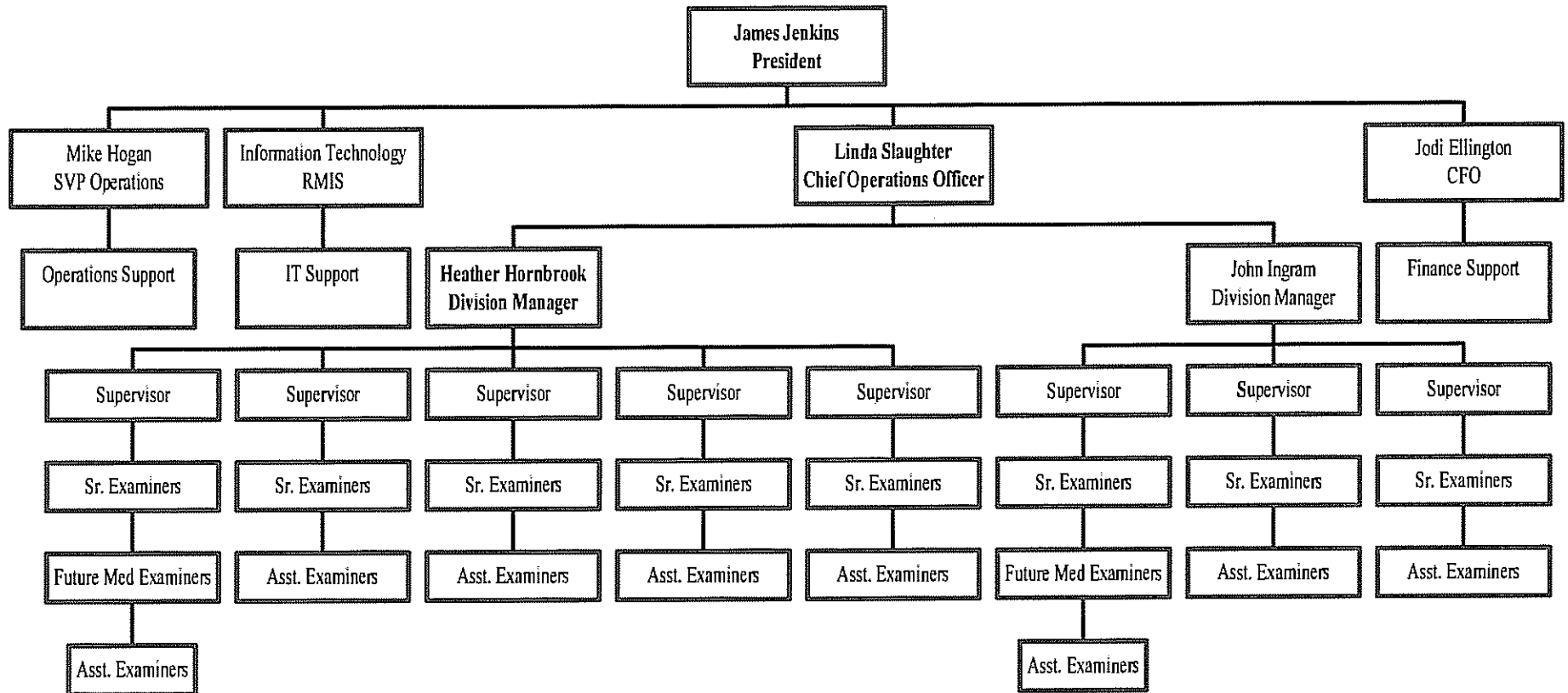
In the event that Athens achieves an Indemnity closing ratio of 1:1.20 the client will agree to not only pay back the withheld \$5000 but also contribute another \$5000 as a bonus for exceptional results.

Sample Guarantee Plan Language

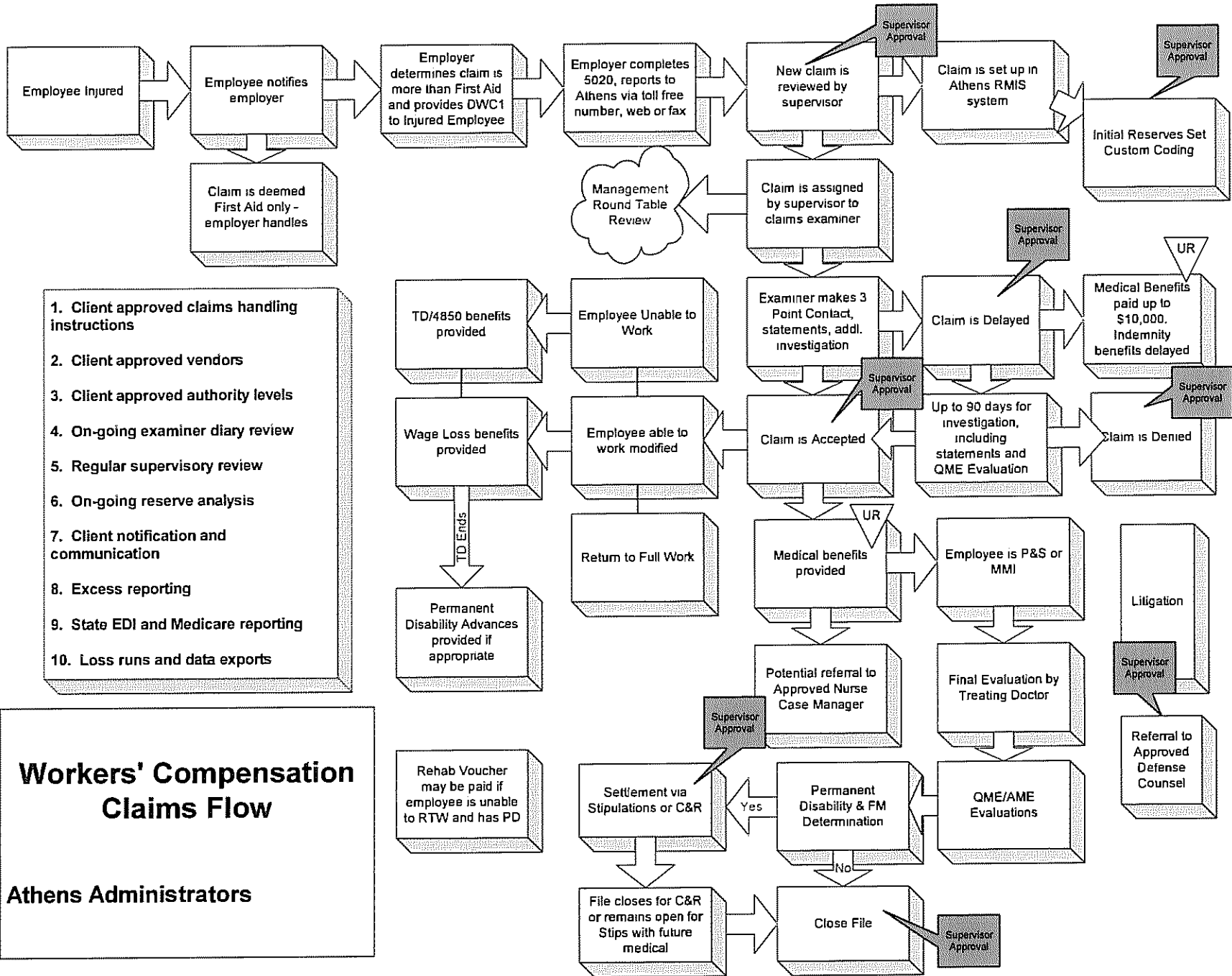
To guarantee METRO that at least 20% of the Indemnity claims reported during the service year will be closed by the end of the service year. If this goal is not attained, Athens will credit METRO \$X of the annual service fee.



CLAIMING THE FUTURE



ORGANIZATIONAL CHART



Transition Matrix

Task	Comments	Task Owner	Completion Date	IMPLEMENTATION WEEK:													
				26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan		
Notice of Intent of Award of Contract																	
Initial Customer Meeting	Discuss Authority Levels, Initiate Trust Fund Process, Claim Reporting Procedures, General Claims Handling Protocols with the Cities,																
Inform Current TPA of Transitional Guidelines	Establish Communication Flow with Current TPA (establish Weekly Transition Calls with current TPA, Cities and Athens)																
Request 1st Set of File Layouts from Current TPA																	
Second Customer Meeting	Finalize Trust Fund Requirements. Identify Key Stakeholders for Receipt of Benefit Notices, Financial Reports and Finalize Transition Items.																
Send Transition Letters to Current TPA.																	
Establish Transfer Protocol (if applicable) for All Nurse Case Management Files																	
Prepare Claim Kits for Cities																	
Discuss ADA/RTW Process																	
Obtain or Develop Job Description Bank																	
Determine or Finalize Utilization Review Process																	
Initialize MPN Process (if applicable)																	
Develop Self Insurance Plan Transitional Letters (Internal & External)																	
Receive 1st Set of Table Layouts from Current TPA																	
Notify Excess Carrier on Change of TPA.																	
Notify First Care Clinics on Change of TPA																	
Tour of Athens Orange County Office.																	
Send Claim Kits to Cities																	
Ensure Receipt of List of all Excess Reportable Files from Current TPA.																	
Trust Fund Finalization	Signature Cards, Bank, Check Formatting, Finalize Report Protocols, Finalize Trust Fund Amount																
Identify High Exposure or High Need Files with Cities																	
Send Legal (defense attorney) Notice of Transition Letter																	
Last TTD Checks Issued from Current TPA																	
Last Set of Medical Bills sent to Current Bill Review Organization																	
Discuss Training Needs for Cities (if applicable)																	
AthensRisk Demonstration	AthensRisk Demo, Electronic Claim Reporting, Ad Hoc Training Session																
Obtain Files from Current TPA																	
Inventory, Verify, Unbox and Input Claims in to AthenScan																	
Final Conversion of Data from Prior TPA																	

Knowledge Dates: 01/01/1998 - 12/31/2003 Extract: Logical

Reporting Level: 0 / Break after level(s): 1 / All Examiners

Annual Periods End: 12/31 / Open and Closed // Info Included / Pending Included

Claims Summary by Year - Sample

As Of 02/11/2004

Activity Period: 02/11/2004 - 02/11/2004

All Insureds

Type	CLAIMS				ACTIVITY PERIOD			TOTALS THROUGH 2/11/2004			
	Open	Closed	Total	Leg.	Paid	Incurred	Paid	Reserves	Incurred	Recoveries	Net Incurred
Period Ending 12/31/1998											
Indemnity	23	127	150	9	\$485.78	\$116.93	\$4,840,165.40	\$2,499,266.58	\$7,339,431.98	\$41,000.00	\$7,298,431.98
Medical	0	134	134	1	\$0.00	\$0.00	\$60,997.61	\$0.00	\$60,997.61	\$0.00	\$60,997.61
Total	23	261	284	10	\$485.78	\$116.93	\$4,901,163.01	\$2,499,266.58	\$7,400,429.59	\$41,000.00	\$7,359,429.59
Period Ending 12/31/1999											
Indemnity	23	114	137	16	\$2,350.08	\$8.50	\$3,966,325.95	\$1,068,292.79	\$5,034,618.74	\$0.00	\$5,034,618.74
Medical	0	126	126	0	\$0.00	\$0.00	\$66,169.92	\$0.00	\$66,169.92	\$0.00	\$66,169.92
Total	23	240	263	16	\$2,350.08	\$8.50	\$4,032,495.87	\$1,068,292.79	\$5,100,788.66	\$0.00	\$5,100,788.66
Period Ending 12/31/2000											
Indemnity	33	108	141	21	\$1,981.07	\$25.50	\$3,352,230.57	\$942,842.43	\$4,295,073.00	\$1,500.00	\$4,293,573.00
Medical	0	147	147	1	\$0.00	\$0.00	\$65,494.35	\$0.00	\$65,494.35	\$0.00	\$65,494.35
Total	33	255	288	22	\$1,981.07	\$25.50	\$3,417,724.92	\$942,842.43	\$4,360,567.35	\$1,500.00	\$4,359,067.35
Period Ending 12/31/2001											
Indemnity	24	81	105	11	\$855.63	\$25.77	\$2,088,651.93	\$612,604.06	\$2,701,255.99	\$0.00	\$2,701,255.99
Medical	0	116	116	0	\$0.00	\$0.00	\$49,692.74	\$0.00	\$49,692.74	\$0.00	\$49,692.74
Total	24	197	221	11	\$855.63	\$25.77	\$2,138,344.67	\$612,604.06	\$2,750,948.73	\$0.00	\$2,750,948.73
Period Ending 12/31/2002											
Indemnity	46	42	88	29	\$5,199.61	\$7,591.46	\$1,710,646.37	\$1,474,665.44	\$3,185,311.81	\$0.00	\$3,185,311.81
Medical	0	70	70	0	\$0.00	\$0.00	\$25,371.81	\$0.00	\$25,371.81	\$0.00	\$25,371.81
Total	46	112	158	29	\$5,199.61	\$7,591.46	\$1,736,018.18	\$1,474,665.44	\$3,210,683.62	\$0.00	\$3,210,683.62
Period Ending 12/31/2003											
Indemnity	56	54	110	19	\$5,841.18	\$15,822.28	\$686,181.86	\$942,398.46	\$1,628,580.32	\$0.00	\$1,628,580.32
Medical	3	51	54	0	\$0.00	\$0.00	\$12,594.28	\$1,363.42	\$13,957.70	\$0.00	\$13,957.70
Total	59	105	164	19	\$5,841.18	\$15,822.28	\$698,776.14	\$943,761.88	\$1,642,538.02	\$0.00	\$1,642,538.02

Knowledge Dates: 01/01/1998 - 12/31/2003 Extract: Logical

Reporting Level: 0 / Break after level(s): 1 / All Examiners

Annual Periods End: 12/31 / Open and Closed // Info Included / Pending Included

Claims Summary by Year - Sample

As Of 02/11/2004

Activity Period: 02/11/2004 - 02/11/2004

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February 12, 2004

10:29AM

Report Categories: AGIMODPR

Type	CLAIMS				ACTIVITY PERIOD		TOTALS THROUGH 2/11/2004				
	Open	Closed	Total	Leg.	Paid	Incurred	Paid	Reserves	Incurred	Recoveries	Net Incurred
GRAND TOTALS											
Indemnity	205	526	731	105	\$16,713.35	\$23,590.44	\$16,644,202.08	\$7,540,069.76	\$24,184,271.84	\$42,500.00	\$24,141,771.84
Medical	3	644	647	2	\$0.00	\$0.00	\$280,320.71	\$1,363.42	\$281,684.13	\$0.00	\$281,684.13
Total	208	1,170	1,378	107	\$16,713.35	\$23,590.44	\$16,924,522.79	\$7,541,433.18	\$24,465,955.97	\$42,500.00	\$24,423,455.97

Knowledge Dates: 01/01/2003 - 06/30/2003 Extract: Logical
 Reporting Level: 0 / Break after level(s): 1 Days Type: Calendar
 Open and Closed // Info Included / Pending Included / Show Details: N

Frequency Analysis - Loss Agency - Sample

As Of 12/31/2003

All Insureds

Loss Agency	Open	Total	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
			Lost	Rest.							Claims	Paid	Incur.
60 Bodily Motion	5	13	0	0	0	151,377.76	254,992.04	11,644.44	58,281.07	103,614.28	20.0	51.4	41.3
475 Work Surfaces: Indoor/Outdoor	3	9	0	0	0	7,212.15	17,005.36	801.35	3,008.88	9,793.21	13.8	2.4	2.8
440 Tv/Tube/Computer	2	5	0	0	0	30,776.61	100,014.90	6,155.32	28,397.61	69,238.29	7.7	10.4	16.2
170 Fixtures/Furniture/Furnishings	1	4	0	0	0	703.80	5,515.36	175.95	288.44	4,811.56	6.2	0.2	0.9
300 Metal Items: Plates/Rods/Scrap	1	4	0	0	0	4,857.70	7,814.76	1,214.43	2,012.02	2,957.06	8.2	1.6	1.3
85 Clerical	2	4	0	0	0	13,379.04	18,711.52	3,344.76	9,896.44	5,332.48	6.2	4.5	3.0
100 Containers: Boxes/Barrels/Skid	1	3	0	0	0	5,042.51	11,457.46	1,680.84	2,689.96	6,414.95	4.6	1.7	1.9
995 Insufficient Data To Determine	1	3	0	0	0	4,785.68	16,360.84	1,595.22	2,914.82	11,575.18	4.6	1.6	2.6
175 Floor	0	2	0	0	0	184.88	184.88	92.44	184.88	0.00	3.1	0.1	0.0
355 Power Apparatus: Tools/Motors	1	2	0	0	0	15,562.61	17,500.00	7,781.31	15,562.61	1,937.39	3.1	5.3	2.8
400 Sharp Objects: Needles/Knives	0	2	0	0	0	1,223.23	1,223.23	611.62	902.87	0.00	3.1	0.4	0.2
145 Envir./Stress	1	1	0	0	0	3,627.50	13,000.00	3,627.50	3,627.50	9,372.50	1.5	1.2	2.1
185 Fork Lift	1	1	0	0	0	17,801.82	51,297.99	17,801.82	17,801.82	33,496.17	1.5	6.0	8.3
195 Glass Fibers, Cloth, Paper	0	1	0	0	0	188.09	188.09	188.09	188.09	0.00	1.5	0.1	0.0
200 Glassware: Bottles/Sheet Glass	0	1	0	0	0	696.48	696.48	696.48	696.48	0.00	1.5	0.2	0.1
210 Ground	1	1	0	0	0	18,138.95	38,483.72	18,138.95	18,138.95	20,354.77	1.5	6.2	6.2
215 Hand Tools (Non-Powered)	0	1	0	0	0	226.32	226.32	226.32	226.32	0.00	1.5	0.1	0.0
225 Handling Cart	0	1	0	0	0	109.65	109.65	109.65	109.65	0.00	1.5	0.0	0.0
275 Knives/Blades	0	1	0	0	0	421.46	421.46	421.46	421.46	0.00	1.5	0.1	0.1
350 Platform/Pallet	1	1	0	0	0	1,653.16	21,884.64	1,653.16	1,653.16	20,231.48	1.5	0.6	3.5
40 Battery	1	1	0	0	0	9,831.40	34,160.88	9,831.40	9,831.40	24,329.48	1.5	3.3	5.5
420 Pressure/Storage Tanks/Cylindr	0	1	0	0	0	4,432.39	4,432.39	4,432.39	4,432.39	0.00	1.5	1.5	0.7
65 Box	0	1	0	0	0	1,093.32	1,093.32	1,093.32	1,093.32	0.00	1.5	0.4	0.2
80 Chemicals: Compound/Gas/Liquid	0	1	0	0	0	341.95	341.95	341.95	341.95	0.00	1.5	0.1	0.1
990 Miscellaneous Agents Of Injury	0	1	0	0	0	910.13	910.13	910.13	910.13	0.00	1.5	0.3	0.1

Knowledge Dates: 01/01/2003 - 06/30/2003 Extract: Logical
Reporting Level: 0 / Break after level(s): 1 Days Type: Calendar
Open and Closed // Info Included / Pending Included / Show Details: N

Frequency Analysis - Loss Agency - Sample

As Of 12/31/2003

Loss Agency	Open	Total	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
			Lost	Rest.							Claims	Paid	Incur.
GRAND TOTALS	22	65	0	0	0	294,578.57	618,037.37	4,531.98	58,281.07	323,458.80	100.0	100.0	100.0

Knowledge Dates: 01/01/2003 - 03/31/2003 Extract: Logical
 Reporting Level: 0 / Break after level(s): 1 Days Type: Calendar
 Open and Closed // Info Included / Pending Included / Show Details: Y

Frequency Analysis - Bodypart - Sample

As Of 12/31/2003

All Insureds

Body Part	Open	Total	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total			
			Lost	Rest.							Claims	Paid	Incur.	
350 Hand (continued)														
03000016 Claimant Name			0.00	0.00	0.00									
350 Hand	0	1	0	0	0.00	0.00	0.00	0.00	0.00	0.00	3.2	0.0	0.0	
390 Wrist & Hand														
03000007 Claimant Name			0.00	0.00	0.00									
390 Wrist & Hand	1	1	0	0	0.00	28,397.61	51,323.02	28,397.61	28,397.61	22,925.41	3.2	26.8	30.9	
900 Multiple Body Parts														
03000002 Claimant Name			0.00	0.00	0.00									
900 Multiple Body Parts	1	1	0	0	0.00	9,896.44	14,635.37	9,896.44	9,896.44	4,738.83	3.2	9.3	6.8	

Knowledge Dates: 01/01/2003 - 03/31/2003 Extract: Logical
Reporting Level: 0 / Break after level(s): 1 Days Type: Calendar
Open and Closed // Info Included / Pending Included / Show Details: Y

Frequency Analysis - Bodypart - Sample

As Of 12/31/2003

Body Part	Open	Total	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
			Lost	ResL							Claims	Paid	Incur.
GRAND TOTALS	9	31	0	0	0.00	108,060.68	165,853.91	3,421.31	28,397.61	59,793.23	100.0	100.0	100.0

Knowledge Dates: 01/01/2003 - 12/31/2003 Extract: Logical

Frequency Analysis - Loss Cause - Sample

Reporting Level: 0 / Break after level(s): 1 Litigation: All Claims

As Of 12/31/2003

Open and Closed // Info Included / Pending Included / Show Details: N Days Type: Calendar

All Insureds

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
600 Miscellaneous Strain Or Injury	19	33	4	0	0	0	174,038.56	399,162.69	5,273.90	58,281.07	225,124.13	25.6	51.6	44.0
560 Strain Or Injury By Lifting	10	19	1	0	0	0	43,208.93	98,449.37	2,274.15	16,543.47	53,240.44	14.7	12.8	10.6
590 Injury By Using Tool/Machine	7	12	1	0	0	0	11,463.76	71,987.23	955.31	3,515.92	60,503.47	9.3	3.4	7.9
190 Misc Cut/Puncture/Scrape/Injur	4	7	1	0	0	0	11,885.70	51,709.90	1,697.96	9,831.40	39,824.20	5.4	3.5	5.7
750 Struck By Fall/G/Flying Object	1	6	0	0	0	0	2,142.74	3,462.74	357.12	1,093.32	1,320.00	4.7	0.6	0.4
980 Cumulative (All Others)	6	6	4	0	0	0	1,415.27	25,000.00	236.88	718.50	23,584.73	4.7	0.4	2.8
570 Pulling Injury	3	5	0	0	0	0	5,698.79	54,489.71	1,139.76	2,390.96	48,790.92	3.9	1.7	6.0
910 Mental Stress	2	5	2	0	0	0	3,571.48	27,988.57	714.30	1,698.47	24,417.09	3.9	1.1	3.1
160 Hand Tool Injury (Non Powered)	0	4	0	0	0	0	3,076.27	3,076.27	769.07	1,525.62	0.00	3.1	0.9	0.3
290 Slip Or Fall From Same Level	1	4	0	0	0	0	19,114.03	39,468.80	4,776.51	18,138.95	20,354.77	3.1	5.7	4.4
250 Fal/Slip From Different Level	1	3	1	0	0	0	18,647.82	52,143.99	8,215.94	17,801.82	33,496.17	2.3	5.5	5.8
550 Injury By Holding Or Carrying	0	3	0	0	0	0	8,137.75	8,137.75	2,712.58	4,432.39	0.00	2.3	2.4	0.9
120 Caught In/Bet Object Handled	0	2	0	0	0	0	515.88	515.88	257.94	515.88	0.00	1.6	0.2	0.1
130 Caught Between	0	2	0	0	0	0	658.50	2,308.50	329.25	658.50	1,650.00	1.6	0.2	0.3
21 Miscellaneous Burn Or Scald	1	2	0	0	0	0	275.00	275.00	137.50	188.09	0.00	1.6	0.1	0.0
580 Strain Or Injury By Reaching	0	2	1	0	0	0	27,141.81	44,300.37	13,570.91	27,065.31	17,158.56	1.6	8.1	4.9
670 Scraping/Cleaning Operation	1	2	0	0	0	0	2,332.38	5,289.44	1,166.19	2,012.02	2,957.06	1.6	0.7	0.6
680 Strike/Slap On Stationary Obj	0	2	0	0	0	0	697.73	697.73	348.67	470.56	0.00	1.6	0.2	0.1
999 Other	2	2	0	0	0	0	42.23	10,250.00	21.12	42.23	10,207.77	1.6	0.0	1.1
150 Cut Or Injured By Broken Glass	0	1	0	0	0	0	689.41	689.41	689.41	689.41	0.00	0.8	0.2	0.1
30 Burn From Temperature Extremes	0	1	0	0	0	0	76.01	76.01	76.01	76.01	0.00	0.8	0.0	0.0
300 Slipped - Did Not Fall	0	1	0	0	0	0	240.19	1,650.00	240.19	240.19	1,409.81	0.8	0.1	0.2
460 Collision With A Fixed Object	1	1	0	0	0	0	0.00	2,075.00	0.00	0.00	2,075.00	0.8	0.0	0.2
700 Misc Striking Against/Step On	0	1	0	0	0	0	184.88	184.88	184.88	184.88	0.00	0.8	0.1	0.0
790 Struck Object Lifted/Handled	0	1	0	0	0	0	1,446.42	1,446.42	1,446.42	1,446.42	0.00	0.8	0.4	0.2
810 Toxic Exposure	0	1	0	0	0	0	341.95	341.95	341.95	341.95	0.00	0.8	0.1	0.0
960 Feedback Noise	1	1	0	0	0	0	0.00	3,600.00	0.00	0.00	3,600.00	0.8	0.0	0.4

Knowledge Dates: 01/01/2003 - 12/31/2003 Extract: Logical
Reporting Level: 0 / Break after level(s): 1 Litigation: All Claims
Open and Closed // Info Included / Pending Included / Show Details: N Days Type: Calendar

Frequency Analysis - Loss Cause - Sample

As Of 12/31/2003

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
GRAND TOTALS	62	129	15	0	0	0	337,043.49	906,757.61	2,612.74	58,281.07	569,714.12	100.0	100.0	100.0

Knowledge Dates: 01/01/2003 - 12/31/2003 Extract: Logical

Frequency Analysis - Loss Cause - Sample

February 12, 2004

Reporting Level: 0 / Break after level(s): 1 Litigation: All Claims

As Of 12/31/2003

9:58AM

Open and Closed // Info Included / Pending included / Show Details: N Days Type: Calendar

Report Categories: AGIMODPR

All Insureds

Loss Cause	Open	Total	Litigated	Days			Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reserves	% of Insured's Total		
				Lost	Rest.								Claims	Paid	Incur.
600 Miscellaneous Strain Or Injury	19	33	4	0	0	0	174,038.56	389,162.69	5,273.90	58,281.07	225,124.13	25.6	51.6	44.0	
560 Strain Or Injury By Lifting	10	19	1	0	0	0	43,208.93	96,449.37	2,274.15	16,543.47	53,240.44	14.7	12.8	10.6	
590 Injury By Using Tool/Machine	7	12	1	0	0	0	11,463.76	71,987.23	955.31	3,515.92	60,503.47	9.3	3.4	7.9	
190 Misc Cut/Puncture/Scrape/Injur	4	7	1	0	0	0	11,885.70	51,709.90	1,697.96	9,831.40	39,824.20	5.4	3.5	5.7	
750 Struck By Fall/G/Flying Object	1	6	0	0	0	0	2,142.74	3,462.74	357.12	1,093.32	1,320.00	4.7	0.6	0.4	
990 Cumulative (All Others)	6	6	4	0	0	0	1,415.27	25,000.00	235.88	716.50	23,584.73	4.7	0.4	2.8	
570 Pulling Injury	3	5	0	0	0	0	5,698.79	54,489.71	1,139.76	2,390.96	48,790.92	3.9	1.7	6.0	
910 Mental Stress	2	5	2	0	0	0	3,571.48	27,988.57	714.30	1,698.47	24,417.09	3.9	1.1	3.1	
160 Hand Tool Injury (Non Powered)	0	4	0	0	0	0	3,076.27	3,076.27	769.07	1,525.62	0.00	3.1	0.9	0.3	
290 Slip Or Fall From Same Level	1	4	0	0	0	0	19,114.03	39,468.80	4,778.51	16,138.95	20,354.77	3.1	5.7	4.4	
250 Fall/Slip From Different Level	1	3	1	0	0	0	18,647.82	52,143.99	6,215.94	17,801.82	33,498.17	2.3	5.5	5.8	
550 Injury By Holding Or Carrying	0	3	0	0	0	0	8,137.75	8,137.75	2,712.58	4,432.39	0.00	2.3	2.4	0.9	
120 Caught In/Bet Object Handled	0	2	0	0	0	0	515.88	515.88	257.94	515.88	0.00	1.6	0.2	0.1	
130 Caught Between	1	2	0	0	0	0	658.50	2,308.50	329.25	658.50	1,650.00	1.6	0.2	0.3	
21 Miscellaneous Burn Or Scald	0	2	0	0	0	0	275.00	275.00	137.50	186.09	0.00	1.6	0.1	0.0	
580 Strain Or Injury By Reaching	1	2	1	0	0	0	27,141.81	44,300.37	13,570.91	27,065.31	17,159.56	1.6	8.1	4.9	
670 Scraping/Cleaning Operation	1	2	0	0	0	0	2,332.38	5,289.44	1,166.19	2,012.02	2,957.06	1.6	0.7	0.6	
690 Strike/Step On Stationary Obj	0	2	0	0	0	0	697.73	697.73	348.87	470.56	0.00	1.6	0.2	0.1	
999 Other	2	2	0	0	0	0	42.23	10,250.00	21.12	42.23	10,207.77	1.6	0.0	1.1	
150 Cut Or Injured By Broken Glass	0	1	0	0	0	0	689.41	689.41	689.41	689.41	0.00	0.8	0.2	0.1	
30 Burn From Temperature Extreme	0	1	0	0	0	0	76.01	76.01	76.01	76.01	0.00	0.8	0.0	0.0	
300 Slipped - Did Not Fall	1	1	0	0	0	0	240.19	1,850.00	240.19	240.19	1,408.81	0.8	0.1	0.2	
460 Collision With A Fixed Object	1	1	0	0	0	0	0.00	2,075.00	0.00	0.00	2,075.00	0.8	0.0	0.2	
700 Misc Striking Against/Step On	0	1	0	0	0	0	184.88	184.88	184.88	184.88	0.00	0.8	0.1	0.0	
790 Struck: Object Lifted/Handled	0	1	0	0	0	0	1,446.42	1,446.42	1,446.42	1,446.42	0.00	0.8	0.4	0.2	
810 Toxic Exposure	0	1	0	0	0	0	341.95	341.95	341.95	341.95	0.00	0.8	0.1	0.0	
950 Feedback Noise	1	1	0	0	0	0	0.00	3,600.00	0.00	0.00	3,600.00	0.8	0.0	0.4	

Knowledge Dates: 01/01/2003 - 12/31/2003 Extract: Logical

Frequency Analysis - Loss Cause - Sample

February 12, 2004

Reporting Level: 0 / Break offer level(s): 1 Litigation: All Claims

As Of 12/31/2003

9:58AM

Open and Closed // Info Included / Pending Included / Show Details: N Days Type: Calendar

Report Categories: AGIMODPR

Loss Cause	Open	Total	Litigated	Days		Avg. Days	Paid	Incurred	Avg. Paid	Max. Paid	Reservas	% of Insured's Total		
				Lost	Rest.							Claims	Paid	Incur.
GRAND TOTALS	62	129	15	0	0	0	337,043.49	906,757.61	2,612.74	58,281.07	569,714.12	100.0	100.0	100.0

Loss Dates: 01/01/2003 - 06/30/2003 Extract: Logical
 Show Details: Y / Activity Claims Only / Incl. Info / All LOB
 Reporting Level: 0 / Open and Closed / Info Included / Pending Included
 Include OPMT, OFIN?N

Claims Activity - Sample Report

As of 12/31/2003

Activity Period: 12/01/2003 - 12/31/2003

All Insureds

Claim No. Examiner	Claimant Bodypart	Type Stat.	Loss Date Knowledge	Entry Received	Closed Reopened	RTW Date Denied	Juris.	ACT. PERIOD			Activity								
								Paid Incurred	Paid Incurred	Outstanding Reserves	NEW	CLS	REO	OPMT	CPMT	IR	CRES	RTW	OFIN
								TOTALS Through 12/31/2003											
LOB: WC 03000096 Examiner	Claimant Name Finger(s)	Medica C	01/16/2003 01/17/2003	01/23/2003 01/22/2003	10/23/2003 10/23/2003	01/16/2003	CA	\$88.43 \$88.43	\$503.67 \$503.67	\$0.00					X	X			
03000101 Examiner	Claimant Name Wrist	Medica C	01/23/2003 01/23/2003	01/31/2003 01/31/2003	10/29/2003 10/29/2003	01/30/2003	CA	\$204.15 \$204.15	\$1,817.31 \$1,817.31	\$0.00					X	X			
03000104 Examiner	Claimant Name Lower Arm	MInor P O	01/27/2003 01/27/2003	02/04/2003 02/03/2003		01/28/2003	CA	\$2,688.18 \$213.98	\$21,682.77 \$71,529.05	\$49,846.28				X		X			
03000106 Examiner	Claimant Name Lower Back Area	MInor P O	01/15/2003 01/15/2003	02/08/2003 02/06/2003			CA	\$7,171.97 \$4,226.15	\$48,869.39 \$93,754.39	\$44,885.00				X		X			
03000107 Examiner	Claimant Name Wrist	Medica O	02/04/2003 02/04/2003	02/19/2003 02/11/2003		02/04/2003	CA	\$518.17 \$35.17	\$5,810.81 \$8,482.29	\$2,681.48				X		X			
03000114 Examiner	Claimant Name Hand	Minor P O	01/13/2003 02/24/2003	02/27/2003 02/26/2003		01/13/2003	CA	\$2,547.21 \$5,793.60	\$10,894.89 \$37,082.85	\$26,187.86				X		X			
03000120 Examiner	Claimant Name Multiple Body	MInor P O	01/29/2003 02/24/2003	03/10/2003 03/07/2003		01/30/2003	CA	\$4,970.04 \$5,300.58	\$22,685.68 \$34,378.21	\$11,690.53				X		X			
03000124 Examiner	Claimant Name Lower Back Area	Temp d C	02/28/2003 02/28/2003	03/21/2003 03/21/2003	05/29/2003	03/03/2003	CA	\$9.38 \$9.38	\$101.18 \$101.18	\$0.00					X	X			
03000134 Examiner	Claimant Name Mult.Upper ExL	Medica C	04/15/2003 04/15/2003	04/22/2003 04/18/2003	12/31/2003	04/16/2003	CA	\$2.54 -\$2,241.02	\$322.39 \$322.39	\$0.00	X				X	X			

*NEW=New Claim CLS=Closed REO=Reopened OPMT=Ending Open, Payment In Period CPMT=Ending Closed, Payment In Period
 IRES=Initial Reserve CRES=Change in Reserve RTW=Return To Work OFIN=Open, No Financial Activity

February 10, 2004

9:13PM

Report Categories: AGIMODPR

Loss Dates: 01/01/2003 - 06/30/2003 Extract: Logical
 Show Details: Y / Activity Claims Only / Incl. Info / All LOB
 Reporting Level: 0 / Open and Closed / Info Included / Pending Included
 Include OPMT, OFIN?N

Claims Activity - Sample Report

As of 12/31/2003

Activity Period: 12/01/2003 - 12/31/2003

All Insureds

Claim No. Examiner	Claimant Bodypart	Type Stat.	Loss Date Knowledge	Entry Received	Closed Reopened	RTW Date Denied	Juris.	ACT. PERIOD		TOTALS Through 12/31/2003			Activity									
								Paid Incurred	Paid Incurred	Outstanding Reserves	NEW	CLS	REO	OPMT	CPMT	IR	CRES	RTW	OFIN			
LOB: WC 03000156 Examiner	Claimant Name Ankle	Temp d C	06/04/2003 06/05/2003	06/17/2003 06/11/2003	12/15/2003		CA	\$12.06 -\$9,495.20	\$3,258.77 \$3,258.77	\$0.00		X					X	X	X			
Body Par	03000160 Examiner	Claimant Name Other Facial Soft Tissue	Medica C	05/30/2003 05/30/2003	08/27/2003 06/20/2003	10/24/2003 10/24/2003	06/02/2003	CA	\$0.28 \$0.26	\$1,221.32 \$1,221.32	\$0.00							X	X			
Body Par	03000161 Examiner	Claimant Name Toe(s)	Medica C	06/06/2003 06/06/2003	06/27/2003 06/20/2003	08/15/2003	06/06/2003	CA	\$0.87 \$0.87	\$240.02 \$240.02	\$0.00							X	X			
Body Par	03000163 Examiner	Claimant Name Neck (Other)	Temp d C	06/05/2003 06/05/2003	07/08/2003 06/20/2003	08/21/2003	06/09/2003	CA	\$0.85 \$0.85	\$191.17 \$191.17	\$0.00							X	X			
Body Par	03000167 Examiner	Claimant Name Hand	Temp d O	06/06/2003 06/17/2003	07/08/2003 06/30/2003		06/08/2003	CA	\$71.42 \$16,514.21	\$3,592.59 \$24,061.17	\$20,468.58							X	X			
Body Par	03000171 Examiner	Claimant Name Knee	Medica C	06/25/2003 06/25/2003	07/09/2003 07/07/2003	12/31/2003	06/25/2003	CA	\$95.08 -\$1,325.58	\$1,241.73 \$1,241.73	\$0.00	X						X	X			
Body Par	03000176 Examiner	Claimant Name Lower Back Area	Temp d C	06/05/2003 06/12/2003	07/16/2003 07/14/2003	12/02/2003	06/05/2003	CA	\$245.50 -\$15,590.34	\$3,225.66 \$3,225.68	\$0.00	X						X	X			
Body Par	04000024 Examiner	Claimant Name Lower Back Area	Medica C	06/24/2003 07/07/2003	09/24/2003 09/22/2003	11/07/2003	06/25/2003	CA	\$14.69 \$62.64	\$328.22 \$328.22	\$0.00							X	X			
Body Par	04000054 Examiner	Claimant Name Multi Upper Ext.	Medica O	06/30/2003 11/26/2003	12/01/2003 12/01/2003		12/01/2003	CA	\$0.00 \$1,500.00	\$0.00 \$1,500.00	\$1,500.00							X	X			
Body Par																						

*NEW=New Claim CLS=Closed REO=Reopened OPMT=Ending Open, Payment In Period CPMT=Ending Closed, Payment In Period
 IRES=Initial Reserve CRES=Change in Reserve RTW=Return To Work OFIN=Open, No Financial Activity

Loss Dates: 01/01/2003 - 06/30/2003 Extract/Logical
 Show Details: Y / Activity Claims Only / Incl. Info / All LOB
 Reporting Level: 0 / Open and Closed / Info Included / Pending Included
 Include OPMT, OFIN?N

Claims Activity - Sample Report

As of 12/31/2003
 Activity Period: 12/01/2003 - 12/31/2003

Grand Totals

Claim No. Examiner	Claimant Bodypart	Type Stat.	Loss Date Knowledge	Entry Received	Closed Reopened	RTW Date Denied	Juris.	ACT. PERIOD		TOTALS Through 12/31/2003			Activity																		
								Paid Incurred	Paid Incurred	Outstanding Reserves	NEW	CLS	OPMT	CPMT	IRES	CRES	RTW	OFIN													
GRAND TOTALS:																															
<u>Claims Activity 12/01/2003 - 12/31/2003</u>																															
New Claims:	0	Open w/Payment In Period:		6	Non-Initial Reserve Change:			17	Ending Open:	7																					
Closed:	4	Closed w/Payment In Period:		11	Returned to Work:			1	Ending Closed:	11																					
Reopened:	0	Initial Reserve:		1	Open, No Financial Activity:			0																							
<u>Financial Activity - 12/01/2003 through 12/31/2003</u>																															
		INDEMNITY CLAIMS		MEDICAL CLAIMS		TOTAL																									
Indemnity		\$5,098.00		\$0.00		\$5,098.00																									
		\$5,059.00		\$0.00		\$5,059.00																									
		-\$39.00		\$0.00		-\$39.00																									
Legal		\$1,256.53		\$0.00		\$1,256.53																									
		\$5,793.60		\$0.00		\$5,793.60																									
		\$4,537.07		\$0.00		\$4,537.07																									
Medical		\$3,689.72		\$775.58		\$4,465.30																									
		-\$6,217.99		-\$1,871.64		-\$10,089.63																									
		-\$11,907.71		-\$2,647.22		-\$14,554.93																									
Other		\$7,672.36		\$148.61		\$7,820.97																									
		\$4,338.60		\$186.56		\$4,535.16																									
		-\$3,333.76		\$47.95		-\$3,285.81																									
Rehab		\$0.00		\$0.00		\$0.00																									
		\$0.00		\$0.00		\$0.00																									
		\$0.00		\$0.00		\$0.00																									
TOTALS		\$17,716.61		\$924.19		\$18,640.80																									
		\$6,973.21		-\$1,675.08		\$5,298.13																									
		-\$10,743.40		-\$2,599.27		-\$13,342.67																									

*NEW=New Claim CLS=Closed REO=Reopened OPMT=Ending Open, Payment In Period CPMT=Ending Closed, Payment In Period
 IRES=Initial Reserve CRES=Change in Reserve RTW=Return To Work OFIN=Open, No Financial Activity

Loss Dates: 01/01/2003 - 06/30/2003 Extract: Logical
 Show Details: Y / Activity Claims Only / Incl. Info / All LOB
 Reporting Level: 0 / Open and Closed / Info Included / Pending Included
 Include DPMT, OFIN?N

Claims Activity - Sample Report

As of 12/31/2003

Activity Period: 12/01/2003 - 12/31/2003

Grand Totals

Claim No. Examiner	Claimant Bodypart	Type Stat.	Loss Date Knowledge	Entry Received	Closed Reopened	RTW Data Denied	Juris.	ACT. PERIOD	TOTALS Through 12/31/2003		
								Paid Incurred	Paid Incurred	Outstanding Reserves	

Activity						
N E W	C L S	R E O	O P M T	C P M T	I R E S	C R E S

Claim Status Summary as of 12/31/2003

	INDEMNITY	MEDICAL	TOTAL
Closed	4	7	11
Open	5	2	7
TOTAL	9	9	18

*NEW=New Claim CLS=Closed REQ=Reopened OPMT=Ending Open, Payment In Period CPMT=Ending Closed, Payment In Period
 IRES=Initial Reserve CRES=Change In Reserve RTW=Return To Work OFIN=Open, No Financial Activity

Knowledge Dates: 01/01/2003 - 01/31/2003 Extract: Logical
Show Details: Y Open and Closed / Info Included / Pending Included
Reporting Level: 0 Break after level(s): 1
Include Recovered: Y Sort by: Claimant Name
All Examiners Litigation: All Claims Days Type: Calendar

Claims Cost Detail - Sample Report

Page 1
February 11, 2004
7:28PM

As of 12/31/2003
Activity Period: 12/01/2003 - 12/31/2003

Report Categories: AGIMODPR
Incurred Range: -999,999,999.00 to 999,999,999.00

All Insureds

Claim No.	Claimant	Loss			Log			Job Typo	Code	Life		Days		Activity Paid	TOTALS Through 12/31/2003			
		Stat.	Age	Loss Date	Knowledge	Act	Tax ID			Juris	Med	L	R		Paid	Reserves	Incurred	
03000002	Claimant Name	O	39	09/11/2002	01/07/2003	N	SSN	Mlno	01485	CA	Y	0	0					
Slow gradual onset since 8/22/02, pain increases by the end of the day. Work frequent OT. Ergo eval done and new office a																		
														Medical				
														Other	\$0.00	\$400.13	\$98.87	\$500.00
															\$0.00	\$0,896.44	\$4,738.93	\$14,635.37
03000001	Claimant Name	C	39	01/06/2003	01/07/2003	N	SSN	Medl	02325	CA	N	0	0					
Replacing empty bottle with new bottle. This is done 3 times a shift. After lifting bottle/tank felt "Pop" and pain lf left wrist. By																		
														Medical	\$0.00	\$4,200.27	\$0.00	\$4,200.27
														Other	\$15.00	\$232.12	\$0.00	\$232.12
															\$15.00	\$4,432.39	\$0.00	\$4,432.39
03000011	Claimant Name	C	43	01/22/2003	01/23/2003	N	SSN	Medl	02325	CA	N	0	0					
Moving television, lifting 32" TV.																		
														Medical	\$0.00	\$269.93	\$0.00	\$269.93
														Other	\$0.00	\$24.61	\$0.00	\$24.81
															\$0.00	\$294.54	\$0.00	\$294.54
03000005	Claimant Name	C	43	01/28/2003	01/28/2003	N	SSN	Medl	02330	CA	N	0	0					
Lifting funnel off F/S Jlg, made contact with																		
														Medical	\$0.00	\$623.82	\$0.00	\$623.82
														Other	\$0.00	\$72.66	\$0.00	\$72.66
															\$0.00	\$696.48	\$0.00	\$696.48
03000004	Claimant Name	C	37	01/10/2003	01/16/2003	N	SSN	Tem	02325	CA	N	0	0					
Pain of lower back due to lifting of frit seal jigs 27" 48 lbs.																		
														ITDR	\$0.00	\$0.00	\$0.00	\$0.00
														Medical	\$0.00	\$154.92	\$0.00	\$154.92
														Other	\$0.00	\$495.00	\$0.00	\$495.00
															\$0.00	\$649.92	\$0.00	\$649.92
03000009	Claimant Name	D	51	01/02/2003	01/30/2003	L	SSN	Tem	02330	CA	N	0	0					
Ee alleges walking back and forth, pain in left knee and left foot arch.																		
														Medical	\$0.00	\$781.08	\$218.94	\$1,000.00
														Other	\$0.00	\$44.15	\$5.85	\$50.00
															\$0.00	\$825.21	\$224.79	\$1,050.00
03000010	Claimant Name	C	57	10/17/2002	01/30/2003	N	SSN	Tem	01000	CA	N	0	0					
Right Inguinal Hernia																		
														ITDR	\$0.00	\$1,700.57	\$0.00	\$1,700.57
														Medical	\$0.00	\$13,298.24	\$0.00	\$13,298.24
														Other	\$0.00	\$1,544.66	\$0.00	\$1,544.66
															\$0.00	\$18,543.47	\$0.00	\$18,543.47

Knowledge Dates: 01/01/2003 - 01/31/2003 Extract: Logical
 Show Details: Y Open and Closed / Info Included / Pending Included
 Reporting Level: 0 Break after level(s): 1
 Include Recovered?: Y Sort by: Claimant Name
 All Examiners Litigation: All Claims Days Type: Calendar

Claims Cost Detail - Sample Report

As of 12/31/2003

Activity Period: 12/01/2003 - 12/31/2003

All Insureds

Claim No.	Claimant	Loss			Knowledge	Log		Job		Life		Days		Activity Paid	TOTALS Through 12/31/2003		
		Stat	Age	Loss Date		Act	Tax ID	Type	Code	Juris	Med	L	R		Paid	Reserves	Incurred
03000003	Claimant Name	C	44	10/18/2002	01/16/2003	N	SSN	Tem	01000	CA	N	0	0				
Repetitive lifting of CRTS (39.24 lbs) and cosmetic wipping of panel, pain right upper extremity.														\$0.00	\$0.00	\$0.00	\$0.00
														\$0.00	\$139.64	\$0.00	\$139.64
														\$0.00	\$0.00	\$0.00	\$0.00
														\$0.00	\$0.00	\$0.00	\$0.00
														\$0.00	\$139.64	\$0.00	\$139.64
03000007	Claimant Name	O	29	01/15/2003	01/15/2003	N	SSN	Tem	01485	CA	N	0	0				
Ee alleges pain in wrist and hand from using mouse too long at pc workstation.														\$0.00	\$0.00	\$5,355.00	\$5,355.00
														\$2,032.68	\$23,586.66	\$3,037.34	\$26,624.00
														\$406.93	\$3,569.40	\$14,533.07	\$18,102.47
														\$0.00	\$1,241.55	\$0.00	\$1,241.55
														\$2,499.61	\$28,397.61	\$22,925.41	\$51,323.02
03000006	Claimant Name	C	30	01/15/2003	01/15/2003	N	SSN	Medi	02555	CA	N	0	0				
EE was cutting a label from a cardboard														\$0.00	\$404.63	\$0.00	\$404.63
														\$0.00	\$16.83	\$0.00	\$16.83
														\$0.00	\$421.46	\$0.00	\$421.46
03000008	Claimant Name	C	39	01/28/2003	01/28/2003	N	SSN	Medi	00841	CA	N	0	0				
Confusion, laceration right medial ankle														\$0.00	\$1,391.07	\$0.00	\$1,391.07
														\$0.00	\$55.35	\$0.00	\$55.35
														\$0.00	\$1,446.42	\$0.00	\$1,446.42
03000025	Claimant Name	C	62	12/19/2002	01/10/2003	N	SSN	Medi	02325	CA	N	0	0				
While working behind TV, a speaker set on tv, fell on top of head.														\$0.00	\$0.00	\$0.00	\$0.00
														\$0.00	\$0.00	\$0.00	\$0.00
														\$0.00	\$0.00	\$0.00	\$0.00
03000014	Claimant Name	C	59	01/08/2003	01/20/2003	N	SSN	Medi	01220	CA	N	0	0				
Pain of right forearm and elbow														\$0.00	\$492.19	\$0.00	\$492.19
														\$0.00	\$52.70	\$0.00	\$52.70
														\$0.00	\$544.89	\$0.00	\$544.89

Knowledge Dates: 01/01/2003 - 01/31/2003 Extract: Logical
Show Details: Y Open and Closed / Info included / Pending Included
Reporting Level: 0 Break after level(s): 1
Include Recovered?: Y Sort by: Claimant Name
All Examiners Litigation: All Claims Days Type: Calendar

Claims Cost Detail - Sample Report

As of 12/31/2003
Activity Period: 12/01/2003 - 12/31/2003

Report Categories: AGIMODPR
Incurred Range: -999,999,999.00 to 999,999,999.00

Claim No.	Claimant	Stat.	Loss		Knowledge	Leg		Type	Code	Juris	Med	Days		Activity Paid	TOTALS Through 12/31/2003		
			Ago	Loss Date		Act	Tax ID					L	R		Paid	Reserves	Incurred
GRAND TOTALS												0	0				
	Ending Open:		3											\$0.00	\$0.00	\$5,355.00	\$5,355.00
	Ending Closed:		10											\$2,032.68	\$25,287.23	\$3,037.34	\$28,324.57
	Total:		13											\$466.03	\$34,821.48	\$19,391.07	\$54,212.55
														\$15.00	\$4,179.76	\$105.72	\$4,285.48
														\$2,514.61	\$84,289.47	\$27,889.13	\$92,177.60
														Recovered:	0.00	Net Incurred:	\$92,177.60

Entry Dates: 09/01/2003 - 12/31/2003 Extract: Logical

Show Details: Y Open and Closed / Info Included / Pending Included

Reporting Level: 0 Break after level(s): 1

Include Recoveries: Y Sort By: Claim Number

All Examiners Days Type: Calendar Litigation: All Claims

Claims Cost Summary - Sample Report - Indem Claims

As of 12/31/2003

Activity Period: 12/01/2003 - 12/31/2003

February 11, 2004

7:55PM

Report Categories: 1

Incurred Range: -999,999,999.00 to 999,999,999.00

All Insureds

Claim No.	Claimant	Stat.	Type	Loss Date	Knowledge	Log Act	Days		ACTIVITY PERIOD		TOTALS Through 12/31/2003		
							L	R	Paid	Incurred	Paid	Reserves	Incurred
03000087	Claimant Name	N	Temp d	05/30/2003	09/03/2003	N	0	0	50.51	0.00	147.98	5,002.02	5,150.00
03000091	Claimant Name	O	Temp d	09/03/2003	09/05/2003	N	0	0	828.41	0.00	1,927.99	10,805.05	12,733.04
03000092	Claimant Name	N	Temp d	07/24/2003	09/12/2003	L	0	0	0.00	0.00	386.79	13,405.21	13,802.00
03000093	Claimant Name	N	Temp d	07/03/2003	09/16/2003	N	0	0	3,510.92	0.00	3,515.92	4,570.08	8,086.00
03000096	Claimant Name	C	Temp d	06/03/2003	09/17/2003	N	0	0	80.58	-2,999.75	150.25	0.00	150.25
03000098	Claimant Name	O	Temp d	08/22/2003	10/02/2003	N	0	0	2,390.95	24,882.20	2,390.98	26,091.24	28,482.20
03000100	Claimant Name	O	Temp d	09/10/2003	10/01/2003	N	0	0	131.47	0.00	131.47	5,018.53	5,150.00
03000102	Claimant Name	D	Temp d	09/25/2003	10/01/2003	N	0	0	192.35	0.93	652.04	5,447.30	6,099.34
03000109	Claimant Name	D	Temp d	01/06/2003	10/28/2003	N	0	0	0.00	0.00	0.00	5,150.00	5,150.00
03000110	Claimant Name	D	Temp d	10/28/2003	10/28/2003	N	0	0	0.00	0.00	0.00	4,500.00	4,500.00
03000111	Claimant Name	O	Temp d	09/25/2003	11/05/2003	N	0	0	0.00	0.00	0.00	4,500.00	4,500.00
03000112	Claimant Name	D	Temp d	11/01/2002	11/04/2003	L	0	0	675.00	0.00	675.00	6,325.00	7,000.00
03000113	Claimant Name	N	Temp d	01/01/1998	11/08/2003	N	0	0	0.00	0.00	0.00	3,600.00	3,600.00
03000116	Claimant Name	D	Temp d	11/10/2003	11/10/2003	N	0	0	42.23	0.00	42.23	5,057.77	5,100.00
03000122	Claimant Name	O	Minor P	11/21/2003	11/21/2003	N	0	0	0.00	0.00	0.00	11,794.72	11,794.72
03000124	Claimant Name	D	Temp d	11/22/2003	11/25/2003	N	0	0	0.00	7,840.80	0.00	7,840.80	7,840.80
03000126	Claimant Name	D	Temp d	11/10/2003	12/01/2003	N	0	0	0.00	6,500.00	0.00	6,500.00	6,500.00
03000129	Claimant Name	O	Temp d	12/09/2003	12/09/2003	N	0	0	0.00	7,500.00	0.00	7,500.00	7,500.00

Knowledge Dates: 01/01/2003 - 12/31/2003 Extract: Logical

Show Details: Y Open and Closed / Info included / Pending included

Reporting Level: 0 Break after level(s): 1

Include Recoveries: Y Sort By: Total Incurred

All Examiners Days Type: Calendar Litigation: All Claims

Claims Cost Summary - Sample Claims Over \$25,000

February 11, 2004

7:39PM

As of 12/31/2003

Report Categories: AGIMODPR

Activity Period: 12/01/2003 - 12/31/2003

Incurred Range: 25,000.00 to 999,999,999.00

All Insureds

Claim No.	Claimant	Stat.	Type	Loss Date	Knowledge	Log Act.	Days		ACTIVITY PERIOD		TOTALS Through 12/31/2003		
							L	R	Paid	Incurred	Paid	Reserves	Incurred
03000035	Claimant Name	O	Minor P	04/10/2003	04/10/2003	L	0	0	6,092.29	0.00	58,281.07	57,814.28	116,095.35
03000007	Claimant Name	O	Temp d	01/15/2003	01/15/2003	N	0	0	2,499.61	0.00	28,397.61	22,926.41	51,323.02
03000056	Claimant Name	O	Temp d	06/04/2003	06/13/2003	L	0	0	2,104.89	124.09	17,801.82	33,498.17	51,297.99
03000051	Claimant Name	O	Temp d	05/23/2003	06/04/2003	N	0	0	2,103.00	0.00	29,696.96	19,672.68	49,369.64
03000048	Claimant Name	O	Temp d	08/16/2002	05/27/2003	L	0	0	3.75	42,316.70	1,503.82	46,312.88	47,816.70
03000044	Claimant Name	O	Minor P	03/17/2003	05/19/2003	L	0	0	3,202.65	1,000.00	27,065.31	17,158.58	44,223.87
03000038	Claimant Name	O	Temp d	04/22/2003	04/22/2003	N	0	0	729.80	0.00	18,138.95	20,354.77	38,483.72
03000067	Claimant Name	O	Temp d	07/22/2003	07/22/2003	N	0	0	3,976.89	0.00	9,040.55	28,999.70	38,040.25
03000032	Claimant Name	O	Minor P	04/01/2003	04/01/2003	L	0	0	0.00	0.00	9,831.40	24,329.48	34,160.89
03000079	Claimant Name	O	Temp d	07/25/2003	08/20/2003	N	0	0	2,408.00	28,653.10	3,142.10	29,011.00	32,153.10
03000098	Claimant Name	O	Temp d	08/22/2003	10/02/2003	N	0	0	2,390.86	24,882.20	2,390.86	26,091.24	28,482.20

Knowledge Dates: 01/01/1998 - 12/31/2003 Extract: Logical
Reporting Level: 0 / Break after level(s): 1 / All Examiners
Annual Periods End: 12/31 / Open and Closed // Info Included / Pending Included

Claims Summary by Year - Sample

Page 1
February 12, 2004
10:29AM
Report Categories: AGIMODPR

As Of 02/11/2004
Activity Period: 02/11/2004 - 02/11/2004

All Insureds

Type	CLAIMS				ACTIVITY PERIOD		TOTALS THROUGH 2/11/2004				
	Open	Closed	Total	Leg.	Paid	Incurred	Paid	Reserves	Incurred	Recoveries	Net Incurred
Period Ending 12/31/1998											
Indemnity	23	127	150	9	\$485.78	\$116.93	\$4,840,165.40	\$2,488,266.58	\$7,339,431.98	\$41,000.00	\$7,298,431.98
Medical	0	134	134	1	\$0.00	\$0.00	\$60,997.61	\$0.00	\$60,997.61	\$0.00	\$60,997.61
Total	23	261	284	10	\$485.78	\$116.93	\$4,901,163.01	\$2,488,266.58	\$7,400,429.59	\$41,000.00	\$7,359,429.59
Period Ending 12/31/1999											
Indemnity	23	114	137	16	\$2,350.08	\$8.50	\$3,968,325.95	\$1,068,292.79	\$5,034,818.74	\$0.00	\$5,034,818.74
Medical	0	126	126	0	\$0.00	\$0.00	\$66,169.92	\$0.00	\$66,169.92	\$0.00	\$66,169.92
Total	23	240	263	16	\$2,350.08	\$8.50	\$4,032,495.87	\$1,068,292.79	\$5,100,988.66	\$0.00	\$5,100,988.66
Period Ending 12/31/2000											
Indemnity	33	108	141	21	\$1,981.07	\$25.50	\$3,352,230.57	\$942,842.43	\$4,295,073.00	\$1,500.00	\$4,293,573.00
Medical	0	147	147	1	\$0.00	\$0.00	\$65,494.35	\$0.00	\$65,494.35	\$0.00	\$65,494.35
Total	33	255	288	22	\$1,981.07	\$25.50	\$3,417,724.92	\$942,842.43	\$4,360,567.35	\$1,500.00	\$4,359,067.35
Period Ending 12/31/2001											
Indemnity	24	81	105	11	\$855.63	\$25.77	\$2,088,651.93	\$612,604.08	\$2,701,255.99	\$0.00	\$2,701,255.99
Medical	0	116	116	0	\$0.00	\$0.00	\$49,692.74	\$0.00	\$49,692.74	\$0.00	\$49,692.74
Total	24	197	221	11	\$855.63	\$25.77	\$2,138,344.67	\$612,604.08	\$2,750,948.73	\$0.00	\$2,750,948.73
Period Ending 12/31/2002											
Indemnity	46	42	88	29	\$5,199.61	\$7,591.46	\$1,710,646.37	\$1,474,665.44	\$3,185,311.81	\$0.00	\$3,185,311.81
Medical	0	70	70	0	\$0.00	\$0.00	\$25,371.81	\$0.00	\$25,371.81	\$0.00	\$25,371.81
Total	46	112	158	29	\$5,199.61	\$7,591.46	\$1,736,018.18	\$1,474,665.44	\$3,210,683.62	\$0.00	\$3,210,683.62
Period Ending 12/31/2003											
Indemnity	56	54	110	19	\$5,841.18	\$15,822.28	\$686,181.86	\$942,398.48	\$1,628,580.32	\$0.00	\$1,628,580.32
Medical	3	51	54	0	\$0.00	\$0.00	\$12,594.28	\$1,363.42	\$13,957.70	\$0.00	\$13,957.70
Total	59	105	164	19	\$5,841.18	\$15,822.28	\$698,776.14	\$943,761.90	\$1,642,538.02	\$0.00	\$1,642,538.02

Summary Report Extract: Logical
 All Pay Types Reported
 All Summary Types Reported
 Reporting Level: 0 / Break after level(s): 1
 All Insureds

Payment Type Totals - Sample

As Of 12/31/2003
 03/01/2003 Through 03/15/2003

Page 1
 February 11, 2004
 8:45PM

Report Categories: AGIMODPR
 Claim Status: Open and Closed

Pay Type	Description	Payments	Reversals / Reinstatements	Total Paid	Average
Reserve Summary Type I					
I100	Temporary Dis	13	0	10,899.78	838.44
I200	Permanent Dis	21	0	23,763.56	1,131.60
I210	Pda/Rehab Maint	3	0	2,690.90	896.97
I215	Stip Award	1	0	340.00	340.00
I220	Finding & Award	1	0	460.00	460.00
Totals - Summary Type I		39	0	\$38,154.24	\$978.31
Reserve Summary Type L					
L100	Defense Legal	53	0	16,418.88	309.79
L145	Legal Copy	13	0	929.19	71.48
L150	Legal Interpret	1	0	180.00	180.00
Totals - Summary Type L		67	0	\$17,528.07	\$261.61
Reserve Summary Type M					
M100	Attnd Physician	7	0	594.49	84.93
M101	Surgeon	1	0	792.54	792.54
M104	Chiropractor	4	0	1,129.81	282.45
M110	Hospital	1	0	10,471.32	10,471.32
M111	Hospital O/P	3	0	14,815.90	4,938.63
M113	Physical Thera	3	1	-620.86	-206.95
M115	Radiology Grp	3	0	645.64	215.21
M118	Drugs	2	0	373.86	186.93
M125	Medical Mgmt	15	0	6,390.00	426.00
M140	Medical Travel	12	0	1,585.15	132.93
M160	Med Interpreter	3	0	795.95	265.32
M165	Med/Copy	8	0	902.60	112.83
M176	MI 101	1	0	550.00	550.00
M179	MI 104	1	0	50.00	50.00
M190	Med Reim Clmt	1	0	10.00	10.00
M310	Med Cost Contai	2	0	2,790.00	1,395.00
Totals - Summary Type M		67	1	\$41,286.40	\$616.21
Reserve Summary Type O					
O30	Med Fee Review	17	0	8,339.35	490.55
V1	Investigation	3	0	2,934.75	978.25
Totals - Summary Type O		20	0	\$11,274.10	\$563.71
Reserve Summary Type R					
R13	1994 Rehab Cost	1	0	175.50	175.50
R50	Rehab: Indem	8	0	3,322.41	415.30
R70	Vrtd-Pen-Athens	1	0	160.82	160.82
R80	Rehab Vendor	7	0	1,989.00	284.14
Totals - Summary Type R		17	0	\$5,647.73	\$332.22

Summary Report Extract:Logical
All Pay Types Reported
All Summary Types Reported
Reporting Level: 0 / Break after level(s): 1

Payment Type Totals - Sample

As Of 12/31/2003
03/01/2003 Through 03/15/2003

Page 2
February 11, 2004
8:45PM

Report Categories: AGIMODPR
Claim Status: Open and Closed

<u>Pay Type</u>	<u>Description</u>	<u>Payments</u>	<u>Reversals / Reinstatements</u>	<u>Total Paid</u>	<u>Average</u>
Grand Totals		210	1	\$113,850.54	\$542.34

Athens Administrators

P.O. Box 696
Concord, CA 94522

Invoice Management Report

Client: ABC Company

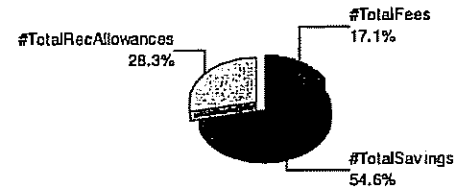
From Date: 02/01/08

To Date: 02/29/08

Bill Type	Bills Review	Billed Charges	FS/UCR Savings	Duplicate FS/UCR Savings	PPO Savings	Rec. Allowances	Bill Review Fees	PPO Fees	Total Fees
IN PATIENT HOSPITAL	1	\$92,896.64	\$71,169.25	\$0.00	\$0.00	\$21,727.39			
Pharmacy	2	\$45.30	\$0.00	\$0.00	\$0.00	\$45.30			
Reviewable Bill (Standard)	25	\$16,124.44	\$5,635.12	\$533.64	\$866.22	\$9,089.46			
ABC Company Totals:	28	\$109,066.38	\$76,804.37	\$533.64	\$866.22	\$30,862.15	\$0.00	\$0.00	\$0.00

Net

Gross Savings	% Gross Savings	Net Savings	% Net Savings
\$78,204.23	71.70%	\$59,519.06	54.57%



Athens Administrators

P.O. Box 696
Concord, CA 94522

Savings Summary

ABC Company

From Date: 02/01/08

To Date: 02/29/08

DCN	Patient Name	Date Reviewed	Claim #	Provider Tax ID #	Billed Charge	Bill Rev. Reduction	Bill Rev. Allow	PPO Reduction	Final Allow	Bill Review Cost	PPO Cost	Total Cost
888368	Doe, John	02/21/08	08000604	710936580	\$1,773.00	\$1,077.12	\$695.88	\$69.59	\$626.29			
886616	Doe, John	02/15/08	90520051	943377884	\$79.00	\$22.07	\$56.93	\$5.69	\$51.24			
886021	Doe, John	02/13/08	04000016	770577296	\$111.00	\$111.00	\$0.00	\$0.00	\$0.00			
887359	Doe, John	02/20/08	07003194	942728480	\$120.00	\$68.00	\$52.00	\$0.00	\$52.00			
887936	Doe, John	02/25/08	07003194	942728480	\$182.30	\$113.68	\$68.62	\$0.00	\$68.62			
881944	Doe, John	02/04/08	98270020	562422696	\$124.93	\$17.44	\$107.49	\$0.00	\$107.49			
884610	Doe, John	02/08/08	07000728	912154436	\$92,896.64	\$71,169.25	\$21,727.39	\$0.00	\$21,727.39			
884673	Doe, John	02/12/08	07000728	912154436	\$47.00	\$23.63	\$23.37	\$0.00	\$23.37			
883888	Doe, John	02/11/08	07000728	770034037	\$83.94	\$0.00	\$83.94	\$8.39	\$75.55			
886190	Doe, John	02/19/08	07000728	943166885	\$1,620.00	\$1,030.05	\$589.95	\$0.00	\$589.95			
885203	Doe, John	02/13/08	05000023	562422696	\$414.79	\$0.00	\$414.79	\$0.00	\$414.79			
888360	Doe, John	02/27/08	07000728	770034037	\$5,000.00	\$2,296.49	\$2,703.51	\$270.35	\$2,433.16			
887870	Doe, John	02/22/08	06002986	770034037	\$336.32	\$34.65	\$301.67	\$30.16	\$271.51			
887357	Doe, John	02/19/08	06002986	770034037	\$39.98	\$39.98	\$0.00	\$0.00	\$0.00			
884098	Doe, John	02/08/08	08000184	770037850	\$159.00	\$40.61	\$118.39	\$16.74	\$101.65			
882004	Doe, John	02/05/08	99270050	860943189	\$175.00	\$76.51	\$98.49	\$0.00	\$98.49			
882938	Doe, John	02/05/08	04000025	680498752	\$142.10	\$61.42	\$80.68	\$0.00	\$80.68			
884790	Doe, John	02/12/08	04000025	680498752	\$123.65	\$44.28	\$79.37	\$0.00	\$79.37			
885862	Doe, John	02/13/08	03000016	943395809	\$68.62	\$68.62	\$0.00	\$0.00	\$0.00			
887355	Doe, John	02/20/08	07000254	770508373	\$96.53	\$18.11	\$78.42	\$11.76	\$66.66			
885277	Doe, John	02/12/08	07000254	770399981	\$3,735.50	\$646.81	\$3,088.69	\$308.86	\$2,779.83			
885278	Doe, John	02/14/08	07000254	770508373	\$137.99	\$28.03	\$109.96	\$16.49	\$93.47			
884254	Doe, John	02/11/08	07000254	621770924	\$22.65	\$0.00	\$22.65	\$0.00	\$22.65			
884413	Doe, John	02/08/08	07000254	770399981	\$1,349.04	\$314.04	\$1,035.00	\$103.50	\$931.50			
889123	Doe, John	02/27/08	07000254	770399981	\$11.69	\$0.00	\$11.69	\$1.17	\$10.52			
889395	Doe, John	02/27/08	07000254	621770924	\$22.65	\$0.00	\$22.65	\$0.00	\$22.65			
888364	Doe, John	02/27/08	07000254	770508373	\$96.53	\$18.11	\$78.42	\$11.76	\$66.66			
887362	Doe, John	02/20/08	07000254	770508373	\$96.53	\$18.11	\$78.42	\$11.76	\$66.66			

Bill(s): 28

ABC Company Grand Total:

\$109,066.38

\$77,338.01

\$31,728.37

\$866.22

\$30,862.15

\$0.00

\$0.00

\$0.00

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3/19/2008

3:35:03PM

Page 1 of 1

Athens Administrators

P.O. Box 696
Concord, CA 94522

Savings Summary Report

ABC Company - ABC

From Date: 02/01/08

To Date: 02/29/08

PPO Name	PPO Bills	IP PPO Savings	All Other Bills PPO Savings	PPO Fees
Non-PPO	0	\$0.00	\$0.00	\$0.00
First Health	13	\$0.00	\$866.22	\$0.00
Total:	13	\$0.00	\$866.22	\$0.00

Total Bills Reviewed: 28

Total Lines Reviewed: 91

Total PPO Bills: 13

PPO Hits Percentage: 46.43%

Billed Charges: \$109,066.38

FS/UCR Savings: \$76,804.37 70.42%

Duplicate FS/UCR Savings: \$533.64 0.49%

Total PPO Savings: \$866.22 0.79%

Total Savings: \$78,204.23 71.70%

Rec. Allowance: \$30,862.15

Review Fees: \$0.00

PPO Fees: \$0.00

Total Fees: \$0.00

Gross Inpatient Hospital PPO Savings 0.00 0.00%.

Total Fees of 0.00 represent 23.89% of the Total Reductions.

Total Net Savings: 54.57%.

Northern California County – Sample Stewardship Report
Self-Insured Workers' Compensation Program

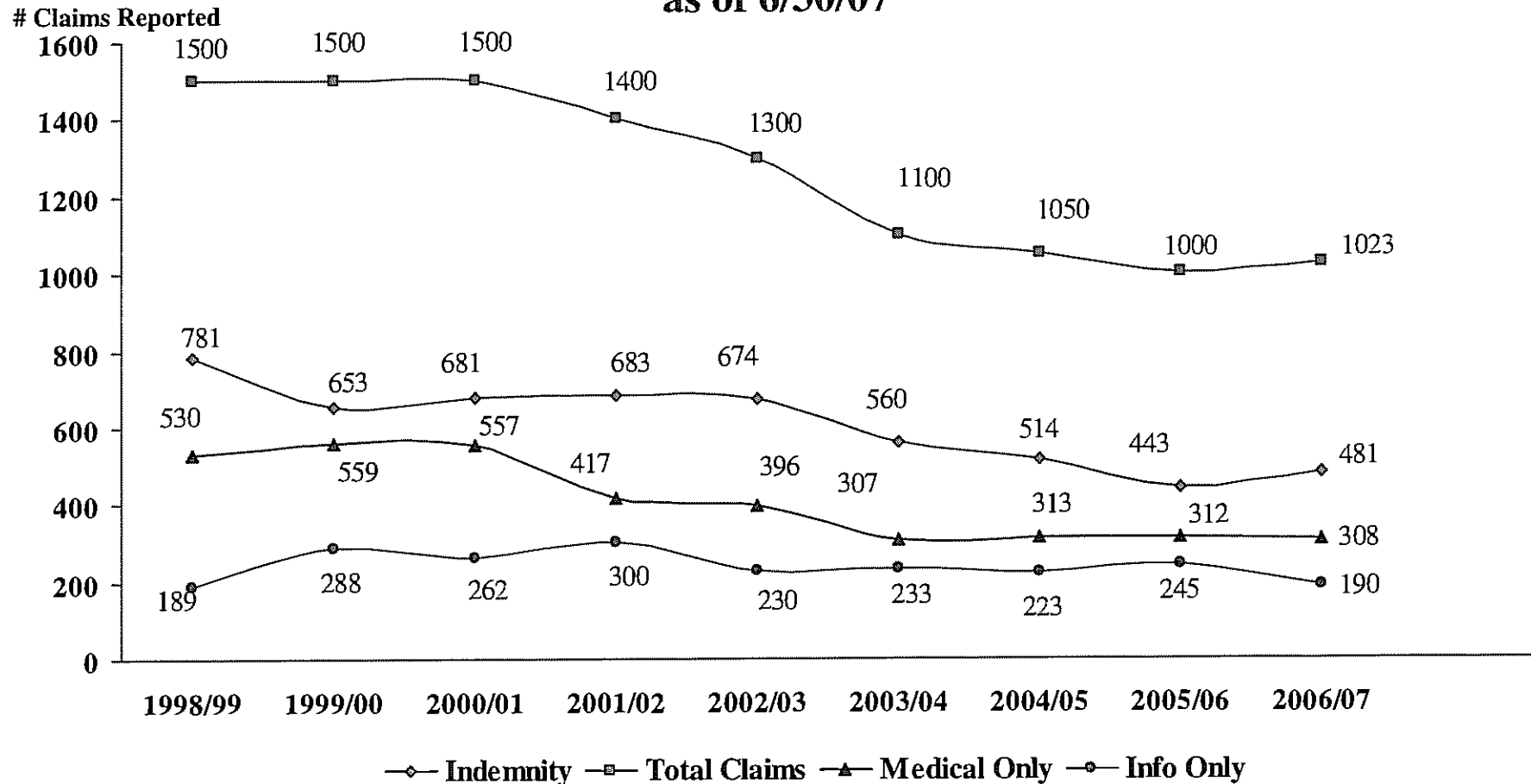
Fiscal Year: July 1, 2006 to June 30, 2007

Presented By:
 **Athens Administrators**
SUPERIOR SERVICE ▶ SUPERIOR RESULTS

Northern California County

Historical Annual Claims Reported Fiscal Year: 7/1 through 6/30

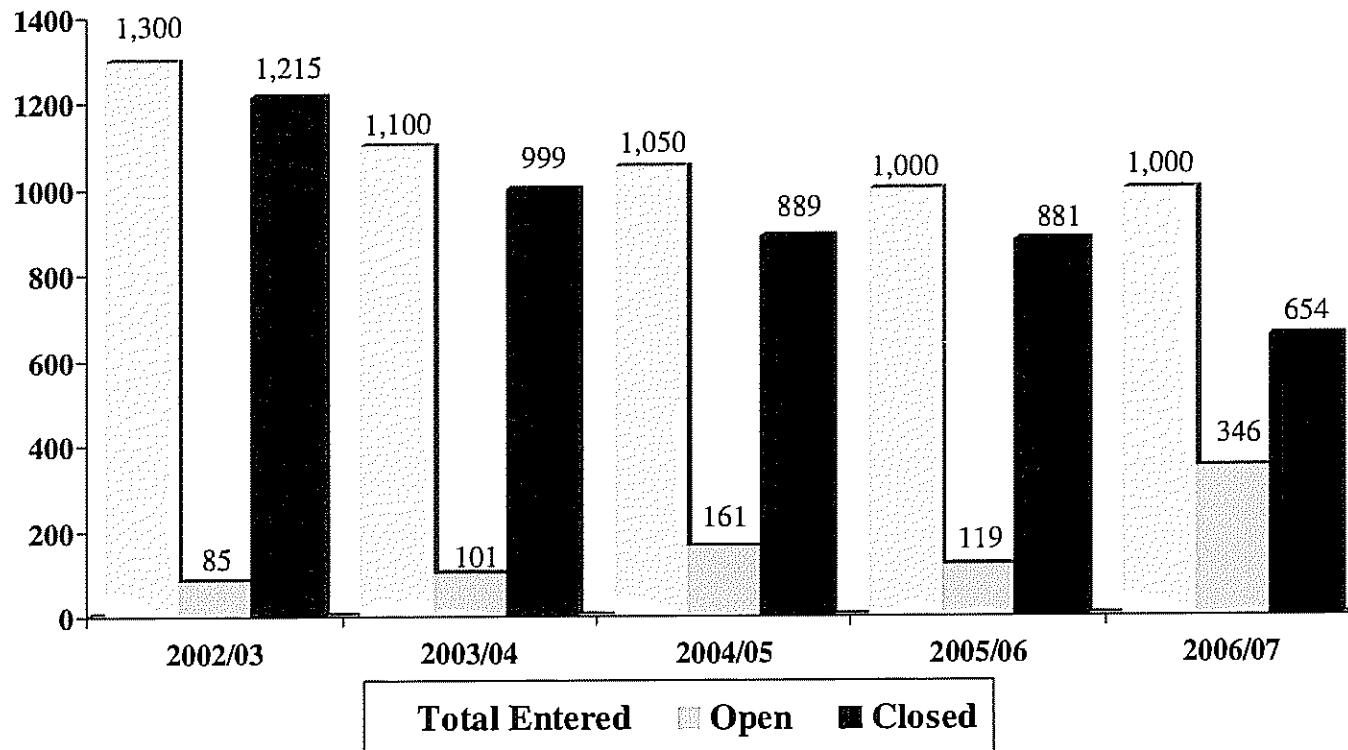
as of 6/30/07



Total claims reported increased by 2.3% (23 claims). Indemnity claims were up by 38 claims or 8.6%.
Medical Only claims were up by 1% (3 claims) and Info Only claims decreased by 7.3% (-18 claims).

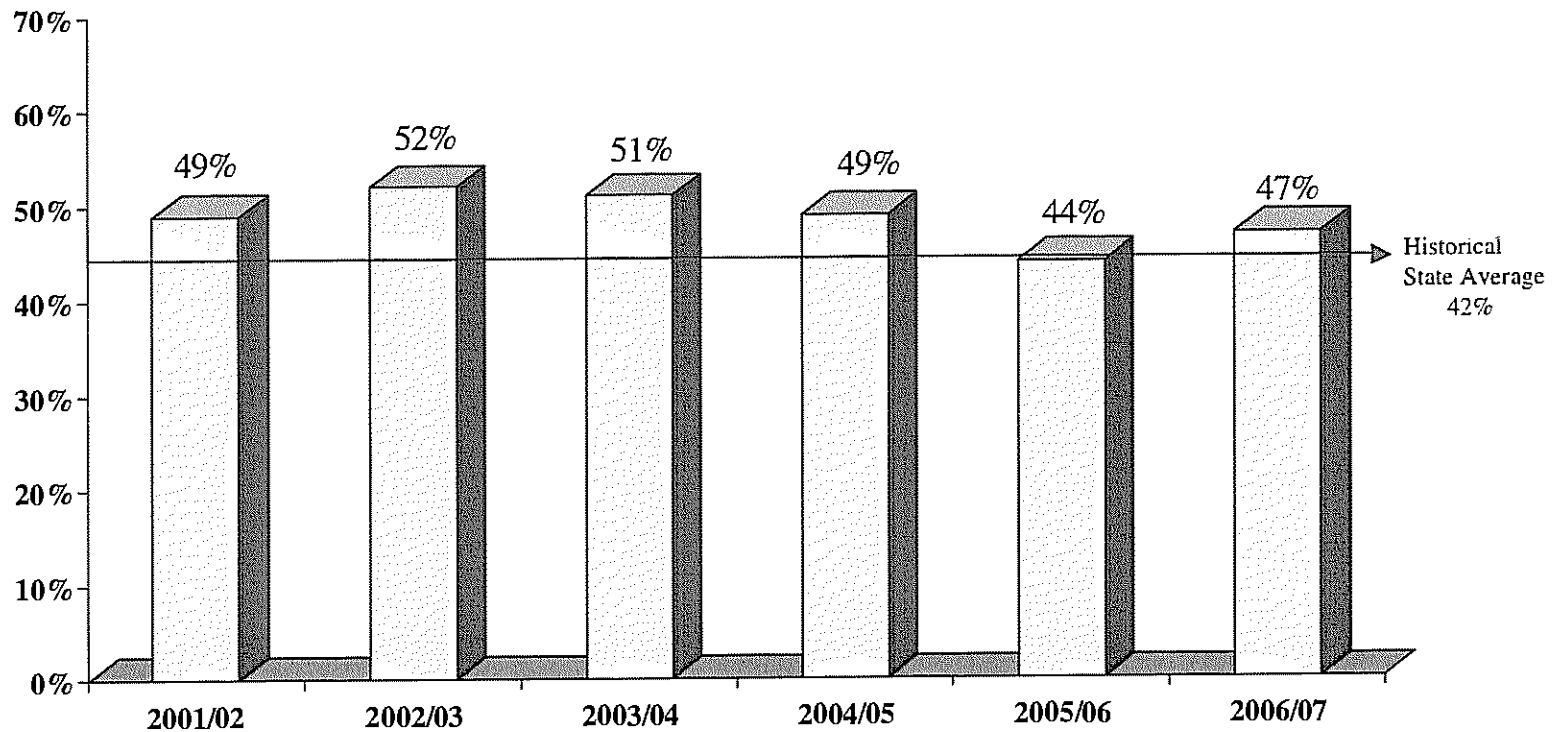
Northern California County

Claim Inventory as of 6/30/07



Northern California County

Indemnity Claim Percentage of Total Claims Entered Each Fiscal Year Valued as of 6/30/07

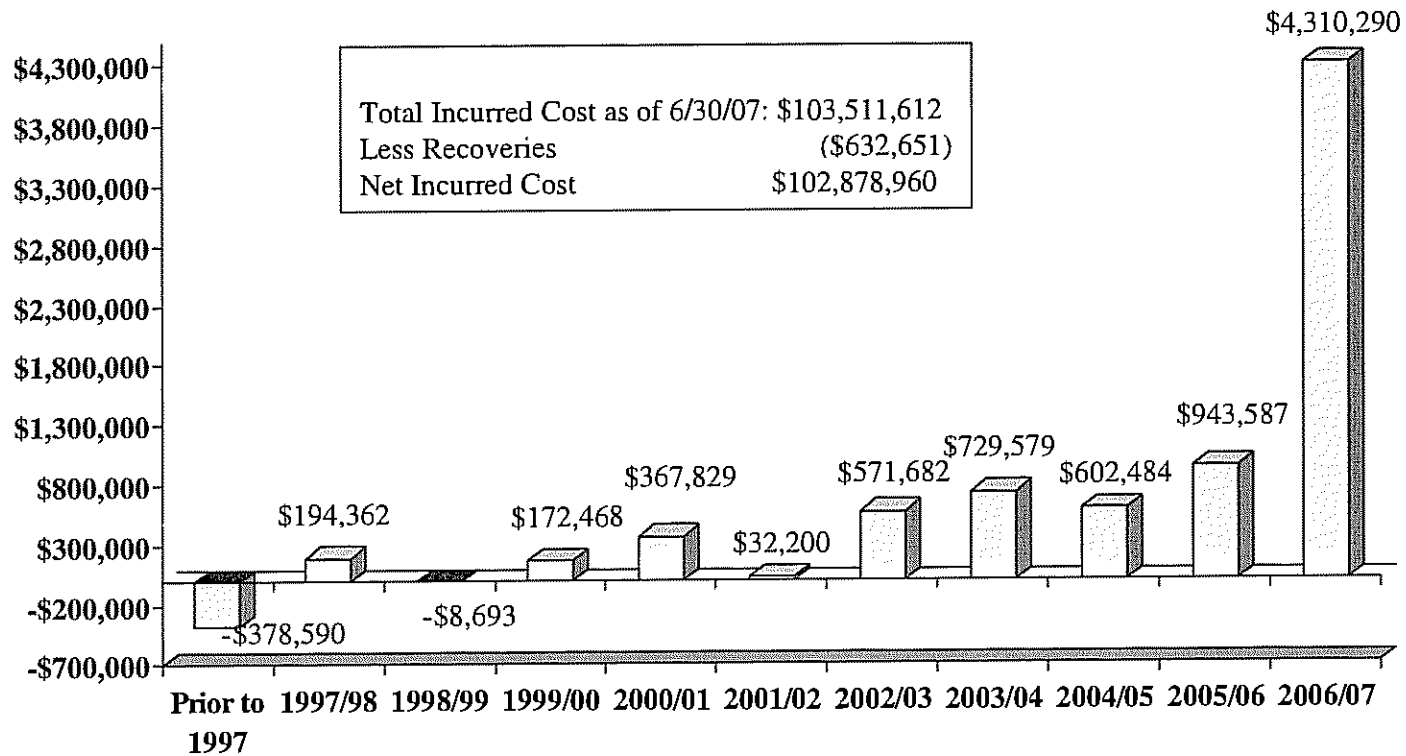


The percentage of your claims that qualify as Indemnity claims continue to drop nicely.

Northern California County

Total Incurred Costs of All Claims

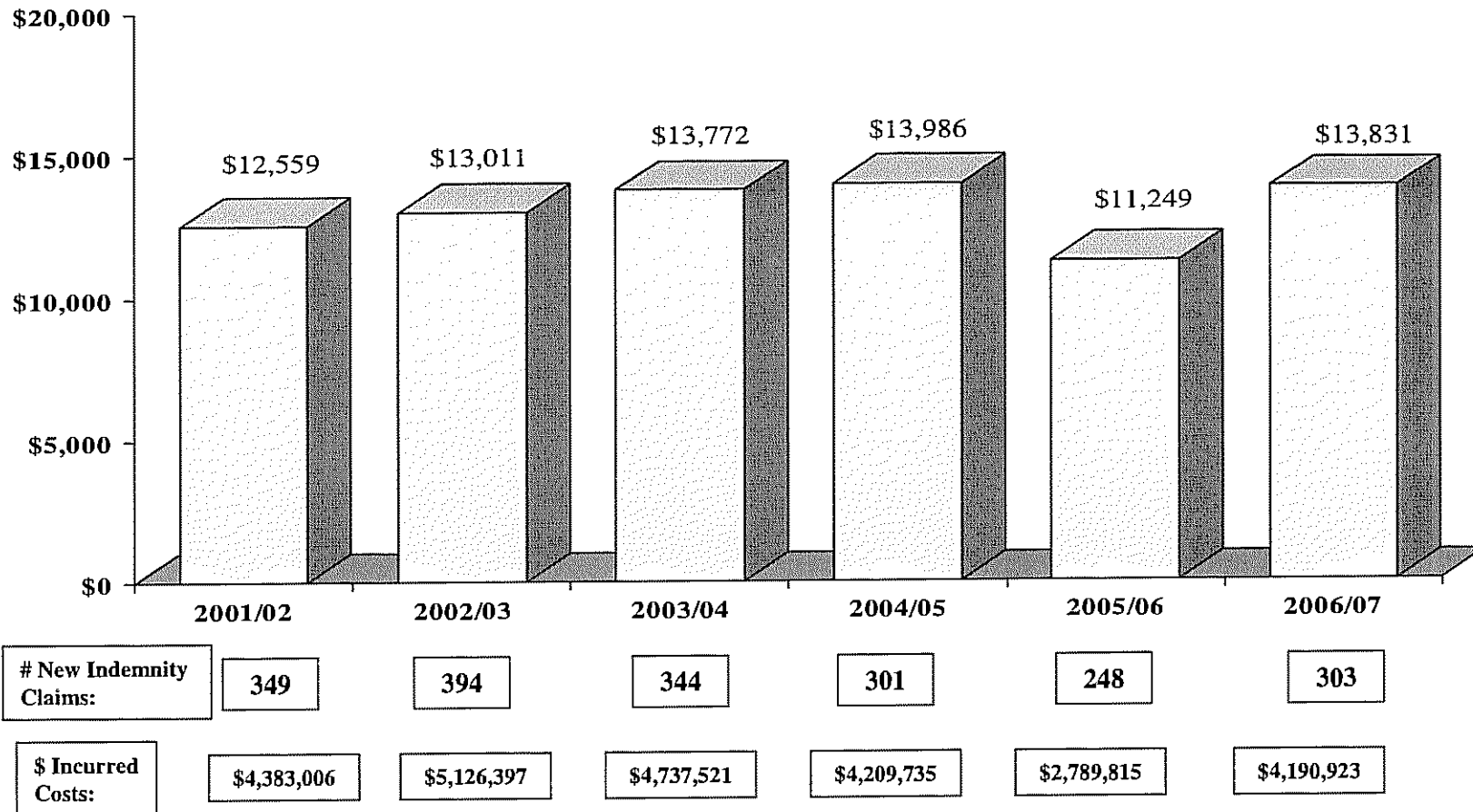
Valued as of 6/30/07



Northern California County

Average Incurred Cost per Indemnity Claim

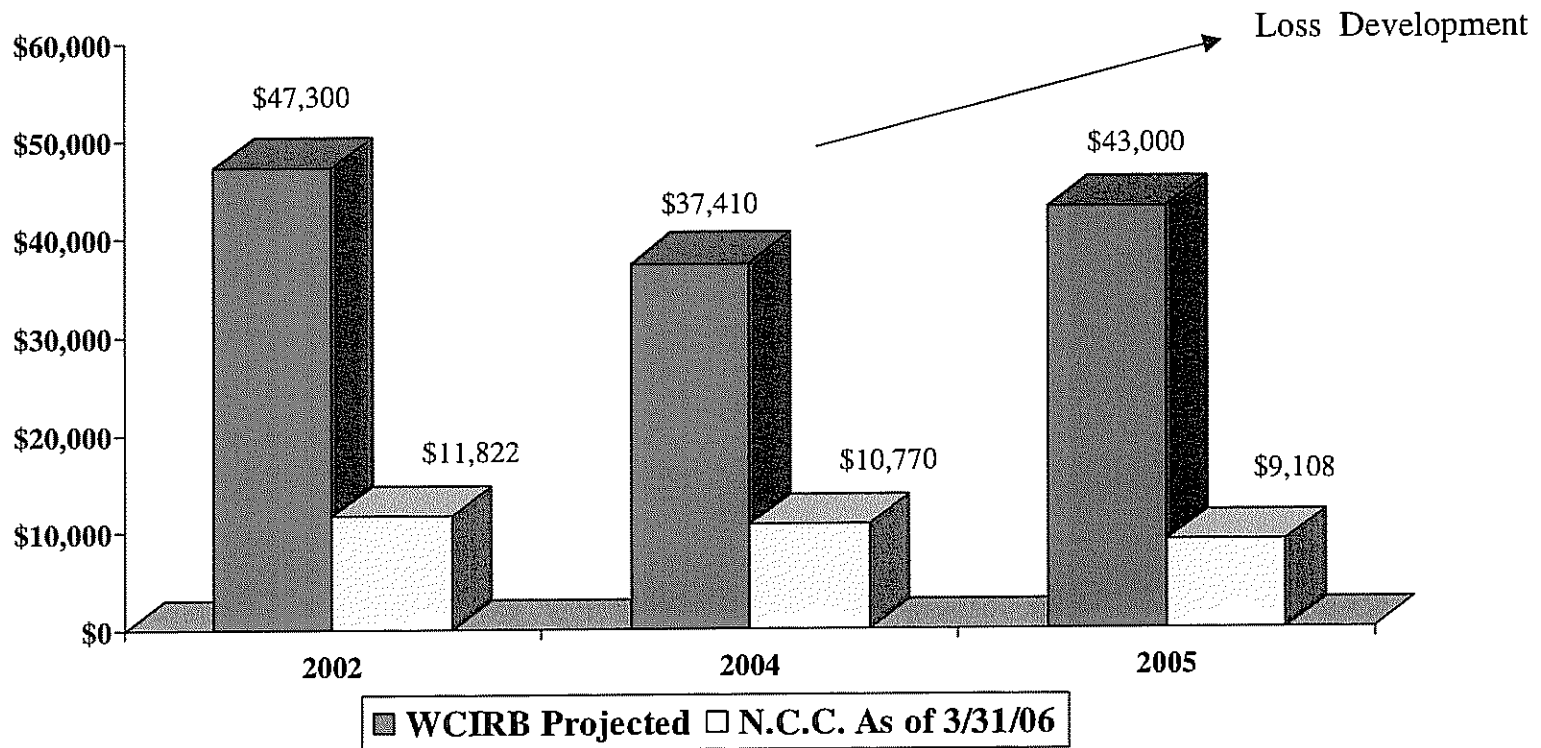
Valued as of June 30th of Each Year End



The average incurred cost per new Indemnity claim, valued as of each year end, has increased by 23%.

Northern California County

Comparison to WCIRB Projected Ultimate Average Cost per Indemnity Claim*

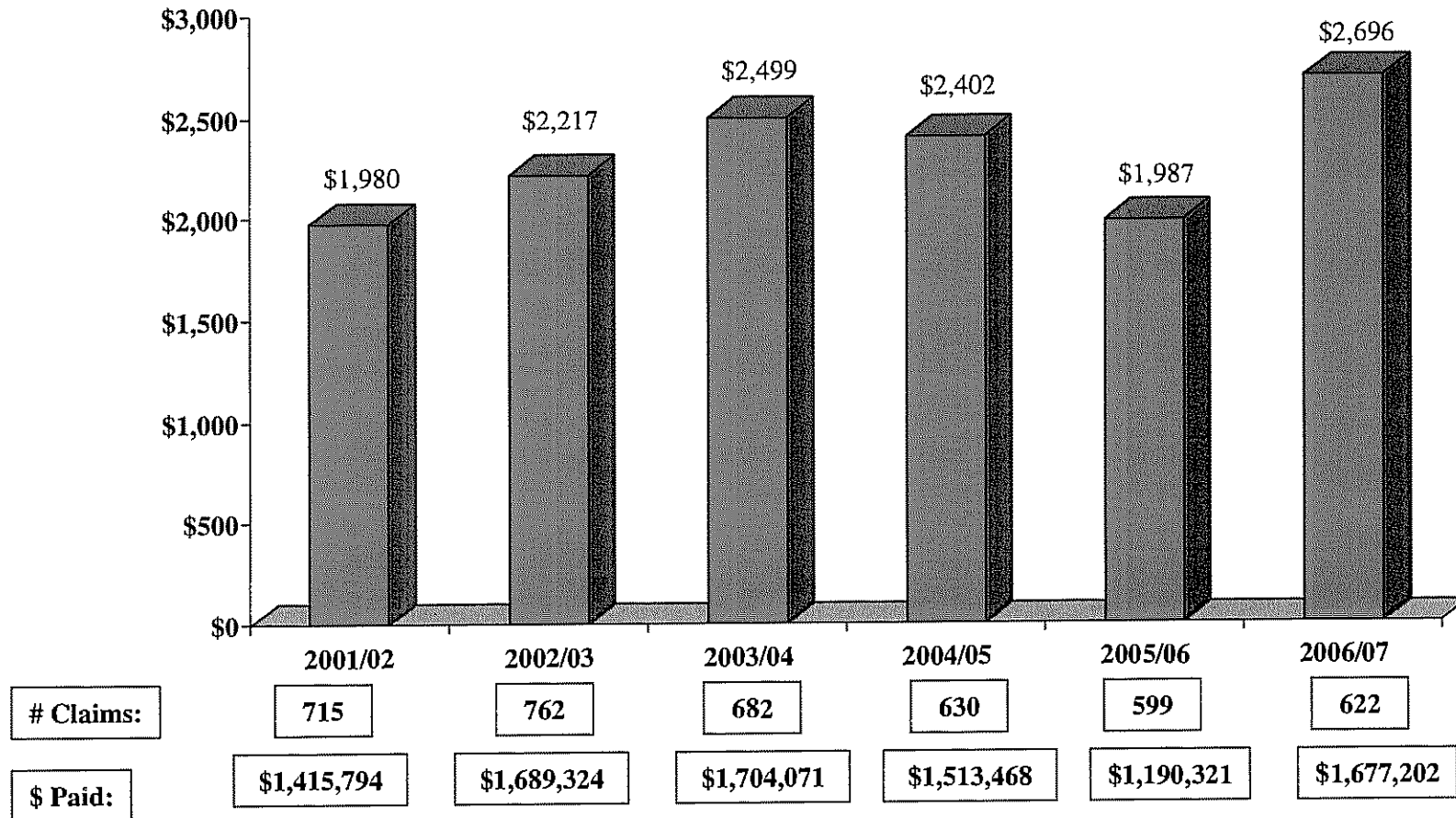


Your average incurred cost per Indemnity claim compares very favorably with the Workers' Compensation Insurance Rating Bureau's latest actuarial projections of ultimate probable cost for claims during the years 2002, 2004 and 2005.

*Benefit analysis comparison. Excludes legal & investigative costs
Source: WCIRB 3/31/06 (WCIRB report does not include data for 2003)

Northern California County

Average Paid Cost per Claim Valued as of June 30th of Each Year

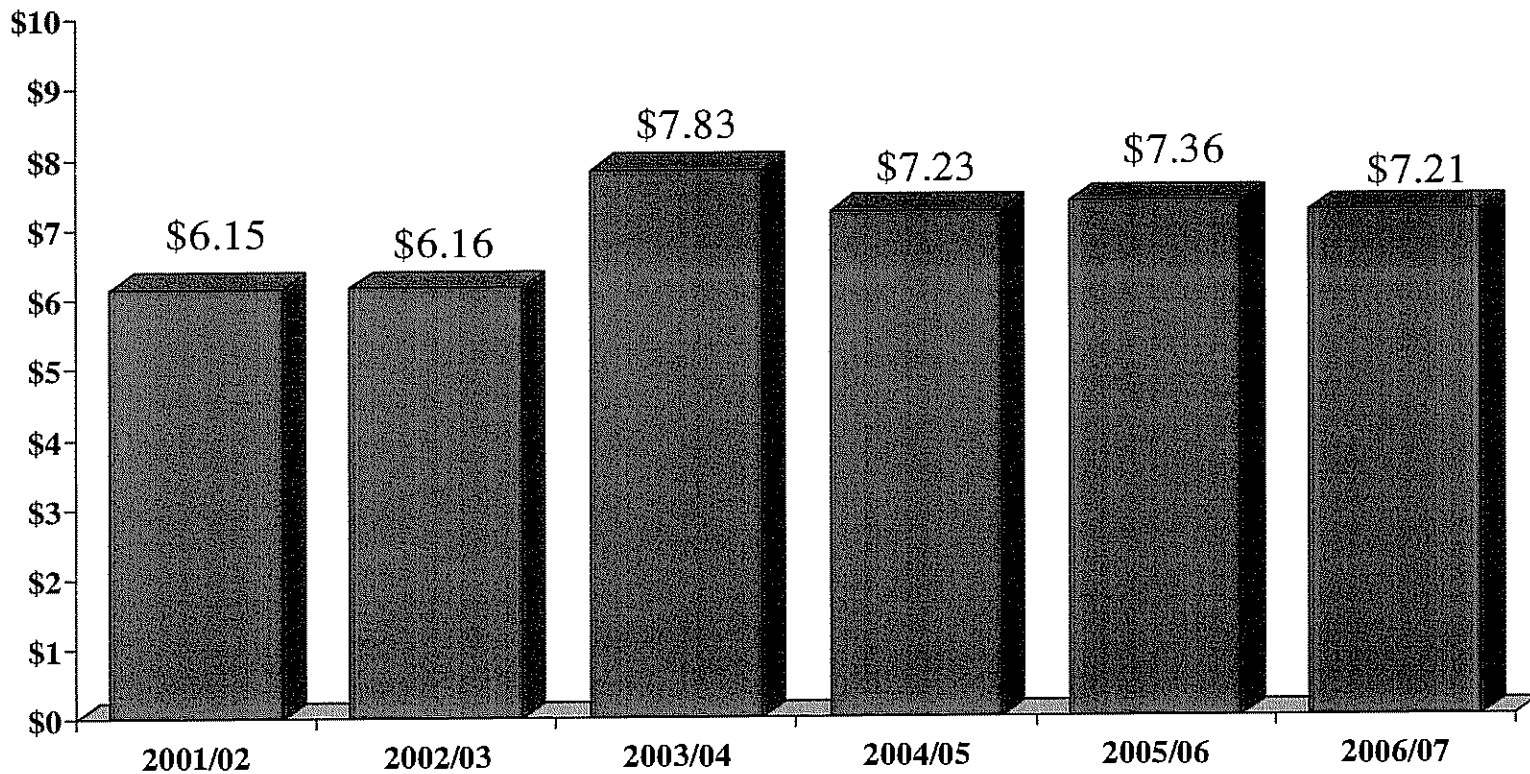


The average paid cost per new claim increased by 41% in the 2006/07 fiscal year

Northern California County

Annual \$ Payout on All Years' Claims

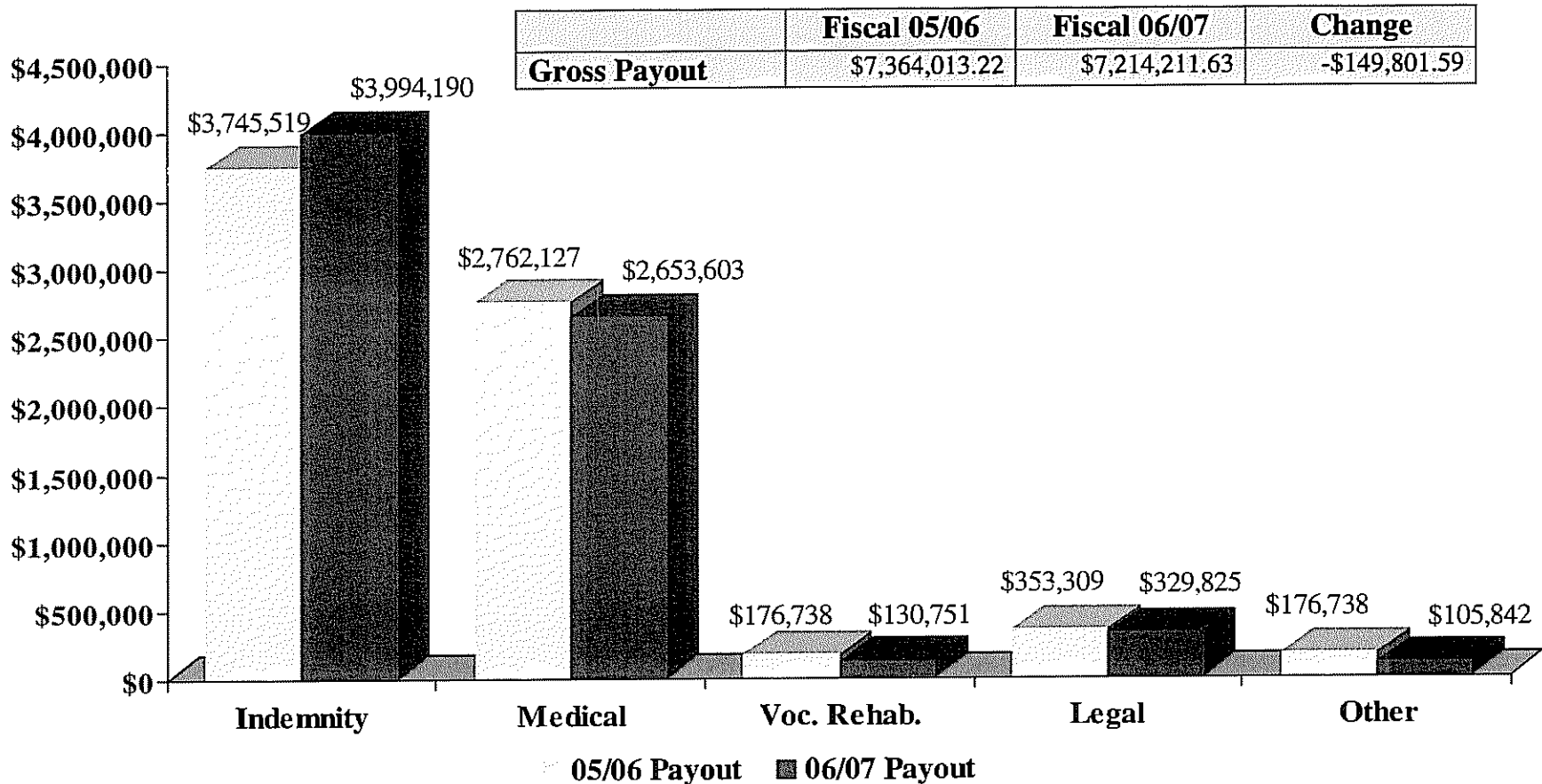
(In Millions)



Gross annual payout, or cash flow, decreased by \$149,801.59 in 2006/07 as compared to 2005/06.

Northern California County

Annual \$ Payout on All Years' Claims Fiscal 05/06 vs. 06/07



Indemnity payments increased slightly while payments in all other categories were down, for a total decrease of \$149,801.50

Northern California County

Claim Cost Detail Comparison

Fiscal 05/06 vs. 06/07

Valued as of 6/30 of Each Year End

(1) Paid Cost Comparison

Category	(599 Claims) \$ Paid 05/06	(622 Claims) \$ Paid 06/07	\$ Change	% Variance
Permanent Disability	\$20,413	\$49,389	+ \$28,976	+ 142%
4850 Benefits	\$77,219	\$160,393	+ \$83,174	+ 108%
Temporary Disability	\$612,229	\$872,387	+ \$260,158	+ 42%
Medical	\$460,020	\$600,924	+ \$140,904	+ 31%
Vocational Rehabilitation	\$0	\$247	+ \$247	N/A
Legal	\$7,267	\$12,556	+ \$18,289	+ 252%
Other	\$13,174	\$17,013	+ \$3,839	+ 29%
Total	\$1,190,321	\$1,712,910	+ \$522,589	+ 44%
Average Paid Cost Per Claim	\$1,987	\$2,754	+ \$767	+ 39%

A paid at year-end comparison of 2005/06 claims with 2006/07 claims shows a 44% increase (up by \$522,589).

Northern California County

Claim Cost Detail Comparison

Fiscal 05/06 vs. 06/07 Valued as of 6/30 of Each Year End

(2) Incurred Cost Comparison

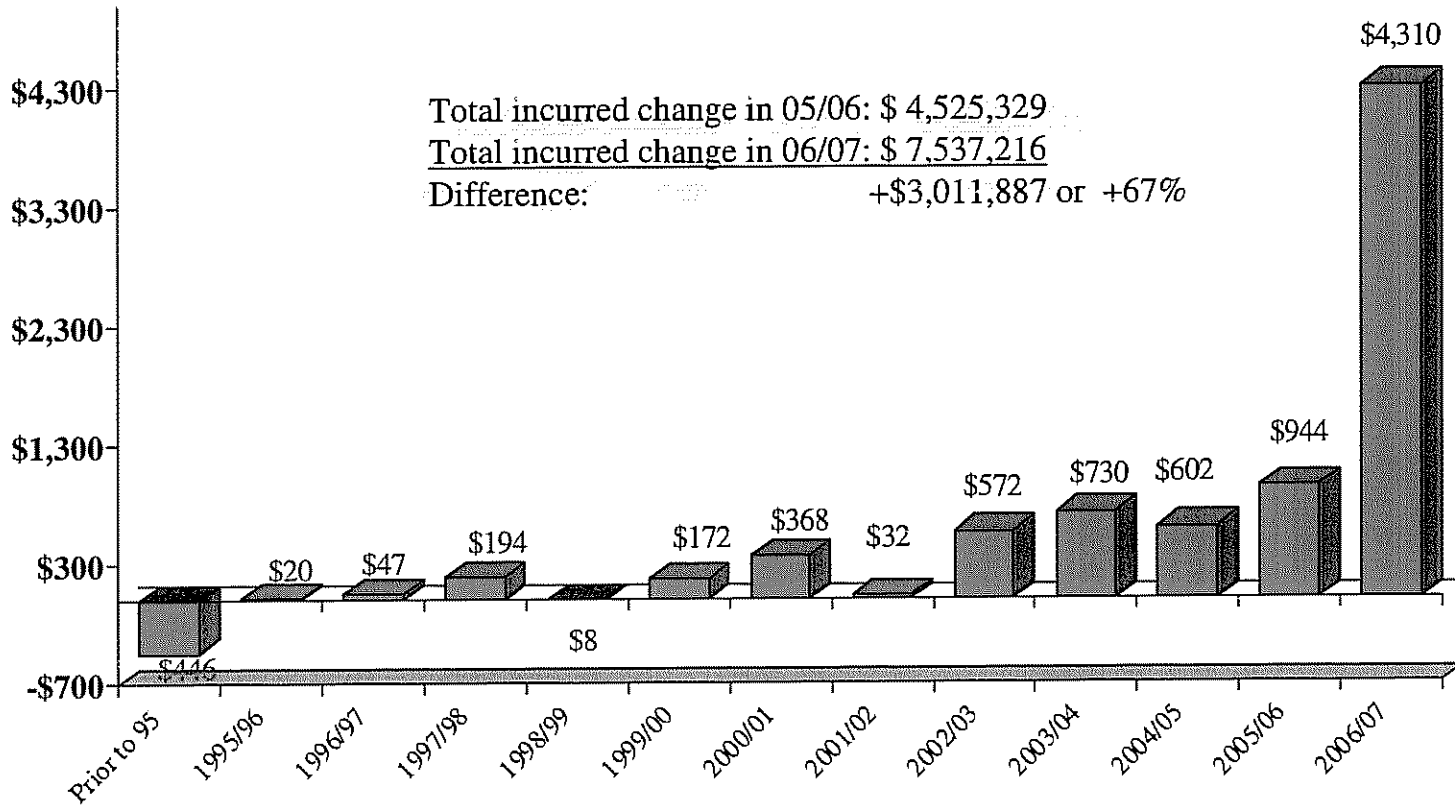
Category	(599 Claims) \$ Incurred 05/06	(622 Claims) \$ Incurred 06/07	\$ Change	% Variance
Permanent Disability	\$201,037	\$333,107	+ \$132,070	+ 66%
4850 Benefits	\$167,767	\$220,723	\$52,956	+ 32%
Temporary Disability	\$896,156	\$1,210,842	+ \$314,686	+ 35%
Medical	\$1,590,571	\$2,355,832	+ \$765,261	+ 48%
Vocational Rehabilitation	\$10,000	\$52,000	+ \$42,000	+ 420%
Legal	\$20,291	\$78,640	+ \$58,349	+ 288%
Other	\$65,253	\$59,146	-\$6,107	-9%
Total	\$2,951,077	\$4,310,290	+ \$1,359,213	+ 46%
Average Incurred Cost Per Claim	\$4,927	\$6,930	+ \$2,003	+ 41%

A comparison of incurred costs at each program year-end reveals a 46% increase (up \$1,359,213).

Northern California County

Loss Development in 2006/07 by Claim Entry Year

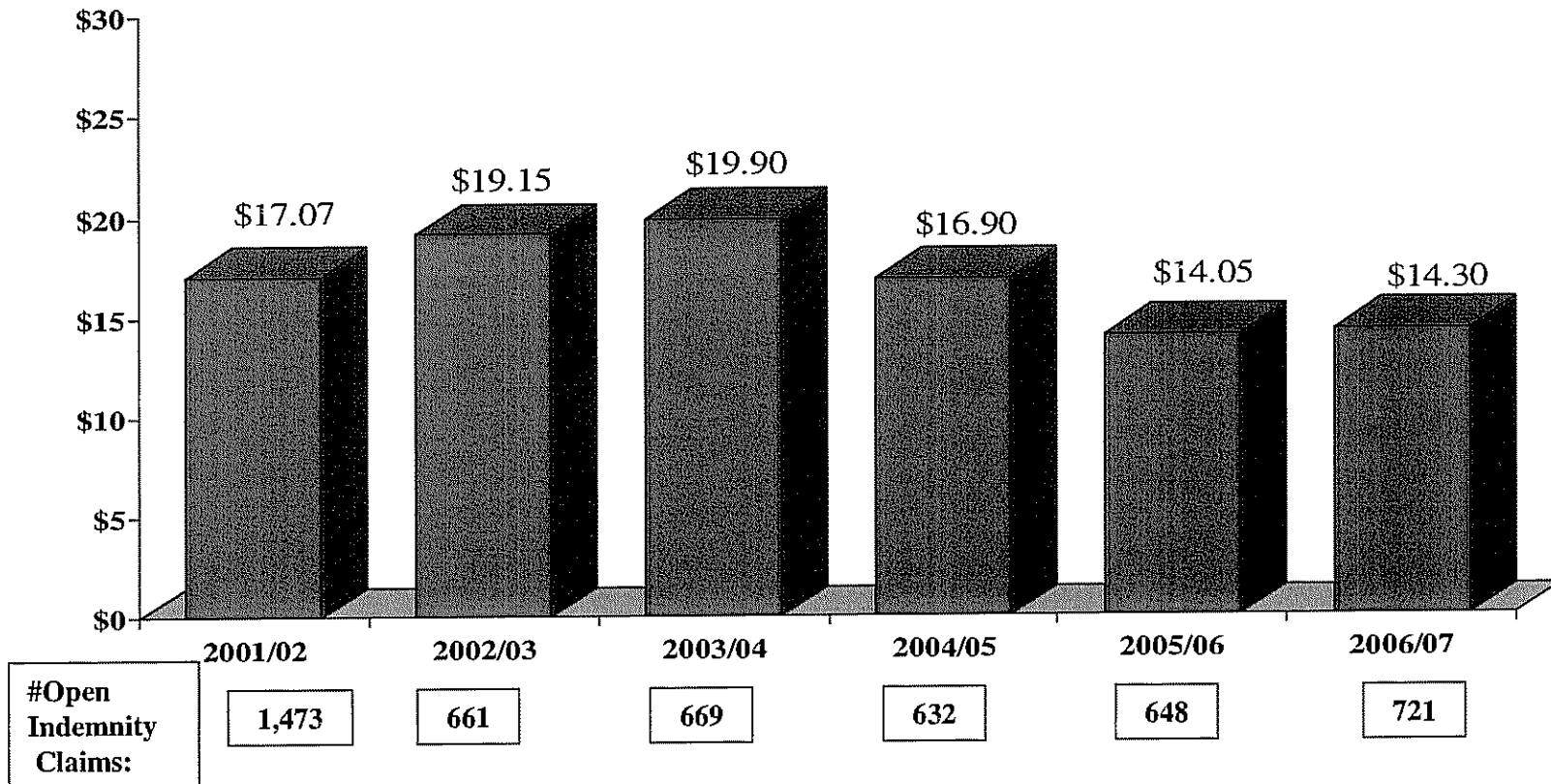
(in Thousands)



Northern California County

Outstanding Liabilities (“Reserves”) as of June 30th of Each Year End

(In Millions)



Outstanding liabilities (claim “reserves”) remained fairly steady in 2006/07 as compared to 2005/06.

Northern California County

Claim Severity

High Value (\$50,000+) Claims

From Inception of Program (7/1/88)

As of 6/30/06

# of \$50,000+ Claims	Total Incurred Cost	Average Cost Per Claim
543 (289 open)	\$61,347,970	\$112,980

As of 6/30/07

# of \$50,000+ Claims	Total Incurred Cost	Average Cost Per Claim
580 (299 open)	\$67,090,593	\$115,673

- 6.8% increase in # of high value claims
- 9.4% increase (\$5,742,623) in total incurred costs of high value claims
- 93%, (\$62,394,251), of the total increase is due to loss development in pre-06/07 Claims
- Average cost per high value claim remained fairly constant

Northern California County
Claims and Costs for Operations
Fiscal 05/06 vs. Fiscal 06/07
Valued as of June 30th of Each Year End

Department	05/06 # Claims	06/07 # Claims	Change	%	05/06 Costs	06/07 Costs	\$ Change	%
Repair	10	5	N/C	N/C	\$13,559	\$31,428	+17,869	+131%
Admin	3	0	-3	-100%	\$30,600	\$0	-\$30,600	N/A
Trucking	53	53	N/C	N/C	\$167,172	\$342,937	+\$175,765	+105%
Budget	2	2	N/C	N/C	\$959	\$19,014	+\$18,055	+1882%
Transport	46	50	+4	+10%	\$270,740	\$333,458	+\$62,718	+23%
Design/Const.	0	1	+1	N/A	\$0	\$19,294	+\$19,294	N/A
Electronic Repair	3	2	-1	-33%	\$15,148	\$641	-\$14,507	-2263%
Facilities Maintenance	15	22	+7	+46%	\$66,111	\$157,334	+\$91,223	+137%
Tracy	16	16	N/C	N/C	\$102,747	\$634,150	+\$531,403	+517%
Tracy Repair	10	10	N/C	N/C	\$19,522	\$158,067	+\$138,545	+709%
Office	14	14	N/C	N/C	\$113,947	\$42,600	-\$71,347	-62%
Maintenance Support	1	0	-1	-100%	\$0	\$0	N/C	N/C
Trimmers	70	88	+18	+25%	\$199,768	\$317,014	+\$117,246	+58%
Non-Revenue	3	3	N/C	N/C	\$5,881	\$920	-\$5,789	-98%
Control	1	2	+1	+50%	\$3,170	\$1,044	-\$2,126	-67%
Support & Review	2	2	N/C	N/C	\$204	\$67,420	+\$67,216	+32,949%

Northern California County
Claims and Costs for Operations
Fiscal 05/06 vs. Fiscal 06/07
Valued as of June 30th of Each Year End

Department	05/06 # Claims	06/07 # Claims	Change	%	05/06 Costs	06/07 Costs	\$ Change	%
Training	1	0	-1	-100%	\$15,000	\$0	-\$15,000	-100%
Power Maint.	22	29	+7	+41%	\$280,804	\$135,299	-\$145,505	-51%
Quality Assurance	3	3	N/C	N/C	\$25,260	\$19,427	-\$16,907	-66%
Repair X	34	30	-4	-11%	\$234,814	\$242,576	+\$7,762	+3%
Stock & Shops	85	72	-13	-15%	\$340,347	\$501,108	+\$160,761	+47%
Staffing Services	6	7	+1	+16%	\$24,579	\$22,831	-\$1,748	-7%
Systems Engineering	0	1	+1	+100%	\$0	\$1,000	+\$1,000	+100%
Systems Maintenance	19	14	-5	-26%	\$82,835	\$91,329	+\$8,493	+10%
Technical Training	1	0	-1	-100%	\$64,256	\$0	-\$64,256	-100%
Structures	16	24	+8	+50%	\$121,486	\$96,761	-\$24,725	+20%
Transportation	0	2	+2	N/A	\$0	\$80,748	+\$80,749	N/A
Totals	436	453	+17	+3%	\$2,206,964	\$3,355,121	+\$1,148,157	+52%

Northern California County

Claims and Costs by Department

Fiscal 05/06 vs. Fiscal 06/07

Valued as of 06/30 of Each Year End

Department	05/06 #Claims	06/07 #Claims	Change	%	05/06 Costs	06/07 Costs	Change	%
Administration	15	13	-2	-13%	\$100,689	\$48,417	-\$52,272	-52%
Communications	0	9	9	900%	\$0	\$23,134	\$23,134	100%
Finance	13	11	-2	-15%	\$113,807	\$147,196	\$33,389	-29%
Planning/Budget	1	0	-1	-100%	\$43,600	\$0	-\$43,600	-100%
HR	1	0	-1	-100%	\$645	\$0	-\$645	-100%
Legal	1	5	4	400%	\$203	\$27,000	\$26,797	13200%
Maintenance/ Public Works	270	267	-3	-1%	\$1,246,587	\$985,310	-\$261,277	-21%
Sheriffs	406	399	-7	-2%	\$2,263,559	\$1,221,654	-\$1,041,905	-46%
Fire	275	307	32	12%	\$532,188	\$490,868	-\$41,320	-8%
Library	0	2	2	200%	\$0	\$198	\$198	100%
Theater	2	1	-1	-50%	\$1,041	\$0	-\$1,041	-100%
Pools	6	6	N/C	N/C	\$453	\$300	-\$153	-34%
Transport.	6	3	-3	-50%	\$16,648	\$7,000	-\$9,648	-58%
Totals	1000	1023	-32	-3%	\$4,319,420	\$2,951,077	-\$1,368,343	-32%

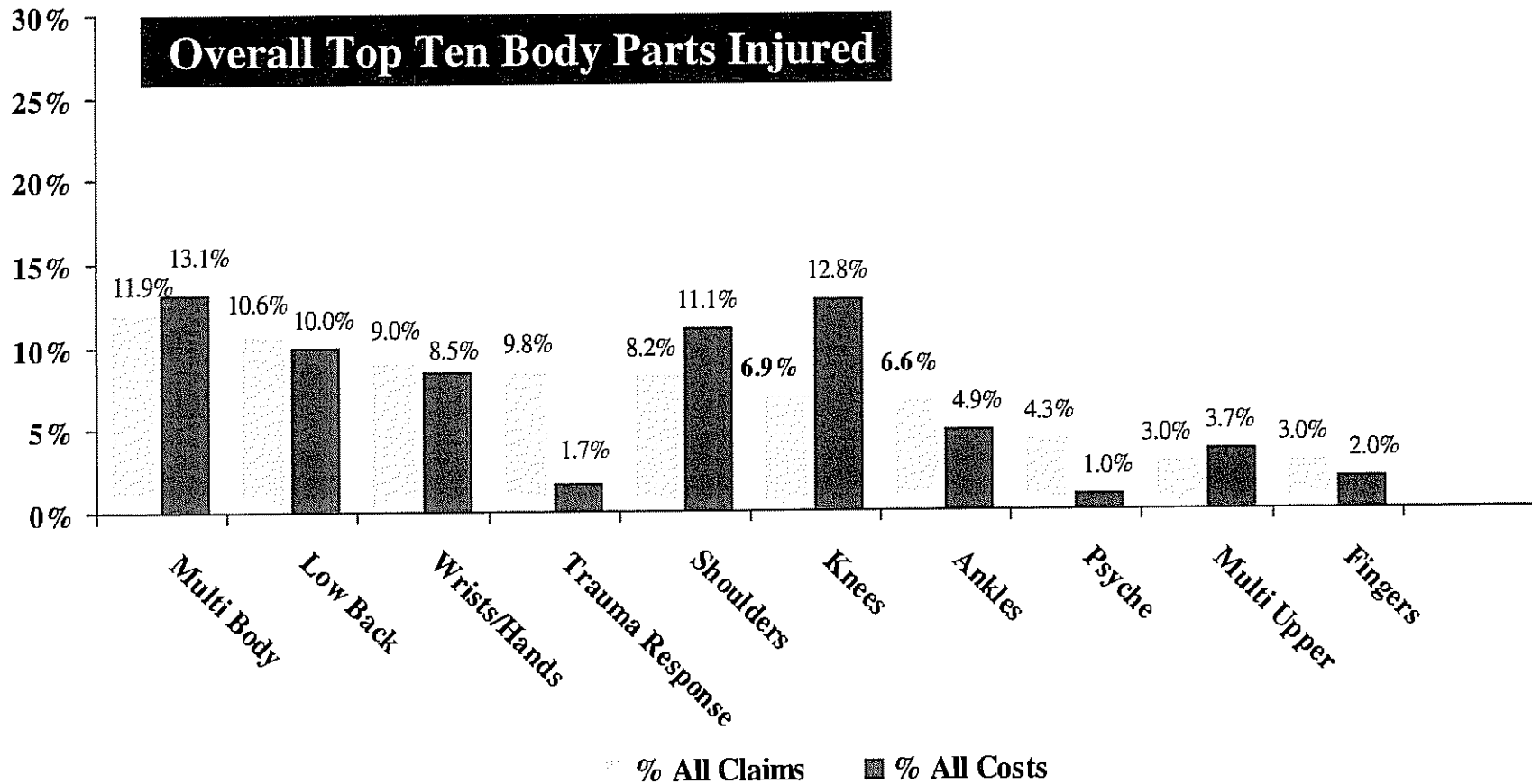
Sheriffs, accounting for the majority of the claims, reduced the number of claims reported by 2% and the cost of those claims by 46%. Overall, there were 3% fewer claims and a 32% reduction in costs.

Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

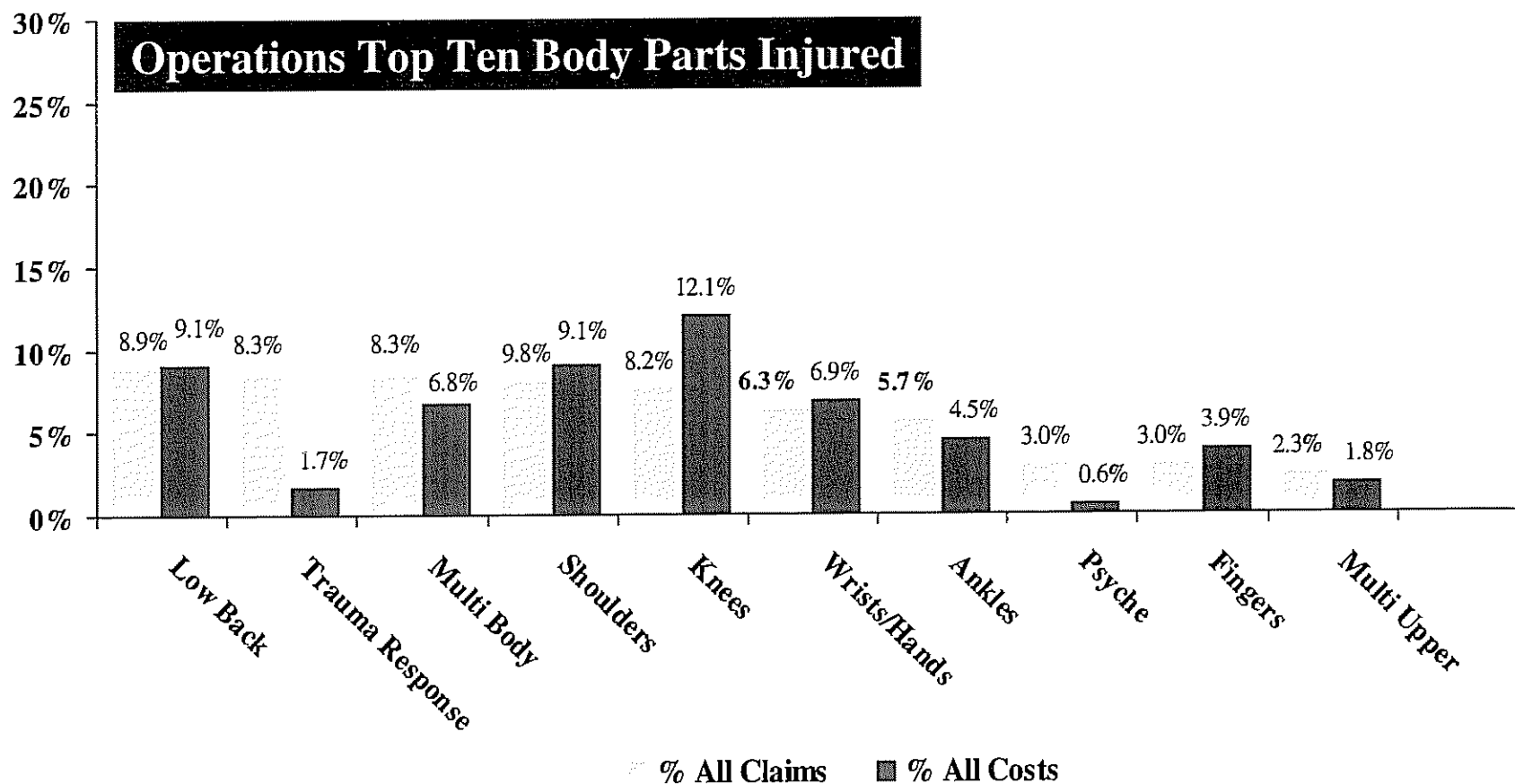


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

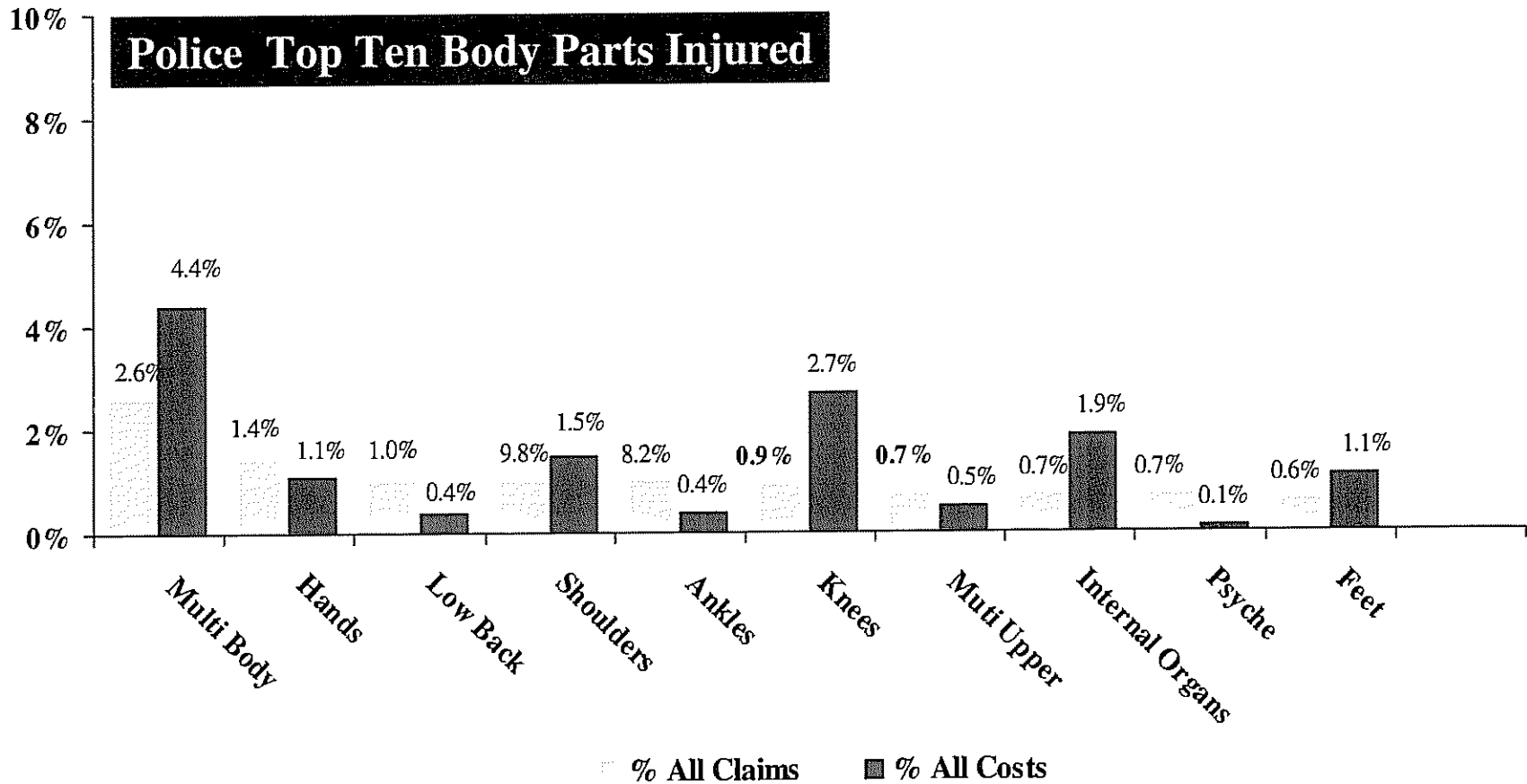


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

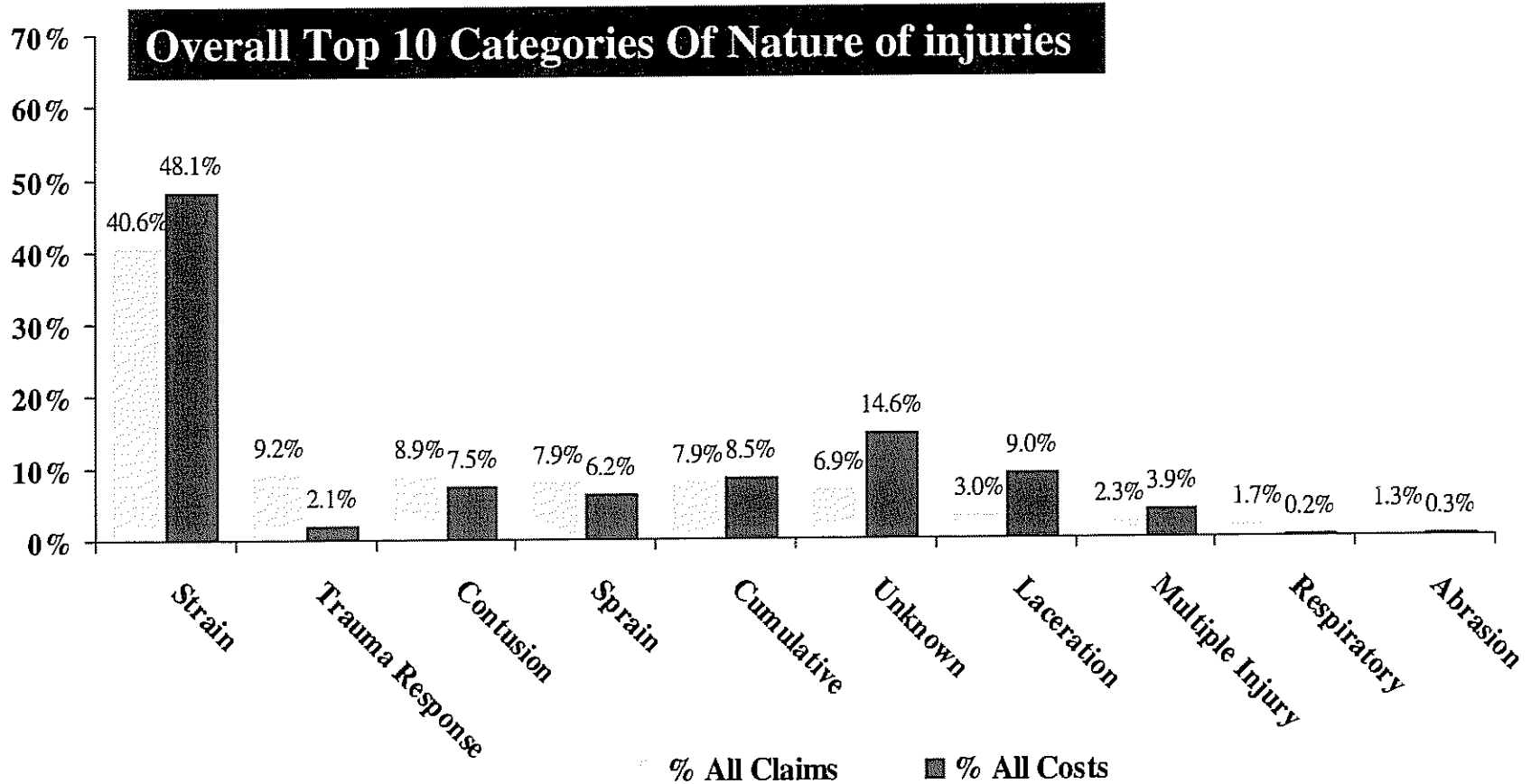


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

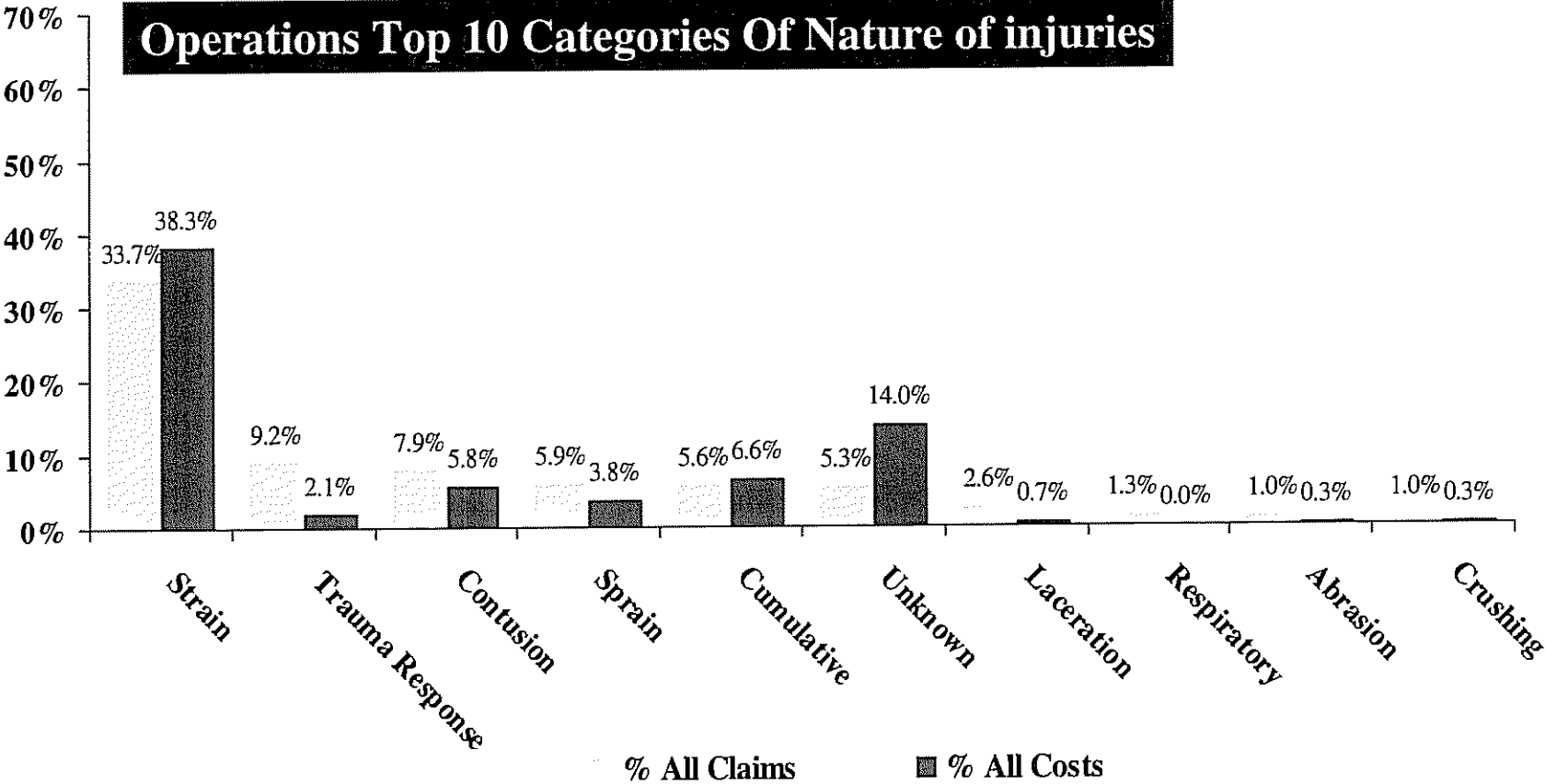


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

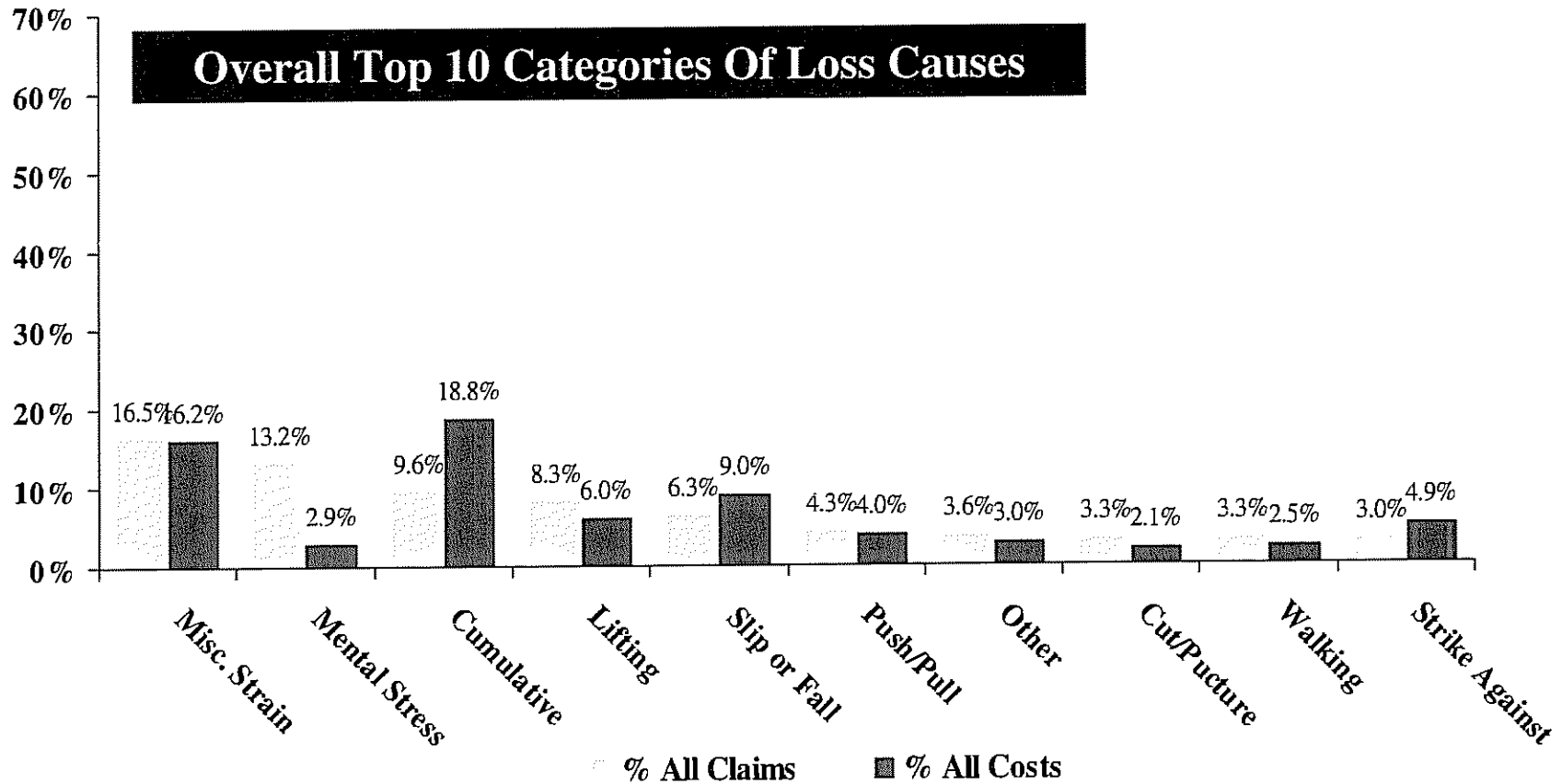


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

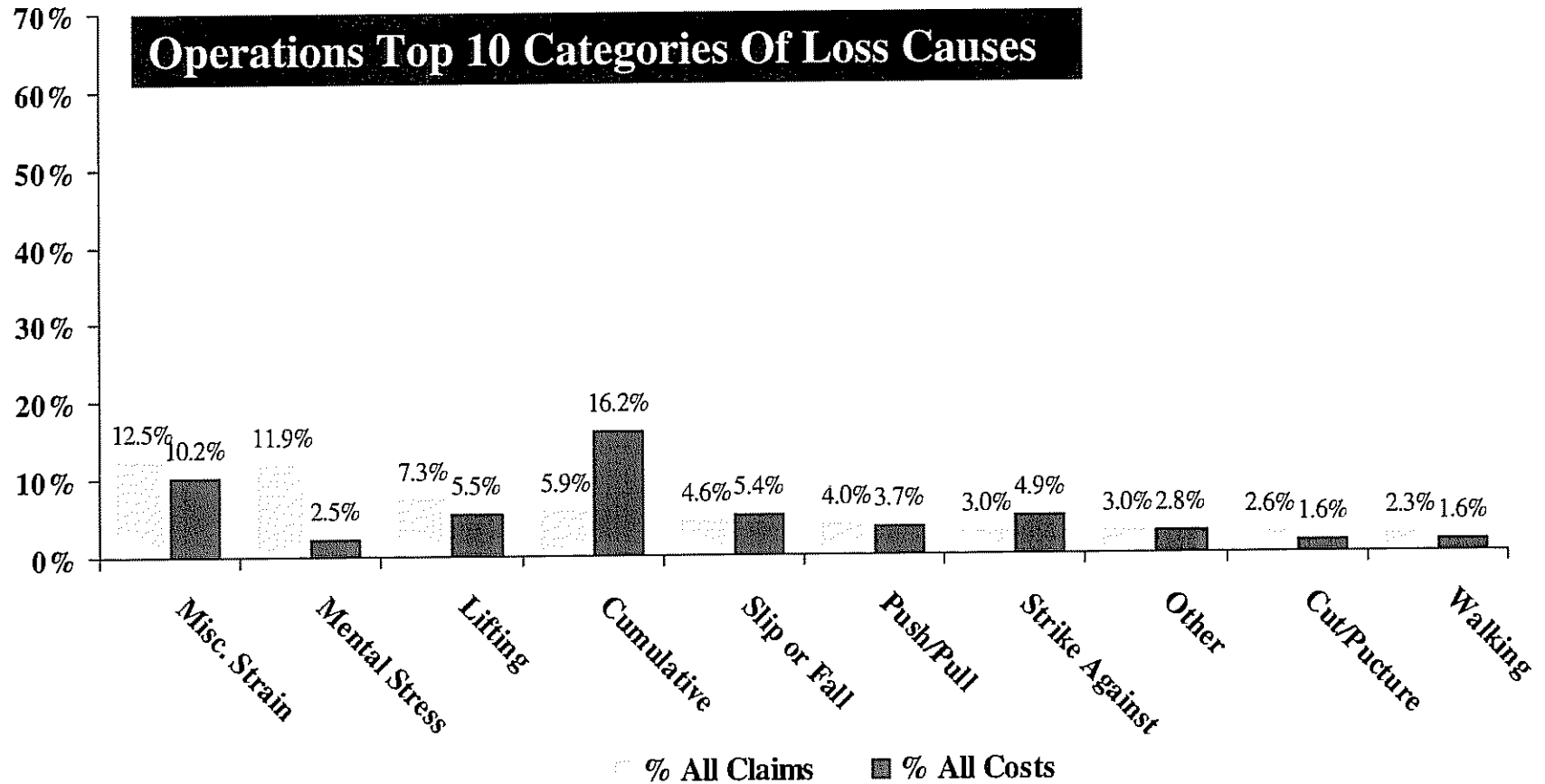


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

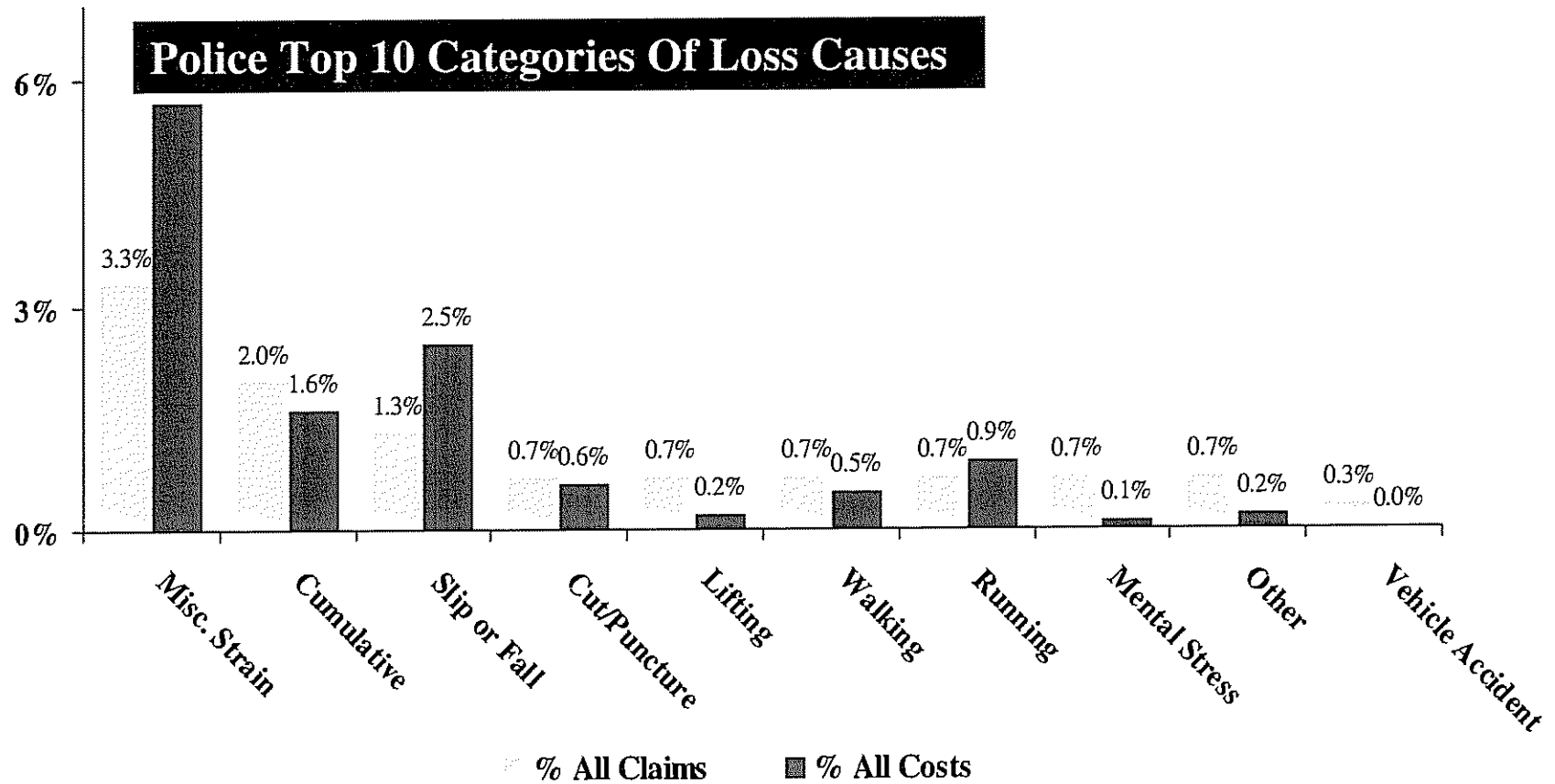


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

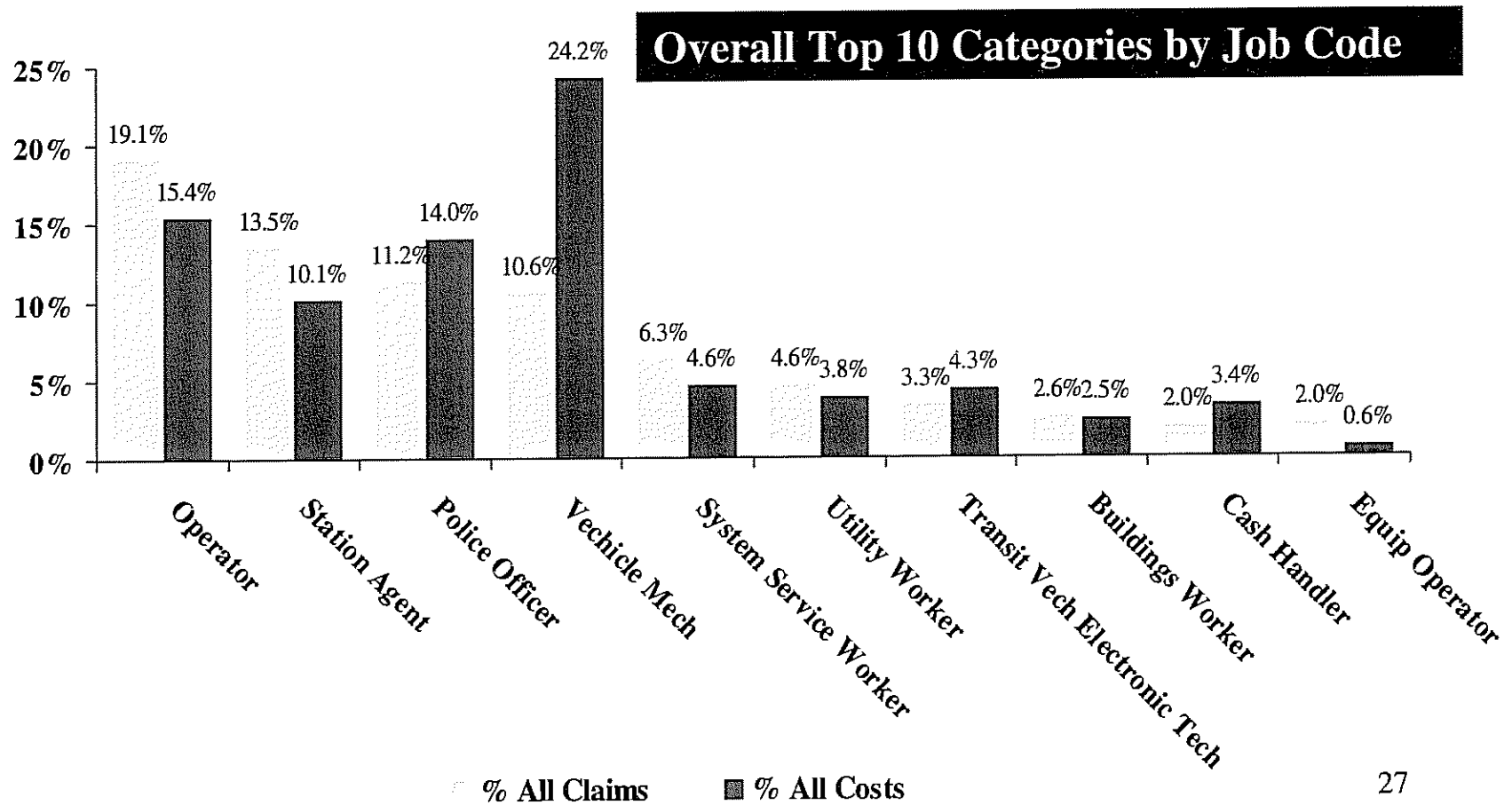


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

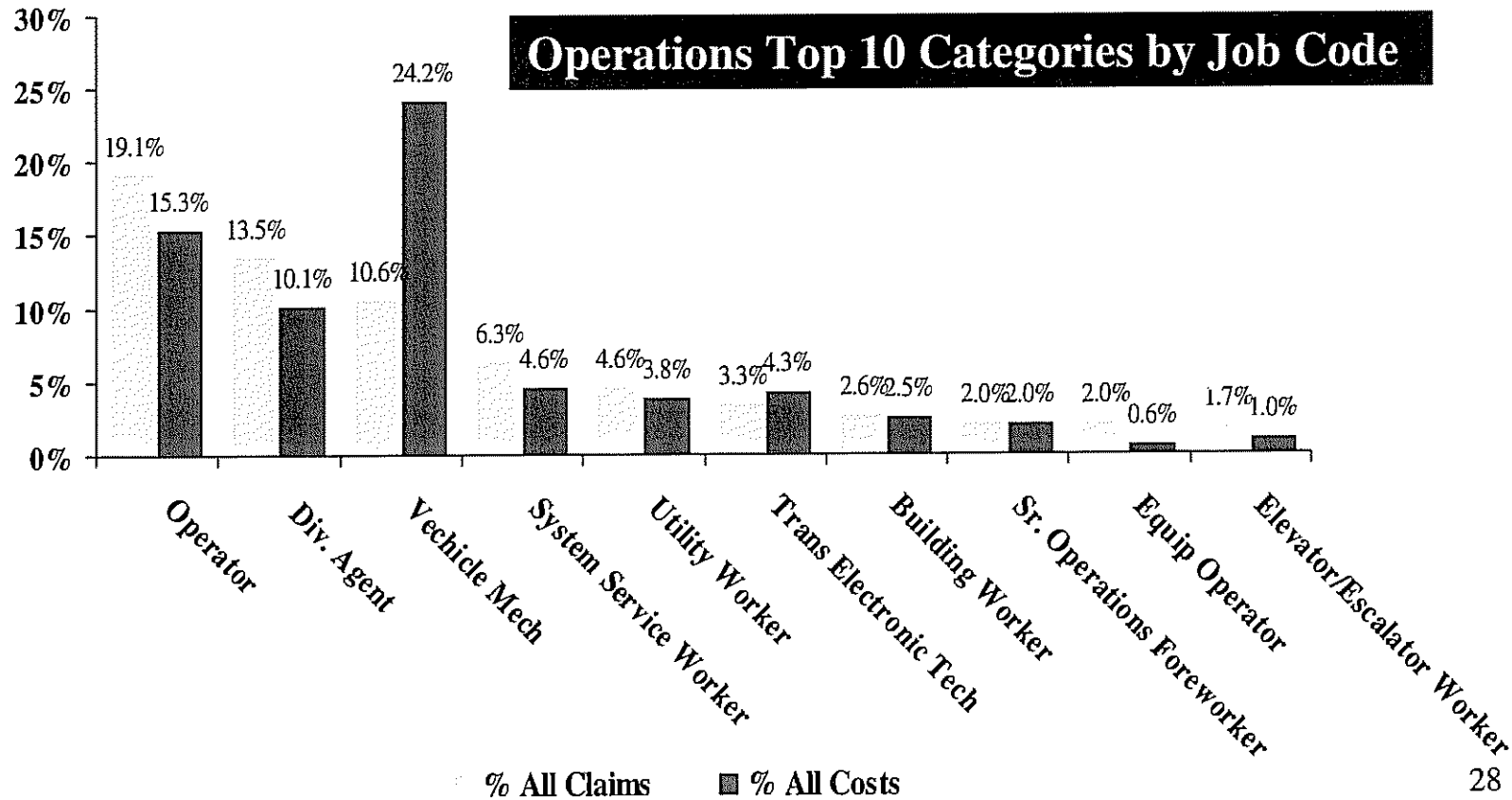


Northern California County

Indemnity Claim Frequency Analysis

Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07

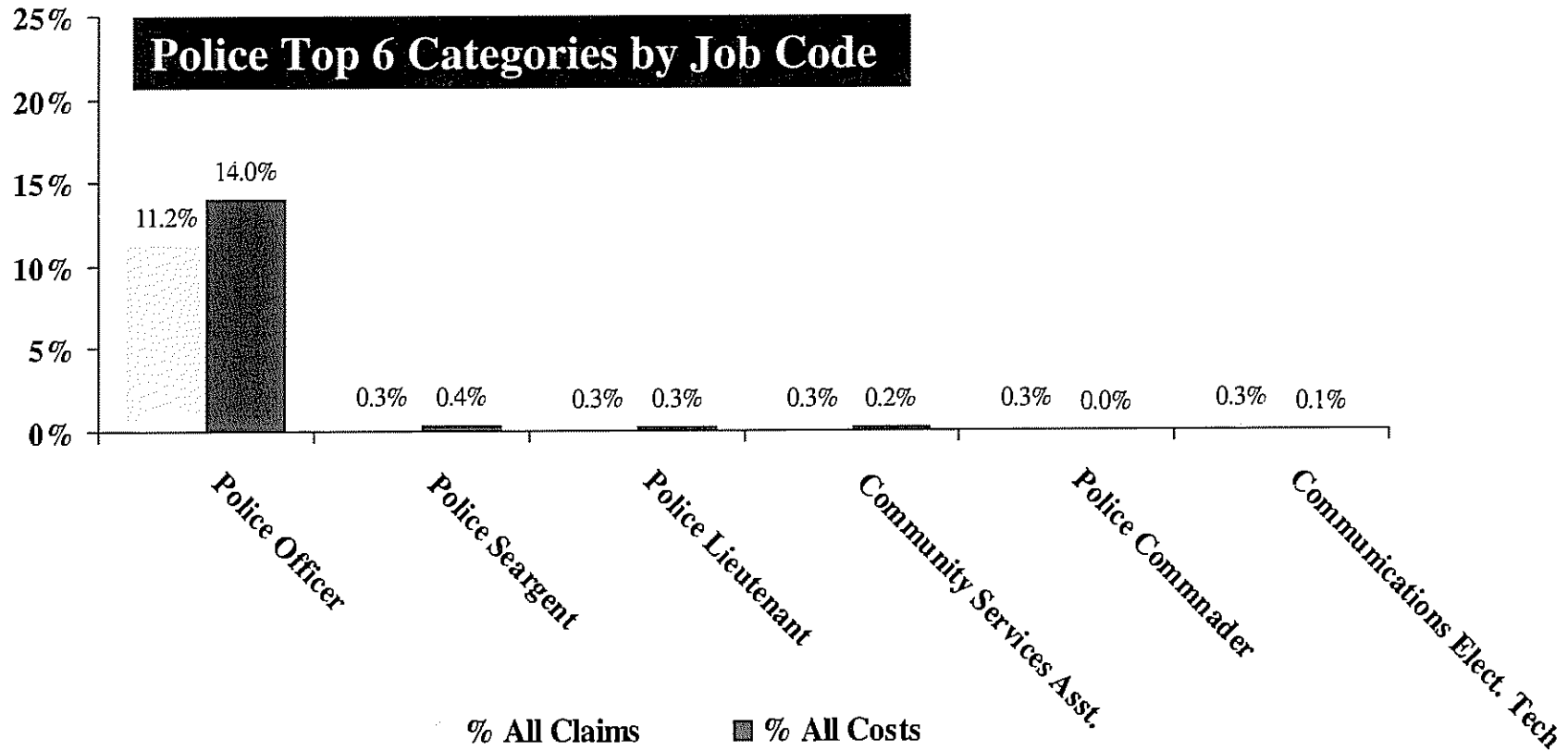


Northern California County

Indemnity Claim Frequency Analysis

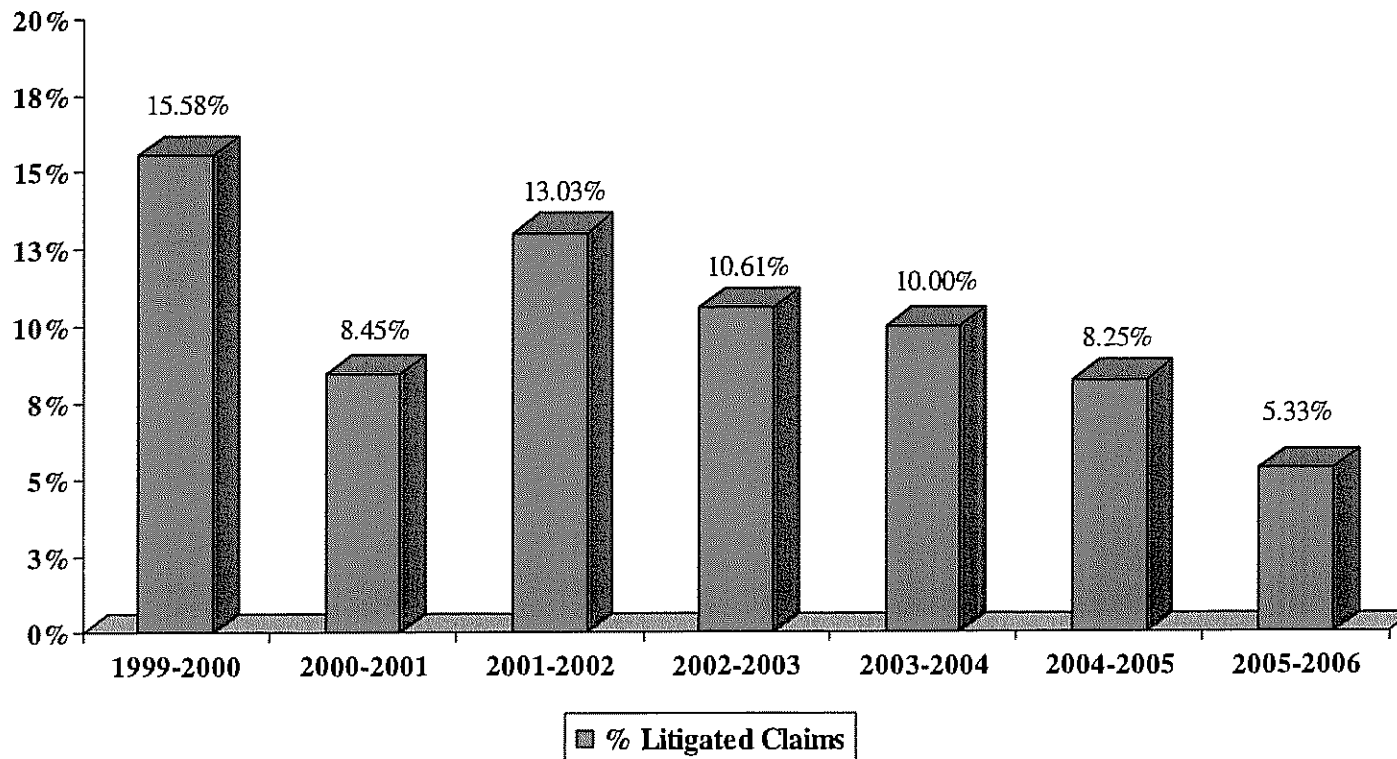
Dates of Injury 7/1/06-6/30/07

Valued as of 6/30/07



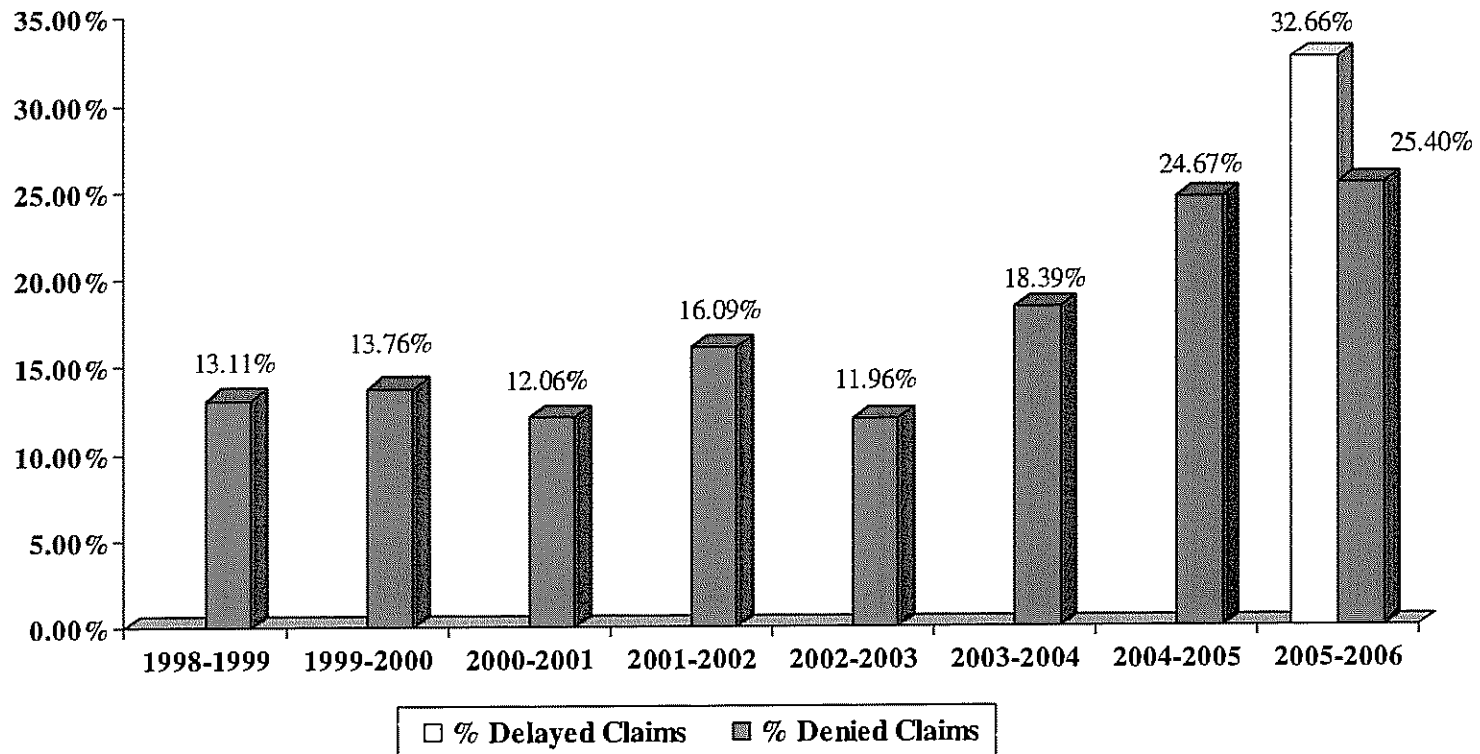
Northern California County

**% of Litigated Claims to the Total # of Indemnity Claims
by Claim Loss Date**



Northern California County

% of Claim Denials to the Total # of Indemnity Claims by Claim Entry Date



In 2005/06 32.66% of your claims were delayed and investigated and 25.4% of your claims were denied.

Special Claims Handling Instructions

A. Investigating the Claim

1. Making the Initial Three Point Contact

Telephonic Contact with the employer, employee and physician is required on all lost time claims and medical only claims involving occupational disease type claims within 24 hours after receiving notice of the claim.

a) Contacting the Employer

- Contact with the employer should also include the injured employee's supervisor. Question and verify:
 - i. Facts of the accident?
 - ii. Pre-existing conditions?
 - iii. Causal relationship?
 - iv. Modified duty available?
 - v. Wage information?
 - vi. Attendance/job performance issues?
 - vii. Third party potential?

b) Contacting the Claimant:

- The adjuster must telephonically contact the injured worker within 48 hours. Send a contact letter to the employee if verbal contact cannot be made within 48 hours. Continue to try to call the employee every day until you make contact and document the file.
- Obtain the following information from the employee:
 - i. Description of the accident.
 - ii. Resolve any questions critical to determining compensability.
 - iii. Any third-party involvement (subrogation) potential.
 - iv. Obtain the current medical status.
 - v. Prior work history and education.
 - vi. Past medical history.

c) Contacting the Treating Physician

Contact the treating physician to determine the following points:

- Confirm injury is related to accident.
- Confirm the employee's disability/work status.
- Determine appropriate treatment plan.
- Determine ability of employee to perform modified duty work.

d) Follow-up Contact:

- Follow-up contact should be made at least every two weeks to monitor the medical recovery and request a light or a full duty release to return to work ("RTW ") or target date for RTW.
- All contacts will be documented in the file, including an action plan with time frames.
- Document all file activity contact in Claim Notes.

2. Compensability Investigations

The following are our standards for investigating workers compensation claims.

a) Timeliness of the Investigation.

All investigations with the employee, employer and medical investigation should be completed within 90 days.

b) Taking Statements

- Adjusters are encouraged to obtain written or recorded statements for lost time cases involving the following injuries or scenarios:
 - Repetitive trauma
 - Psychiatric allegations
 - Occupational disease claims
 - Potential subrogation, third party or Second Injury Fund involvement.

B. Medical Management and Return to Work

1. Assignments to Nurse Case Managers

- a) Nurse Case Managers can be considered in any claim in which cost reduction could be reasonably anticipated, including but not limited, to the following:
 - i.) Any disability that lasts or is anticipated to last more than 6 weeks in duration
 - ii.) All hospitalizations expected to exceed 5 days
 - iii.) Injuries such as:
 - Serious burns.
 - Surgical lumbar or cervical injuries.
 - Spinal cord or brain injury.
 - Severe crushing injuries or amputations to major body members.
 - More than 50% sight or hearing impairment.
 - Closed head injuries that show evidence of brain damage.
- b) Medical Case Managers can also be considered in situations where medical monitoring or medical direction would be beneficial to the claim and where prior injury medical information is needed.

2. Light Duty Work

- a) Adjuster will always obtain information regarding specific restrictions from the doctor and work with the employer to attempt to get the employee back to work.

C. Medical Bill Review

- Medical bills should be reviewed and adjusted in accordance with the statutory fee schedule or usual and customary rates and must be processed for payment within 30 days of receipt.
- The adjuster is expected to review all bills for causal relationship and appropriateness of treatment before submitting the bill for medical bill review.

D. Reserving

1. Reserving Philosophy

The file will reflect consistent and accurate case reserving. The adjuster will reserve each claim for settlement value or expected loss dollar pay out on the claim with consideration given to compensability and injury. The claim reserve will reflect a value based on the adjuster's current knowledge of the claim, jurisdictional influences, his or her experience handling similar cases, as well as information the adjuster can reasonably expect to learn in the course of completing the investigation into the claim.

Anticipated subrogation and second injury fund recoveries will not be netted from the anticipated claim value to arrive at a particular reserve amount. Claim files should reflect the adjuster's thought process for the reserves.

Permanent total and permanent partial disability cases for which a life award is anticipated shall use the relevant present value discount allowed by the particular jurisdiction when applicable. Claim files should be clearly documented to reflect this process.

2. Reserving Thought Process and Documenting the File

The adjuster should document their reserve analysis in detail. All reserve activity should be summarized in the file as follows:

- Estimated number of weeks, paid and expected, of temporary total disability ("TTD"), temporary partial disability ("TPD"), and permanent total disability ("PTD"), if applicable, and the appropriate compensation rate.
- Estimate % of permanent partial disability ("PPD") and why (identify both the treating physician's permanency rating as well as the rating from the independent medical examination ("IME") when performed.).
- Actual and projected medical costs (consideration should be given to the number of doctor visits, hospital costs, related therapy, diagnostic testing, etc.).
- Actual and expected vocational rehabilitation costs.
- Actual and expected legal expenses and all other allocated expenses.

3. Timeliness of Reserving

- File reserves should be established within 14 days, but no later

that 30 days after the claim is received.

- Case reserves should be reviewed every 90 days for accuracy and revised promptly when warranted by additional investigation or discovery.
- Establish proper reserves within 90 days after claim is received.

E. Subrogation/Second Injury Fund Potential Recovery

Claim handlers should always be aware of potential subrogation during the initial investigation and take the necessary steps to protect our lien rights.

1. Investigation of Subrogation

- a) In addition to those claims where recovery potential is obvious, an immediate thorough subrogation investigation will be conducted to include the following:
- All claims in which the injured party was struck by an object.
 - All claims involving electrical discharge (electrocution).
 - All automobile accidents.
 - Claims involving injuries caused by any product (including those involving machinery and equipment, whether owned or not owned).
 - Claims involving injuries occurring at a construction site (the insured might be the general contractor or the subcontractor of the job).
 - All claims where pre-existing medical conditions have been identified.
 - Any claim where recovery may be possible.

2. Documenting Subrogation in the File

A full explanation as to why there is or is not subrogation or second injury fund potential is required on all claims. If there is no subrogation it should be stated why there is no tort action potential against another party. Examples of an acceptable explanation of no subrogation are shown below:

There is no third party subrogation on this slip and fall because the insured confirmed that they owned the site of the slip and fall and are responsible for maintenance and

upkeep.

There is no subrogation from this accident caused by the improper loading of the insured's truck exclusively by the insured's employees. Our investigation determined that there were no other parties involved in loading the truck.

I. GENERAL CLAIM HANDLING GUIDELINES

A. Authority Level

TPA reserve and settlement authority level is \$50,000 on all claims. This amount may be adjusted on a case by case basis with the authorization of the claims contact. For those cases involving reserves in excess of \$50,000, the TPA should immediately establish the amount of their recommended reserve in their claims management information system and on the hard copy loss runs provided to the client while awaiting approval from your claim contact.

B. The TPA's File Documentation and Internal Reporting

- The file should reflect the adjuster's ongoing thought process on the steps or actions to be taken that are necessary to conclude the claim.
- A specific action plan outlining steps or actions necessary to conclude the claim should be detailed in the claim file. The adjuster should include anticipated completion dates for each task or event. This action plan should be reviewed or updated, at a minimum, each 90 days with changes noted and explained in the file.
- Every file should contain complete documentation so the file speaks for itself.
- The diary system of file review should be consistently and effectively used to manage the development of the file investigation and to move the file to closure.

C. Subrogation

1. Pursuing Subrogation

- The adjuster is responsible for identifying, pursuing and documenting efforts regarding contribution or indemnification, liens, and subrogation as well as disposal of salvage.
- The absence or existence of third party possibilities should be documented in all claim files. The adjuster should substantiate the respective position in the claim file notes.
- Proper and timely attention should be paid to collection of subrogation.

D. Litigation Management

- The file should contain documentation of specific directions given to defense counsel in the handling of litigation on behalf of the insured. Files referred to counsel should contain the adjuster's opinion on compensability, settlement value, the extent of settlement discussions, and their view on the necessary legal and claim investigation to arrive at a decision point where the case should be ready to settle, or sufficient facts known to determine whether the case should be defended.
- The adjuster and attorney should continually update the file to reflect the impact of new events in terms of case settlement value and strategy. The claim handler will request that Defense counsel copy the client on all correspondence during the litigation process.
- Initial Evaluation: Within 30 days after receipt of assignment, Defense Counsel should send an initial Litigation Report.
- Significant Developments, Case Assessments, Pre-trial and Post-trial Reports: Defense counsel should communicate and apprise the claim handler and the client of significant developments as soon as practical. This includes summaries of depositions, settlement options and other developments.
- There should be documentation of proper use of litigation management protocols and legal bill review to evaluate defense

counsel's performance. Documentation of the necessity of expense generating activities, such as depositions and securing of expert testimony should also be evident.

- Adjusters will effectively manage defense counsel's reporting to the file and maintain an effective balance between quantity and quality of reporting.

E. Expense Management When Using Vendors

- The need for assignments to outside vendors (independent adjusters, independent medical exams, managed care vendors, surveillance, coverage opinions, etc.) should be documented in the file.
- Assignments will be made on limited and specific basis; i.e. direction given to vendors is documented in detail including:
 - a.) Specific direction as to what the vendor is authorized to do (i.e. file an answer, do not file for depositions).
 - b.) Instructions that the vendor (i.e. law firm) will consult with the adjuster seeking their assistance whenever possible in obtaining documents.

F. Action Plan For Claim Resolution/Settlement

- Every claim file will have a documented RTW or settlement strategy promptly when sufficient information is obtained.
- Settlement offers, or decisions involving denials of compensability will be communicated to the claimant promptly.
- Claim disposition positions involving proposed denials will be communicated to the program administrator prior to issuance of the appropriate letter.
- There should be documented evidence of the use of proper negotiation strategies in the file.

G. Miscellaneous Claim Handling Guidelines

- Files shall be maintained in chronological order. Claims of sufficient complexity may be broken out with individual sections by subject with notes in chronological order for each subject.

- All mail received shall be acted on within ten (10) business days of receipt in the office. Incoming mail should be date of receipt stamped.
- Claims shall be entered into the administrator's claims management information system within two business days.

H. TPA Notice Requirements to Client

Claims meeting the following criteria shall be reported immediately by email to the client:

- Reserve increases over \$50,000
- All claims or cases no later than 60 days before the set or anticipated trial date.
- Suspected fraud claims.

I. TPA Notice Requirements to Client - Reporting Procedures

- Claims meeting the reporting requirement shall immediately be reported by telephone or e-mail then followed by a written topical report that can be e-mailed following the appropriate client format (see attached Report Guide Format).

J. Supervision

- Supervisor oversight and follow up must occur on a regular basis. The supervisor must review each active file a minimum at 60 days after assignment and at least every 90 days thereafter.
- The supervisor should highlight points to be covered and review the claim action plan. If a longer review period is employed, the supervisor must indicate the reason for the extended period between reviews.
- The supervisor and manager are responsible for the adjuster's actions or inaction's on each particular claim.
- Each claim file must document the supervisor's review and input.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/22/2009

PRODUCER Phone: 800-234-6363 Fax: 916-925-3595
James C. Jenkins Ins. Services
License No. 0545478
PO Box 13847
Sacramento CA 95853

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Athens Insurance Services, Inc
DBA: Athens Insurance Administrators
PO Box 696
Concord CA 94522

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: OneBeacon America Insurance Co	
INSURER B: Everest National Insurance Co	
INSURER C: Travelers Casualty & Surety Co	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	7180102450000	1/1/2009	1/1/2010	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	7180102450000	1/1/2009	1/1/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	7180102450000	1/1/2009	1/1/2010	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	CA10000047091	1/1/2009	1/1/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1000000 E.L. DISEASE - EA EMPLOYEE \$ 1000000 E.L. DISEASE - POLICY LIMIT \$ 1000000
A		OTHER Employee Theft	7180102450000	1/1/2009	1/1/2010	Per Loss \$ 500,000
C		Excess Employee Theft	105220252	1/1/2009	1/1/2010	Per Loss \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
10 days notice of cancellation will apply if cancelled for non-payment of premium.

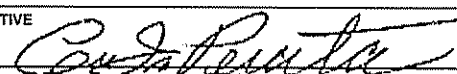
CERTIFICATE HOLDER

Evidence of Coverage
Insured's Use Only

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



ACORDTM CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/22/2009

PRODUCER Phone: 800-234-6363 Fax: 916-925-3595
James C. Jenkins Ins. Services
License No. 0545478
PO Box 13847
Sacramento CA 95853

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INSURED
Athens Insurance Services, Inc
DBA: Athens Insurance Administrators
PO Box 696
Concord CA 94522

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Greenwich Insurance Company
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COMP/OP AGG	\$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
A		OTHER Directors & Officers	ELU1896808	12/1/2008	1/1/2010	Each Claim	\$1,000,000
						Aggregate	\$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
10 days notice of cancellation will apply if cancelled for non-payment of premium.

CERTIFICATE HOLDER

Evidence of Coverage
Insured's Use Only

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORDTM CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/22/2009

PRODUCER Phone: 800-234-6363 Fax: 916-925-3595
James C. Jenkins Ins. Services
License No. 0545478
PO Box 13847
Sacramento CA 95853

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Athens Insurance Services, Inc
DBA: Athens Insurance Administrators
PO Box 696
Concord CA 94522

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Darwin Select Insurance Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COMP/OP AGG	\$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
A		OTHER Erros & Omissions Claims Made	03042913	12/1/2008	1/1/2010	Each Claim	\$10,000,000
						Aggregate	\$10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 10 days notice of cancellation will apply if cancelled for non-payment of premium.

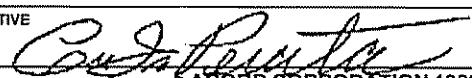
CERTIFICATE HOLDER

Evidence of Coverage
Insured's Use Only

CANCELLATION

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AUTHORIZED REPRESENTATIVE





WORKERS' COMPENSATION SERVICE AGREEMENT

This Agreement is entered into by and between _____ ("Employer") and Athens Administrators ("Administrator") this _____ day of May 20__.

RECITALS

WHEREAS, Administrator provides claims administration services to California employers subject to the California Workers' Compensation Laws; and

WHEREAS, Employer desires to purchase Claims Administration Services from Administrator;

NOW THEREFORE, it is agreed:

This Agreement is between the Employer and the Administrator to provide third party workers' compensation claim administration services for Employer in the State of California, subject to the terms stated below:

I. TERM AND TERMINATION

1.01 Term:

The term of this agreement shall consist of _____ years with an option to renew for _____ additional _____ year periods.

1.02 Termination:

- a. Either party may terminate this Agreement, with or without cause and without penalty, upon sixty (60) days prior written notice.
- b. Upon termination of this Agreement for any reason, a final accounting agreeable to both parties will be made of fees payable to Administrator and a final accounting of any funds belonging to Employer then in the possession of Administrator, and any balance due either party will be promptly paid over to the party entitled thereto.
- c. All claim files, records, reports and other material pertaining to the employee claims subject to this Agreement shall be the property of Employer and shall be made available promptly to Employer upon termination of this Agreement.
- d. Upon the effective date of any termination of this Agreement, all rights and obligations of the parties under this Agreement shall cease except with respect to rights and obligations, which have accrued or expressly survive termination.
- e. In the event Employer terminates this contract but desires Administrator to handle the remaining claims to a conclusion, a service charge will be agreed upon between the parties for Administrator's handling of these claims. Employer agrees to provide Administrator with funds sufficient to pay all benefits and Allocated Loss Expenses on these remaining claims.



II. SERVICE FEES

2.01. Employer agrees to pay to Administrator Service Fees as follows:

Contract Period	Total Annual	

Employer’s fixed annual fee will be paid in twelve equal installments of \$_____ and is due and payable at the end of each month during the period this Agreement is in force.

2.02. Employer agrees to pay to Bill Review Service Fees as follows:

Standard Medical Bill Review	
Hospital In Patient and Outpatient Fee Schedule Reductions	
PPO Network Discounts	
Duplicate Bills	
Duplicate Line Items	

Administration fees are due and payable at the end of each month during the period this Agreement is in force.

III. ADMINISTRATOR DUTIES AND SERVICES

3.01 Administrator agrees to meet on a regular basis with Employer to:

- a. Develop procedures, forms, instructions, schedules and other materials related to claim management, including a procedure manual for Employer’s use, within thirty (30) days of the effective date of this Agreement and update such materials as needed.
- b. Provide claim reporting kits including, but not limited to, claim and accident report forms, required notices, and procedural instructions, for distribution by Employer to Employer’s staff on or before the effective date of this Agreement, and as needed thereafter.
- c. Provide group education for Employer’s management personnel regarding claim management as requested.
- d. Assist Employer’s personnel in the development of directives, notices, and other program communication to employees as requested.
- e. Provide all forms and supplies necessary for the efficient operation of the Workers’ Compensation insurance program, including customized benefit checks bearing Employer’s name and logo, and to prepare all legally required forms and documents including but not limited to, 1099 reports to the I.R.S. and any and all other documents and reports now or in the future required by the state or federal government or any other agency associated with Employer’s Workers’ Compensation program.



- 3.02.** Administrator agrees to administer all claims as follows:
- a. Establish and maintain a claim file, with a diary date not to exceed thirty (30) days, on each active claim upon which indemnity benefits are being paid; A diary system not to exceed sixty (60) days on all other open, active Indemnity claims; and a supervisory review diary not to exceed one-hundred-twenty (120) days, or more often when needed.
 - b. Manage timely receipt of all pertinent claim information from Employer providers and other sources.
 - c. Determine, on behalf of Employer for each reported employee injury or illness, those benefits, if any that should be paid or rendered under the California Workers' Compensation Laws. Such determination shall include an estimate of future claim payment. Retain outside services with prior approval of Employer, for the investigation and management of the claims. Outside services include but are not limited to:
 - ◆ AOE/COE Investigators
 - ◆ Activities Check/Sub-rosa Investigator;
 - ◆ Medical Case Management and Rehabilitation Nurses/Consultants
 - ◆ Subrogation Investigators and Experts
 - d. Exhibit in each Indemnity claim file good faith efforts to contact all injured workers by telephone within at least twenty-four hours of receipt of claim, and in no event any later than forty-eight hours of receipt of claim, excluding weekends and holidays. Establish phone contact with appropriate Employer department for initial discussion of claims, as needed, within three (3) working days of receipt of claim.
 - e. Initiate investigations, subject to approval by Employer, to determine compensability of reported and actual claim status. Employer shall have prior approval of the selection of any investigator used to investigate Employer's claims of industrial injury or illness. Take necessary statements and investigate facts of the case within thirty (30) days receipt of claim, when warranted.
 - f. Prepare documentation of cases for litigation and continue to monitor legal counsel representing Employer in legal action(s) and assist counsel as necessary in preparation of litigation. Employer shall select and approve counsel prior to each referral. In addition, Administrator shall promptly provide Employer with copies of all correspondence generated on those claim files which are litigated and shall immediately notify Employer in writing and shall keep Employer closely informed on those claims involving allegations of Serious and Willful Misconduct or alleged violation(s) of California Labor Code Section 132(a). At time of case referral to defense counsel administrator shall prepare a letter of direction to defense counsel outlining work to be done, by whom, and in what time frame. All assignments, instructions and communication with defense counsel must be documented in the claim file and computer note pads. Administrator shall manage defense counsel on an ongoing basis and obtain status reports from defense counsel every sixty (60) days. Administrator shall actively manage litigated files and not perform functions and shall not require defense counsel to perform activities which can be accomplished effectively by claims staff. Examples of required examiner activity on litigated files include by are not limited to:



- ◆ Scheduling medical appointments
- ◆ Writing cover letters to doctors
- ◆ Subpoenaing medical records
- ◆ Answering applications
- ◆ Filing and serving requisite documents

Administrator shall obtain defense counsels' written evaluation within sixty (60) days of submission, including evaluation of liability, verdict potential, settlement value, and case strategy.

- g. Disburse payment on behalf of Employer out of the bank trust account funded by Employer, all "Allocated Loss Expenses", which is defined to include all costs incurred on behalf of Employer specifically related to an individual claim, including but not limited to, attorneys, independent adjusters or investigators, expert witnesses, copying records or transcripts, court costs or Appeals Board fees or other costs deemed proper and necessary to represent Employer.
- h. Use best efforts to achieve an average monthly closure ratio of one hundred percent (100%) over the term of this Agreement.
- i. Examine on behalf of Employer all reports of industrial injury or illness relating to Employer's employees or former employees and reported to Administrator and to conduct investigations on such cases by Administrator's salaried employees as in Administrator's judgment is deemed necessary.
- j. Pay compensation, medical expense, "Allocated Loss Expense", and all other benefits as prescribed by law out of funds provided by Employer. Payments made by Administrator without Employer approval, where approval is required elsewhere in this Agreement, shall be the responsibility of the Administrator.
- k. Maintain a claim file on each reported claim which shall be available to Employer at all times for inspection and to conduct, at a time and frequency to be determined by Employer, claim file reviews with Employer at either Employer's or Administrator's offices.
- l. Subscribe to on Employer's behalf, enrollment in the Index Bureau System and to report to the Index Bureau on each and every Indemnity Claim. The cost of Index Filings will be allocated to each individual claim file.
- m. Create, reserve and enter required claim data into Administrator's computer system within five (5) working days of receipt of notice of claim from Employer. Enter all payments, reserved revisions, and file closings into the information system within three (3) working days.
- n. Review employer's medical bills and other medical charges and treatment relating to Employer's claims of industrial injury or illness, for causal relationship to all claims of injuries/illness, and reasonableness of treatment prior to payment. Solicit all medical bills, medical reports and records, and documentation of alleged wage loss prior to settlement negotiations.



- o. Make all disability payments and send all notices in a timely manner, abiding by all applicable provisions of the California Labor Code and California Workers' Compensation Laws, Rules and Regulations.
- p. Make payments of bills within thirty (30) days of receipt, and assure timely review and payment of all medical bills in accordance with statutory deadlines and requirements.
- q. Acknowledge to Employer all claims reported to Administrator within three (3) working days of receipt of the notice of claim and to notify Employer and injured workers within five (5) working days of the notice of claim to Employer, whether the claim has been accepted, delayed for further investigation, or denied.
- r. Convert all Medical Only Claims to Indemnity Claims status when the paid amount reaches two-thousand-five-hundred (\$2,500) dollars or when the claim remains open in excess of one (1) year.
- s. Recognize and where appropriate investigate all subrogation and/or contribution possibilities, preserving evidence and utilizing appropriate investigators and experts, as needed, after first obtaining Employers permission to engage such investigators/experts. As respects subrogation and contribution cases, any compromise settlements or lien reductions will be discussed with the Employer.
- t. SCHIP Reporting - Administrator has contracted with Gould & Lamb, LLP as our preferred provider for Medicare Set Aside Allocations. Gould & Lamb, LLP is also our preferred partner in all SCHIP reporting efforts. Unless specifically approved in advance by Employer, Administrator will exclusively utilize the services of Gould & Lamb, LLP to satisfy and comply with all SCHIP reporting requirements.
- u. Administrator has developed specific programs related to the claim process with a select group of service providers. The implementation and on-going facilitation of these programs requires investments in technology and personnel for Administrator. Administrator may receive compensation from service providers to cover the expenses associated with managing these programs on Employers behalf.

3.03 Administrator agrees to monitor relevancy of medical treatment by the following:

- a. Maintain continual contact with medical practitioners in order to monitor claimant treatment process and a timely return to work. Administrator shall make a good faith effort to establish contact with attending physician within twenty-four (24) hours of receipt of injury report and shall make contact with attending physician's office within forty-eight (48) hours of receipt of injury report and shall document such contact in the claim file.
- b. Review and discuss Vocational Rehabilitation Program(s) with Employer prior to its initiation for an individual claimant.
- c. Monitor individual vocational rehabilitation programs to determine appropriateness and progress.



- 3.04.** Administrator agrees to the following record keeping and reporting requirements:
- a. Provide Employer with monthly reports consisting of:
 - (1) Check Registers including all claim disbursements made on behalf of Employer.
 - (2) Computerized loss reports in an acceptable format as mutually agreed upon at the effective date of this Agreement, showing descriptive data, details of each month's payments, total payments, reserves and total experience and incurred loss values for each claim.
 - (3) Any and all other reports as required by Employer.
 - b. Provide oral claims reports on demand, special specific-focus loss run reports within twenty-four (24) hours and larger or major computer analysis reports within seven (7) working days, excluding weekends and holidays. It is further agreed and understood that should Employer require that Administrator prepare for Employer special reports, which require additional programming costs there may be an additional charge for said reports.
 - c. Maintain all records and statistical data on each employee claim of injury or illness, including, but not limited to, a record of each denial, delay, litigated claim and loss, which records and data shall be available upon request by Employer. Employer, at Employer's discretion, may audit all records maintained by Administrator including, but not limited to, all payments made on behalf of Employer. Such audit may incorporate random sampling or other audit procedures suitable to Employer.
 - d. Prepare and submit Federal Information Return (Form 1099) by statutory deadline for applicable payments made by Administrator on Employer's behalf, during the term of this Agreement and as specified under Section 1.02. (e) of this Agreement.
 - e. Prepare all other reports as necessary to remain in compliance with all Workers' Compensation Laws and other state and federal laws, rules and regulations.
 - f. Provide report to Accounting Department of Employer of all payments when made and any other information necessary for Employer to adequately fund the bank trust account. All such payments shall be supported with check payment detail and monthly summary report showing all payees, payment amounts and dates of payment.
 - g. Provide for Employer the ability to be on-line with Administrator's computer system. This system will provide Employer with all financial and statistical data relating to Employer's workers' compensation claims, together with narrative topical "notepad" reports, on each individual claim. This system will also include electronic mail service between Administrator and Employer; the ability to electronically transmit 5020's (Employer's First Report of Industrial Injury/Illness); OSHA Log generation; and complete report generation capabilities.



IV. EMPLOYER'S DUTIES

4.01. Employer agrees to perform as follows:

- a. Promptly report to Administrator as they shall occur and become known to Employer, the employee claims of occupational injury, disease, illness, or death.
- b. Promptly forward to Administrator all applications, notices of claims, notices of hearings or other legal notices pertaining to claims against Employer for occupational injury, disease, illness, or death, and all other correspondence or information received by Employer which is or could be relevant to the efficient and proper handling of any reported claim of industrial injury, disease, illness, or death.
- c. Provide Administrator with all necessary data required for Administrator to perform under this Agreement and cooperate fully with Administrator in the performance of this Agreement.
- d. Make available to Administrator funds for the payment of benefits or services to or for occupational injury, disease, illness, death, or vocational rehabilitation and medical treatment of employees of Employer, or their dependents in the event of death, and "Allocated Loss Expense". Administrator shall administer said funds in accordance with the terms of this Agreement as Trustee of Employer.
- e. Pay promptly to Administrator the service fees as prescribed and included in this Agreement. The Service Fees are not included in and do not include "Allocated Loss Expenses"

V. ELECTRONIC CLAIM FILES, STORAGE, AND TRANSFER OF FILES

5.01 Files

Administrator shall record and maintain an electronic file of all industrial injuries reported. Files may be maintained electronically, in hard copy, or in other media, at Administrator's discretion. Such files shall be made available to Employer or its designated representative for inspection upon request.

5.02 Storage of Scanned Documents

Administrator shall store all scanned documents separate from other employers. If Administrator decides to destroy or otherwise dispose of any documents that it has received from Employer or from third parties in relation to Employer's files, or that it has generated in relation to Employer's files, Administrator will give prior written notice to Employer and Employer can request that the documents be transferred to it rather than be disposed of by Administrator. If Employer does not advise Administrator within 30 days of receiving such notice, Administrator can destroy or otherwise dispose of the documents and will have no further obligation or liability to Employer in relation thereto.

5.03 Transfer of Electronic Files

Administrator will provide Employer's files to Employer, or an entity designated by Employer, within 20 business days of the agreed upon transfer date of the files to the new Administrator. The electronic files will be in the electronic form used by Administrator to provide the services to Employer under this Agreement. Employer may request that the files be provided in a different



format or that the hard copies of the files be provided to it, provided that Employer pays Administrator for all costs associated with such request. Notwithstanding the foregoing, Administrator will not be obligated to provide the files to Employer or an entity designated by Employer, unless Employer has paid Administrator for all amounts owed pursuant to the Agreement. Employer agrees to comply, and to require any recipient of the files designated by it to comply, with all applicable laws and regulations relating to the storage, transmission, use and confidentiality of the files and to hold Administrator harmless in relation thereto.

5.04 Copies of Files

Administrator may, at its discretion keep a copy of Employer's files if it deems it necessary to comply with or defend itself in relation to any obligation or rights that it has under this Agreement, applicable laws or regulations.

VI. FINES, PENALTIES AND STANDARDS

- 6.01.** All services as described in this Agreement shall be performed in accordance with all applicable laws, rules and regulations of any and all governmental authorities and applicable standards, and specifically performed in accordance with all applicable Workers' Compensation Laws of the State of California.
- 6.02.** Administrator and Employer acknowledge the obligations and penalties contained in the California Workers' Compensation Reform Act of 1989 that may be imposed on both employers and claim administrators and agree to the following:
- a. Penalties for errors or omissions caused by Employer's failure to act or timely report claims or issues to Administrator that create a delay in payment of benefits, incorrect payment of benefits, or administrative fine(s) or penalty(s) shall be the responsibility of Employer. Penalties for errors or omissions caused by Administrator's performance of services under this contract that create a delay in payment of benefits, incorrect payment of benefits, or administrative fine(s) or penalty(s) shall be the responsibility of Administrator.
 - b. Administrator shall provide Employer with a quarterly accounting of penalties paid by Administrator on behalf of Employer including a description and detailed listing of each penalty payment and the specific claim file to which the penalty payment was charged. Penalties, which are computed by Administrator, shall be paid out of Employer's benefit account and Administrator shall then reimburse Employer quarterly for those penalties, which are the responsibility of Administrator under the terms and conditions of this Agreement, with pro-rated interest at the prevailing prime interest rate.
 - c. Without limiting the provisions set forth in the above two paragraphs it is agreed that upon receipt by Administrator of a notice of claim from Employer, upon which indemnity benefits shall be paid or notice given promptly to the employee in order to avoid late payment or notice of benefit penalties, Administrator shall have ten **working days** (excluding weekends and holidays) from the date of receipt of the claim from Employer, to investigate and pay the temporary disability or send the required wage continuation notice, and that failure on the part of Administrator to do so within this time frame shall be the financial responsibility of Administrator for any fine imposed for late notice or payment of benefits. Any fines or penalties for late payment or notice of benefits on claims, which are received from Employer



by Administrator on or, after the ninth day following the date Employer knew or should have known about the claim(s) shall be the responsibility of Employer.

- d. Administrator will be responsible for any fines or penalties associated with questionable or controverted claims which Administrator denies without first consulting and obtaining approval by Employer for denial of the claim(s) Administrator will not be responsible for any fines or penalties levied by the Division of Workers' Compensation or any other judicial or quasi-judicial organization for improper denial of a claim(s) if, over the written objections of Administrator, Administrator has denied said claim(s) at the express written direction of Employer.
- e. Any controversy between the parties to this Agreement involving the construction or application of the terms, provisions, or conditions of this Agreement relating to the payment of penalties or fines shall be submitted to arbitration upon the written request of one party, after service of that request upon the other party.
- f. Arbitration and controversies relating to the payment of penalties or fines under this Agreement shall comply with and be governed by the provisions of the California Arbitration Act, as set forth at sections 1280 et. seq. of the California Code of Civil Procedure.
- g. Failing informal efforts between the parties to this Agreement to resolve disputes regarding the payment of penalties or fines, each party shall appoint one person to hear and resolve the dispute. These arbitrators, one appointed by each party, shall be known for the purposes of this Agreement as "*initial arbitrators*". If the "*initial arbitrators*" are unable to agree on a resolution of the dispute they shall then choose a third independent and impartial arbitrator whose decision shall be final and conclusive on both parties.
- h. If a dispute or arbitration under this Agreement is pending at a time when payment of the disputed penalty(s) or fine(s) is either statutorily mandated or when failure to effect payment will result in an increase in the fine or penalty, or an additional fine or penalty, each party shall bear liability for one-half of the penalty(s) or fine(s) in dispute until such time as the arbitration is concluded and liability for payment of the fine or penalty is finally determined. Once determined, the party adjudged to be liable for the penalty(s) or fine(s) shall reimburse the non-labile party for any portion of the penalty(s) or fine(s) the non-labile party may have paid during the pendency of the arbitration.

6.03 Excess Coverage or Other Insurance: Administrator, as a part of the regular claims administration process, shall comply with the reporting provisions, guidelines, and requirements imposed by the Employer's Excess Workers' Compensation Insurance Carrier(s) and other carriers that may be involved in the administration of the Employer's Workers' Compensation Program. However, Employer as policyholder shall continue to be liable for all the duties, requirements, obligations, and penalties imposed by Employer's Carrier(s).

VII. MATERIAL CHANGE

7.01. In the event of material change to Employer's operations, Section II, "Service Fees", to this Agreement shall be subject to renegotiation. "Material Change" shall be defined as the acquisition, merger, or divestiture by Employer of or with another company or business entity,



the creation of new business operations not directly related to Employer's current California operations, or the elimination of business operations within the State of California, which could result in a materially significant increase or decrease in employee population and workers' compensation claims filed in the State of California.

VIII. DEFINITION OF "MEDICAL ONLY" AND "INDEMNITY" CLAIM

8.01. The definition of an "Indemnity Claim" shall be:

a. Any alleged work-related claim for which any of the following is claimed:

- (1) Temporary Disability
- (2) Permanent Disability
- (3) Vocational Rehabilitation
- (4) Life Pension
- (5) Death

8.02. The definition of a "Medical Only" claim shall be:

a. Any alleged work-related injury or illness for which medical treatment is sought, the claimant is not hospitalized, temporary disability does not exceed the waiting period as defined by the Workers' Compensation Laws of California, and no other Indemnity benefits are claimed.

IX. GENERAL PROVISIONS

9.01. Neither party shall assign this Agreement or any part hereof without the written consent of the other party.

9.02. Each party agrees to indemnify, defend, and hold harmless the other against all actions, claims or demands, and against all costs, expenses and attorneys' fees, arising directly or indirectly out of an actual or alleged injury to a person or to property as an actual or alleged result of an act or omission of the party or any of its shareholders, directors, officers, employees, or agents and each party's obligation to so indemnify, defend and hold harmless the other shall survive the expiration or earlier termination of this Agreement.

9.03. All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Employer:

Company Name
Street Address
City, State and Zip Code
Attn: Contact Name, Title

Administrator:

Athens Administrators
PO Box 696
Concord, Ca. 94522



Attn: Contact Name, Title

- 9.04. In the event either party hereto shall institute formal legal action, the prevailing party shall be entitled to its reasonable attorneys' fees.
- 9.05. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, signed by the parties and attached hereto.
- 9.06. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, and signed by the parties hereto.
- 9.07. This Agreement shall be governed by California law and any action arising out of it shall be instituted and prosecuted only in the municipal or superior court of Contra Costa County, State of California.
- 9.08. This Agreement instrument constitutes the entire agreement between the parties. Any oral representations or modifications concerning this Agreement shall be of no force and effect.

IN WITNESS WHEREOF: The Parties have hereto caused this Agreement to be executed by their duly authorized representatives as of the day and year stated.

EMPLOYER

ATHENS ADMINISTRATORS

Signature

Signature

Title

Title

Dated

Dated

Sample Best Practices Performance Standards

CASELOADS:

- Adjuster: Not to exceed **135** open Indemnity Claims (*caseload determined by customer*)
- Assistant: Medical Only claims
- Supervisor: No caseload

CLAIM FILE SET UP:

- Set up all files in system within one **(1) working day**

DIARIES & CLAIM REVIEWS:

- All active claims must be reviewed every **thirty (30) days**
- Future medical award claims must be reviewed every **six (6) months**
- A separate notepad ("diary review") must distinguish diary review from routine file documentation and/or status updates
- Supervisor must run a **monthly** report identifying any files off diary.

EMPLOYER CONTACT:

- Contact must be made with employer within **24 hours** of receipt of claim, and documented in Notepad.
- Send DWC 1 immediately if it is not received with the Employer's Report and document same in the file.
- Notify Employer and Program Manager when a claim reaches or exceeds \$100,000 and provide a status report to the client every **ninety (90) days** thereafter. Include an updated Plan of Action.

EMPLOYEE CONTACT:

- Must be made within one **(1) business day**
- Follow-up contact must occur at least every **thirty (30) days**
- All contact must be documented in computer Notepads
- Return calls to the employee within one **(1) business day**
- Correspondence from employees must be responded to within **five (5) working days**

RESERVING PRACTICES:

- Reserves are based upon the ultimate probable cost of the claim
- Reserves must be reviewed every **ninety (90) days** and indicated in a "reserve" notepad"
- A **reserve worksheet** must be used to document current claim reserves
- Reserves for claims open only for future medical awards will be reviewed **semi-annually** and adjusted using a **three (3) year** average and life expectancy

MEDICAL ADMINISTRATION:

- A panel of MDs, hospitals, and specialists must be maintained by Athens and regularly reviewed, updated, and approved by the client
- The treating MD's office must be contacted within five (5) **working days** notice of all Indemnity claims
- All medical bills must be reviewed, approved, and paid within thirty (30) **days**
- All medical bills must be reviewed and paid in accordance with fee schedules in force

PLAN OF ACTION:

- Every Indemnity claim file must contain a separate notepad entitled "**Plan of Action**", which must be updated at least every ninety (90) **days**

INDEX BUREAU:

- Must be submitted on all Indemnity claims and updated every six (6) **months** as long as the claim remains open

COMPENSABILITY:

- Determination whether to accept, delay, or deny a claim must be made within three (3) **working days** of receipt of the claim, and the reasons documented in a "Compensability" notepad

LITIGATED CLAIMS:

- Prior written approval is required from the client before referring a case to defense counsel

SETTLEMENTS:

- Require the client's written authorization on all claims
- Require the written authorization from the client's Workers' Compensation Specialist if the settlement exceeds the client's authority

SUBROGATION:

- A letter must be sent to the client notifying them we intend to pursue subrogation against a third party unless instructed otherwise
- Third party must be contacted with ten (10) **days**

**Athens Administrators
Claims Administration
Staff Assignment Table**

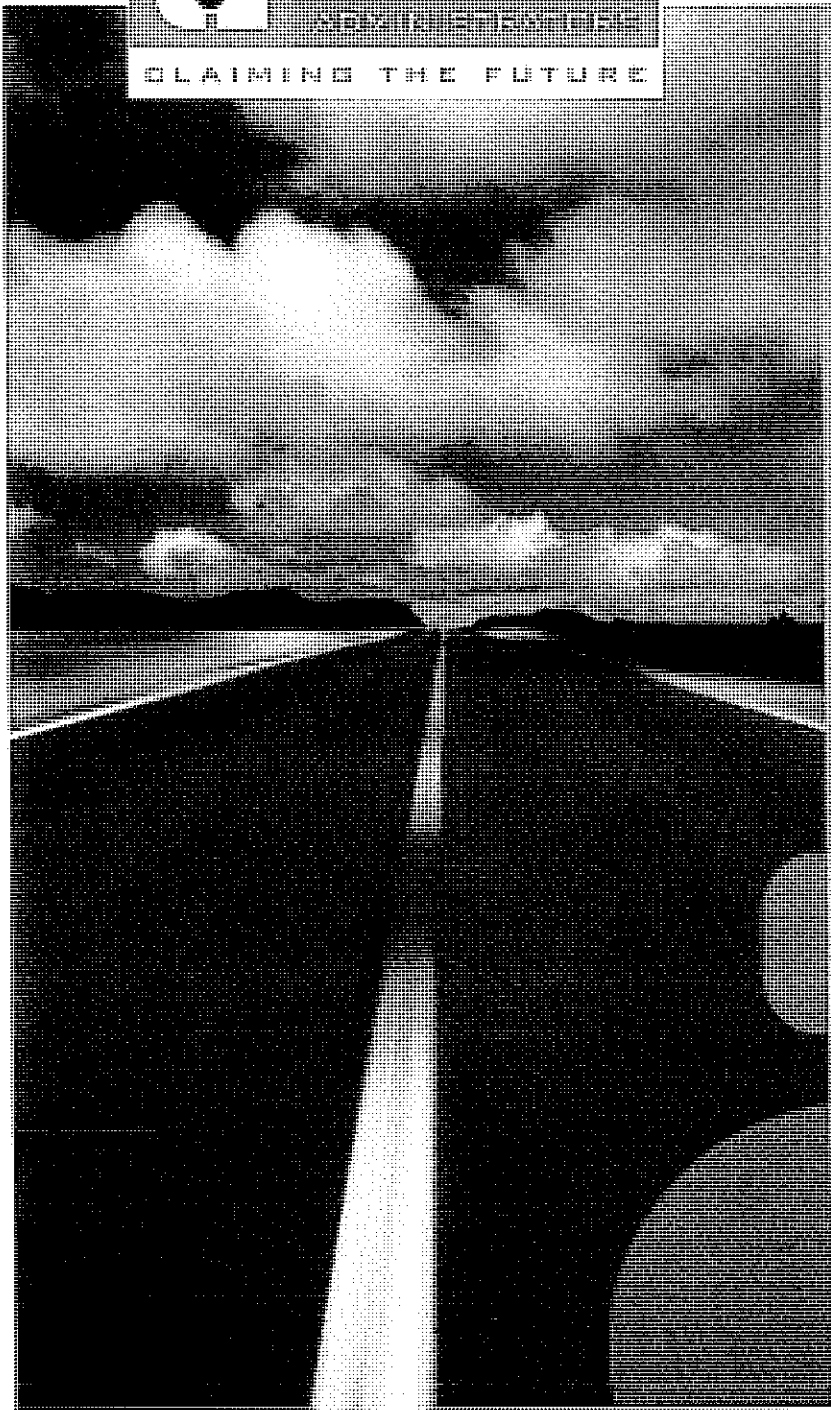
Claims Task or Procedure	Bill Review	Input	Claims Assistant	Senior Examiner	Supervisor	Management
Claims Entry		X				
Initial Review/Compensability determination				X	X	High value or complex claims
3 Point Contact			X	X		
Statements				X		
Delay of Claim				X	Review	High value or complex claims
Denial/Acceptance Determination				X	Review	High value or complex claims
Continued bi-weekly contact with injured worker			X			
Work status determination			X			
Modified work/RTW coordination			X	X		
Issuance of benefits		X	X			
Benefit Notices		X				
Review of medical reports			X	X		
UR Assignments			X	X		
Review of UR Results	X		X	X		
Approval of medical treatment			X	X		
Assignment of Nurse Case Manager			X	X	Review	
QME Process			X			
Permanent disability rating				X	Review	
Reserving				X	Review	High value or complex claims
Bill approval			X	X		
Provider/Bill Inquiry	X		X			
Assignment of Investigator			X	X	Review	
Coordination of Investigation				X		
Assignment of Defense Attorney				X	Review	
Litigation Management				X	Review	High value or complex claims
Subpoena of records			X			
Voc/Rehab, SJDB and Permanent Mod/Alt Work Issues			X	X		
Settlement negotiations				X	Review	High value or complex claims
Preparation of Settlement Documents			X	X	Review	High value or complex claims
Claim/Diary Reviews			X	X	X	High value or complex claims
Payments (up to authority level)	X	X	X	X	X	X



ATHENS

NEW TO SPECIFIC

CLAIMING THE FUTURE



A Claim on the Rise

By Dan Winkler

FILING YOUR INVENTORY,
TIND UP YOUR RESOURCES

BY THE WAY, THE FUTURE
ATHENS ADMINISTRATORS

SUMMARY

Future medical claims are on the rise. It's a phenomenon employers can't afford to ignore. Athens Administrators research has found that future medical claims have proportionately increased relative to all workers' compensation open indemnity claims, in both number of total open claims and total reserve dollars.

Those facts alone make it surprising that future medical claims don't attract more attention. On a per claim average, they can be open for as many as 8, 10, or more years; have \$40,000 or more in reserves; and can represent 35% of a total open indemnity inventory. *The math is shocking:* with 20 to 30 future medical claims in an inventory of 100, that means \$800,000 to \$1,400,000 could be tied up in reserves alone.

To control continued future medical inventory growth, it is critical to analyze and understand this swelling body of claims. This Athens Administrators report offers employers and organizations the information they need to do just that. This explains the history behind future medical claims, examines why they are increasingly common, and explores the implications of growing inventory and escalating medical costs for California's workers' compensation marketplace. It also clarifies for employers how future medical claims impact their programs, and the negative consequences they may hold for an organization.

Medicare settlement arrangements, medical costs that are increasing relative to wages, changing workforce demographics, and a decline in the frequency of new claim submissions, all have affected the demand for settlements with open medical awards. This Athens Administrators report helps employers understand the driving forces behind these influencing factors and other related trends, and offers effective management practices for impacting them. Future medical claims can be open for life. The deeper an employer's knowledge of future claims is, the better the odds are for successful claim resolution.

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This section provides a high level overview of the document and explains why future medical claims are an issue that everybody involved in California workers' compensation should pay close attention to.

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This section provides a historical background of the factors that have led to the growth of future medical claims. It also provides insight into the current demographic, medical and industry specific trends that are perpetuating these claims.

How Future Medical Claims Impact Your Program11-14

Conclusion15

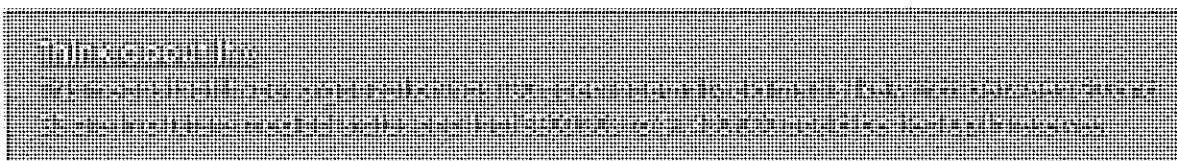
This section provides final thoughts on the best ways to combat future medical claims



INTRODUCTION

Future Medical Claims: Why You Need to Know More

Numbers of settled but open indemnity claims are growing for just about every employer in California. It is not uncommon for future medical claims to represent 20% to 35% of an employer's total open indemnity inventory. On average, a future medical claim has \$40,000 in reserves, and has been open 7.96 years. Surprisingly, future medical claims do not often attract much attention, perhaps because they are largely resolved and are much less dynamic than regular active indemnity claims. However, swelling inventory trends and increased financial commitments make it critical to acknowledge this body of claims. Analysis is key to understanding — and ultimately controlling — continued future medical inventory growth. Employers must create opportunities to impact future medical claims, and get them off their books. Doing so can save their organizations hundreds of thousands of dollars.



A Shifting Pattern

Athens Administrators has administered workers' compensation claims for California employers for over 30 years. We work with public and private self-insured entities, self-insured groups, captives and fully insured programs. Our diverse portfolio of workers' compensation programs provides us with unique insight into industry-wide trends and how those trends impact the participants in California workers' compensation marketplace. In recent years, Athens Administrators has noted a shifting pattern for claim settlements. Specifically, we have realized an increase in future medical claims. These claims have been settled in all areas except the medical treatment aspect, which can remain open for life. Athens Administrators has found that in both total number of open claims and total reserve dollars, future medical claims have proportionately increased relative to all open indemnity claims. To help participants better understand the pattern shift, this Athens Administrators report explores the history behind future medical claims, examines why they are increasingly common, and discusses the implications their rising numbers and costs hold for the California workers' compensation marketplace.

Background

Before examining the specifics of the future medical claims growth phenomenon, it is first important to understand the three essential ways to resolve a workers' compensation claim.

- *Compromise and release (C&R)*: a lump sum payment, which terminates the injured worker's right to all future benefits, except vocational rehabilitation. It is usually based on the percentage of permanent disability with an additional amount to settle the injured worker's right to future

INTRODUCTION (CONT.)

medical and indemnity benefits. Occasionally, parties agree to settle by way of C&R with an open future medical claim.

- *Findings and award: a settlement involving a workers' compensation administrative law judge's decision.* The judge's decision determines the applicant's entitlement to disability benefit payments, future medical treatment, or both.
- *Settlement via stipulation, resulting in a future medical claim:* an arrangement in which both parties agree on the award terms. This agreement usually finalizes all issues and liabilities related to the claim with the exception of the anticipated future medical needs of the injured worker. Although the claim has been settled it must stay open with reserves set at a level adequate to cover anticipated future medical costs the claimant may incur due to the work-related injury.

Historically, C&R settlements were frequently used and generally preferred by many employers and claimants. Employers enjoyed the release from future liabilities and the ability to ultimately close the claim. Claimants could take the lump sum settlement and utilize it however they chose. Settlements via stipulations have also always been options to claimants and employers, but in recent years have become much more prevalent, particularly as future access to medicine becomes more valuable than cash in-hand today.

WHY FUTURE MEDICAL, WHY NOW?

History

California's workers' compensation industry was relatively static for many years. Its rules, regulations and processes did not regularly fluctuate. That is until the 1990s, when the dynamic industry we know today was born. The passage of the Americans with Disabilities Act of 1990 (ADA)¹ lit the slow-burning fuse that fueled the growth of future medical settlements. The ADA specifically addressed an employer's obligation to make "reasonable accommodations" for individuals with disabilities; that language ultimately elevated the concept — and resulting benefits — into the business mainstream. Thus began the movement to make return-to-work programs standard throughout corporate America; previously considered progressive, generally only the most sophisticated organizations had implemented them.

Prior to 1990, workplace accommodations for injured workers were relatively uncommon. An injured individual who could not perform his or her duties was often forced to find another job. This reality allowed more C&R claim settlements. The claimant received a lump sum payment and could then move on. In return, the employer was released from future liabilities and also could move forward without looking back. In many ways, it was a less-sophisticated process. Much has changed over the years, and the influences and issues surrounding workers' compensation claim settlements have become increasingly complex.

Today

Several factors influence the California workers' compensation industry, including the state of the economy, unemployment rates, workforce demographics, business trends, medical costs, indemnity costs, state and federal legislation, and more. This report focuses on the trends Athens Administrators believes most clearly affect the demand for settlements with open medical awards, namely Medicare settlement arrangements, increasing medical costs, changing workforce demographics, and a decline in the frequency of new claim submissions.

1) Medicare's Interest in Settlements

Medicare has a definite interest in the settlement of workers' compensation claims. Medicare's mandate is to ensure that it will not bear the medical expenses resulting from workers' compensation injuries. Certain specifically defined instances require that Medicare review a case prior to settlement:

- a. "The claimant is currently a Medicare beneficiary and the total settlement amount is greater than \$25,000."²
- b. "The claimant has a 'reasonable expectation' of Medicare enrollment within 30 months of the settlement date and the anticipated total settlement amount for future medical expenses and disability/lost wages over the life or duration of the settlement agreement is expected to be greater than \$250,000."³

¹ www.ada.gov

² Centers for Medicare and Medicaid Services. www.cms.hhs.gov/WorkersCompAgencyServices/04_wcsetaside.asp

³ See note 2

WHY FUTURE MEDICAL, WHY NOW? (CONT.)

If either threshold is met, then settlement discussions must address Medicare's interests. An employer satisfies Medicare's interests by funding, on behalf of the claimant, a Medicare set-aside arrangement (MSA). The set-aside funds may be utilized only to cover future medical costs. If the claimant, employer, and Medicare all agree on the MSA's terms, then the claim can proceed to the final C&R resolution, and the employer is protected from future medical claims.

The MSA Issue: A case's specific facts — such as type of injury, claimant's age and life expectancy, and anticipated future medical costs — determine the MSA value that Medicare will require. Often, Medicare's terms are not financially viable for an employer, who may conclude that the best option is to not settle medical aspects of the claim and instead pay for medical treatment as it occurs (if it occurs). The result: a future medical claim that is open indefinitely, unless the facts surrounding the claim change or the claim is administratively closed. This scenario — opting not to settle a claim because of the MSA requirement — occurs regularly, and contributes to the growing inventory of open future medical claims.

2) Medical Costs Are Growing at a Greater Rate Than the Average Weekly Wage

Medicine and medical costs are becoming more valuable relative to wages. A 2008 analysis of worker's compensation results prepared by Dennis Mealy, chief actuary of the National Council on Compensation Insurance, Inc. (NCCI)⁴, revealed that increased medical costs have influenced individuals to approach workers' compensation settlement discussions with longer-term perspectives. At least since 1990, on an annual basis, medical treatment and service costs have grown at a greater rate than average weekly wages. This continuing disparity will rightfully place an even greater premium on access to future medical benefits, elevating the demand for future medical settlements; in turn, that demand will create a larger proportion of open future medical claims in an employer's open claim inventory. If all things remain constant, Athens Administrators anticipates that medical costs' growth rate will continue to outpace wage increases into the foreseeable future.

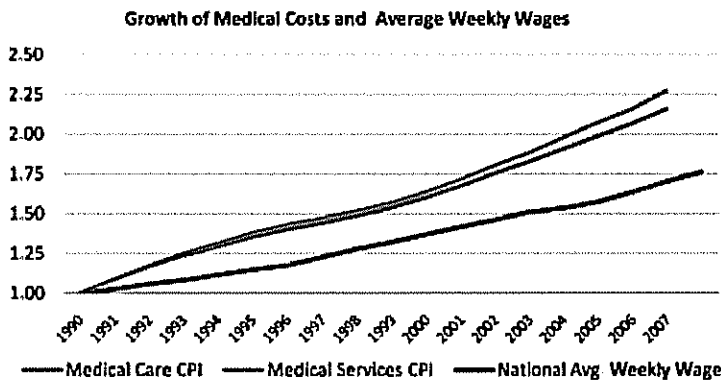


Figure 1:
 chart Athens Administrators; data
 source Medical Care CPI and
 Medical Services CPI, Bureau of
 Labor Statistics, National Average
 Weekly Wages, U.S. Department
 of Labor

⁴ Dennis C. Mealy, FCAS, MAA "2008 State of the Line." (NCCI Holdings, Inc., 2008), www.ncci.com/documents/AIS-2008-SOL-Complete.pdf; pages 39-41

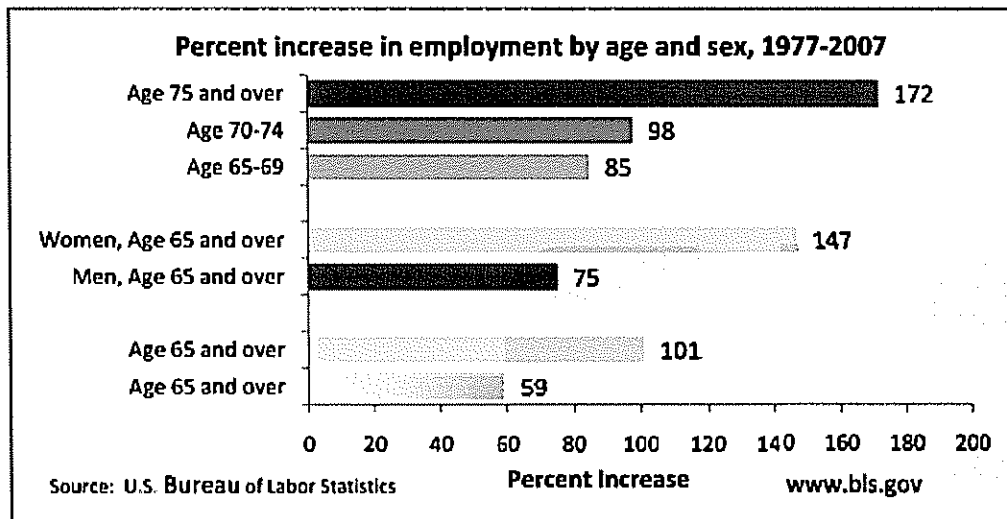
WHY FUTURE MEDICAL, WHY NOW? (CONT.)

3) Changing Workforce Demographics

Two key developments in United States' demographics — an aging workforce and skyrocketing obesity rates — have had the greatest direct impact on the workers' compensation industry, contributing to the increasing swell of future medical settlements.

a. Aging workforce

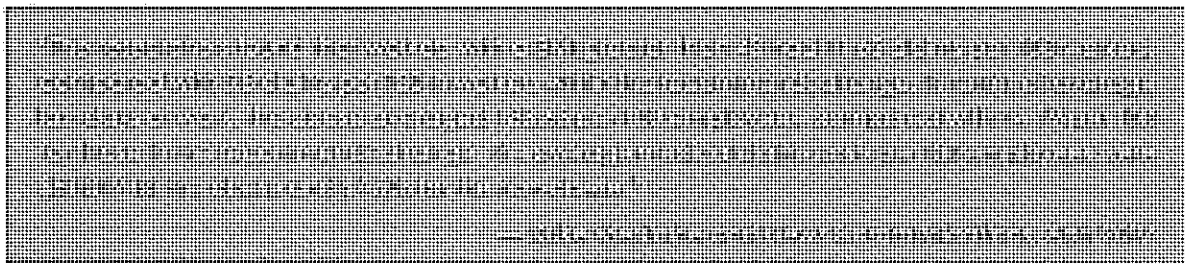
Today people work to an older age than in the past. Thus, a greater portion of the workforce is close to or at the age range that requires Medicare involvement in workers' compensation claim settlement discussions. This alone leads to greater levels of future medical settlements. Medicare-approved settlements can be difficult and costly to accomplish. From an employer's point of view the required settlement value is often not financially feasible, a reality that tends to lead to a breakdown of settlement discussions and, ultimately, results in settlements with stipulations for future medical awards.



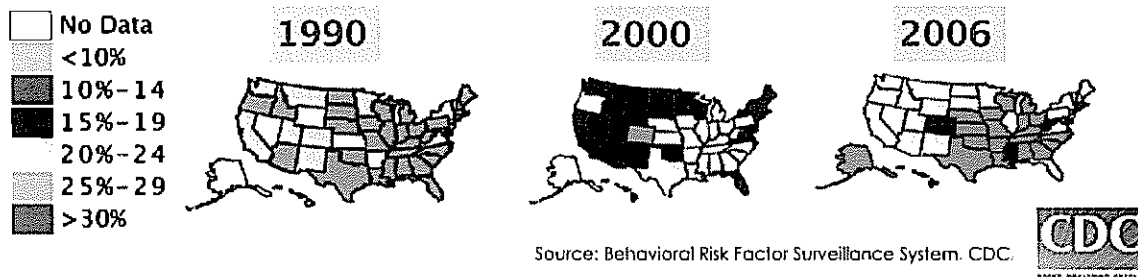
b. Obesity in the Workforce.

Since 1990, California has experienced a significant growth rate of obesity in its general population. In 1990, the CDC reported that less than 10% of the population had a body mass index (BMI) of greater than 30, the definition for obesity. However, only 16 years later, in 2006, that percentage doubled, increasing to between 20% and 24% of the population. A 2007 Duke University study found that individuals whose BMI is greater than 40 have two times as many claims, which result in 12.94 times as many lost days and cost 6.79 times more, than the claims of individuals with BMIs less than 40.

WHY FUTURE MEDICAL, WHY NOW? (CONT.)



Obesity Trends – Among U.S. Adults -1990-2006 Obese = Body Mass Index (BMI) of 30, or 30 lbs. Overweight for 5'4 person



This trend's impact on future medical settlements is very real. Based on Duke University's study, Athens Administrators projects that the increasingly obese population within the United States will experience increasing numbers of severe claims, which will require greater levels of medical treatment. We further speculate that the greater demand for medical treatment, in conjunction with the rapidly increasing costs of medical care, will increase demand for future medical settlements.

c. *Related trends.* Several other business and medical trends influence future medical inventory growth.

i. Health insurance companies' aggressive approach to exclude pre-existing conditions, including those stemming from industrial injuries. Claimants are aware of the prohibitive costs of medical treatment without insurance. Where a strong likelihood exists that their case will require future treatment, individuals strongly consider the reality of exclusions for their workers' compensation claim settlement. The impact: Individuals place an increased sense of value on funding for future medical treatments.

⁵ Duke Medicine News and Communications. April 23, 2007. www.dukehealth.org/HealthLibrary/News/10044

WHY FUTURE MEDICAL, WHY NOW? (CONT.)

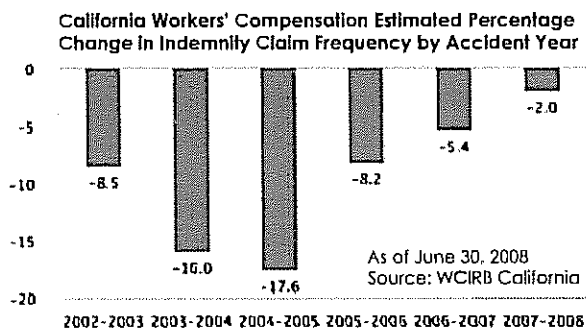
ii Increased dependence on prescription drugs Prescription drugs have positively impacted both treatment and prevention of injury and illness. As more prescription drugs are developed, doctors increasingly prescribe them to patients. Many pain-management programs revolve around medication regimens. As a result, claimants are more dependent on prescription drugs. Increased utilization likely will continue into the future. "The Department of Health and Human Services estimates that prescription drug spending will increase from \$216.7 billion in 2006 to \$515.7 billion in 2017."⁶ Claimants will place an increasingly high value on continued access to prescription drugs, a consideration that could result in swelling numbers of claims left open to cover drug costs.

i A recent survey⁷ by USA Today/Kaiser Family Foundation/Harvard School of Public Health noted that 54% of the adults interviewed currently take prescription medicine. Of that group, 35% take between 1 and 3 different drugs, and 19% take 4 or more.

iii. High levels of employee retention. An organization that enjoys high levels of employee retention tends to have a greater level of future medical claims within its inventory of open indemnity claims. Often it is not in that company's best interest to settle a claim via C&R with a current active employee because a new claim — due, for example, to reinjury — could be filed, negating the benefit of a lump sum settlement. This stance increases levels of stipulated settlements.

4) Declining Frequency Rate of Lost-Time Claims

California has experienced a favorable trend related in the frequency rate of new indemnity, or lost-time, claim submissions. A September 22, 2008, Workers' Compensation Insurance Rating



Bureau (WCIRB) of California report demonstrated a 57.7% decline in indemnity claim frequency over the past six years. This is great news for both employees and employers. For employees, fewer lost-time claims means fewer workplace injuries, which could signify safer workplaces and maybe better health. For employers, this downward trend means that, in their total open indemnity inventory, the pure number of future medical claims will decline over time.

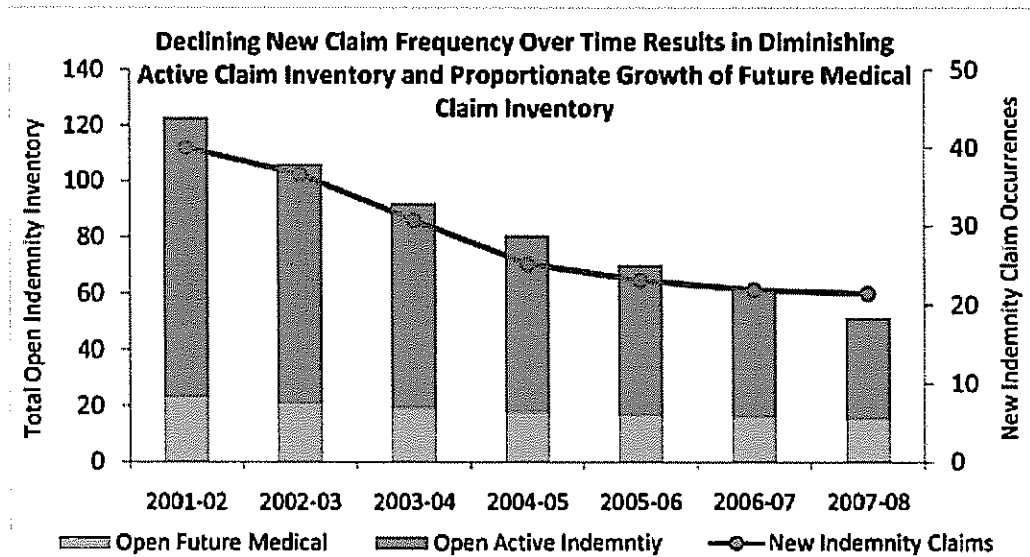
⁶ "Prescription Drug Trends," Kaiser Family Foundation, September 2008, www.kff.org/rxdrugs/upload/3057_07.pdf

⁷ "The Public Health on Prescription Drugs and Pharmaceutical Companies," USA Today/Kaiser Family Foundation/Harvard School of Public Health, January 3-23, 2008. www.kff.org/kaiserpolls/7748.cfm

WHY FUTURE MEDICAL, WHY NOW? (CONT.)

However, because normal active indemnity claims will decline at an even more rapid rate, future medical claims will, at the same time, proportionately become a more significant segment of that total open indemnity inventory. *Here's why:*

- Future medical claims take longer to resolve than non future medical indemnity claims.
- Fewer new indemnity claims results in a proportional growth of future medical claims as a portion of total claim inventory.
- Over time, if frequency rates remain constant, then the proportion of future medical claims to active indemnity claims will continue to shift. Future medical claims will become an even greater segment of all open claims.



In this hypothetical example there were 23 open future medical claims in 2001. This represented a future medical inventory of 19% of all open indemnity claims. By 2007, open future medical claims had declined by 35%; however, proportionately they had grown to represent 29% of the total open indemnity inventory.

HOW DO FUTURE MEDICAL CLAIMS IMPACT YOUR PROGRAM?

Open future medical claims pose several consequences for an organization.

Direct Financial Impact

California self-insured employers are required to post reserves for future medical claims. To better understand this segment of claims, Athens Administrators analyzed the population we administer. The specific details of the individual future medical claims varied widely. However, on average the claimant was 54 years old; the claims had an incurred value of \$114,451; had open reserves of approximately \$40,000; and had been open for nearly 8 years. We also found that, in many instances, 20% to 35% of all open indemnity claims for a mature (more than 5 years since inception) self-insured workers' compensation program were classified as future medical.

Detrimental Impacts

Open future medical claims can negatively impact an organization in several different and meaningful ways:

- Effective management of a workers' compensation program requires active oversight by an employer's staff. The staff time required to perform this function costs the organization money.
 - » Any excess time individuals spend managing a program could be considered **opportunity cost** for the organization. These individuals could instead perform other more proactive and beneficial duties.
- The reserve dollars required for open claims can impede an organization's ability to deploy funds toward core functions. Undesired financial burdens and organizational stress may result.
- An open claim by definition is a claim that is not fully resolved. As long as the claim is open the possibility exists that it may develop into something larger, and more financially painful, than expected.
- Over time, open claims can frustrate both the injured worker and the employer.
 - » Tenuous relationships between the employee and employer may result.
 - » Utilization of treatment may become a source of employee retaliation, and may be exacerbated if the individual's employment status changes (resignation, termination, or performance probation).
- Years of continuous treatment can change an injured worker's mind set. A sense of entitlement to or dependency on treatment can become their new reality. Ongoing medical utilization may become the driving force in all issues related to the claim.
 - » If this attitude surfaces, mutually beneficial settlement discussions become significantly more challenging.

HOW DO FUTURE MEDICAL CLAIMS IMPACT YOUR PROGRAM? (CONT.)

An in-depth understanding of a workers' compensation program allows an employer to better set and manage expectations and objectives related to their program. Future medical claims represent very significant numbers to those programs and should be carefully managed. If future medical claims are not identified, understood, and explained, they can become a major source of aggravation within an organization — **"Why is that claim still open?"**

Employers who understand future medical claims and what drives them can establish specific goals and strategies for these claims that are separate from their organization's objectives for its active indemnity claim population. For example, an organization's actuaries should view future medical claims differently. Because they are largely resolved and much less dynamic than all other unresolved indemnity claims, future medical claims should not be subject to the same loss development factors. *Recognizing this fact can save an employer hundreds of thousands of dollars.* The process of administering future medical claims and active indemnity claims separately results in a more focused approach for both the employer and the claim administrator.

Managing Future Medical Claims: Best Practices

Because future medical claims are settled in all areas except anticipated future medical needs, they are less dynamic on a daily basis than a typical active indemnity claim. Future medical claims generally require that the examiner process medical payments (when they occur) and regularly review and adjust reserves. This is very different than an examiner's role with an active indemnity claim. Effective management of an active indemnity claim requires, at a minimum, that the examiner:

- Communicates regularly with the injured worker and the employer
- Ensures appropriate and timely indemnity payments
- Maintains proper reserves and clear supporting documentation on the file
- Monitors treatment patterns and coordinates with utilization review
- Helps the employer facilitate return-to-work efforts
- Coordinates investigation work (when required)
- Communicates with attorneys on litigated cases
- Performs ongoing review of all aspects of the open file

Time management has become an increasingly critical skill for workers' compensation claim examiners in California. It is not uncommon for claim examiners to have both active and future medical claims within their overall case load, which typically ranges from 145 to 165 open indemnity claims. Active claims are demanding and can monopolize an examiner's time. Short time frames, larger penalties, and additional paperwork requirements brought on by recent reform measures, have made their jobs increasingly more complex and busy. Examiners are forced to tackle the most critical tasks within their

HOW DO FUTURE MEDICAL CLAIMS IMPACT YOUR PROGRAM? (CONT.)

workloads first, which means future medical claims — because they are less-demanding than active claims — could land on the tail end of an examiner's priority list.

A great strategy for addressing an inventory of open indemnity claims is to separate the administration of future medical claims from active indemnity claims when possible. A dedicated future medical examiner can then manage the future medical claims. These examiners should have specific training and guidelines on how to most effectively manage this class of claims. Because future medical claims are static, a manageable case load for a future medical examiner ranges from 200 to 275 open cases. This is a fairly wide range of open cases. Efficient claim administration systems and higher levels of administrative support will allow examiners to effectively manage at the high end of the case load scale.

After placing all open future medical claims with a dedicated future medical examiner, the ideal scenario is to then reduce the active indemnity claims examiner's case load to between 135 and 140 open cases. This segmented and focused approach to administering workers' compensation claims will deliver superior results. It provides active claims examiners with case loads they can manage proactively, and ensures future medical claims receive highly focused and attentive management.

Settling Future Medical Claims: Best Strategies

There is no development on a fully resolved claim. It is important to always work to close a claim as quickly and completely as possible. Once a claim converts from an active indemnity claim to a future medical status it does become more difficult to settle, but not impossible. There are times when moving toward a settlement via compromise and release (C&R) makes sense, and times when allowing the claim to remain open is the best course of action. There are many variables that ultimately influence an employer's decision to settle or not to settle a claim.

When not to consider a C&R settlement

Often it is not in an employer's best interest to settle a future medical claim via C&R for an active employee. The company could pay out a lump sum amount, only to have the employee reinjure the same body part and submit a new claim; in this scenario, the lump sum has been paid to the employee for the settled claim, but the new claim places a liability back on the company books. With an active employee's claims, the best strategy may be to keep the claim open and monitor it closely. If the employee discontinues treatment, the claim administrator can issue an administrative closure, a strategy that takes time to execute, but may be very effective. *A two-year period of inactivity is necessary before an administrative closure can occur on a self insured program in California.* Once the two-year time frame has passed, the employer can avoid the costly lump sum settlement and also remove the liability from its books. However, an administrative closure may not be permanent; if the employee resumes treatment or requires ongoing supplies for the injury, the claim will reopen and reserves will need to be recalculated and applied to the file.

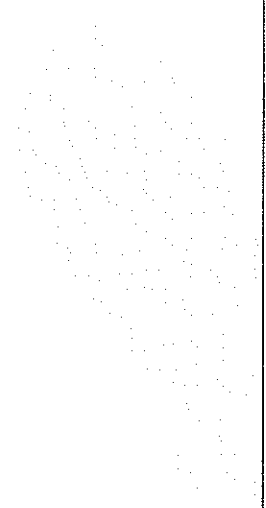
When to attempt a C&R settlement

HOW DO FUTURE MEDICAL CLAIMS IMPACT YOUR PROGRAM? (CONT.)

Timing is everything when an organization resolves a future medical claim. Prior to offering a C&R settlement, an employer's key considerations are:

- Is the claimant still an active employee of the company?
- How likely is it that the claim will close administratively in the near future?
- Will the settlement include an MSA?
- How likely is it that the claimant will need treatment in the near future?
- Strategically, is it a good time to make a settlement offer?
- What is the life expectancy of the employee? The reserves on the claim will be based on normal life expectancy for an individual. Is the individual normal? Will they live longer or shorter than what is deemed normal?

Armed with the answers to these questions, organizations can confidently decide whether or not to settle a claim.



CONCLUSION

Future medical claims are a growing segment of all open indemnity workers' compensation claims. The deeper an employer's knowledge of these claims is, the better the odds are of successful resolution.

Employers should know and understand what future medical claims are and what drives them. Recognizing and addressing the external factors that influence the behavioral and health patterns of their employees, such as obesity trends, workforce demographics and increasing medical costs, is critical to effectively managing these claims. Over the years, employers have significantly made their workplaces safer and more accommodating for all employees. These efforts have, for example, resulted in fewer and less-severe industrial injuries.

Continuing these proactive measures — ongoing attention to ergonomics, safety, loss control, and return-to-work efforts — and developing new ones is important to claim management. Looking into the future, the next likely step for employers involves a holistic approach to their employees' overall wellness: implementing life-enhancing plans, including programs that target diet and exercise, and drug, alcohol and tobacco cessation. The outcome will be employees who live healthier and more productive lives, and who will experience fewer claims and be less dependent on medicine. These factors will further drive down claim frequency and result in fewer future medical claims.

The holistic approach to wellness will take time to develop and implement. It will take even longer for these programs to produce quantifiable results. One way to achieve immediate positive impact on a workers' compensation program is to begin by identifying future medical claims within an inventory. Then, establish specific goals and objectives surrounding the treatment and resolution of these claims. Make sure that future medical claims do not receive low-priority treatment. Bring them to the forefront and take advantage of all opportunities for closures that may exist. Effective management will curb expanding populations of future medical claims.

About Athens Administrators:

For over thirty years Athens has administered claims throughout the state of California. We have exceptional clients that include Fortune 500 companies, outstanding regional businesses and some of the most recognizable public agencies in the state. Athens Administrators is passionate about delivering exceptional service and results to our clients. For more information about this document or Athens Administrators please contact:

Bruce Lees

925.826.1103

blees@athensadmin.com

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 9, 2010
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: CONSIDERATION OF A ONE MONTH CONTRACT EXTENSION FOR WORKERS COMPENSATION CLAIMS ADMINISTRATION SERVICES WITH SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

ACTION REQUIRED AT THE APRIL 9, 2010 BOARD MEETING

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to extend the contract for workers compensation claims administration with Sedgwick Claims Management Services, Inc. for one additional month.

II. SUMMARY OF ISSUES

- Santa Cruz METRO's contract for the administration of its worker's compensation program will expire on April 28, 2010.
- Santa Cruz METRO will need more time for implementation of the new contract with a different firm.

III. DISCUSSION

Santa Cruz METRO contracts with a third party administrator for its self-insured worker's compensation program. Over the past five years, Santa Cruz METRO has contracted with Sedgwick Claims Management Services, Inc. to provide these services. The current contract with Sedgwick Claims Management Services, Inc. will expire on April 28, 2010. A new contract with a different firm will take more time than is available to successfully transfer the files and responsibilities.

Staff recommends that the Board of Directors authorize the General Manager to extend the contract for workers compensation claims administration with Sedgwick Claims Management Services, Inc. for one additional month at the current contract pricing.

IV. FINANCIAL CONSIDERATIONS

Funds to support this contract extension are included in the FY10 Workers Compensation accounts (account #502081) for all departments.

V. ATTACHMENTS

Attachment A: Contract amendment with Sedgwick Claims Management Services, Inc.

Prepared By: Lloyd Longnecker, Purchasing Agent
Date Prepared: March 31, 2010

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIFTH AMENDMENT TO CONTRACT NO. 04-08
WORKERS COMPENSATION CLAIMS ADMINISTRATION SERVICES**

This Fifth Amendment to Contract No. 04-08 for workers compensation claims administration services is made effective March 1, 2009 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("Santa Cruz METRO") and Sedgwick Claims Management Services, Inc., assignee of Octagon Risk Services, Inc. ("Contractor").

I. RECITALS

1.1 Santa Cruz METRO and Contractor entered into a Contract for workers compensation claims administration services ("Contract") on March 1, 2005.

1.2 The Contract allows for the extension upon mutual written consent.

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

II. TERM

2.1 Article 3.02 is amended to include the following language:

This contract shall continue through May 28, 2010. This Contract may be mutually extended by agreement of both parties.

III. REMAINING TERMS AND CONDITIONS

3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

4.1 Each party has full power to enter into and perform this Fifth Amendment to the Contract and the person signing this Fifth Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Fifth Amendment to the Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

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Signed on _____

SANTA CRUZ METRO--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR-- SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

By _____

Jeff Glatstein
Corporate Counsel

APPROVED AS TO FORM:

Margaret R. Gallagher
District Counsel

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 9, 2010
TO: Board of Directors
FROM: Angela Aitken, Finance Manager, and Acting Assistant General Manager
SUBJECT: CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING FY10 BUDGET RECONCILIATION ACTIONS

ACTION REQUIRED AT THE APRIL 9, 2010 BOARD MEETING

I. RECOMMENDED ACTION

That the Board of Directors adopt a resolution authorizing FY10 Budget Reconciliation Actions as presented.

II. SUMMARY OF ISSUES

- The FY10 Budget Reconciliation Actions outlined below would revise the FY10 Operating Budget, in response to the dramatic and unprecedented decline in revenues since the FY10 budget was adopted on June 26, 2009.
- Santa Cruz METRO's sales tax receipts, Transportation Development Act (TDA) funding, and passenger fares, have all declined dramatically since the FY10 budget was adopted.
- In response to the significant decreases in revenue, staff has been working diligently to reduce operating expenses, while continuing to provide the current level of transit service to the public.
- The following budget reconciliation actions are based on actual revenue receipts and spending through February 2010.
- With these budget reconciliation actions, the FY10 Operating Budget **Total Revenues** have been reduced from \$40,935,309 to \$35,437,678, a decrease of \$5,497,632 or 13.4%, while the corresponding **Total Expenses** have been reduced from \$40,935,309 to \$35,437,678, a decrease of \$5,497,632 or 13.4% which allow us to present a balanced budget at this time.
- Major **Operating Revenue** reconciliation actions in the FY10 Operating Budget include:
 - A decrease of 7.8% or \$267,297 in **Passenger Fares** (fare box revenue) is projected due to a decline in ridership year over year
 - A decreases of 12.8% or \$469,607 is projected for **Special Transit Fares** such as the UCSC and Cabrillo contracts, due to declines in ridership year over year
 - **Paratransit Fares** are also projected to decline by 28.5% or \$93,310 due to fewer rides provided than originally anticipated
 - **Advertising Revenues** are expected to exceed budget by 43.3% or \$65,000

- **Interest Income** receipts continue to exceed the County Treasurers' budget estimate of 0.25%, resulting in a projected increase of approximately \$125,000
- **Sales Tax** revenues through February 2010 have declined by \$1,568,213 or 14% compared to actual receipts through February 2009, resulting in a 13.6% overall estimated decrease for FY10 of approximately \$2,201,999
- The current projected amount for **Transportation Development Act (TDA)** receipts is down by \$549,571 and reflects a 9.9% decrease from the original allocation request, due to a budget revision adopted by the Santa Cruz County Regional Transportation Commission (SCCRTC) in February 2010
- **One-Time Revenues and Transfers from Reserves** required to balance the FY10 Operating Budget have been reduced by \$2,085,813 or 34% from \$6,100,814 to \$4,015,001
- Major **Operating Expense** reconciling actions in the FY10 Operating Budget include:
 - A savings of approximately \$2,115,314 in labor costs due to:
 - Vacant funded positions (approximately 21 positions)
 - Extended unpaid leaves (general leaves of absence, State Disability and Worker's Comp leaves)
 - Lower than anticipated workers compensation expense
 - Medical insurance cost increase of 3% rather than the 12% originally budgeted
 - Lower than anticipated mobile materials and supplies expense of approximately \$1,813,591, with the majority of the savings in fuel expense primarily due to the conversion of the fleet to CNG, and the extension of the Alternative Fuel Tax Credit Rebate Program through December 31, 2010
 - Cost cutting measures and savings at all levels and in all departments of approximately \$1,500,000 to the extent that only necessary items are funded
 - Included in the FY10 Budget Reconciliation Action is the addition of a Grants Analyst position in the Finance department budget

III. DISCUSSION

The FY10 Budget Reconciliation Actions outlined below would revise the FY10 Operating Budget in response to the dramatic and unprecedented decline in revenues since the budget was adopted on June 26, 2009.

Santa Cruz METRO's sales tax receipts, Transportation Development Act (TDA) funding, and passenger fares, have all declined dramatically since the FY10 budget was adopted.

In response to the significant decreases in revenue, staff has been working diligently to reduce operating expenses, while continuing to provide the current level of transit service to the public.

Due to significant changes since the FY10 Operating Budget was adopted in June of 2009, this FY10 Budget Reconciliation Action is being presented for the Board of Directors to adopt.

A. Operating Revenues

In the FY10 Budget Reconciliation Action, **Total Revenues** are reduced from \$40,935,309 to \$35,437,678, which is \$5,497,632 or a 13.4% reduction. The corresponding **Total Expenses** are reduced from \$40,935,309 to \$35,437,678 which is \$5,497,632 or a 13.4% reduction as well.

The FY10 Budget Reconciliation Action is balanced using **One-Time Revenues** and **Transfers from Reserves** in the amount of \$4,015,001, while the adopted FY10 Operating Budget was balanced using \$6,100,814 in One-Time Revenues and Transfers from Reserves. Included in One-Time Revenues is \$205,000 of American Recovery and Reinvestment Act (ARRA) Operating Funds, which is a new revenue source.

The reconciling actions to the Operating Budget will result in \$5,497,632 less revenue, while \$5,497,632 in Operating Expense is anticipated to be saved due to vacant funded positions, lower than anticipated fuel expense coupled with the extension of the Alternative Fuel Tax Credit Rebate Program, and diligent cost saving measures being implemented in all departments.

- Major **Operating Revenue** reconciliation actions in the FY10 Budget include:
 - A decrease of 7.8% or \$267,297 in **Passenger Fares** (fare box revenue)
 - A decreases of 12.8% or \$469,607 for **Special Transit Fares**
 - **Paratransit Fares** are projected to decline by 28.5% or \$93,310
 - **Advertising Revenues** are expected to exceed budget by 43.3% or \$65,000
 - **Interest Income** receipts exceed the County Treasurers' budget estimate, resulting in a projected increase of approximately \$125,000
 - **Sales Tax** revenues are anticipated to decline by \$2,201,999 or 13.8%
 - A decrease of 9.9% or \$549,571 in the amount projected for **Transportation Development Act (TDA)** receipts passed through from the Santa Cruz County Regional Transportation Commission (SCCRTC)
- **One-Time Revenues** and **Transfers from Reserves** include:
 - The use of ARRA Operating funds (a new funding source) in the amount of \$205,000 that was not available when the FY10 budget was adopted. An earmark grant in the amount of \$475,000 was awarded in March 2010. This allows the use of \$205,000 in FY10, and the remaining \$270,000 to be used in FY11, since a

budget amendment to the ARRA grant was approved by the Federal Transit Administration (FTA)

- The use of **Carryover from Previous Year** of only \$990,293 while \$3,268,589 was originally anticipated in the adopted budget
- Transfer from the Insurance Reserves for **Legal Settlements** of \$150,000; no change from the adopted budget
- A transfer from **Capital Reserves** in the amount of \$119,305 for the Project Manager Salary and Benefits expense; no change from the FY10 adopted budget (The expense will be capitalized as part of the grant-funded MetroBase project)
- The use of \$2,547,920 from **Operating Reserves** to balance the budget in FY10

B. Operating Expenses

Operating Expenses in the FY10 Budget Reconciliation Action have been reduced from \$40,935,309 to \$35,437,678 which is a reduction of \$5,497,632 or 13.4%.

Major **Operating Expense** reconciling actions in the FY10 Operating Budget include:

- Savings of approximately \$2,115,314 in labor costs due to:
 - Vacant funded positions (approximately 21 positions)
 - Extended unpaid leaves, (general leaves of absence, and State Disability)
 - Lower than anticipated workers compensation expense
 - Medical insurance cost increase of 3% rather than the 12% originally budgeted
- Lower than anticipated mobile materials and supplies expense of approximately \$1,813,591, with the majority of the savings in fuel expense primarily due to the conversion of the fleet to CNG, and the extension of the Alternative Fuel Tax Credit Rebate Program through December 31, 2010
- Cost cutting measures and savings at all levels and in all departments of approximately \$1,500,000 to the extent that only necessary items are funded
- Included in the FY10 Budget Reconciliation Action is the addition of a Grants Analyst position in the Finance department budget. The recent and devastating losses of operating and capital revenue sources have adversely impacted Santa Cruz METRO's ability to fund the operating budget and provide funding for capital replacements and/or expansion. With the receipt this year of ARRA capital funds to purchase replacement ParaCruz Vans, Fare-boxes, and IT Hastus

upgrades, the emphasis on transparency has placed an additional burden in the grants area due to very strict regulatory reporting deadlines.

The budget includes contractual wage and/or benefit adjustments for employees represented by UTU Local 23 and SEIU Local 521, as well as adjustments in accordance with the management compensation plan.

IV. FINANCIAL CONSIDERATIONS

The FY10 Budget Reconciliation Action, as presented, is balanced with the use of **One-Time Revenues** in the amount of \$207,483 and **Transfers from Reserves** in the amount of \$3,807,518 for a total of \$4,015,001

V. ATTACHMENTS

- Attachment A:** FY10 Budget Resolution
- Attachment B:** FY10 Budget Reconciliation Actions – Authorized & Funded Personnel – Finance 1200
- Attachment C:** FY10 Budget Reconciliation Actions – Revenue Sources
- Attachment D:** FY10 Budget Reconciliation Actions – Total Departmental Expenses
- Attachment E:** FY10 Budget Reconciliation Actions – Consolidated Expenses
- Attachment F:** FY10 Budget Reconciliation Actions – Individual Departmental Expense

Prepared by: Debbie Kinslow, Assistant Finance Manager

Date Prepared: April 1, 2010

BEFORE THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. _____
On the Motion of Director _____
Duly Seconded by Director _____
The following Resolution is adopted:

**A RESOLUTION OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
AUTHORIZING A REVISION TO THE
FY10 OPERATING BUDGET**

WHEREAS, it is necessary to revise the adopted FY10 Operating Budget of the Santa Cruz Metropolitan Transit District to provide for revisions in the operating revenue and expense budget.

NOW, THEREFORE, BE IT RESOLVED, the budget is hereby amended per the attached Attachments B - F.

PASSED AND ADOPTED this 9th day of April 2010, by the following vote:

- AYES: Directors -
- NOES: Directors -
- ABSENT: Directors -
- ABSTAIN: Directors -

Approved _____
ELLEN PIRIE
Board Chair

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

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FY10 BUDGET RECONCILIATION ACTION
 Authorized and Funded Personnel - Full Time Equivalent (FTE)
 Finance - 1200

Position Title	Authorized FY 09	Funded FY 09	Authorized FY 10	Funded FY 10
Finance Manager	1.00	1.00	1.00	1.00
Assistant Finance Manager	1.00	1.00	1.00	1.00
Senior Accountant	0.50	0.00	0.50	0.00
Accounting Specialist	1.00	1.00	1.00	1.00
Sr Acctng Tech	2.00	2.00	2.00	2.00
Financial Analyst	1.00	1.00	1.00	1.00
Grants/Legislative Analyst	1.00	1.00	2.00	2.00
Transportation Planning Supervisor	0.00	0.00	0.00	0.00
Transit Planner	1.00	1.00	1.00	1.00
Transit Surveyor	1.00	1.00	1.00	1.00
Purchasing Agent	1.00	1.00	1.00	1.00
Purchasing Assistant	1.00	1.00	1.00	1.00
Supervisor of Revenue Collection	1.00	1.00	1.00	1.00
Revenue Specialist	1.00	0.00	1.00	0.00
Total Full-Time Equivalents (FTEs)	13.50	12.00	14.50	13.00

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Attachment B

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
REVENUE SOURCES**

REVENUE SOURCE	BUDGET	ACTUAL YTD	PROJ BUDGET	\$ CHANGE	% CHANGE
	FY10	as of 02/28/2010	FY10	BUDGET FY10	BUDGET FY10
1 Passenger Fares	3,416,931	2,099,756	3,149,634	(267,297)	-7.8%
2 Special Transit Fares	3,682,013	2,141,604	3,212,406	(469,607)	-12.8%
3 Paratransit Fares	327,254	155,963	233,945	(93,310)	-28.5%
4 Highway 17 Fares	1,070,046	698,556	1,047,834	(22,212)	-2.1%
5 Highway 17 Payments	431,200	287,782	431,200	-	0.0%
6 Commissions	5,500	4,016	5,500	-	0.0%
7 Advertising Income	150,000	169,202	215,000	65,000	43.3%
8 Rent Income - SC Pacific Station	91,774	61,261	91,774	-	0.0%
9 Rent Income - Watsonville TC	34,399	23,096	34,399	-	0.0%
10 Rent Income - General	-	-	-	-	0.0%
11 Interest Income	50,000	133,943	175,000	125,000	250.0%
12 Other Non-Transp Revenue	5,823	6,854	8,000	2,177	37.4%
13 Sales Tax (1/2 cent)	16,201,999	9,637,583	14,000,000	(2,201,999)	-13.6%
14 Transp Dev Act (TDA) Funds	5,551,220	2,611,683	5,001,649	(549,571)	-9.9%
15 * FTA Sec 5307 - Op Assistance	3,715,442	3,715,442	3,715,442	-	0.0%
16 Misc. Local Operating	-	-	-	-	0.0%
17 Repay FTA Advance (#4 and #5 of 5)	(70,000)	(70,000)	(70,000)	-	0.0%
18 FTA Sec 5311 - Rural Op Asst	170,894	170,894	170,894	-	0.0%
SUBTOTAL REVENUE	34,834,495	21,847,635	31,422,677	(3,411,819)	-9.8%
ONE-TIME REVENUES					
19 FTA Sec 5316 - CalTrans JARC	-	-	-	-	0.0%
20 FTA Sec 5317 - Operating Assistance	-	-	-	-	0.0%
21 AMBAG Funding	15,000	1,868	2,483	(12,517)	-83.4%
22 ARRA Operating	-	-	205,000	205,000	100.0%
23 STIC	-	-	-	-	0.0%
SUBTOTAL ONE-TIME REVENUES	15,000	1,868	207,483	192,483	1283.2%
TRANSFERS FROM RESERVES					
24 Carryover from Previous Year	3,268,589	-	990,293	(2,278,296)	-69.7%
25 Carryover from Current Year	-	-	-	-	0.0%
26 Xfr from Ins Res-Legal Settlement	150,000	-	150,000	-	0.0%
27 Transfer (to)/from Capital Reserves	119,305	-	119,305	-	0.0%
28 Transfer (to)/from Operating Reserves	2,547,920	-	2,547,920	-	0.0%
29 Transfer fr Op Res for Retiree Payouts	-	-	-	-	0.0%
SUBTOTAL TRANSFERS FROM RESERVES	6,085,814	-	3,807,518	(2,278,296)	-37.4%
SUBTOTAL ONE-TIME REVENUE AND TRANSFERS FROM RESERVES	6,100,814	1,868	4,015,001	(2,085,813)	-34.2%
TOTAL REVENUE	40,935,309	21,849,503	35,437,678	(5,497,632)	-13.4%

* FTA funding is used solely to fund labor expense

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APPROVED

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Total Departmental Expenses**

DEPARTMENT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
1100 Administration	1,116,801	653,385	939,190	(177,612)	-15.9%
1200 Finance	2,153,007	1,317,002	2,002,920	(150,087)	-7.0%
1300 Customer Service	572,736	295,450	439,431	(133,305)	-23.3%
1400 Human Resources	800,140	391,059	585,625	(214,515)	-26.8%
1500 Information Technology	716,342	460,175	695,709	(20,633)	-2.9%
1700 District Counsel	490,759	333,753	507,428	16,668	3.4%
1800 Risk Management	250,000	44,795	67,193	(182,808)	-73.1%
2200 Facilities Maintenance	2,568,539	1,730,178	2,551,163	(17,375)	-0.7%
3100 Paratransit Program	4,579,272	2,591,145	3,894,861	(684,411)	-14.9%
3200 Operations	2,603,509	1,683,341	2,522,083	(81,426)	-3.1%
3300 Bus Operators	14,348,318	8,802,473	13,253,891	(1,094,427)	-7.6%
4100 Fleet Maintenance	8,575,136	3,927,242	6,317,334	(2,257,802)	-26.3%
9001 Cobra Benefits	-	1,301	1,952	1,952	100.0%
9005 Retired Employee Benefits	2,160,449	1,039,999	1,658,648	(501,801)	-23.2%
700 SCCIC/COPS	300	250	250	(50)	-16.8%
TOTAL OPERATING EXPENSES	40,935,309	23,271,549	35,437,678	(5,497,632)	-13.4%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Consolidated Expenses

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	8,139,509	4,920,263	7,380,395	(759,115)	-9.3%
501013 Bus Operator OT	1,340,792	1,095,728	1,643,592	302,800	22.6%
501021 Other Salaries	6,760,686	4,223,311	6,350,924	(409,762)	-6.1%
501023 Other OT	310,543	228,287	342,431	31,887	10.3%
Totals	16,551,531	10,467,589	15,717,341	(834,190)	-5.0%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	257,801	152,753	229,398	(28,403)	-11.0%
502021 Retirement	2,388,462	1,446,194	2,166,733	(221,729)	-9.3%
502031 Medical Ins	6,334,591	3,373,901	5,242,566	(1,092,025)	-17.2%
502041 Dental Ins	556,752	319,281	478,707	(78,045)	-14.0%
502045 Vision Ins	144,513	89,534	134,232	(10,281)	-7.1%
502051 Life Ins/AD&D	51,834	28,645	42,923	(8,911)	-17.2%
502060 State Disability Ins (SDI)	317,792	129,143	194,014	(123,779)	-38.9%
502061 Long Term Disability Ins	271,195	139,803	208,370	(62,825)	-23.2%
502071 State Unemployment Ins (SUI)	53,211	62,167	69,419	16,208	30.5%
502081 Worker's Comp Ins	1,029,073	403,875	605,813	(423,261)	-41.1%
502101 Holiday Pay	404,834	256,836	351,251	(53,584)	-13.2%
502103 Floating Holiday	72,498	22,894	67,900	(4,599)	-6.3%
502109 Sick Leave	886,879	489,506	700,914	(185,965)	-21.0%
502111 Annual Leave	1,556,459	1,187,665	1,780,063	223,604	14.4%
502121 Other Paid Absence	127,880	99,069	148,746	20,866	16.3%
502251 Phys. Exams	13,300	6,657	9,986	(3,315)	-24.9%
502253 Driver Lic Renewal	4,400	1,825	2,738	(1,663)	-37.8%
502999 Other Fringe Benefits	149,310	48,732	71,701	(77,609)	-52.0%
Totals	14,620,784	8,258,480	12,505,470	(2,115,314)	-14.5%

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Consolidated

APPROVED

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Consolidated Expenses

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	103,250	78,129	117,069	13,819	13.4%
503012 Admin/Bank Fees	216,630	101,549	152,323	(64,307)	-29.7%
503031 Prof/Technical Fees	334,575	93,511	140,267	(194,309)	-58.1%
503032 Legislative Services	103,400	60,000	90,000	(13,400)	-13.0%
503033 Legal Services	55,000	14,288	21,432	(33,568)	-61.0%
503034 Pre-Employment Exams	12,440	8,147	12,221	(220)	-1.8%
503041 Temp Help	-	169,357	256,701	256,701	100.0%
503161 Custodial Services	66,100	41,046	61,569	(4,531)	-6.9%
503162 Uniforms/Laundry	44,015	13,644	28,354	(15,662)	-35.6%
503171 Security Services	406,368	227,576	341,364	(65,004)	-16.0%
503221 Classified/Legal Ads	26,400	7,291	10,937	(15,464)	-58.6%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	4,000	-	-	(4,000)	-100.0%
503351 Repair - Bldg & Impr	91,500	24,317	75,000	(16,500)	-18.0%
503352 Repair - Equipment	412,872	311,893	467,840	54,968	13.3%
503353 Repair - Rev Vehicle	437,300	213,608	320,412	(116,888)	-26.7%
503354 Repair - Non Rev Vehicle	31,500	17,366	26,049	(5,451)	-17.3%
503363 Haz Mat Disposal	46,000	35,817	53,726	7,726	16.8%
Totals	2,391,350	1,417,539	2,175,260	(216,090)	-9.0%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	207,400	92,701	139,052	(68,349)	-33.0%
504012 Fuels & Lubricants - Rev Veh	3,245,000	939,186	1,708,779	(1,536,221)	-47.3%
504021 Tires & Tubes	213,000	129,869	194,804	(18,197)	-8.5%
504161 Other Mobile Supplies	10,300	287	431	(9,870)	-95.8%
504191 Rev Vehicle Parts	817,000	340,055	636,045	(180,955)	-22.1%
Totals	4,492,700	1,502,098	2,679,110	(1,813,591)	-40.4%

8.e2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Consolidated Expenses

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	3,600	1,050	1,575	(2,025)	-56.3%
504211 Postage & Mailing	26,266	8,245	12,368	(13,899)	-52.9%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	101,137	40,741	61,112	(40,026)	-39.6%
504217 Photo Supp/Process	9,900	450	675	(9,225)	-93.2%
504311 Office Supplies	88,240	38,648	57,972	(30,268)	-34.3%
504315 Safety Supplies	33,500	7,701	11,552	(21,949)	-65.5%
504317 Cleaning Supplies	59,200	23,521	35,282	(23,919)	-40.4%
504409 Repair/Maint Supplies	57,300	25,097	37,646	(19,655)	-34.3%
504421 Non-Inventory Parts	53,550	6,406	9,609	(43,941)	-82.1%
504511 Small Tools	10,500	1,501	2,252	(8,249)	-78.6%
504515 Employee Tool Replacement	2,700	990	1,485	(1,215)	-45.0%
Totals	445,893	154,350	231,525	(214,368)	-48.1%
UTILITIES					
505011 Gas & Electric	229,212	116,278	185,000	(44,212)	-19.3%
505021 Water & Garbage	128,171	90,088	135,132	6,961	5.4%
505031 Telecommunications	147,578	104,778	157,167	9,589	6.5%
Totals	504,961	311,144	477,299	(27,662)	-5.5%
CASUALTY & LIABILITY					
506011 Insurance - Property	121,898	53,860	80,790	(41,108)	-33.7%
506015 Insurance - PL/PD	525,300	304,805	457,208	(68,093)	-13.0%
506021 Insurance - Other	800	711	1,067	267	33.3%
506123 Settlement Costs	150,000	24,073	36,110	(113,891)	-75.9%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	797,998	383,449	575,174	(222,825)	-27.9%

8.23

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Consolidated Expenses

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	14,510	8,233	12,350	(2,161)	-14.9%
507201 Licenses & Permits	15,800	15,141	22,712	6,912	43.7%
507999 Other Taxes	27,000	16,017	24,026	(2,975)	-11.0%
Totals	57,310	39,391	59,087	1,777	3.1%
PURCHASED TRANS.					
503406 Contract/Paratransit	250,000	213,473	320,210	70,210	28.1%
Totals	250,000	213,473	320,210	70,210	28.1%
MISC EXPENSE					
509011 Dues/Subscriptions	66,820	41,427	62,141	(4,680)	-7.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	34,600	6,952	8,821	(25,780)	-74.5%
509121 Employee Training	63,065	12,388	18,582	(44,483)	-70.5%
509123 Travel	86,780	22,591	33,887	(52,894)	-61.0%
509125 Local Meeting Expense	4,950	1,776	2,664	(2,286)	-46.2%
509127 Board Director Fees	13,200	5,050	7,575	(5,625)	-42.6%
509150 Contributions	650	1,980	2,970	2,320	356.9%
509198 Cash Over/Short	500	106	159	(341)	-68.2%
Totals	270,565	92,270	136,798	(133,768)	-49.4%
LEASES & RENTALS					
512011 Facility Lease	522,357	423,011	547,273	24,916	4.8%
512061 Equipment Rental	29,860	8,755	13,133	(16,728)	-56.0%
Totals	552,217	431,766	560,406	8,189	1.5%
PERSONNEL TOTAL					
	31,172,315	18,726,069	28,222,812	(2,949,503)	-9.5%
NON-PERSONNEL TOTAL					
	9,762,994	4,545,480	7,214,866	(2,548,128)	-26.1%
TOTAL OPERATING EXPENSES					
	40,935,309	23,271,549	35,437,678	(5,497,632)	-13.4%

8.e4

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Administration - 1100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	376,042	226,849	340,274	(35,769)	-9.5%
501023 Other OT	584	64	96	(488)	-83.5%
Totals	376,626	226,913	340,370	(36,256)	-9.6%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	7,761	5,459	8,189	428	5.5%
502021 Retirement	71,613	46,072	64,072	(7,541)	-10.5%
502031 Medical Ins	64,953	40,031	58,031	(6,922)	-10.7%
502041 Dental Ins	5,714	4,184	5,784	70	1.2%
502045 Vision Ins	1,842	1,183	1,623	(219)	-11.9%
502051 Life Ins/AD&D	876	551	755	(121)	-13.8%
502060 State Disability Ins (SDI)	5,289	2,202	3,602	(1,687)	-31.9%
502061 Long Term Disability Ins	10,166	4,670	5,670	(4,496)	-44.2%
502071 State Unemployment Ins (SUI)	886	380	1,152	266	30.0%
502081 Worker's Comp Ins	17,137	6,882	10,323	(6,814)	-39.8%
502101 Holiday Pay	7,054	5,793	5,793	(1,261)	-17.9%
502103 Floating Holiday	18,665	6,553	18,665	-	0.0%
502109 Sick Leave	69,442	84,399	92,399	22,957	33.1%
502111 Annual Leave	60,728	47,060	67,588	6,860	11.3%
502121 Other Paid Absence	3,292	2,213	3,320	28	0.8%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	8,000	4,242	4,959	(3,041)	-38.0%
Totals	353,417	261,874	351,923	(1,493)	-0.4%

8.41

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Administration - 1100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	1,300	-	-	(1,300)	-100.0%
503031 Prof/Technical Fees	42,232	8,040	12,060	(30,172)	-71.4%
503032 Legislative Services	103,400	60,000	90,000	(13,400)	-13.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	15,419	23,129	23,129	100.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	8,100	1,566	2,349	(5,751)	-71.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	11,700	3,030	4,545	(7,155)	-61.2%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	166,732	88,055	132,083	(34,650)	-20.8%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.42

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Administration - 1100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	11,800	4,387	6,581	(5,220)	-44.2%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	10,487	710	1,065	(9,422)	-89.8%
504217 Photo Supp/Process	100	-	-	(100)	-100.0%
504311 Office Supplies	8,790	3,153	4,730	(4,061)	-46.2%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	31,177	8,250	12,375	(18,802)	-60.3%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.53

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Administration - 1100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	54,450	33,209	49,814	(4,637)	-8.5%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	31,100	3,547	5,321	(25,780)	-82.9%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	84,780	22,225	33,338	(51,443)	-60.7%
509125 Local Meeting Expense	4,700	1,776	2,664	(2,036)	-43.3%
509127 Board Director Fees	13,200	5,050	7,575	(5,625)	-42.6%
509150 Contributions	-	1,980	2,970	2,970	100.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	188,230	67,787	101,681	(86,550)	-46.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	620	506	759	139	22.4%
Totals	620	506	759	139	22.4%
PERSONNEL TOTAL	730,042	488,787	692,293	(37,750)	-5.2%
NON-PERSONNEL TOTAL	386,759	164,598	246,897	(139,862)	-36.2%
DEPARTMENT TOTALS	<u>1,116,801</u>	<u>653,385</u>	<u>939,190</u>	<u>(177,612)</u>	<u>-15.9%</u>

8.4

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

Finance - 1200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	698,081	420,479	646,676	(51,405)	-7.4%
501023 Other OT	551	275	413	(138)	-25.1%
Totals	698,632	420,754	647,089	(51,543)	-7.4%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	11,974	7,781	11,940	(34)	-0.3%
502021 Retirement	106,594	65,971	101,435	(5,159)	-4.8%
502031 Medical Ins	130,921	77,862	121,153	(9,768)	-7.5%
502041 Dental Ins	15,306	8,232	12,625	(2,681)	-17.5%
502045 Vision Ins	4,019	2,640	4,043	24	0.6%
502051 Life Ins/AD&D	1,590	974	1,488	(102)	-6.4%
502060 State Disability Ins (SDI)	11,539	4,909	7,364	(4,176)	-36.2%
502061 Long Term Disability Ins	11,876	4,938	7,407	(4,469)	-37.6%
502071 State Unemployment Ins (SUI)	1,932	2,683	2,753	821	42.5%
502081 Worker's Comp Ins	37,391	6,364	9,546	(27,845)	-74.5%
502101 Holiday Pay	9,528	9,007	13,511	3,982	41.8%
502103 Floating Holiday	9,465	2,351	3,527	(5,938)	-62.7%
502109 Sick Leave	36,769	13,299	20,803	(15,966)	-43.4%
502111 Annual Leave	66,199	50,549	77,391	11,192	16.9%
502121 Other Paid Absence	5,745	5,091	7,779	2,034	35.4%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	6,228	3,663	5,502	(725)	-11.6%
Totals	467,076	266,314	408,265	(58,811)	-12.6%

8.5

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Finance - 1200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	103,000	77,879	116,819	13,819	13.4%
503012 Admin/Bank Fees	215,280	101,549	152,324	(62,957)	-29.2%
503031 Prof/Technical Fees	-	-	-	-	0.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	82,030	125,710	125,710	100.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	7,100	4,214	6,321	(779)	-11.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	515	477	716	201	38.9%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	325,895	266,149	401,889	75,994	23.3%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.46

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

Finance - 1200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	106	281	422	316	297.6%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	2,100	265	398	(1,703)	-81.1%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	8,550	3,244	4,866	(3,684)	-43.1%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	10,756	3,790	5,685	(5,071)	-47.1%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	121,898	53,860	80,790	(41,108)	-33.7%
506015 Insurance - PL/PD	525,300	304,805	457,208	(68,093)	-13.0%
506021 Insurance - Other	800	711	1,067	267	33.3%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	647,998	359,376	539,064	(108,934)	-16.8%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Finance - 1200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	2,150	513	770	(1,381)	-64.2%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	500	106	159	(341)	-68.2%
Totals	2,650	619	929	(1,722)	-65.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	1,165,708	687,068	1,055,354	(110,354)	-9.5%
NON-PERSONNEL TOTAL	987,299	629,934	947,566	(39,733)	-4.0%
DEPARTMENT TOTALS	<u>2,153,007</u>	<u>1,317,002</u>	<u>2,002,920</u>	<u>(150,087)</u>	<u>-7.0%</u>

8.48

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Customer Service - 1300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	237,483	137,437	206,156	(31,328)	-13.2%
501023 Other OT	5,000	374	561	(4,439)	-88.8%
Totals	242,483	137,811	206,717	(35,767)	-14.8%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	2,744	1,576	2,364	(380)	-13.8%
502021 Retirement	38,796	21,723	32,585	(6,211)	-16.0%
502031 Medical Ins	91,128	41,754	60,554	(30,574)	-33.6%
502041 Dental Ins	10,367	4,534	6,801	(3,566)	-34.4%
502045 Vision Ins	2,009	1,128	1,692	(317)	-15.8%
502051 Life Ins/AD&D	702	354	531	(171)	-24.4%
502060 State Disability Ins (SDI)	5,769	1,792	2,688	(3,081)	-53.4%
502061 Long Term Disability Ins	3,297	1,900	2,850	(447)	-13.6%
502071 State Unemployment Ins (SUI)	966	1,048	1,256	290	30.0%
502081 Worker's Comp Ins	17,918	2,507	3,761	(14,158)	-79.0%
502101 Holiday Pay	3,269	2,702	2,702	(567)	-17.3%
502103 Floating Holiday	-	0	-	-	0.0%
502109 Sick Leave	13,075	5,601	8,402	(4,674)	-35.7%
502111 Annual Leave	34,084	28,378	42,567	8,483	24.9%
502121 Other Paid Absence	2,043	1,001	1,502	(542)	-26.5%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	185	404	606	421	226.9%
Totals	226,352	116,402	170,859	(55,493)	-24.5%

b.f.8

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Customer Service - 1300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	14,500	9,374	14,061	(439)	-3.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	4,000	-	-	(4,000)	-100.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	2,100	1,218	1,827	(273)	-13.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	20,600	10,592	15,888	(4,712)	-22.9%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8110

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Customer Service - 1300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	6,000	3,024	4,536	(1,464)	-24.4%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	65,000	24,920	37,380	(27,620)	-42.5%
504217 Photo Supp/Process	4,300	-	-	(4,300)	-100.0%
504311 Office Supplies	4,000	1,207	1,811	(2,190)	-54.7%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	79,300	29,151	43,727	(35,574)	-44.9%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8411

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Customer Service - 1300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	1,900	1,050	1,575	(325)	-17.1%
507999 Other Taxes	-	-	-	-	0.0%
Totals	1,900	1,050	1,575	(325)	-17.1%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	500	-	-	(500)	-100.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	500	-	-	(500)	-100.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	1,600	444	666	(934)	-58.4%
Totals	1,600	444	666	(934)	-58.4%
PERSONNEL TOTAL	468,836	254,213	377,575	(91,260)	-19.5%
NON-PERSONNEL TOTAL	103,900	41,237	61,856	(42,045)	-40.5%
DEPARTMENT TOTALS	<u>572,736</u>	<u>295,450</u>	<u>439,431</u>	<u>(133,305)</u>	<u>-23.3%</u>

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Human Resources - 1400

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	349,386	194,142	291,213	(58,173)	-16.7%
501023 Other OT	1,400	367	551	(850)	-60.7%
Totals	350,786	194,509	291,764	(59,022)	-16.8%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	6,032	3,527	5,291	(741)	-12.3%
502021 Retirement	55,658	31,552	47,328	(8,330)	-15.0%
502031 Medical Ins	80,041	48,028	68,028	(12,013)	-15.0%
502041 Dental Ins	7,654	4,218	6,327	(1,327)	-17.3%
502045 Vision Ins	2,009	1,210	1,815	(194)	-9.7%
502051 Life Ins/AD&D	888	513	770	(119)	-13.3%
502060 State Disability Ins (SDI)	5,769	2,179	3,269	(2,501)	-43.3%
502061 Long Term Disability Ins	7,292	2,448	3,672	(3,620)	-49.6%
502071 State Unemployment Ins (SUI)	966	1,080	1,256	290	30.0%
502081 Worker's Comp Ins	18,696	3,409	5,114	(13,583)	-72.6%
502101 Holiday Pay	4,800	4,101	4,101	(699)	-14.6%
502103 Floating Holiday	8,906	2,294	8,906	-	0.0%
502109 Sick Leave	19,199	6,882	10,323	(8,876)	-46.2%
502111 Annual Leave	30,689	20,249	30,374	(316)	-1.0%
502121 Other Paid Absence	3,000	13,605	20,408	17,408	580.3%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	4,781	2,729	4,094	(688)	-14.4%
Totals	256,380	148,024	221,072	(35,308)	-13.8%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Human Resources - 1400

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	115,800	6,074	9,111	(106,689)	-92.1%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	12,440	8,147	12,221	(220)	-1.8%
503041 Temp Help	-	25,052	37,578	37,578	100.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	11,000	1,186	1,779	(9,221)	-83.8%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	139,240	40,459	60,689	(78,552)	-56.4%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Human Resources - 1400

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	750	61	92	(659)	-87.8%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	200	2,290	3,435	3,235	1617.5%
504217 Photo Supp/Process	-	(75)	(113)	(113)	100.0%
504311 Office Supplies	1,500	840	1,260	(240)	-16.0%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	2,450	3,116	4,674	2,224	90.8%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Human Resources - 1400

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	1,270	383	575	(696)	-54.8%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	49,765	4,569	6,854	(42,912)	-86.2%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	250	-	-	(250)	-100.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	51,285	4,952	7,428	(43,857)	-85.5%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	607,166	342,533	512,836	(94,330)	-15.5%
NON-PERSONNEL TOTAL	192,975	48,527	72,791	(120,185)	-62.3%
DEPARTMENT TOTALS	<u>800,140</u>	<u>391,059</u>	<u>585,625</u>	<u>(214,516)</u>	<u>-26.8%</u>

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Information Technology - 1500

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	308,786	228,429	342,644	33,858	11.0%
501023 Other OT	2,090	2,270	3,405	1,315	62.9%
Totals	310,876	230,699	346,049	35,173	11.3%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	5,417	3,732	5,598	181	3.3%
502021 Retirement	49,983	33,040	49,560	(423)	-0.8%
502031 Medical Ins	60,858	35,994	55,994	(4,864)	-8.0%
502041 Dental Ins	6,350	4,028	6,042	(308)	-4.9%
502045 Vision Ins	1,340	880	1,320	(20)	-1.5%
502051 Life Ins/AD&D	654	407	611	(44)	-6.7%
502060 State Disability Ins (SDI)	3,846	2,146	3,219	(627)	-16.3%
502061 Long Term Disability Ins	6,802	1,952	2,928	(3,874)	-57.0%
502071 State Unemployment Ins (SUI)	644	794	837	193	30.0%
502081 Worker's Comp Ins	12,465	1,929	2,894	(9,572)	-76.8%
502101 Holiday Pay	4,287	4,236	4,236	(51)	-1.2%
502103 Floating Holiday	9,177	2,174	9,177	-	0.0%
502109 Sick Leave	17,149	3,952	5,928	(11,221)	-65.4%
502111 Annual Leave	31,486	13,635	20,453	(11,033)	-35.0%
502121 Other Paid Absence	2,680	49	74	(2,606)	-97.3%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	4,720	2,698	4,047	(673)	-14.3%
Totals	217,857	111,646	172,916	(44,941)	-20.6%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Information Technology - 1500

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	52,143	32,964	49,446	(2,697)	-5.2%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	100,507	60,120	90,180	(10,327)	-10.3%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	152,650	93,084	139,626	(13,024)	-8.5%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Information Technology - 1500

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	210	-	-	(210)	-100.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	26,300	19,346	29,019	2,719	10.3%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	26,510	19,346	29,019	2,509	9.5%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Information Technology - 1500

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	150	-	-	(150)	-100.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	8,300	5,400	8,100	(200)	-2.4%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	8,450	5,400	8,100	(350)	-4.1%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	528,732	342,345	518,964	(9,768)	-1.8%
NON-PERSONNEL TOTAL	187,610	117,830	176,745	(10,865)	-5.8%
DEPARTMENT TOTALS	<u>716,342</u>	<u>460,175</u>	<u>695,709</u>	<u>(20,633)</u>	<u>-2.9%</u>

8.f20

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

District Counsel - 1700

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	285,411	199,124	298,686	13,275	4.7%
501023 Other OT	270	-	-	(270)	-100.0%
Totals	285,682	199,124	298,686	13,004	4.6%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	5,046	3,698	5,547	501	9.9%
502021 Retirement	46,559	30,486	45,729	(830)	-1.8%
502031 Medical Ins	38,860	23,878	37,878	(982)	-2.5%
502041 Dental Ins	4,479	2,448	3,672	(807)	-18.0%
502045 Vision Ins	1,340	880	1,320	(20)	-1.5%
502051 Life Ins/AD&D	561	345	518	(44)	-7.8%
502060 State Disability Ins (SDI)	3,846	1,610	2,415	(1,431)	-37.2%
502061 Long Term Disability Ins	5,996	1,878	2,817	(3,179)	-53.0%
502071 State Unemployment Ins (SUI)	644	840	840	196	30.4%
502081 Worker's Comp Ins	12,465	1,929	2,894	(9,572)	-76.8%
502101 Holiday Pay	3,997	3,967	3,967	(30)	-0.8%
502103 Floating Holiday	7,141	-	7,141	-	0.0%
502109 Sick Leave	15,988	34,538	51,807	35,819	224.0%
502111 Annual Leave	32,937	13,473	20,210	(12,727)	-38.6%
502121 Other Paid Absence	2,498	2,660	3,990	1,492	59.7%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	2,422	1,391	2,087	(335)	-13.8%
Totals	184,778	124,021	192,830	8,052	4.4%

8.421

4/1/2010

District Counsel - 1700

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**
District Counsel - 1700

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	-	-	-	-	0.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	5,000	32	48	(4,952)	-99.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Heip	-	409	614	614	100.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	5,000	441	662	(4,339)	-86.8%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.5.22

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

District Counsel - 1700

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	-	-	-	0.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	800	618	927	127	15.9%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	800	618	927	127	15.9%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.423

4/1/2010

District Counsel - 1700

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 District Counsel - 1700

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	7,500	6,764	10,146	2,646	35.3%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	5,000	2,419	3,629	(1,372)	-27.4%
509123 Travel	2,000	366	549	(1,451)	-72.6%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	14,500	9,549	14,324	(177)	-1.2%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	470,459	323,145	491,516	21,056	4.5%
NON-PERSONNEL TOTAL	20,300	10,608	15,912	(4,388)	-21.6%
DEPARTMENT TOTALS	<u>490,759</u>	<u>333,753</u>	<u>507,428</u>	<u>16,668</u>	<u>3.4%</u>

8.f.24

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Risk Management - 1800

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	-	-	-	-	0.0%
501023 Other OT	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	-	-	-	-	0.0%
502021 Retirement	-	-	-	-	0.0%
502031 Medical Ins	-	-	-	-	0.0%
502041 Dental Ins	-	-	-	-	0.0%
502045 Vision Ins	-	-	-	-	0.0%
502051 Life Ins/AD&D	-	-	-	-	0.0%
502060 State Disability Ins (SDI)	-	-	-	-	0.0%
502061 Long Term Disability Ins	-	-	-	-	0.0%
502071 State Unemployment Ins (SUI)	-	-	-	-	0.0%
502081 Worker's Comp Ins	-	-	-	-	0.0%
502101 Holiday Pay	-	-	-	-	0.0%
502103 Floating Holiday	-	-	-	-	0.0%
502109 Sick Leave	-	-	-	-	0.0%
502111 Annual Leave	-	-	-	-	0.0%
502121 Other Paid Absence	-	-	-	-	0.0%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.4.15

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Risk Management - 1800

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	50,000	6,466	9,699	(40,301)	-80.6%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	50,000	14,256	21,384	(28,616)	-57.2%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	100,000	20,722	31,083	(68,917)	-68.9%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.F 210

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Risk Management - 1800**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	-	-	-	0.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	-	-	-	-	0.0%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	150,000	24,073	36,110	(113,891)	-75.9%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	150,000	24,073	36,110	(113,891)	-75.9%

8.f.27

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Risk Management - 1800

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL					
	-	-	-	-	0.0%
NON-PERSONNEL TOTAL					
	250,000	44,795	67,193	(182,808)	-73.1%
DEPARTMENT TOTALS					
	250,000	44,795	67,193	(182,808)	-73.1%

8.428

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Facilities Maintenance - 2200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	510,123	319,216	478,824	(31,299)	-6.1%
501023 Other OT	32,201	29,801	44,702	12,501	38.8%
Totals	542,324	349,017	523,526	(18,799)	-3.5%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	9,013	4,927	7,391	(1,622)	-18.0%
502021 Retirement	83,168	52,215	78,323	(4,846)	-5.8%
502031 Medical Ins	211,171	114,793	170,793	(40,378)	-19.1%
502041 Dental Ins	20,359	13,294	19,941	(418)	-2.1%
502045 Vision Ins	4,354	2,640	3,960	(394)	-9.0%
502051 Life Ins/AD&D	1,521	850	1,275	(246)	-16.2%
502060 State Disability Ins (SDI)	12,500	4,628	6,942	(5,558)	-44.5%
502061 Long Term Disability Ins	7,235	4,575	6,863	(372)	-5.1%
502071 State Unemployment Ins (SUI)	2,093	2,473	2,721	628	30.0%
502081 Worker's Comp Ins	40,509	5,915	8,873	(31,637)	-78.1%
502101 Holiday Pay	7,172	6,669	6,669	(503)	-7.0%
502103 Floating Holiday	-	893	1,340	1,340	100.0%
502109 Sick Leave	28,689	13,300	19,950	(8,739)	-30.5%
502111 Annual Leave	71,119	42,398	63,597	(7,522)	-10.6%
502121 Other Paid Absence	4,483	8,425	12,638	8,155	181.9%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	408	250	375	(33)	-8.1%
Totals	503,793	278,245	411,648	(92,145)	-18.3%

8.f.29

4/1/2010

Fac Maint- 2200

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Facilities Maintenance - 2200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	17,800	10,189	15,284	(2,517)	-14.1%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	16,774	25,161	25,161	100.0%
503161 Custodial Services	66,100	41,046	61,569	(4,531)	-6.9%
503162 Uniforms/Laundry	4,700	1,824	2,736	(1,964)	-41.8%
503171 Security Services	9,200	5,259	7,889	(1,312)	-14.3%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	91,500	24,317	75,000	(16,500)	-18.0%
503352 Repair - Equipment	218,050	213,832	320,748	102,698	47.1%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	46,000	35,817	53,726	7,726	16.8%
Totals	453,350	349,058	562,112	108,762	24.0%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.430

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Facilities Maintenance - 2200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	21	32	32	100.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	550	-	-	(550)	-100.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	3,200	635	953	(2,248)	-70.2%
504315 Safety Supplies	6,200	3,786	5,679	(521)	-8.4%
504317 Cleaning Supplies	33,100	19,948	29,922	(3,178)	-9.6%
504409 Repair/Maint Supplies	57,300	25,097	37,646	(19,655)	-34.3%
504421 Non-Inventory Parts	5,300	1,447	2,171	(3,130)	-59.0%
504511 Small Tools	3,600	553	830	(2,771)	-77.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	109,250	51,487	77,231	(32,020)	-29.3%
UTILITIES					
505011 Gas & Electric	229,212	116,278	185,000	(44,212)	-19.3%
505021 Water & Garbage	128,171	90,088	135,132	6,961	5.4%
505031 Telecommunications	55,157	58,988	88,482	33,325	60.4%
Totals	412,540	265,354	408,614	(3,926)	-1.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.431

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Facilities Maintenance - 2200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	13,000	14,091	21,137	8,137	62.6%
507999 Other Taxes	27,000	16,017	24,026	(2,975)	-11.0%
Totals	40,000	30,108	45,162	5,162	12.9%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	495,742	404,239	518,867	23,125	4.7%
512061 Equipment Rental	11,540	2,670	4,005	(7,535)	-65.3%
Totals	507,282	406,909	522,872	15,590	3.1%
PERSONNEL TOTAL					
	1,046,117	627,262	935,173	(110,943)	-10.6%
NON-PERSONNEL TOTAL					
	1,522,422	1,102,916	1,615,990	93,568	6.1%
DEPARTMENT TOTALS					
	2,568,539	1,730,178	2,551,163	(17,375)	-0.7%

8.f.32

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Paratransit - 3100**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	927,092	492,902	739,353	(187,739)	-20.3%
501013 Bus Operator OT	124,350	97,495	146,243	21,893	17.6%
501021 Other Salaries	812,774	451,933	677,900	(134,875)	-16.6%
501023 Other OT	74,200	50,215	75,323	1,123	1.5%
Totals	1,938,416	1,092,545	1,638,818	(299,598)	-15.5%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	29,221	19,087	28,631	(590)	-2.0%
502021 Retirement	269,637	149,290	223,935	(45,702)	-16.9%
502031 Medical Ins	798,613	437,675	667,675	(130,938)	-16.4%
502041 Dental Ins	67,798	39,142	58,713	(9,085)	-13.4%
502045 Vision Ins	18,755	11,220	16,830	(1,925)	-10.3%
502051 Life Ins/AD&D	6,738	3,728	5,592	(1,146)	-17.0%
502060 State Disability Ins (SDI)	53,850	14,148	21,222	(32,628)	-60.6%
502061 Long Term Disability Ins	33,761	14,356	21,534	(12,227)	-36.2%
502071 State Unemployment Ins (SUI)	9,016	9,346	11,721	2,705	30.0%
502081 Worker's Comp Ins	174,499	106,934	160,401	(14,098)	-8.1%
502101 Holiday Pay	56,230	29,634	44,451	(11,779)	-20.9%
502103 Floating Holiday	5,805	4,351	5,805	-	0.0%
502109 Sick Leave	95,491	48,159	72,239	(23,252)	-24.4%
502111 Annual Leave	103,470	106,985	160,478	57,008	55.1%
502121 Other Paid Absence	14,360	8,201	12,302	(2,058)	-14.3%
502251 Phys. Exams	3,000	1,008	1,512	(1,488)	-49.6%
502253 Driver Lic Renewal	1,000	102	153	(847)	-84.7%
502999 Other Fringe Benefits	6,363	3,248	4,872	(1,491)	-23.4%
Totals	1,747,606	1,006,614	1,518,064	(229,541)	-13.1%

8.f33

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

Paratransit - 3100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	8,000	2,190	3,285	(4,715)	-58.9%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	5,283	7,925	7,925	100.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	3,600	495	743	(2,858)	-79.4%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	8,000	1,710	2,565	(5,435)	-67.9%
503353 Repair - Rev Vehicle	180,000	108,787	163,181	(16,820)	-9.3%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	199,600	118,465	177,698	(21,903)	-11.0%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	1,100	-	-	(1,100)	-100.0%
504012 Fuels & Lubricants - Rev Veh	250,000	107,735	161,603	(88,398)	-35.4%
504021 Tires & Tubes	26,000	11,957	17,936	(8,065)	-31.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	95,000	24,030	36,045	(58,955)	-62.1%
Totals	372,100	143,722	215,583	(156,517)	-42.1%

8.f.34

4/1/2010

Paratransit - 3100

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Paratransit - 3100**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	5,500	-	-	(5,500)	-100.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	7,000	-	-	(7,000)	-100.0%
504217 Photo Supp/Process	1,600	86	129	(1,471)	-91.9%
504311 Office Supplies	12,500	3,947	5,921	(6,580)	-52.6%
504315 Safety Supplies	1,300	536	804	(496)	-38.2%
504317 Cleaning Supplies	1,100	440	660	(440)	-40.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	1,100	-	-	(1,100)	-100.0%
504511 Small Tools	1,700	-	-	(1,700)	-100.0%
504515 Employee Tool Replacement	1,000	300	450	(550)	-55.0%
Totals	32,800	5,309	7,964	(24,837)	-75.7%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	37,000	10,667	16,001	(21,000)	-56.8%
Totals	37,000	10,667	16,001	(21,000)	-56.8%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8f35

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Paratransit - 3100**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	800	-	-	(800)	-100.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	800	-	-	(800)	-100.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	250,000	213,473	320,210	70,210	28.1%
Totals	250,000	213,473	320,210	70,210	28.1%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	150	-	-	(150)	-100.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	150	-	-	(150)	-100.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	800	350	525	(275)	-34.4%
Totals	800	350	525	(275)	-34.4%
PERSONNEL TOTAL	3,686,022	2,099,159	3,156,882	(529,140)	-14.4%
NON-PERSONNEL TOTAL	893,250	491,986	737,979	(155,271)	-17.4%
DEPARTMENT TOTALS	4,579,272	2,591,145	3,894,861	(684,411)	-14.9%

8.436

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Operations - 3200**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	1,110,162	739,926	1,109,889	(273)	0.0%
501023 Other OT	100,217	96,043	144,065	43,848	43.8%
Totals	1,210,378	835,969	1,253,954	43,575	3.6%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	19,766	8,603	12,905	(6,862)	-34.7%
502021 Retirement	182,396	116,514	174,771	(7,625)	-4.2%
502031 Medical Ins	266,791	157,065	239,065	(27,726)	-10.4%
502041 Dental Ins	25,482	15,446	23,169	(2,313)	-9.1%
502045 Vision Ins	6,363	4,042	6,063	(300)	-4.7%
502051 Life Ins/AD&D	2,409	1,425	2,138	(272)	-11.3%
502060 State Disability Ins (SDI)	18,269	9,821	14,732	(3,538)	-19.4%
502061 Long Term Disability Ins	18,318	8,242	12,363	(5,955)	-32.5%
502071 State Unemployment Ins (SUI)	3,059	3,688	3,977	918	30.0%
502081 Worker's Comp Ins	59,204	54,632	81,948	22,744	38.4%
502101 Holiday Pay	15,668	15,616	15,616	(52)	-0.3%
502103 Floating Holiday	9,136	4,278	9,136	-	0.0%
502109 Sick Leave	62,671	18,492	27,738	(34,933)	-55.7%
502111 Annual Leave	155,769	94,853	142,280	(13,490)	-8.7%
502121 Other Paid Absence	9,792	5,458	8,187	(1,605)	-16.4%
502251 Phys. Exams	500	610	915	415	83.0%
502253 Driver Lic Renewal	-	50	75	75	100.0%
502999 Other Fringe Benefits	5,189	3,177	4,766	(424)	-8.2%
Totals	860,783	522,012	779,842	(80,941)	-9.4%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Operations - 3200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	30,900	16,014	24,021	(6,879)	-22.3%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	24,390	36,585	36,585	100.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	565	81	122	(444)	-78.5%
503171 Security Services	397,168	222,317	333,476	(63,693)	-16.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	4,000	1,543	2,315	(1,686)	-42.1%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	432,633	264,345	396,518	(36,116)	-8.3%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.438

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
Operations - 3200**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	900	84	126	(774)	-86.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	15,000	12,556	18,834	3,834	25.6%
504217 Photo Supp/Process	3,500	439	659	(2,842)	-81.2%
504311 Office Supplies	15,200	3,811	5,717	(9,484)	-62.4%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	34,600	16,890	25,335	(9,265)	-26.8%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	33,500	22,038	33,057	(443)	-1.3%
Totals	33,500	22,038	33,057	(443)	-1.3%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.F39

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

Operations - 3200

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	26,615	18,772	28,406	1,791	6.7%
512061 Equipment Rental	5,000	3,315	4,973	(28)	-0.6%
Totals	31,615	22,087	33,379	1,764	5.6%
PERSONNEL TOTAL	2,071,161	1,357,981	2,033,795	(37,366)	-1.8%
NON-PERSONNEL TOTAL	532,348	325,360	488,288	(44,060)	-8.3%
DEPARTMENT TOTALS	2,603,509	1,683,341	2,522,083	(81,426)	-3.1%

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4/1/2010

Operations - 3200

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Bus Operators - 3300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	7,212,418	4,427,361	6,641,042	(571,376)	-7.9%
501013 Bus Operator OT	1,216,442	998,233	1,497,350	280,908	23.1%
501021 Other Salaries	-	-	-	-	0.0%
501023 Other OT	-	-	-	-	0.0%
Totals	8,428,860	5,425,594	8,138,391	(290,469)	-3.4%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	124,296	75,053	112,580	(11,717)	-9.4%
502021 Retirement	1,146,955	686,504	1,029,756	(117,199)	-10.2%
502031 Medical Ins	2,087,421	1,122,049	1,748,049	(339,372)	-16.3%
502041 Dental Ins	208,879	124,637	186,956	(21,924)	-10.5%
502045 Vision Ins	53,920	33,794	50,691	(3,229)	-6.0%
502051 Life Ins/AD&D	18,837	10,430	15,645	(3,192)	-16.9%
502060 State Disability Ins (SDI)	154,807	67,567	101,351	(53,457)	-34.5%
502061 Long Term Disability Ins	135,972	79,011	118,517	(17,455)	-12.8%
502071 State Unemployment Ins (SUI)	25,921	31,256	33,697	7,776	30.0%
502081 Worker's Comp Ins	501,683	163,561	245,342	(256,342)	-51.1%
502101 Holiday Pay	263,759	150,188	225,282	(38,477)	-14.6%
502103 Floating Holiday	-	-	-	-	0.0%
502109 Sick Leave	412,123	185,142	277,713	(134,410)	-32.6%
502111 Annual Leave	690,684	589,585	884,378	193,693	28.0%
502121 Other Paid Absence	61,818	40,366	60,549	(1,269)	-2.1%
502251 Phys. Exams	8,000	4,474	6,711	(1,289)	-16.1%
502253 Driver Lic Renewal	3,000	1,554	2,331	(669)	-22.3%
502999 Other Fringe Benefits	13,732	7,134	10,701	(3,031)	-22.1%
Totals	5,911,808	3,372,305	5,110,246	(801,562)	-13.6%

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

Bus Operators - 3300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	-	-	-	-	0.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	4,150	1,169	1,754	(2,397)	-57.7%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	4,150	1,169	1,754	(2,397)	-57.7%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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4/1/2010

Bus Operators - 3300

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Bus Operators - 3300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	-	-	-	0.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	-	-	-	-	0.0%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8743

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Bus Operators - 3300

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	3,500	3,405	3,500	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	3,500	3,405	3,500	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	14,340,668	8,797,899	13,248,637	(1,092,030)	-7.6%
NON-PERSONNEL TOTAL	7,650	4,574	5,254	(2,397)	-31.3%
DEPARTMENT TOTALS	14,348,318	8,802,473	13,253,891	(1,094,427)	-7.6%

HHS

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Fleet Maintenance - 4100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	2,072,437	1,305,776	1,958,664	(113,773)	-5.5%
501023 Other OT	94,031	48,878	73,317	(20,714)	-22.0%
Totals	2,166,469	1,354,654	2,031,981	(134,488)	-6.2%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	36,532	19,310	28,965	(7,567)	-20.7%
502021 Retirement	337,103	212,827	319,241	(17,863)	-5.3%
502031 Medical Ins	604,278	342,923	518,923	(85,355)	-14.1%
502041 Dental Ins	61,514	34,415	51,623	(9,892)	-16.1%
502045 Vision Ins	14,736	9,075	13,613	(1,124)	-7.6%
502051 Life Ins/AD&D	5,241	2,605	3,908	(1,334)	-25.4%
502060 State Disability Ins (SDI)	42,308	18,141	27,212	(15,097)	-35.7%
502061 Long Term Disability Ins	30,480	15,833	23,750	(6,731)	-22.1%
502071 State Unemployment Ins (SUI)	7,084	8,579	9,209	2,125	30.0%
502081 Worker's Comp Ins	137,106	49,813	74,720	(62,387)	-45.5%
502101 Holiday Pay	29,071	24,923	24,923	(4,148)	-14.3%
502103 Floating Holiday	4,204	-	4,204	-	0.0%
502109 Sick Leave	116,283	75,742	113,613	(2,670)	-2.3%
502111 Annual Leave	279,295	180,500	270,750	(8,545)	-3.1%
502121 Other Paid Absence	18,169	12,000	18,000	(169)	-0.9%
502251 Phys. Exams	1,800	565	848	(953)	-52.9%
502253 Driver Lic Renewal	400	119	179	(222)	-55.4%
502999 Other Fringe Benefits	4,882	2,353	3,530	(1,353)	-27.7%
Totals	1,730,486	1,009,723	1,507,206	(223,280)	-12.9%

8.445

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Fleet Maintenance - 4100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	3,200	2,200	3,300	100	3.1%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	31,000	10,075	23,000	(8,000)	-25.8%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	200	325	488	288	143.8%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	68,000	29,963	44,945	(23,056)	-33.9%
503353 Repair - Rev Vehicle	257,300	104,821	157,232	(100,069)	-38.9%
503354 Repair - Non Rev Vehicle	31,500	17,366	26,049	(5,451)	-17.3%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	391,200	164,750	255,013	(136,188)	-34.8%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	206,300	92,701	139,052	(67,249)	-32.6%
504012 Fuels & Lubricants - Rev Veh	2,995,000	831,451	1,547,177	(1,447,824)	-48.3%
504021 Tires & Tubes	187,000	117,912	176,868	(10,132)	-5.4%
504161 Other Mobile Supplies	10,300	287	431	(9,870)	-95.8%
504191 Rev Vehicle Parts	722,000	316,025	600,000	(122,000)	-16.9%
Totals	4,120,600	1,358,376	2,463,527	(1,657,074)	-40.2%

8.4.10

4/1/2010

Fleet Maint- 4100

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Fleet Maintenance - 4100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	3,600	1,050	1,575	(2,025)	-56.3%
504211 Postage & Mailing	1,000	387	581	(420)	-42.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	800	-	-	(800)	-100.0%
504217 Photo Supp/Process	400	-	-	(400)	-100.0%
504311 Office Supplies	7,400	1,847	2,771	(4,630)	-62.6%
504315 Safety Supplies	26,000	3,379	5,069	(20,932)	-80.5%
504317 Cleaning Supplies	25,000	3,133	4,700	(20,301)	-81.2%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	47,150	4,959	7,439	(39,712)	-84.2%
504511 Small Tools	5,200	948	1,422	(3,778)	-72.7%
504515 Employee Tool Replacement	1,700	690	1,035	(665)	-39.1%
Totals	118,250	16,393	24,590	(93,661)	-79.2%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	21,921	13,085	19,628	(2,294)	-10.5%
Totals	21,921	13,085	19,628	(2,294)	-10.5%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
 Fleet Maintenance - 4100

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	14,510	8,233	12,350	(2,161)	-14.9%
507201 Licenses & Permits	100	-	-	(100)	-100.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	<u>14,610</u>	<u>8,233</u>	<u>12,350</u>	<u>(2,261)</u>	<u>-15.5%</u>
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
MISC EXPENSE					
509011 Dues/Subscriptions	1,300	558	837	(463)	-35.6%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	<u>1,300</u>	<u>558</u>	<u>837</u>	<u>(463)</u>	<u>-35.6%</u>
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	10,300	1,470	2,205	(8,095)	-78.6%
Totals	<u>10,300</u>	<u>1,470</u>	<u>2,205</u>	<u>(8,095)</u>	<u>-78.6%</u>
PERSONNEL TOTAL	3,896,955	2,364,377	3,539,187	(357,768)	-9.2%
NON-PERSONNEL TOTAL	4,678,181	1,562,865	2,778,148	(1,900,034)	-40.6%
DEPARTMENT TOTALS	<u>8,575,136</u>	<u>3,927,242</u>	<u>6,317,334</u>	<u>(2,257,802)</u>	<u>-26.3%</u>

848

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
COBRA Benefits - 9001**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	-	-	-	-	0.0%
501023 Other OT	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	-	-	-	-	0.0%
502021 Retirement	-	-	-	-	0.0%
502031 Medical Ins	-	1,148	1,722	1,722	100.0%
502041 Dental Ins	-	(184)	(276)	(276)	100.0%
502045 Vision Ins	-	337	506	506	100.0%
502051 Life Ins/AD&D	-	-	-	-	0.0%
502060 State Disability Ins (SDI)	-	-	-	-	0.0%
502061 Long Term Disability Ins	-	-	-	-	0.0%
502071 State Unemployment Ins (SUI)	-	-	-	-	0.0%
502081 Worker's Comp Ins	-	-	-	-	0.0%
502101 Holiday Pay	-	-	-	-	0.0%
502103 Floating Holiday	-	-	-	-	0.0%
502109 Sick Leave	-	-	-	-	0.0%
502111 Annual Leave	-	-	-	-	0.0%
502121 Other Paid Absence	-	-	-	-	0.0%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	-	-	-	-	0.0%
Totals	-	1,301	1,952	1,952	100.0%

bhf8

4/1/2010

COBRA- 9001

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 FY10 BUDGET RECONCILIATION ACTION
 COBRA Benefits - 9001**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	-	-	-	-	0.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.f.50

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 FY10 BUDGET RECONCILIATION ACTION
 COBRA Benefits - 9001**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	-	-	-	0.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	-	-	-	-	0.0%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.f51

4/1/2010

COBRA- 9001

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
COBRA Benefits - 9001

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	-	1,301	1,952	1,952	100.0%
NON-PERSONNEL TOTAL	-	-	-	-	0.0%
DEPARTMENT TOTALS	-	1,301	1,952	1,952	100.0%

8.452

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 FY10 BUDGET RECONCILIATION ACTION
 Retired Employee Benefits - 9005**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	-	-	-	-	0.0%
501023 Other OT	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	-	-	-	-	0.0%
502021 Retirement	-	-	-	-	0.0%
502031 Medical Ins	1,899,556	930,701	1,494,701	(404,855)	-21.3%
502041 Dental Ins	122,850	64,887	97,331	(25,520)	-20.8%
502045 Vision Ins	33,826	20,505	30,758	(3,069)	-9.1%
502051 Life Ins/AD&D	11,817	6,463	9,695	(2,123)	-18.0%
502060 State Disability Ins (SDI)	-	-	-	-	0.0%
502061 Long Term Disability Ins	-	-	-	-	0.0%
502071 State Unemployment Ins (SUI)	-	-	-	-	0.0%
502081 Worker's Comp Ins	-	-	-	-	0.0%
502101 Holiday Pay	-	-	-	-	0.0%
502103 Floating Holiday	-	-	-	-	0.0%
502109 Sick Leave	-	-	-	-	0.0%
502111 Annual Leave	-	-	-	-	0.0%
502121 Other Paid Absence	-	-	-	-	0.0%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	92,400	17,443	26,165	(66,236)	-71.7%
Totals	2,160,449	1,039,999	1,658,648	(501,801)	-23.2%

8.453

4/1/2010

Retirees- 9005

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 FY10 BUDGET RECONCILIATION ACTION
 Retired Employee Benefits - 9005**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	-	-	-	-	0.0%
503012 Admin/Bank Fees	-	-	-	-	0.0%
503031 Prof/Technical Fees	-	-	-	-	0.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8954

4/1/2010

Retirees- 9005

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 FY10 BUDGET RECONCILIATION ACTION
 Retired Employee Benefits - 9005**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	-	-	-	0.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	-	-	-	-	0.0%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8f55

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION**

Retired Employee Benefits - 9005

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL	2,160,449	1,039,999	1,658,648	(501,801)	-23.2%
NON-PERSONNEL TOTAL	-	-	-	-	0.0%
DEPARTMENT TOTALS	2,160,449	1,039,999	1,658,648	(501,801)	-23.2%

8.450

4/1/2010

Retirees- 9005

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
SCCIC/COPS - 700**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
LABOR					
501011 Bus Operator Pay	-	-	-	-	0.0%
501013 Bus Operator OT	-	-	-	-	0.0%
501021 Other Salaries	-	-	-	-	0.0%
501023 Other OT	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
FRINGE BENEFITS					
502011 Medicare/Soc. Sec.	-	-	-	-	0.0%
502021 Retirement	-	-	-	-	0.0%
502031 Medical Ins	-	-	-	-	0.0%
502041 Dental Ins	-	-	-	-	0.0%
502045 Vision Ins	-	-	-	-	0.0%
502051 Life Ins/AD&D	-	-	-	-	0.0%
502060 State Disability Ins (SDI)	-	-	-	-	0.0%
502061 Long Term Disability Ins	-	-	-	-	0.0%
502071 State Unemployment Ins (SUI)	-	-	-	-	0.0%
502081 Worker's Comp Ins	-	-	-	-	0.0%
502101 Holiday Pay	-	-	-	-	0.0%
502103 Floating Holiday	-	-	-	-	0.0%
502109 Sick Leave	-	-	-	-	0.0%
502111 Annual Leave	-	-	-	-	0.0%
502121 Other Paid Absence	-	-	-	-	0.0%
502251 Phys. Exams	-	-	-	-	0.0%
502253 Driver Lic Renewal	-	-	-	-	0.0%
502999 Other Fringe Benefits	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

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8.f57

4/1/2010

SCCIC- 700

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
SCCIC/COPS - 700**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
SERVICES					
503011 Accting/Audit Fees	250	250	250	-	0.0%
503012 Admin/Bank Fees	50	(0)	(0)	(50)	-100.7%
503031 Prof/Technical Fees	-	-	-	-	0.0%
503032 Legislative Services	-	-	-	-	0.0%
503033 Legal Services	-	-	-	-	0.0%
503034 Pre-Employment Exams	-	-	-	-	0.0%
503041 Temp Help	-	-	-	-	0.0%
503161 Custodial Services	-	-	-	-	0.0%
503162 Uniforms/Laundry	-	-	-	-	0.0%
503171 Security Services	-	-	-	-	0.0%
503221 Classified/Legal Ads	-	-	-	-	0.0%
503222 Legal Ads	-	-	-	-	0.0%
503225 Graphic Services	-	-	-	-	0.0%
503351 Repair - Bldg & Impr	-	-	-	-	0.0%
503352 Repair - Equipment	-	-	-	-	0.0%
503353 Repair - Rev Vehicle	-	-	-	-	0.0%
503354 Repair - Non Rev Vehicle	-	-	-	-	0.0%
503363 Haz Mat Disposal	-	-	-	-	0.0%
Totals	300	250	250	(50)	-16.8%
MOBILE MATERIALS & SUPPLIES					
504011 Fuels & Lubricants - Non Rev Veh	-	-	-	-	0.0%
504012 Fuels & Lubricants - Rev Veh	-	-	-	-	0.0%
504021 Tires & Tubes	-	-	-	-	0.0%
504161 Other Mobile Supplies	-	-	-	-	0.0%
504191 Rev Vehicle Parts	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.f.58

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
SCCIC/COPS - 700**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
OTHER MATERIALS & SUPPLIES					
504205 Freight Out	-	-	-	-	0.0%
504211 Postage & Mailing	-	-	-	-	0.0%
504214 Promotional Items	-	-	-	-	0.0%
504215 Printing	-	-	-	-	0.0%
504217 Photo Supp/Process	-	-	-	-	0.0%
504311 Office Supplies	-	-	-	-	0.0%
504315 Safety Supplies	-	-	-	-	0.0%
504317 Cleaning Supplies	-	-	-	-	0.0%
504409 Repair/Maint Supplies	-	-	-	-	0.0%
504421 Non-Inventory Parts	-	-	-	-	0.0%
504511 Small Tools	-	-	-	-	0.0%
504515 Employee Tool Replacement	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
UTILITIES					
505011 Gas & Electric	-	-	-	-	0.0%
505021 Water & Garbage	-	-	-	-	0.0%
505031 Telecommunications	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
CASUALTY & LIABILITY					
506011 Insurance - Property	-	-	-	-	0.0%
506015 Insurance - PL/PD	-	-	-	-	0.0%
506021 Insurance - Other	-	-	-	-	0.0%
506123 Settlement Costs	-	-	-	-	0.0%
506127 Repairs - District Prop	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%

8.459

4/1/2010

SCCIC- 700

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY10 BUDGET RECONCILIATION ACTION
SCCIC/COPS - 700**

ACCOUNT	PUBLISHED BUDGET FY10	YTD ACTUAL as of 02/28/2010	PROJECTED BUDGET FY10	\$ CHANGE BUDGET FY10 PROJ BUDGET FY10	% CHANGE BUDGET FY10 PROJ BUDGET FY10
TAXES					
507051 Fuel Tax	-	-	-	-	0.0%
507201 Licenses & Permits	-	-	-	-	0.0%
507999 Other Taxes	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PURCHASED TRANS.					
503406 Contract/Paratransit	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
MISC EXPENSE					
509011 Dues/Subscriptions	-	-	-	-	0.0%
509085 Advertising - Rev Prod	-	-	-	-	0.0%
509101 Employee Incentive Program	-	-	-	-	0.0%
509121 Employee Training	-	-	-	-	0.0%
509123 Travel	-	-	-	-	0.0%
509125 Local Meeting Expense	-	-	-	-	0.0%
509127 Board Director Fees	-	-	-	-	0.0%
509150 Contributions	-	-	-	-	0.0%
509198 Cash Over/Short	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
LEASES & RENTALS					
512011 Facility Lease	-	-	-	-	0.0%
512061 Equipment Rental	-	-	-	-	0.0%
Totals	-	-	-	-	0.0%
PERSONNEL TOTAL					
	-	-	-	-	0.0%
NON-PERSONNEL TOTAL					
	300	250	250	(50)	-16.8%
DEPARTMENT TOTALS					
	300	250	250	(50)	-16.8%

8.F60

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 9, 2010
TO: Board of Directors
FROM: Frank Cheng, MetroBase Project Manager
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT WITH DIAMA-SHIELD, LLC FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE FOR AN AMOUNT NOT TO EXCEED \$130,000 AND APPROVAL OF CONTRACT CHANGE ORDER PROCEDURES

ACTION REQUIRED AT THE APRIL 9, 2010 BOARD MEETING

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a contract with - Diama-Shield, LLC for preparation and installation of epoxy and sealant to the floor of the maintenance building located at 138 Golf Club Drive for an amount not to exceed \$130,000 and approve contract change order procedures..

II. SUMMARY OF ISSUES

- A formal request for proposals was conducted to solicit proposals from qualified firms.
- Six firms submitted proposals for Santa Cruz METRO's review.
- A three-member evaluation committee comprised of Santa Cruz METRO staff reviewed and evaluated the proposals.

III. DISCUSSION

Santa Cruz METRO requested proposals from qualified firms for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, CA. The floor treatment will protect the floors and make cleaning a

On February 19, 2010, Santa Cruz METRO Request for Proposal No. 10-23 was mailed to forty-nine firms, was legally advertised, and a notice was posted on Santa Cruz METRO's web site. On March 29, 2010, proposals were received and opened from six firms. A list of these firms is provided in Attachment A. A three-member evaluation committee comprised of Santa Cruz METRO staff have reviewed and evaluated the proposals.

The evaluation committee used the following criteria as contained in the Request for Proposals:

EVALUATION CRITERIA	POINTS POSSIBLE
1. Qualifications of firm for services requested.	20 Points
2. Experience and capabilities in providing services requested including references.	20 Points
3. Cost Proposal	35 Points
4. Completeness and detail of the submitted Proposal.	20 Points
5. Disadvantaged Business Enterprise Participation	5 Points
Total Points Possible	100 Points

Staff is recommending that the Board of Directors approve the following contract change order procedures that will apply to this contract:

1. For any change order request from the contractor that exceeds \$25,000, staff will review and present such request to the METRO's Board of Directors for approval.
2. For any change order request from the contractor that is \$25,000 or less, approval of the change order will require review and approval from the following three personnel:
METRO's Construction Manager (Harris and Associates);
METRO's Project Manager Frank Cheng; and
Either the METRO's General Manager or the Finance Manager.

Staff shall report to the Board of Directors on all change orders processed for this contract.

Funds in the amount of \$130,000 shall be set aside for payments made on this contract. The difference from the project budget and Contractor's cost proposal of \$99,948.45 shall be used for any approved change orders against this contract. If additional funding is required, staff will return to the Board of Directors for approval.

The evaluation committee is recommending that a contract be established with Diama-Shield, LLC for preparation and installation of epoxy and sealant to the floor of the maintenance building located at 138 Golf Club Drive for an amount not to exceed \$130,000. Contractor will provide all materials and services meeting all Santa Cruz METRO specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funds to support contract are included in the MetroBase Capital Construction Funds.

V. ATTACHMENTS

Attachment A: List of firms that submitted a proposal and final ranking

Attachment B: Contract with Diama-Shield, LLC

Prepared By: Lloyd Longnecker, Purchasing Agent
Date Prepared: March 30, 2010

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of Santa Cruz METRO or online at www.scmttd.com

**LIST AND FINAL RANKING OF FIRMS THAT SUBMITTED A
PROPOSAL IN RESPONSE TO SANTA CRUZ METRO RFP NO. 10-23
FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT
TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT
138 GOLF CLUB DRIVE, SANTA CRUZ**

1. Diama-Shield, LLC of Madison Heights, MI
2. Moreno & Associates of San Jose, CA
3. R. Brothers Waterproofing, Inc. of San Jose, CA
4. American Vantage Company of San Francisco, CA
5. Alpha Restoration and Waterproofing of So. San Francisco, CA
5. Ashron Construction and Restoration, Inc. of Mountain View, CA

**CONTRACT FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT
TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT
138 GOLF CLUB DRIVE, SANTA CRUZ (10-23)**

THIS CONTRACT is made effective on April 26, 2010 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("Santa Cruz METRO"), and DIAMA-SHIELD, LLC ("Contractor").

1. RECITALS

1.01 Santa Cruz METRO's Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO's Need for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz

Santa Cruz METRO has the need for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated February 19, 2010, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz and whose principal place of business is 32401 Industrial Drive, Madison Heights, Michigan. Pursuant to the Request for Proposals by Santa Cruz METRO, Contractor submitted a proposal for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On April 9, 2010 Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO, to provide the preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 19, 2010 including Addendum No. 1 dated March 17, 2010.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, signed by Contractor and dated March 22, 2010.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued February 19, 2010.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 19, 2010.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by Santa Cruz METRO.

At the option of Santa Cruz METRO, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$99,948.45 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Diama-Shield, LLC
32401 Industrial Drive
Madison Heights, MI 48071
Attention: Travis Sibley, Sales Manager

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

SANTA CRUZ METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR – DIAMA-SHIELD, LLC

By _____
Travis Sibley
Sales Manager

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT - A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

**For Preparation And Installation Of Epoxy And Sealant
To The Floor Of The Maintenance Building Located At
138 Golf Club Drive, Santa Cruz**

Santa Cruz METRO RFP No. 10-23

Date Issued: February 19, 2010

Proposal Deadline: 5:00 P.M., March 22, 2010



Contents of this RFP

Part I.	Instructions to Offerors
Part II.	General Information Form
Part III.	Specifications
Part IV.	General Conditions
Part V.	Contract/Agreement
Part VI.	FTA Requirements for Non-Construction Contracts
Part VII.	Protest Procedures
Attachment A	Phase I and II Coverage Area Drawings
Attachment B	Phase I and II Striping Area Drawings

PART I

INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO SANTA CRUZ METRO:** Proposals (1 original and 4 copies) must be delivered to Santa Cruz METRO's Purchasing Office, 110 Vernon Street, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by Santa Cruz METRO. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to Santa Cruz METRO and the advantage to Santa Cruz METRO of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of Santa Cruz METRO, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO METRO:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to Santa

Cruz METRO that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for proposals, unless a longer time period is specified by Santa Cruz METRO in the RFP.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of Santa Cruz METRO to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with Santa Cruz METRO; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make Santa Cruz METRO a third-party beneficiary thereunder; (b) grant to Santa Cruz METRO the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to Santa Cruz METRO any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to Santa Cruz METRO. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **SANTA CRUZ METRO'S PREROGATIVE:** Santa Cruz METRO reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit Santa Cruz METRO to negotiate a contract, nor does it obligate Santa Cruz METRO to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

Santa Cruz METRO reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to Santa Cruz METRO Administrative Office no later than ten (10) calendar days after the date of notification of award by Santa Cruz METRO. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, Santa Cruz METRO may award the contract to another offeror; in such event, Santa Cruz METRO shall have no liability and said party shall have no remedy of any kind against Santa Cruz METRO.
17. **DISADVANTAGED BUSINESS ENTERPRISES:** The Board of Directors of Santa Cruz METRO has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of Santa Cruz METRO contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: Santa Cruz METRO will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

19. PUBLIC RECORDS ACT:

- A. Responses to this IFB shall be subject to the provisions of the California Public Records Act (Government Code Sections §6250 et. seq.).
- B. The Bidder may label information as “Trade Secret”, “Confidential” or “Proprietary”. Santa Cruz METRO will not advise as to the nature or content of documents entitled to protection from disclosure under the California Public Records Act. Santa Cruz METRO will use its best efforts to inform the Contractor of any request for any documents provided by the Bidder to Santa Cruz METRO marked “Trade Secret”, “Confidential”, or “Proprietary”. However, it is incumbent on the Contractor to assert any rights to confidentiality and to seek and obtain a court order prohibiting the release of such information.
- C. Under no circumstances, will Santa Cruz METRO be responsible or liable to the Bidder or any other party for the disclosure of any such labeled information, whether the disclosure is required by law or a court order or occurs through inadvertence, mistake, or negligence on the part of Santa Cruz METRO or its officers, employees, agents, and/or Contractors.
- D. The Bidder, at its sole expense and risk, shall be responsible for prosecuting or defending any action concerning the information contained in the IFB and shall hold Santa Cruz METRO harmless from all costs and expenses, including attorney’s fees, in connection with such actions.

20. BOND REQUIREMENTS:

A. Proposal Security

- 1. All proposals must be accompanied by proposer security in an amount not less than ten percent (10%) of the Total Contract Price, payable to Santa Cruz METRO. The Proposer’s Security must be in the form of cash, a cashier’s check, a certified check, or a Proposer’s Bond or a combination thereof. In submitting a proposal, it is understood and agreed by Proposer that the right is reserved by Santa Cruz METRO to reject any and all proposals, or part of any proposal, and it is agreed that the proposal may not be withdrawn for a period of sixty (60) days subsequent to the opening of the proposals, without the written consent of Santa Cruz METRO.
- 2. It is also understood and agreed that if the undersigned proposer should withdraw any part or all of his/her proposal within sixty (60) days after the proposal opening without the written consent of Santa Cruz METRO, shall refuse or be unable to enter into this Contract, as provided herein, or refuse or be unable to furnish adequate and acceptable Performance Bonds and Labor and Material Payment Bonds, as provided herein or refuse or be unable to furnish adequate and acceptable insurance, as provided herein, he/she shall forfeit his proposal security to the extent of Santa Cruz METRO’s damages occasioned by such withdrawal, or refusal or inability to enter into an agreement, or provide the required security therefore.
- 3. It is further understood and agreed that to the extent the defaulting proposer’s proposal security, certified check, cashier’s check, treasurer’s check, and/or official bank check (excluding any income generated thereby which has been retained by Santa Cruz METRO as provided shall prove inadequate to fully recompense Santa Cruz METRO for the damages occasioned by default, then the undersigned proposer agrees to indemnify Santa Cruz METRO and pay over to Santa Cruz METRO the difference between the proposal security and Santa Cruz METRO’s total damages, so as to make Santa Cruz METRO whole.

4. The proposal security must be issued by a fully qualified surety company acceptable to Santa Cruz METRO and listed as a company currently authorized under 31 Code of Federal Regulations (CFR), Part 223 as possessing a Certificate of Authority as described thereunder and , listed as a company possessing the authority to issue surety bonds in the State of California. Proposer's securities will be held until the Contract has been fully executed, after which all Proposer's securities, except any Proposer's securities which have been forfeited, will be returned to the respective Proposer as soon as practicable but in no event beyond sixty days from the award of the contract.

B. Payment Bond

A payment bond shall be executed within ten working days after the signing of a Contract in an amount not less than one hundred percent (100%) of the Contract price. The payment bond shall provide Santa Cruz METRO with security for Contractor's full payment to all subcontractors for costs of materials, equipment, supplies, and labor furnished in the course of performance of the Contract.

C. Performance Bond

A performance bond shall be executed within ten working days after the signing of a Contract in an amount not less than one hundred percent (100%) of the Contract price. The performance bond shall guarantee the Contractor's faithful performance of the Contract in compliance with all terms, conditions and requirements specified in the Contract documents.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

PART II

GENERAL INFORMATION FORM

**FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF
THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ**

RFP No. 10-23

(To be completed by the offeror and placed at the front of your proposal)

Legal Name of Firm

Date

Firm's Address

Telephone Number

FAX Number

Type of Organization (Partnership, Corporation, etc.)

Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with Santa Cruz METRO that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to Santa Cruz METRO that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to Santa Cruz METRO the required insurance certificates within ten (10) calendar days of the Notice of Award.

Signature of Authorized Principal

Name of Principal-in-Charge and Title

Name of Project Manager and Title

Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

Addresses Where Correspondence Should Be Sent

Areas of Responsibility of Prime Contractor

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) _____ certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) _____, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

Signature and Title of Authorized Official

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name _____

Signature of Authorized Official _____

Name and Title of Authorized Official _____

Date _____

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the proposal. A proposal which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: _____

Signature: _____

Company Name: _____

Title: _____

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____ CONTRACTOR'S ADDRESS _____
 DBE GOAL FROM CONTRACT _____ % _____
 FED. NO. _____
 COUNTY _____ PROPOSAL AMOUNT \$ _____
 AGENCY _____ PROPOSAL OPENING DATE _____
 CONTRACT NO. _____ DATE OF DBE CERTIFICATION _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with Santa Cruz METRO. By submitting a proposal, offeror certifies that he/she is in compliance with Santa Cruz METRO's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

SIGNATURE OF CONTRACTOR

DATE

AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
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TOTAL CLAIMED DBE
PARTICIPATION \$ _____ %

PART III

SPECIFICATIONS FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ

1. INTRODUCTION

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is requesting proposals from qualified firms to undertake the following activities related to preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, CA.

2. BACKGROUND

Santa Cruz METRO's Fleet Maintenance Facility is located at 138 Golf Club Drive, Santa Cruz, CA. Santa Cruz METRO is currently occupying half of the building and is awaiting completion of construction of the second half of the building. Once the second half of the building is available, the successful contractor will be able to commence the epoxy and sealant work described below.

3. SCOPE OF WORK

The project is split in two phases. Project will consists of bead blasting, grinding existing concrete, and applying epoxy, sand, and sealant at 138 Golf Club Drive, Santa Cruz as per specifications, terms, and conditions contained in this RFP and attached drawings.

Phase 1 - The work consists of bead blasting, grinding existing concrete, applying one coat of approved epoxy, broadcasting corresponding mesh sieve size sand into the wet material, applying 2nd coat of approved epoxy with the sand, curing, and applying an approved urethane sealant coat.

1. Bead blasting floor.
2. Grinding existing floor concrete.
3. Applying first coat of approved epoxy.
4. Broadcasting corresponding grade mesh sieve size sand into wet material depending on area.
 - a. Overall area will require a fine grade of 30 mesh sieve size sand.
 - b. The chassis wash area will require a medium grade of 10 mesh sieve size sand.
5. Applying second coat of approved epoxy with the sand.
6. Curing.
7. Reflective striping of bays and walkways per layout (4" wide and 34" separation between lines).
8. Applying coat of approved urethane sealant.

Phase 2 - Santa Cruz METRO will relocate fleet operations into Phase 1-newly applied epoxy and sealant floor. The work for Phase 2 consists of bead blasting, cleaning any spills, grinding existing concrete, applying one coat of approved epoxy, broadcasting a fine grade of 30 mesh sieve size sand into the wet material, applying 2nd coat of approved epoxy with the sand, curing, and applying an approved urethane sealant coat.

1. Bead blasting floor.
2. Cleaning any spills on floor.
3. Grinding existing floor concrete.
4. Applying first coat of approved epoxy.
5. Broadcasting a fine grade of 30 mesh sieve size sand into wet material.
6. Applying second coat of approved epoxy with the sand.
7. Curing.

8. Reflective striping of bays and walkways per layout (4" wide and 34" separation between lines).
9. Applying coat of approved urethane sealant.

The following show the approximate square footage of each phase:

Phase 1	12,564 sq ft
Chassis Wash Room	1,196 sq ft
Phase 2	10,826 sq ft
Stair Room	289 sq ft
Pit Area	1000 sq ft
TOTAL:	25,875 sq ft

Contractor is to provide submittals for owner approval for the following items:

1. Reflective striping color - International Safety Yellow.
2. Epoxy or approved equal.
3. Urethane sealant or approved equal.

4. PROPOSER'S MINIMUM QUALIFICATIONS

General Qualifications:

- 4.1 The Proposer shall have a minimum of five (5) years experience in epoxy floor sealing as required in this RFP.
- 4.2 The Proposer or Proposer's subcontractors must possess all permits, licenses and certificates required or necessary for the performance of the Services set forth in this RFP. Neither the Proposer nor any of the Proposer's subcontractors shall have had any such permit, license or certificate suspended or revoked during the 12 month period prior to submittal of their proposal.

5. EVALUATION OF PROPOSALS

- 5.1 **Evaluation Criteria:** The following criteria will be used to evaluate proposals:

EVALUATION CRITERIA	POINTS POSSIBLE
1. Qualifications of firm for services requested.	20 Points
2. Experience and capabilities in providing services requested including references.	20 Points
3. Cost Proposal	35 Points
4. Completeness and detail of the submitted Proposal.	20 Points
5. Disadvantaged Business Enterprise Participation	5 Points
Total Points Possible	100 Points

- 5.2 **Evaluation Procedure:** An Evaluation Committee, comprised of Santa Cruz METRO staff, will review and evaluate all proposals submitted according to the evaluation criteria provide in this RFP.
- 5.3 **Award:** When the Evaluation Committee has completed its work, negotiations will be conducted for the extent of services to be rendered and for the method of compensation. Because Santa Cruz METRO may award without conducting negotiations, the proposal submitted shall contain the Proposer's most favorable terms and conditions. Final approval will be requested at the Santa Cruz METRO Board of Directors meeting on April 23, 2010.

6. PREVAILING WAGE REQUIREMENTS

Pursuant to appropriate Sections of the Labor Code of the State of California, the Director of the California Department of Industrial Relations has ascertained the general prevailing rate of wages (which rate includes employer payments for health and welfare, vacation, pension, and similar purposes) for those classifications applicable to the services to be performed under this Agreement, for straight time, overtime, Saturday, Sunday and holiday work. Said prevailing wage rates have been adopted by Santa Cruz METRO Board of Directors and are incorporated herein by reference. These wage rates are available through the California State Department of Industrial Relations, <http://www.dir.ca.gov>. The Contractor shall post a copy of the prevailing wage rates at the jobsite or material staging area.

Workmen employed in the work must be paid at the rates at least equal to the prevailing wage rates as adopted. If Contractor uses a craft or classification not shown on the prevailing wage determinations, Contractor may be required to pay the wage rate of that craft or classification most closely related to it as shown in the general determinations effective at the time of Contract award.

In the performance of the services specified in this Contract, the Contractor and all Sub Contractors shall be responsible for compliance with California Labor Code Sections 1776 (Payroll records, retention, inspection, noncompliance penalties, rules and regulations) and 1777.5 (Employment of registered apprentices, wages, standards, number, apprenticeable craft or trade, exemptions, contributions).

This Contract is also subject to Federal requirements for payment of prevailing wages as determined by the Secretary of Labor. Where there are differences in the rates, the higher rate shall apply.

7. PROPOSAL CONTENT

7.1 **General Information:** Complete the attached General Information Form (Part II), and place in the front of all proposals submitted.

7.2 **Qualifications of Firm:** This section shall include a brief description of the firm's size as well as the local organizational structure. Include a discussion on the firm's financial stability, capacity and resources. Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the Contractor or its insurers within the last five years.

7.3 **Experience of the Firm:** This section shall include:

- A description of the Proposer's experience and capability in the type of work covered in SCOPE OF WORK.
- Resumes of Key Personnel and staff to be assigned to this project.
- Proposed Organizational Chart of key personnel and staff to be assigned to this project.
- A list of at least three client references for whom the Proposer provided similar services within the past three years with contact names and addresses.

7.4 **Cost Proposal:** This section shall include the Proposer's price for performing the services discussed in the scope of work. Proposals in which the costs do not reflect a reasonable relationship to the work to be conducted may be viewed as failing to comprehend the requirements of the scope of work, and, therefore, cause the proposal to be rejected as being non-responsive.

7.5 **Disadvantage Business Enterprise (DBE) Participation:** The extend to which the firm's intended use of DBE Subcontractors or is itself a certified DBE firm (Reference DBE form Part II).

7.6 **Exceptions to the RFP:** This section shall include any exceptions the Proposer has taken to this RFP. If no exceptions are taken, proposer shall so state on their submitted proposal.

7.7 **Federal Forms:**

- 7.7.1 **Certification of Restrictions on Lobbying (Part II):** Complete this form and include with all copies of the proposal.
- 7.7.2 **Certification of Debarment (Part II):** Complete this form and include with all copies of the proposal.

8. SAFETY REQUIREMENTS

- 8.1 All work shall be performed in strict accordance with METRO, OSHA, and Cal-OSHA safety procedures. The contractor agrees to comply fully with all current, and subsequently revised procedures or requirements. All contractor personnel shall be fully qualified and trained to operate the contractor's equipment and be knowledgeable in safe operating practices regarding hazardous and non-hazardous waste operations. The contractor, who accepts full responsibility for its maintenance and use, shall furnish safety equipment required by METRO.
- 8.2 The Contractor agrees to perform its obligations hereunder in a safe and efficient manner, using good operating practices. The Contractor's vehicles, equipment, and practices used hereunder shall meet without limitation all DOT, EPA, DTSC, and CHP requirements.
- 8.3 All equipment furnished by the contractor shall be in a good state of repair/condition and of a type and design that will permit safe and efficient operation and shall be in accordance with all state and federal rules and regulations pertaining to such equipment.
- 8.4 The Contractor will post and maintain all signs, notices, barricades, and other safeguards required by law, ordinance, or good judgment. The Contractor shall bear full responsibility for the protection and safety of public, personnel, materials, and surfaces in the vicinity of the work being performed.

9. WARRANTY

All work performed and materials provided shall be warranted for 5 years for workmanship and 10 years for materials.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

1. GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements Santa Cruz METRO is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

Santa Cruz METRO may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by Santa Cruz METRO upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever Santa Cruz METRO determines that such termination is in Santa Cruz METRO 's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by Santa Cruz METRO, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to Santa Cruz METRO in the manner, at the time, and to the extent directed by Santa Cruz METRO all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case Santa Cruz METRO shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of Santa Cruz METRO, to the extent Santa Cruz METRO may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to Santa Cruz METRO and deliver in the manner, at the time, and to the extent, if any, directed by Santa Cruz METRO the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to Santa Cruz METRO; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by Santa Cruz METRO, any property of the types referred to above provided, however, that the Contract shall 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 Santa Cruz METRO, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to Santa Cruz METRO to the Contractor

under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as Santa Cruz METRO may direct; (8) complete performance of such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as Santa Cruz METRO 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 Santa Cruz METRO has or may acquire an interest.

2.02 Termination for Default

2.02.01 Santa Cruz METRO may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, Santa Cruz METRO may procure, upon such terms and in such manner as Santa Cruz METRO may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to Santa Cruz METRO, the Contractor shall be liable to Santa Cruz METRO for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and Santa Cruz METRO shall be considered to have been terminated pursuant to termination for convenience of Santa Cruz METRO pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of Santa Cruz METRO provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3. FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude Santa Cruz METRO from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

3.02 Notification by Contractor

Contractor shall notify Santa Cruz METRO in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by Santa Cruz METRO to evaluate any Contractor request for relief under this Article 3. Santa Cruz METRO shall examine Contractor's notification and determine if the Contractor is entitled to relief. Santa Cruz METRO shall notify the Contractor of its decision in writing. Santa Cruz METRO's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from Santa Cruz METRO for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

5. PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. Santa Cruz METRO shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of METRO is to ensure that such services are performed and rendered in a competent and cost effective manner.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against Santa Cruz METRO for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless Santa Cruz METRO (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which Santa Cruz METRO may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's negligence, recklessness or willful misconduct under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

7. INSURANCE

7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall

obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects Santa Cruz METRO and any insurance or self-insurance maintained by Santa Cruz METRO shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractors vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
 - (a) Full Personal Injury coverage.
 - (a) Broad form Property Damage coverage.
 - (a) A cross-liability clause in favor of Santa Cruz METRO.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by Santa Cruz METRO.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after Santa Cruz METRO shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify Santa Cruz METRO in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide Santa Cruz METRO at or before the effective date of this Contract with a certificate of insurance of the coverage required.

- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to Santa Cruz METRO.

8. SINGLE PROPOSAL

If only one proposal is received in response to the RFP, Offeror may be required to submit to Santa Cruz METRO within five (5) days of Santa Cruz METRO demand, a detailed cost proposal. Santa Cruz METRO may conduct a cost or price analysis of the cost proposal to determine if the proposal price(s) are fair and reasonable. Offeror shall cooperate with Santa Cruz METRO in compiling and submitting detailed information for the cost and price analysis.

9. NO DISCRIMINATION

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

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of Santa Cruz METRO contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

I. PROMPT PAYMENT

11.01 Prompt Progress Payment to Subcontractors

The prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with Santa Cruz METRO's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

A. Prompt Payment of Withheld Funds to Subcontractors

Santa Cruz METRO shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by Santa Cruz METRO of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by Santa Cruz METRO. Any delay or postponement of payment may take place only for good cause and with Santa Cruz METRO's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on Santa Cruz METRO Liability

Santa Cruz METRO's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on Santa Cruz METRO premises or distribute same to Santa Cruz METRO employees.

13.05 Publicity

Contractor agrees to submit to Santa Cruz METRO all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein Santa Cruz METRO's name is mentioned or language used from which the connection of Santa Cruz METRO's name therewith may, within reason, be inferred or implied. Contractor further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of Santa Cruz METRO.

13.06 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover

attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on Santa Cruz METRO property, (2) ensure that its employees take appropriate protective measures, and (3) provide Santa Cruz METRO's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on Santa Cruz METRO property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify Santa Cruz METRO against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by Santa Cruz METRO; and any such action by Contractor without Santa Cruz METRO's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of Santa Cruz METRO. Any such action by Contractor without Santa Cruz METRO's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

13.15 Audit

This Contract is subject to audit by Federal, State, or Santa Cruz METRO personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on Santa Cruz METRO premises or in a Santa Cruz METRO vehicle.

13.17 Responsibility for Equipment

13.17.01 Santa Cruz METRO shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Santa Cruz METRO.

13.17.02 Contractor is responsible to return to Santa Cruz METRO in good condition any equipment, including keys, issued to it by Santa Cruz METRO pursuant to this Agreement. If the contractor fails or refuses to return Santa Cruz METRO-issued equipment within five days of the conclusion of the contract work Santa Cruz METRO shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of Santa Cruz METRO.

13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements Santa Cruz METRO is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

PART V

CONTRACT FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ (10-23)

THIS CONTRACT is made effective on _____, 2010 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("Santa Cruz METRO"), and _____ ("Contractor").

1. RECITALS

1.01 Santa Cruz METRO's Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO's Need for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz

Santa Cruz METRO has the need for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated February 19, 2010, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz and whose principal place of business is _____. Pursuant to the Request for Proposals by Santa Cruz METRO, Contractor submitted a proposal for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On _____, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO, to provide the preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 19, 2010

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, signed by Contractor and dated March 22, 2010.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued February 19, 2010.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 19, 2010.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by Santa Cruz METRO.

At the option of Santa Cruz METRO, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$_____ maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

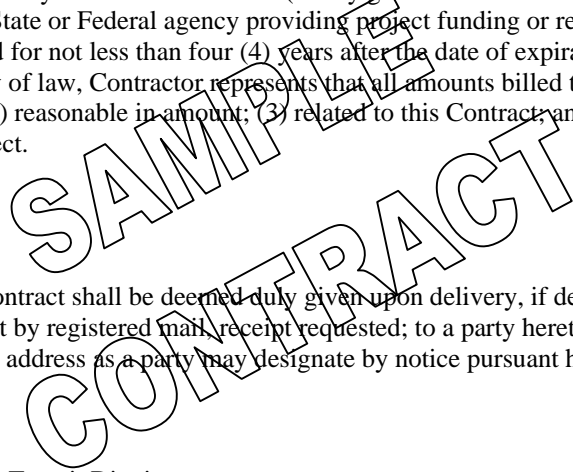
All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____



7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

SANTA CRUZ METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR -

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

SAMPLE
CONTRACT

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS, that _____
Called the Principal, and _____, a corporation duly organized under the laws of
the State of _____
Having its principal place of business at _____
In the State of _____, and authorized to do business in the State of California, herein called Surety,
are held and firmly bound unto the Santa Cruz Metropolitan Transit District hereinafter called "Santa Cruz
METRO", "DISTRICT", or "Obligee" in the sum of _____
(\$ _____) being not less than ONE HUNDRED PERCENT
(100%) of the total amount of the Contract price, lawful money of the United States of America, well and truly to be
made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these
presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS the Principal has entered into a Contract with the Obligee for the preparation and installation of epoxy
and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz and said Principal is
required under the terms of said Contract to furnish a bond securing payment of claims to which reference is made
in Section 3248 of the California Civil Code.

NOW, THEREFORE, if said Principal or any of its subcontractors fails to pay any of the persons named in Section
3181 of the California Civil Code, or the amounts due under the California Unemployment Insurance Code with
respect to work performed under the Contract, or any amounts required to be deducted, withheld and paid over to the
California Employment Development Department from the wages of the Contractor and subcontractors pursuant to
Section 13020 of the California Unemployment Insurance Code with respect to such work and labor, the Surety will
pay same, in the amount not exceeding the sum specified in this bond, and will also pay, in case suit is brought upon
this bond, a reasonable attorney's fee, to such claimant and to the Obligee to be fixed by the court.

This bond will inure to the benefit of any persons named in Section 3181 of the California Civil Code so as to give a
right of action to such persons or to their assigns in any suit brought upon this bond.

This bond is given to comply with Sections 3247 through 3252 inclusive of the California Civil Code and shall inure
to the benefit of any and all persons, companies and corporations named in Section 3181 of said _____ so as to
give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or
addition to the terms of the Contract, or to the work to be performed thereunder, or the specifications accompanying
the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change,
extension of time, alteration, or addition to the terms of the Contract, or to the work or to the special provisions.
Said Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

To be considered complete, both the Bidder and an admitted Surety insurer authorized by the California Insurance
Commissioner to transact surety business in the State of California, must sign this Payment bond. In addition, the
Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____
day of _____, _____, the name and corporate seal of each corporate party being hereto affixed and
these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Seal)

PRINCIPAL

BY

(Seal)

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

(This bond must be submitted in sets of four, each bearing original signatures. The signature of the Attorney-In Fact for the Surety must be acknowledged by a Notary Public. These bonds must be accompanied by a current Power of Attorney appointing such Attorney-In-Fact.)

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that WHEREAS, the Santa Cruz Metropolitan Transit District, herein called the "DISTRICT" or "Santa Cruz METRO" or "Obligee" has entered into Contract No. 10-23 with _____ called Principal for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, and;

WHEREAS, said Principal is required under the terms of Contract No. 10-23 to furnish a bond for the faithful performance of the Contract;

NOW, THEREFORE, we, the Principal, and _____ as Surety, are held and firmly bound to Santa Cruz METRO, in the penal sum of _____ (\$ _____) lawful money of the United States of America, well and truly to be made being one hundred percent (100%) of the contract amount, for the payment of which sum will and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above-bonded Principal; its heirs, executors, administrators, successors, or assigns shall in all things stand to and abide by and well and truly keep and faithfully perform the covenants, conditions and agreements in the said Contract and any alteration thereof, made as provided in the Contract, on its part to be kept and performed at the time and in the manner specified and in all respects according to their true intent and meaning, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for the value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way effect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications. And the said surety, for value received, hereby stipulates and agrees to waive the provisions of the **California Civil Code Sections 2819 and 2845.**

As a condition precedent to satisfy completion of the Contract, the above obligations to the amount of _____ (\$ _____) being not less than FIFTY PERCENT (50%) of the total amount payable to Santa Cruz METRO, under this Contract, shall hold good for a period of one (1) year after the completion and acceptance of said work, during which time if the Principal, or its heirs, executors, administrators, successors, or assigns makes full and satisfactory repair and replacement of defective materials, faulty workmanship, and work not conforming to the requirements of the Contract, and protects Santa Cruz METRO from cost and damage caused by same, then the obligation in the sum of _____ (\$ _____) shall become null and void, otherwise it shall remain in full force and virtue.

In the event that Santa Cruz METRO, or its successors or assigns, shall be the prevailing party in an action brought upon this bond, then, in addition to the penal sum specified herein above, we agree to pay to Santa Cruz METRO, or its successors or assigns, a reasonable sum on account of attorney's fees in such action, which sum shall be fixed by the court.

California law shall govern the interpretation of this bond.

To be considered complete, both the Contractor and an admitted Surety insurer authorized by the California Insurance Commissioner to transact surety business in the State of California, must sign this Performance bond. In addition, the Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____ day of _____, _____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

DATE

PRINCIPAL

BY

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

[End of performance Bond.]

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Santa Cruz METRO or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to Santa Cruz METRO, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, Santa Cruz METRO shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as Santa Cruz METRO or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require Santa Cruz METRO to enter into such litigation to protect the interests of Santa Cruz METRO, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that Santa Cruz METRO, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after Santa Cruz METRO makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for Santa Cruz METRO of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or Santa Cruz METRO shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Non-construction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, Santa Cruz METRO shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to Santa Cruz METRO (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by Santa Cruz METRO if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

12.2 DBE Obligation

Santa Cruz METRO and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, Santa Cruz METRO and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. Santa Cruz METRO and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13.0 CONFLICT OF INTEREST

No employee, officer or agent of Santa Cruz METRO shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. Santa Cruz METRO's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform Santa Cruz METRO whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform Santa Cruz METRO.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

Santa Cruz METRO and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by Santa Cruz METRO, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when Santa Cruz METRO or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. Santa Cruz METRO or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, Santa Cruz METRO, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by Santa Cruz METRO or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of Santa Cruz METRO or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of Santa Cruz METRO or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, Santa Cruz METRO (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of Santa Cruz METRO, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. Santa Cruz METRO and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, Santa Cruz METRO and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

Santa Cruz METRO and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

Santa Cruz METRO and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by Santa Cruz METRO and Contractor of proprietary

rights, copyrights or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to Santa Cruz METRO or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by Santa Cruz METRO or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees.
 - (iii) Reporting for Own Employees.
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non- appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
 - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

POLICY

It is the policy of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) that it is responsible for resolving all Pre-Bid, Pre-Award and Post-Award Procurement Protest disputes arising out of third party procurements using good administrative practices and sound business judgment. It is Santa Cruz METRO's intention that its procurement process provides for fair and open competition in compliance with federal and state laws and Santa Cruz METRO policies.

Santa Cruz METRO has established these Pre-Bid, Pre-Award and Post-Award Procurement Protest Policy and Procedures so that all procurement protests/disputes are filed, processed and resolved in a manner consistent with the requirements of the Federal Transit Administration (FTA) Circular (4220.1F) *Third Party Contracting Guidance*, dated November 1, 2008, which are on file at Santa Cruz METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060, and available upon request.

APPLICABILITY

This regulation is applicable to all Santa Cruz METRO employees. This regulation is applicable to any Interested Party as defined herein who has a protest/dispute against Santa Cruz METRO in the Pre-Bid, Pre-Award and Post-Award procurement phase.

DEFINITIONS

“Common Grant Rules” refers to the Department of Transportation regulations “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR Part 18, which apply to Federal grants and cooperative agreements with governmental recipients of Federal assistance including Indian tribal governments.

“Interested Party” means a party that is an actual or prospective bidder or offeror whose direct economic interest would be affected by the award or failure to award the third party contract at issue. A subcontractor does not qualify as an “interested party”.

“Protest” means a formal declaration of disapproval or objection issued by a concerned person, group, or organization that arises during the procurement process. A Protest is a potential bidder's or contractor's remedy for correcting a perceived wrong in the procurement process. See “Types of Protests” below.

“Protester” means a person, group, or organization that files a formal declaration of disapproval or objection. A protester must qualify as an “interested party”.

“Types of Protests”: There are three basic types of Protests pursuant to this regulation, based on the time in the procurement cycle when they occur:

- a.) A pre-bid or solicitation phase Protest is received prior to the bid opening or proposal due date. Pre-bid protests are those based on the content of the initial Notice and/or solicitation published by Santa Cruz METRO requesting bids from vendors or other interested parties.
- b.) A pre-award Protest is a protest against making an award and is received after receipt of proposals or bids, but before award of a contract.
- c.) A post-award Protest is a protest received after award of a contract. A post-award Protest must be received within 5 business days of the making of the award. A post-award Protest generally alleges a violation of applicable federal or state law and/or Santa Cruz METRO policy or procedures relative to the seeking, evaluating and/or awarding of the contract.

STANDARDS.

All Protests must be filed in writing with the Santa Cruz METRO Administrative Offices, Finance Manager, Santa Cruz Metropolitan Transit District, 110 Vernon Street, Santa Cruz, CA 95060, or electronically at financemanager@scmtd.com . No other location is acceptable.

A Protest must be in writing and set forth the specific grounds of the dispute and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protest shall include the name and contact information of the Protester, solicitation/contract number or description, and what remedy the Protester is seeking. The Protester is responsible for adhering to this regulation.

A Protester must exhaust all of Santa Cruz METRO’s administrative remedies before pursuing a protest with the FTA.

Santa Cruz METRO’s Finance Manager shall make a determination on the Protest generally within ten (10) working days from receipt of the Protest. The Decision of the Finance Manager must be in writing and shall include a response to each substantive issue raised in the Protest.

Any Decision by the Finance Manager may be appealed to the Board of Directors. The Protester has the right within five (5) business days of receipt of the Finance Manager’s Decision to file an appeal restating the basis of the Protest and the grounds of the appeal. In the appeal, the Protester is only permitted to raise information and issues previously provided in the Protest or discovered after the Protest was submitted to the Finance Manager for Decision and directly related to the grounds of the Protest. The Protester shall be provided with at least 72-hour notification of when the Board of Directors will hear the Appeal. The Protestor may appear, be represented and present evidence and testimony at the Appeal Hearing. The Board of Directors’ decision shall constitute Santa Cruz METRO’s final administrative determination.

In the event that the Protester is not satisfied with Santa Cruz METRO’s Board of Directors’ final administrative determination, he/she may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having the jurisdiction over Protest(s) and Appeal(s).

At any time, the Protester may request reconsideration of Santa Cruz METRO’s Final Decision if data or information becomes available that was not previously known, or there has been an error of law or regulations.

The Protester may withdraw its Protest or Appeal at any time before Santa Cruz METRO issues a final decision.

If Santa Cruz METRO postpones the date of proposal submission because of a Protest or Appeal of the solicitation specifications, addenda, dates or any other issue relating to the procurement, Santa Cruz METRO will notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that a Protest/Appeal had been filed, and the due date for proposal submission shall be postponed until Santa Cruz METRO has issued its final Decision.

Reviews of Protests by FTA are limited to 1) Santa Cruz METRO’s failure to have or follow its protest procedures, or its failure to review a complaint or Protest; or 2) violations of Federal law or regulation.

A Protest Appeal to the FTA must be filed in accordance with the provisions of FTA Circular 4220.1F. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under Santa Cruz METRO’s protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 1650
San Francisco, CA 94105-1839

Telephone: (415) 744-3133
Fax: (415) 744-2726

SANTA CRUZ METRO RESPONSIBILITIES TO FTA

Santa Cruz METRO's Finance Manager will notify the FTA when he/she receives a third party contract protest to which the FTA Circular (4420.1F) *Third Party Contracting Guidance* applies, and will keep the FTA informed about the status of the Protest including any appeals.

Santa Cruz METRO's Finance Manager will provide the following information to FTA:

- a. Subjects: A list of Protests involving third party contracts and potential third party contracts that:
 - (a) Have a value exceeding \$100,000, or
 - (b) Involve controversial matter, irrespective of amount, or
 - (c) Involve a highly publicized matter, irrespective of amount.

- b. Details: The following information about each Protest:
 - (a) A brief description of the Protest,
 - (b) The basis of disagreement, and
 - (c) If open, how far the Protest has proceeded, or
 - (d) If resolved, the agreement or decision reached, and
 - (e) Whether an appeal has been taken or is likely to be taken.

- c. When and Where: Santa Cruz METRO will provide this information:
 - (a) In its next quarterly Milestone Progress Report, and
 - (b) At its next Project Management Oversight review, if any.

- d. FTA Officials to Notify: When Santa Cruz METRO's Board of Directors denies a bid Protest, and an appeal is likely to occur, Santa Cruz METRO's Finance Manager will inform the FTA Regional Administrator for Region IX, or the FTA Associate Administrator for the program office administering a headquarters project directly about the likely appeal.

Santa Cruz METRO's Finance Manager will disclose information about any third party procurement Protest to FTA upon request. FTA reserves the right to require Santa Cruz METRO to provide copies of a particular Protest or all Protests, and any or all related supporting documents, as FTA may deem necessary.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

**For Preparation And Installation Of Epoxy And Sealant To
The Floor Of The Maintenance Building Located At 138 Golf
Club Drive, Santa Cruz**

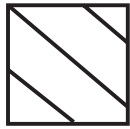
Santa Cruz METRO RFP No. 10-23

Attachment A

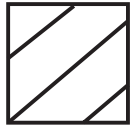
Phase I and II Coverage Area Drawings



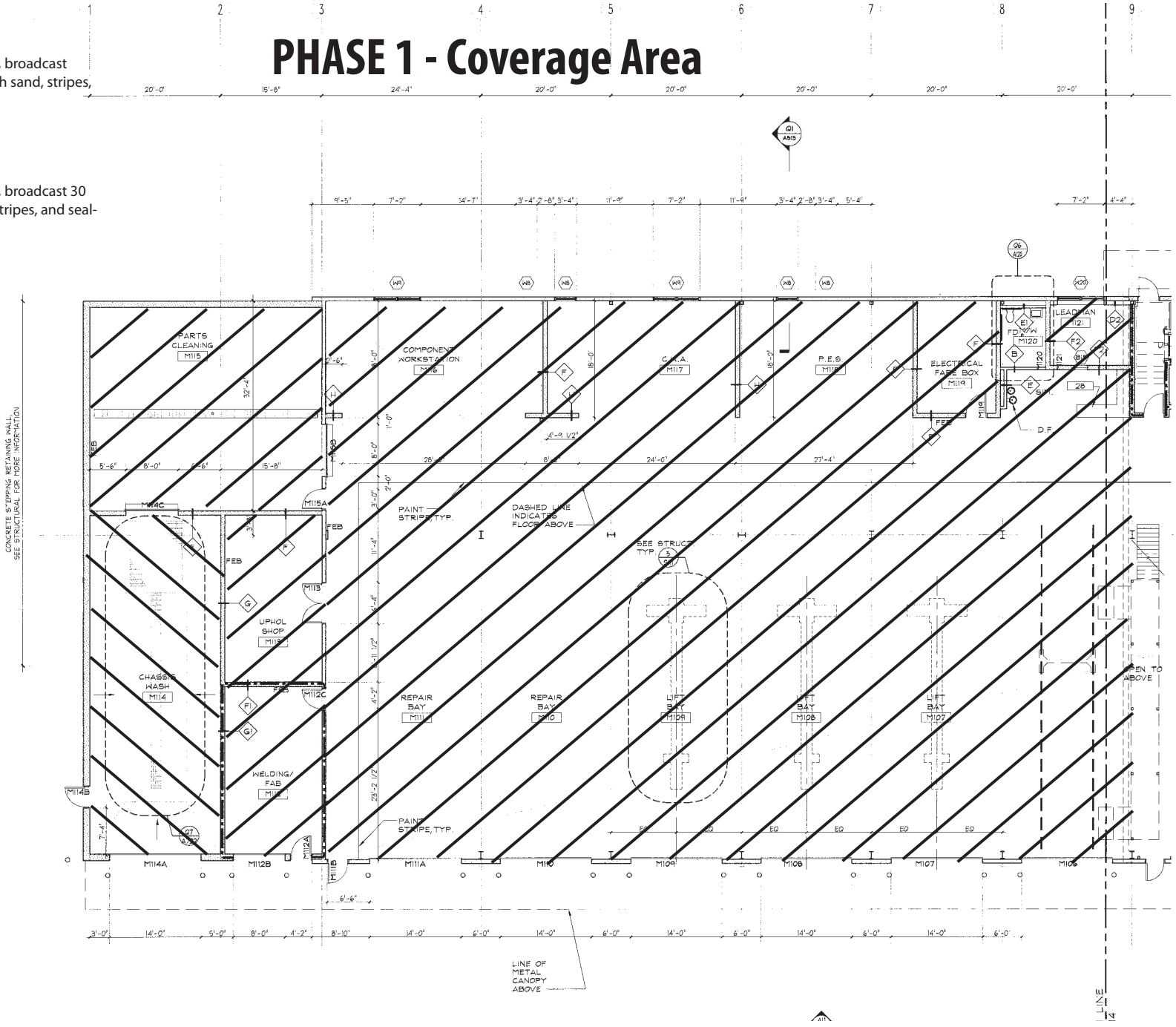
PHASE 1 - Coverage Area



Grind, epoxy, broadcast rougher mesh sand, stripes, and sealant

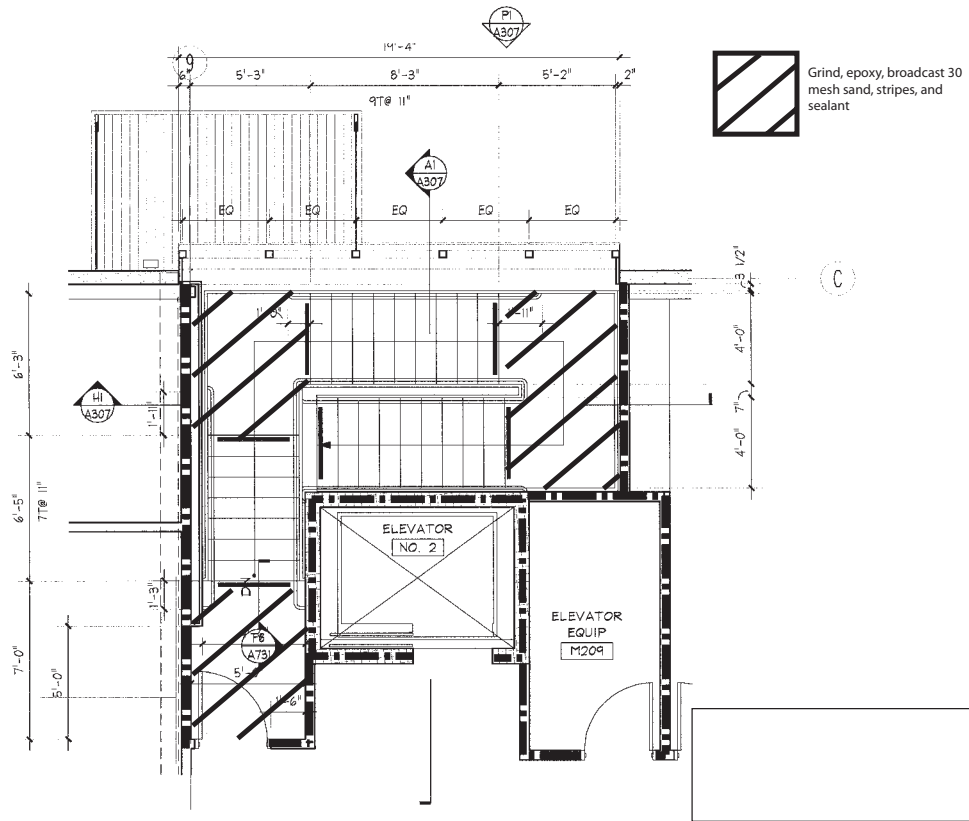


Grind, epoxy, broadcast 30 mesh sand, stripes, and sealant

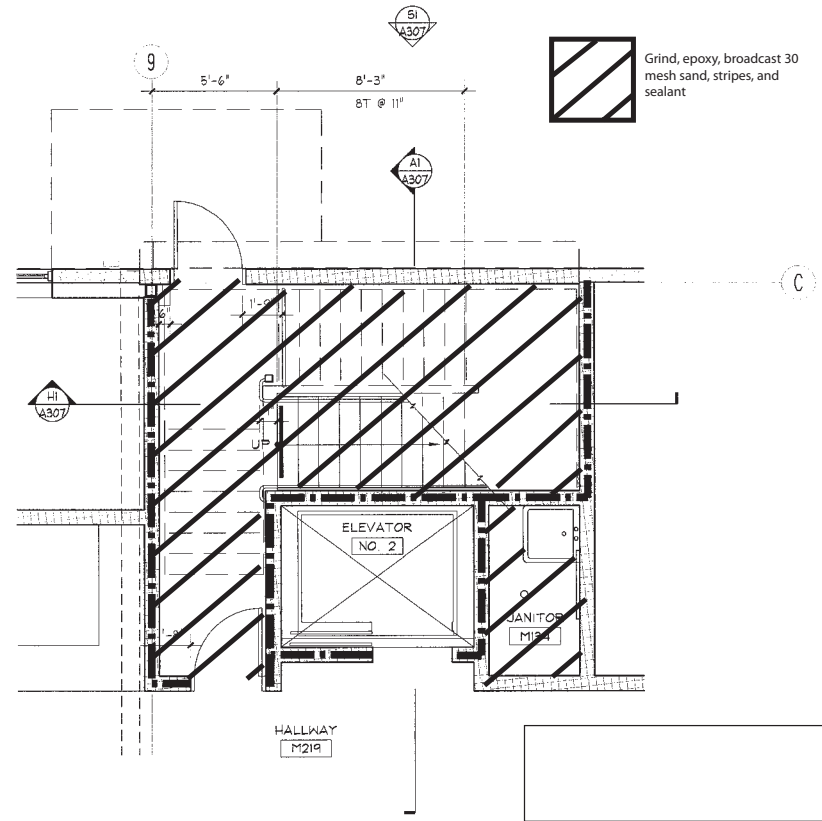


PHASE 2 - Coverage Area (Elevator & Janitor Room)

H J K L M N O P Q R S T U



H10 STAIR M001—SECOND FLOOR PLAN



P10 STAIR M001—FIRST FLOOR PLAN

PHASE 2 - Coverage Area (Pit)

12

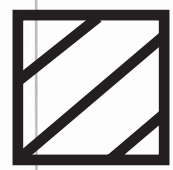
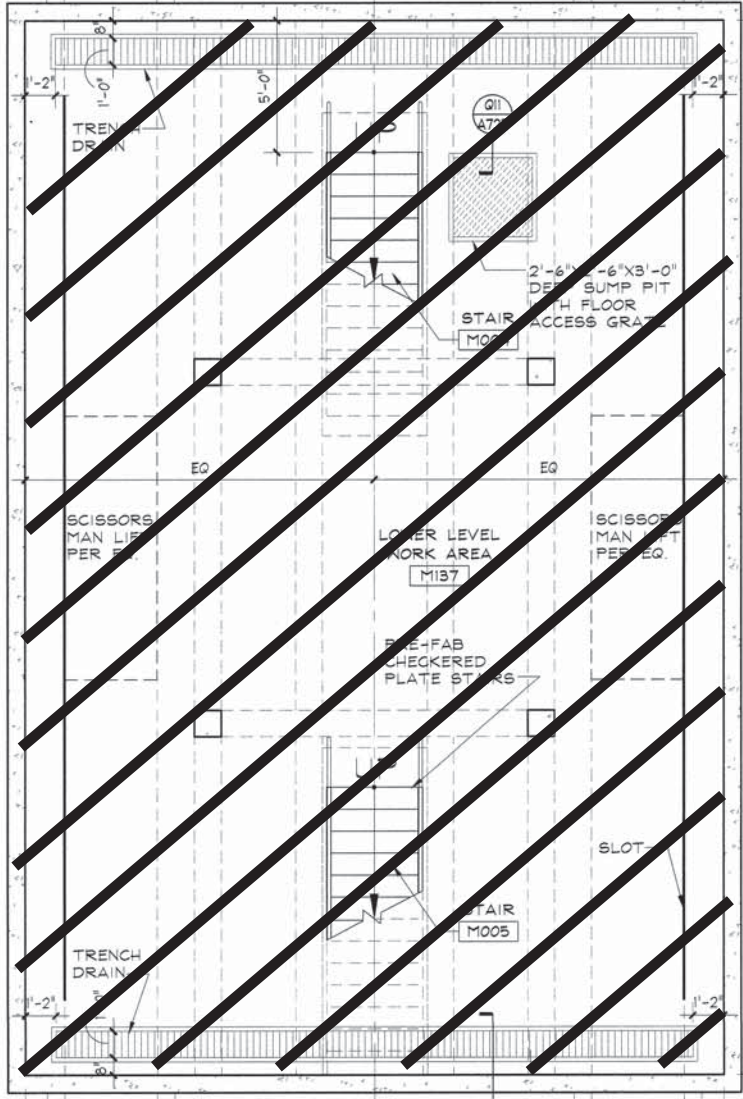
13

14

R12
A111

DRAIN PAN
POCKET ABOVE

B



Grind, epoxy, broadcast 30 mesh sand, stripes, and sealant

G12
A111

NOTE:
REFER TO STRUCT S112
FOR MORE INFORMATION

L5
A723

A

6'-9" 1'-6" 3'-6" 16'-6" 3'-6" 1'-6"

D1	LOWER LEVEL FLOOR PLAN : UNDER CARRIAGE ACCESS WORK AREA
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

**For Preparation And Installation Of Epoxy And Sealant To
The Floor Of The Maintenance Building Located At 138 Golf
Club Drive, Santa Cruz**

Santa Cruz METRO RFP No. 10-23

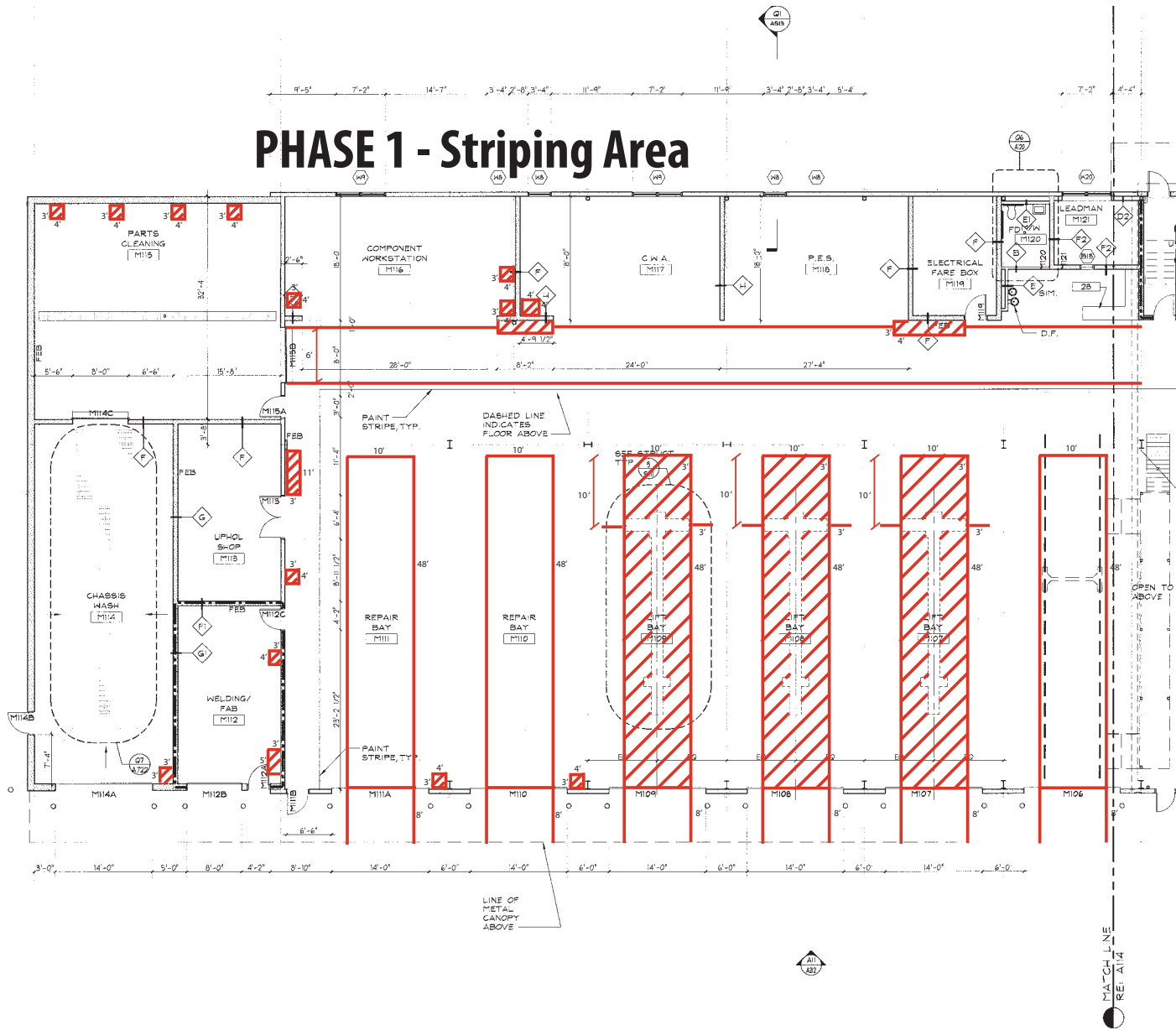
Attachment B

Phase I and II Striping Area Drawings

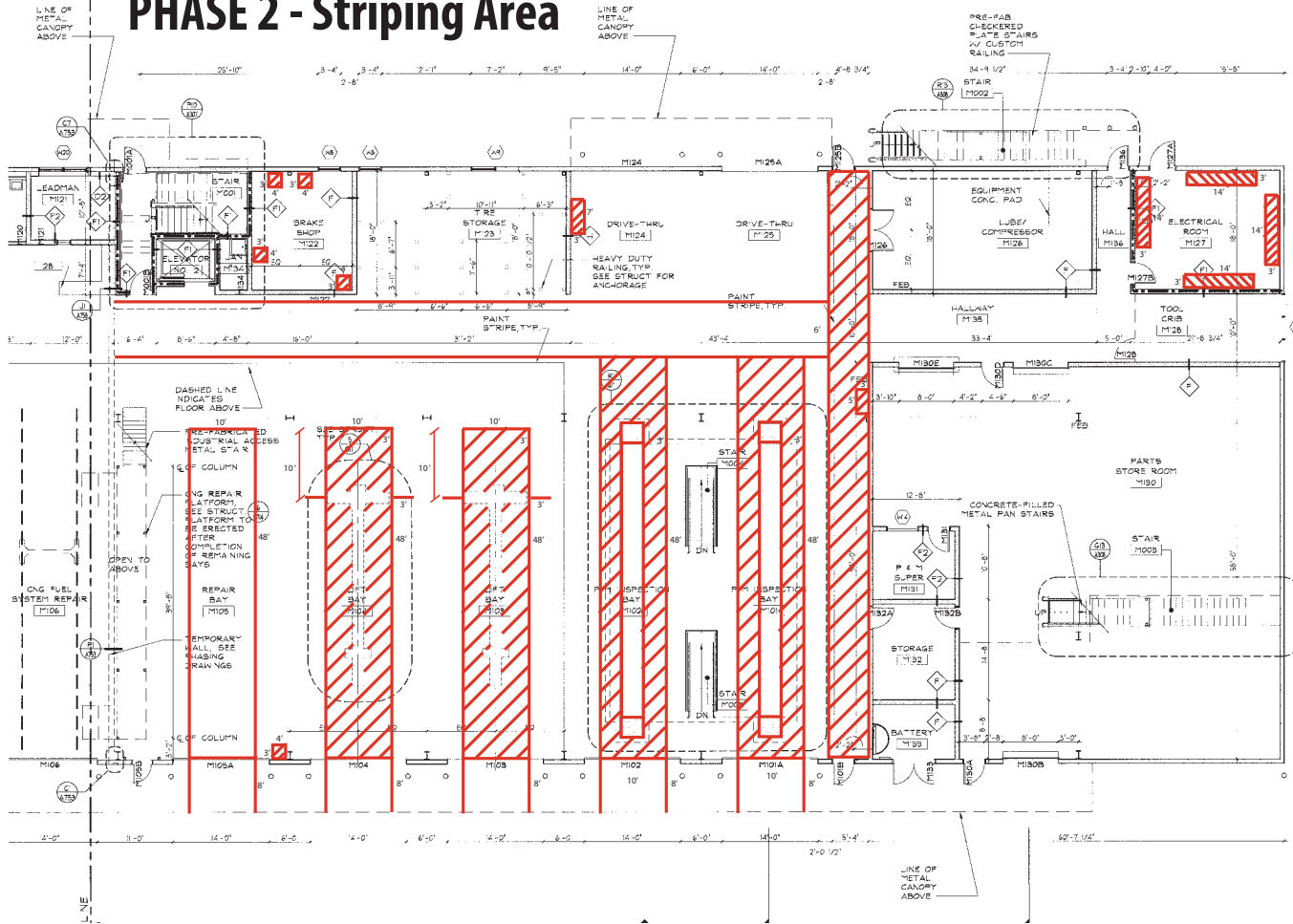


PHASE 1 - Striping Area

CONCRETE STEPPING RETAINING WALL,
SEE STRUCTURAL FOR MORE INFORMATION



PHASE 2 - Striping Area



C

B

A.1

A



ADDENDUM NO. 1

**Santa Cruz Metropolitan Transit District
Request for Proposals (RFP) No. 10-23
For Preparation and Installation of Epoxy and Sealant to the
Floor of the Maintenance Building Located at
138 Golf Club Drive, Santa Cruz, CA**

NEW RFP DUE DATE: March 29, 2010 @ 5:00 PM, PST

Date of Addendum Issue: March 17, 2010

Notice is hereby given that the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is providing the following clarifications, modifications, additions and / or deletions to RFP No. 10-23 for Preparation and Installation of Epoxy and Sealant to the Floor of the Maintenance Building Located at 138 Golf Club Drive, Santa Cruz, CA. This Addendum shall become a part of the original RFP as issued by Santa Cruz METRO.

Receipt of this Addendum No. 1 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the Invitation for Bid.

All questions concerning this Addendum shall be referred to Lloyd Longnecker, Purchasing Agent at 110 Vernon Street, Santa Cruz, CA 95060, (831) 426-0199 Voice, (831) 423-2918 Fax, or email address llongnecker@scmttd.com.

This Addendum forms a part of the Contract Documents, and modifies the following as noted below:

1. **ADDENDUM CONTENT:** Addendum No. 1: A total of two (2) pages
2. **CHANGES TO PREVIOUS ADDENDA:** (NONE)
3. **BIDDERS REQUESTS FOR CLARIFICATIONS:**

3.1 QUESTION: The common industry practice is that the bond company only provides warranty for up to 2 years, and the manufacturer for 3 years. Santa Cruz METRO is asking for 5 years workmanship and 10 years for manufactured materials. Please clarify and let me know if I can still participate to bid if I go with the industry norm.

ANSWER: Part III Specifications, Article 9. Warranty is revised as follows:

All work performed and materials provided shall be warranted for ~~5~~ **two (2)** years for workmanship and ~~10~~ **three (3)** years for materials.

3.2 QUESTION: Our company is certified with the State of California and the city of San Francisco as a Minority and Small Business. Do you accept their certification?

ANSWER: Santa Cruz METRO will acknowledge their certification.

RFP No. 10-23, Addendum No. 1 – Issue: March 17, 2010

3.3 QUESTION: Is there a minimum required thickness for the coating system?

ANSWER: Two layers of epoxy coat and one layer of clear coat is at least 20 mils.

3.4 QUESTION: Is there a basis of design specification for the coating and striping material?

ANSWER: Stripping is to be done before clear coat. Coating and striping material specification to be recommended by Offeror.

3.5 QUESTION: If the urethane is to go over the striping material, I am assuming it will be clear? If the urethane is to be pigmented, can we do the striping after the final topcoat?

ANSWER: See answer provided in 3.4.

4. CHANGES TO RFP TERMS AND CONDITIONS:

4.1 Additional Project Requirements: Two additional metal stairways in Pit Area (4' x 11') are currently painted white are to be painted a Steel Blue color. Contractor shall sand and clean the existing surface then apply the topcoat. Apply paint as needed to cover existing white paint. Several coats maybe required.

Paint to be High Performance Architectural latex system. Topcoat: Dunn Edwards CA PERMASHEEN, Int/Ext 100% Acrylic Semi-Gloss Enamel, color: Steel Blue.

This area is already included in original square footage provided.

4.2 Epoxy color to be Slate Base Coat with Dusty Trail Blend color chips.

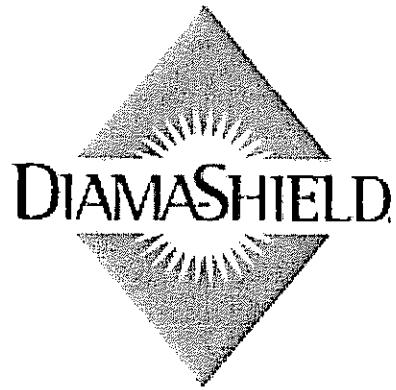
4.3 "Sealant" equals Urethane Clear Coat Sealer.

4.4 Clarification of work surface to be treated in chassis wash area of Phase I: all concrete surfaces are to be treated including the approximately 9" vertical concrete wall of the pit area.

END OF ADDENDUM NO. 1

Lloyd Longnecker
Purchasing Agent

EXHIBIT - B



Diamashield LLC

**Sealed Bid to Install and Seal Epoxy
Santa Cruz Metropolitan Transit District
Maintenance Building**

**Bid Due
March 29, 2010 at 5:00 p.m.**

**Diamashield
32401 Industrial Drive
Madison Heights, MI 48071**

• www.diamashield.com •

Phone: 248-228-3250

Toll Free: 888-730-4075

Fax: 248-228-3255



Diamashield is pleased to submit a response to prepare and install epoxy and sealant to the floor of the Maintenance Building for the Santa Cruz Metropolitan Transit Authority.

Diamashield's core competency is grinding, polishing and managing pored floors; these include concrete, epoxy based terrazzo or cementitious terrazzo. The equipment, system and progression of diamonds used for these various floors are the same. We employ 40 to 50 crews who grind, polish and manage floors across the United States. We do not subcontract this work; every crew member behind a piece of equipment is an experienced Diamashield employee.

Diamashield is a recognized leader in commercial and industrial flooring. We have developed a national reputation as the go-to contractor for automotive, big box retail, construction and government. Our sweet spots are concrete sealing and polishing and terrazzo maintenance. Diamashield has the ability to tackle any job, at any place, at any time.

We recognize that your review and evaluation can be an arduous process, and will provide a direct response in the order of your solicitation and labeled in the same manner as your solicitation.

Section 7.1: General Information

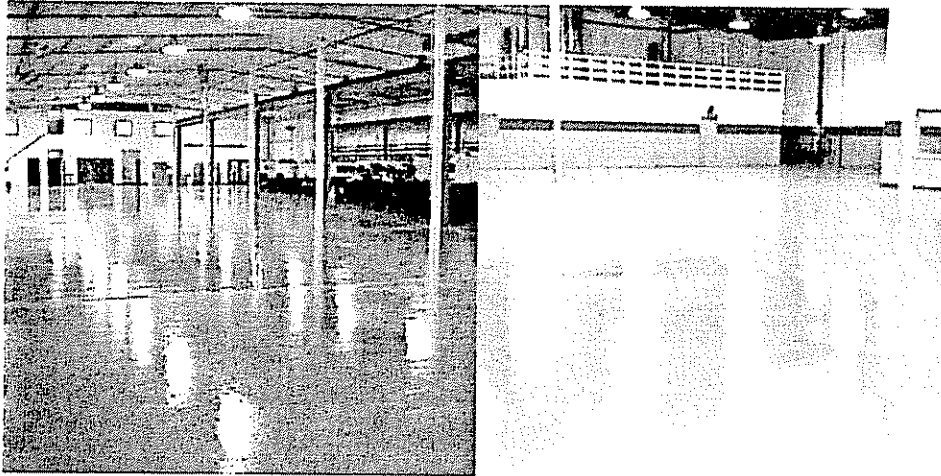
Diamashield has completed the General Information Form (Part II) provided in the solicitation.

Section 7.2: Qualifications of Firm

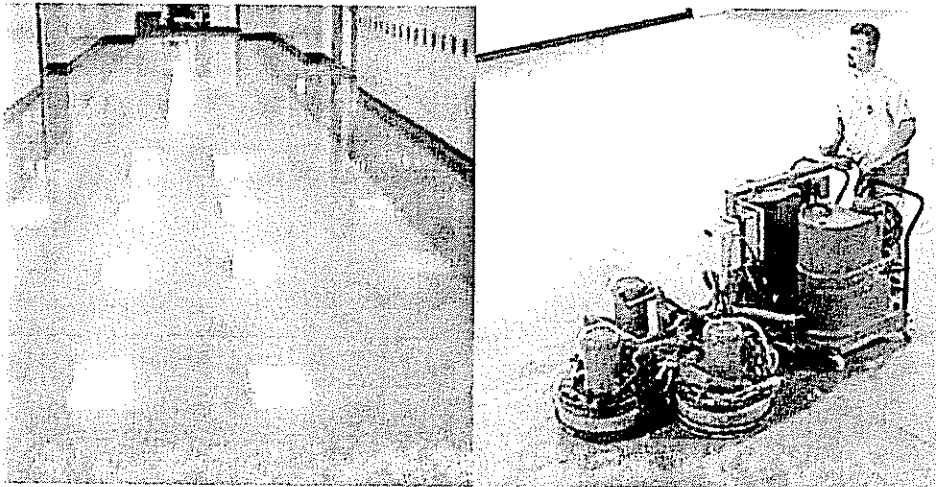
Diamashield has more than forty years of experience maintaining concrete and terrazzo flooring. We have developed a reputation for expertise in epoxy floor systems, which are durable, resilient and provide excellent impact and abrasion resistance. Because they are seamless, epoxy floors are sanitary and easy to clean.



Diama-Shield offers an endless variety of epoxy flooring colors and textures. Our decorative floor systems incorporate vinyl chip or quartz simulate granite, terrazzo and other finished stone surfaces. We can also add accents and design elements to customize a decorative epoxy floor. High solid clear coats and slip resistant agents are available for special applications.



Diama-Shield has developed a state-of-the-art terrazzo restoration system, which incorporates industrial polishing equipment, diamond abrasives and specially formulated densifiers to transform dull, distressed terrazzo flooring. Diama-Shield's high-gloss terrazzo floor finish provides an extremely durable surface, which resists scuffmarks, scratches and abuse and eliminates the need for stripping and waxing.





Our Services

Diamashield's services include the following:

- Polished concrete
- Epoxy Floors
- Safety Striping
- Chip to Rejection Epoxy Flooring
- Quartz Flooring
- Decorative Concrete Staining
- Non-Slip Floor Coatings
- Epoxy Wall Coatings
- Surface Preparation
- VCT Removal
- Mastic Removal
- Crack Repair,
- Tile and Grout Cleaning
- Tile and Grout Repair
- Terrazzo Restoration
- Terrazzo Repair
- Terrazzo Polishing
- General Floor Maintenance

Our Company

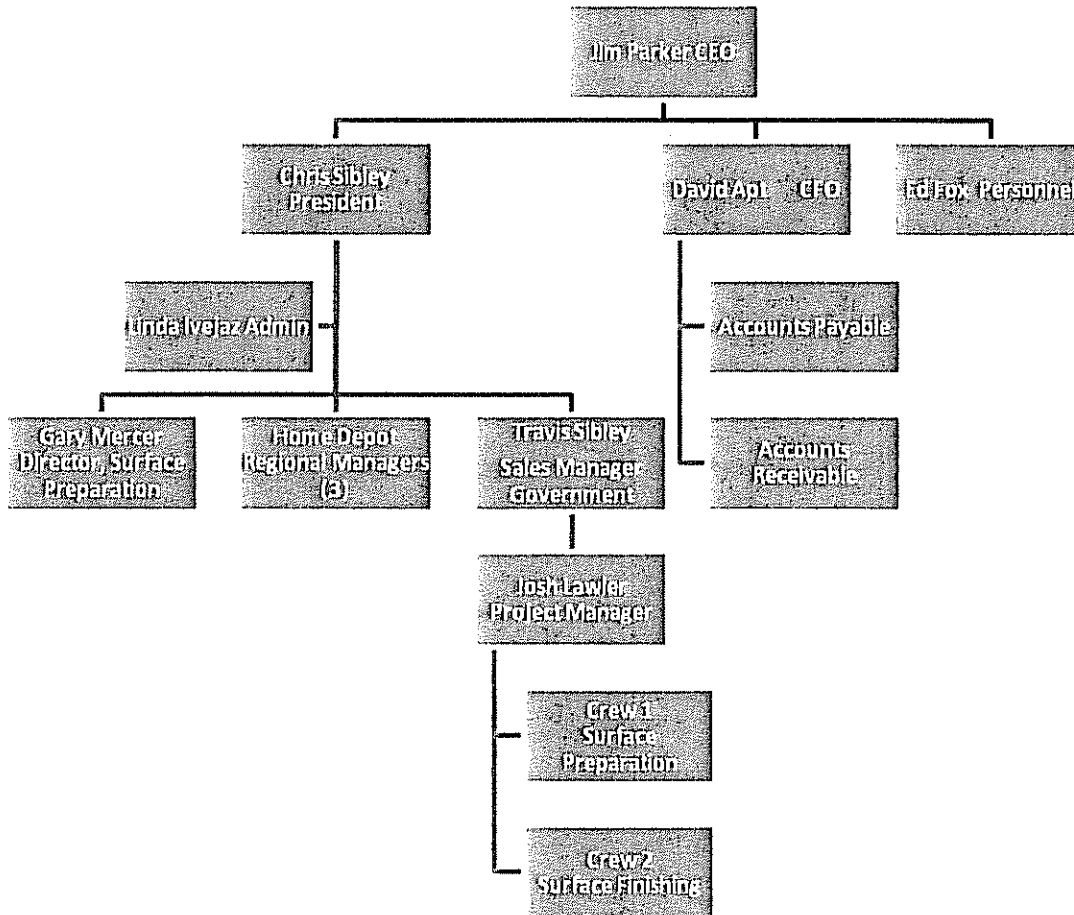
Key Players are listed. Resumes are provided with the proposal.

James (Jim) Parker. Mr. Parker is a co-founder of Diamashield and has served as the Company's Chief Executive Officer ("CEO") since the Company's inception. He is responsible for developing the overall strategy of the Company and is responsible for the legal, financial and treasury functions of the Company. Prior to founding Diamashield, Mr. Parker practiced law for 11 years at Poling, McGaw & Poling, P.C. specializing in construction litigation, commercial transactions and insurance defense litigation.

Chris Sibley. Mr. Sibley is a co-founder Diamashield and has served as the Company's President since its inception. He is responsible for all facets of operations of Diamashield, including sales, marketing, customer relationship and development, program development and crew management. Prior to founding Diamashield, Mr. Sibley held various sales and installation roles in the industrial flooring and supply industry over the course of 15 years. Mr. Sibley is still active in the training and installation of flooring solutions.

Travis Sibley. Mr. Sibley has been a key and essential employee of Diamashield since its inception and has been instrumental in its growth. Mr. Sibley is responsible for specific areas of operations, including overall crew management, government projects development, program development and general contractor relations. Prior to founding Diamashield, Mr. Sibley held various sales and installation roles in the industrial flooring and supply industry over the course of 15 years. Mr. Sibley is still active in the training and installation of flooring solutions.

Josh Lawler. Mr. Lawler is one of Diamashields project managers. He has been with Diamashield for 7 years supervising and installing high performance epoxy floor systems and polished concrete flooring.



Government and industry clients trust Diama-Shield. We have been in business since 1998. We don't just have a long history in this industry; we have a strong history. As you will see in the next section, our experience includes large and small organizations in both government and industry. We are financially viable; our clients represent diverse industries and we have multiple anchor clients that spend more than \$1 million with us each year.

Diama-Shield relies on a nationwide network of employees that serve clients across the United States. We have 40-50 employees; all are full-time employees. We do not rely on subcontractors to do work for our clients.

Diama-Shield can proudly state that we have no lawsuits or litigation to disclose, nor do we have claims or settlements by us or our insurer to disclose. While we like to credit our stellar performance for our clean record, we also must brag about our strong quality assurance program.

Quality Assurance

Diama-Shield is experienced as a government contractor. We recognize that government buyers work in a unique environment and must feel confident that they are spending public dollars responsibly. We strive to help public buyers earn public trust by upholding our commitments and ensuring complete satisfaction. Diama-Shield earns repeat business from our customers by



providing both quality products and quality service. Our quality assurance policy is mandated and supported by management.

Diamashield's goal is zero quality issues. Internal assessment plans have been implemented to ensure quality, and quality is not limited to one department – a commitment to quality permeates every aspect of our company.

In the event of quality issues arising, Diamashield adheres to a comprehensive plan for evaluating issues and reporting results to customers as quickly and efficiently as possible. In every case of performance issues, we are committed to keeping lines of communication open.

Implementation

At Diamashield, we realize that resolving quality issues reported by customers in a consistent and predictable manner is the key to creating strong relationships. We employ a systematic approach for complaint management and resolution, and we use the process to generate ideas for service and process enhancements and improvements.

Highlights

1. Detail the issue, and document it. Use measurable terms, verify the problems, and ensure a complete understanding of the issue. Communicate to the customer the next steps.
2. Streamline corrective actions. Engage all stakeholders to collaborate on solution and development of corrective action plan. Perform a root cause analysis, assign follow up actions and track each action to closure.
3. Track the issue. Provide complete visibility to stakeholders and customers into issue resolution.
4. Review issues for trends. Identify product changes and improvements that are required to avoid similar issues in the future.

For this contract, all services and processes will be handled in accordance with our quality system. Procedures and work instructions will be developed to handle your requirements if they are exceptional to our existing systems.

We will strive to earn your satisfaction, to the point that you become one of our references.

Section 7.3: Experience of the Firm

Diamashield has more than forty years of combined experience maintaining concrete and terrazzo flooring. Our crews are reliable and professional, and our work quality is unmatched. We are trusted nationwide by large and small organizations, and we earn their repeat business.

The Home Depot

Diamashield is the sole floor polisher for The Home Depot's Refresh Program, which requires constant floor maintenance for both concrete and terrazzo. Each Home Depot store averages 100,000 square feet; 40% of the store is racking and merchandise, and we maintain everything else. We rejuvenate every Home Depot store every 12 to 18 months, averaging 1,500 to 1,700 stores each year. We began grinding and polishing floors for the Home Depot in 2003, sharing the business with 5 or 6 other companies. By 2007, Diamashield had become The Home Depot's sole floor polisher. Now, The Home Depot spends roughly \$18,000,000 with Diamashield annually.



It takes a crew 5 to 7 days to rejuvenate a store, running a 5 step progression of diamonds and incorporating lithium based densifiers for added protection. These crews spend the entire year moving across the country from one store to the next every 5 to 7 days.

Point of Contact
Greg Blum (Manager of Building Services)
(586) 549-1864
gregblum@homedepot.com
1100 Woodfield Road, Suite 300
Schaumburg, IL 60173

Chrysler Corporation

Diamo-Shield was hired to remove 3/8" overlays and existing floors systems; repair, resurface grind and polish 450,000 square feet at the Warren Truck Assembly Plant. In addition, we applied densifier/sealer.

Ben Monacelli
800 Chrysler Drive
Auburn Hills MI. 48326
248-944-6082
bcmll@chrysler.com

W Industries

W Industries is a repeat Diama-Shield customer, relying on us to install various epoxy floor systems at different locations.

Point of Contact
Randy West
(313) 372-4131
rwest@w-industries.net
20101 Hoover
Detroit, Michigan 48205

Johnson Controls

We are proud to have earned the trust of Johnson Controls, who depend on us to install epoxy floor and polished concrete floor systems at several of their locations. We completed our most recent project for them in Rockwood, Michigan in April, 2008.

Point of Contact
Regis Zsolcsak
(734) 374-5900
20201 Woodruff Road
Rockwood, Michigan 48173

RFP 10-23
Santa Cruz Metropolitan Transit Authority
March 22, 2010



City of Farmington Hills – Fire Department

Diama-Shield was hired to remove the existing floor surface, shotblast the concrete surface, provide any repairs to the existing floor and apply a basecoat and clear epoxy finish.

Contract value: \$29,500

Fire Chief Robert Rebtoy
31555 Eleven Mile Rd
Farmington Hills, MI 48336
248-871-2807
rrebtoy@fhgov.com

State of Iowa

Diama-Shield was hired to install a Seamless Epoxy Shower System in an area approximately 40" x 40". We were required to prepare and clean all tiled floor and walls in shower units and apply a seamless epoxy coating on all floor and wall surfaces. The epoxy system included patching all joints and voids in current tile and application of the Prime Coat Coating System

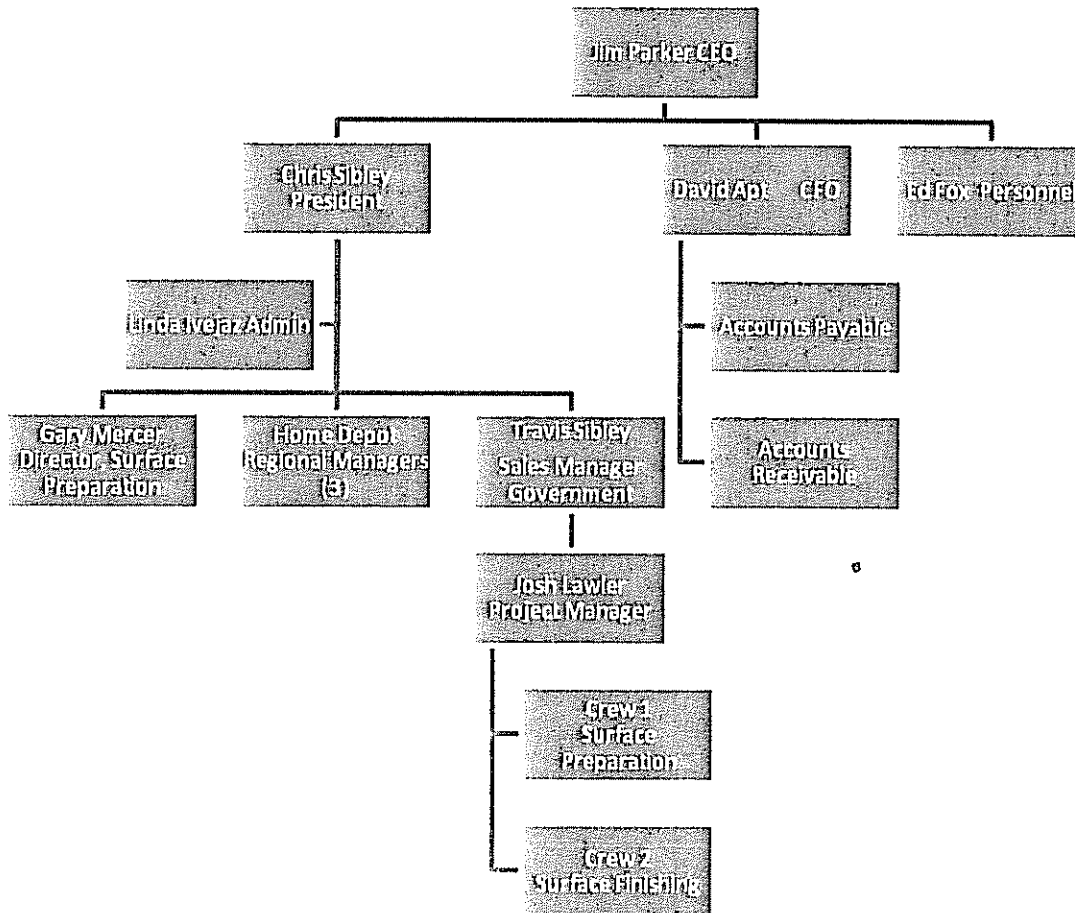
Contract value: \$12,5000

Carol Manternach
Purchasing Agent 2
Iowa Medical & Classification Center
2700 Coral Ridge Ave
Coralville, IA 52241
319.626.4215
Carol.Manternach@iowa.gov



Personnel

Diama-Shield hires well and trains well, which results in a professional, well-qualified team assigned to each account. The team that will provide services at the Santa Cruz Metropolitan Transit District will come to work on time; they will be well trained, qualified and experienced. We hire a strong team, we train them well and we treat them well. All those working on this contract will be Diama-Shield employees, not those of a subcontractor.



We have provided resumes for Travis Sibley, Sales Manager – Government and Josh Lawler, Project Manager.



Section 7.4: Cost Proposal

Diamashield has reviewed the specifications and scope of work thoroughly. Based on this review, our cost proposal is \$99,948.45.

Section 7.5: Disadvantaged Business Enterprise (DBE) Participation

Diamashield will perform all work without the use of subcontractors. All of our team members are full-time employees, not subs. Diamashield does not qualify as a DBE company.

Section 7.6: Exceptions to this RFP

Diamashield does not take any exceptions to the RFP.

Section 7.7: Federal Forms

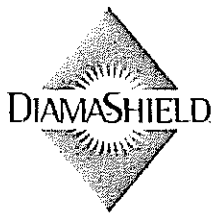
Diamashield has completed the Certifications of Restrictions on Lobbying Form and the Certification of Debarment Form.

Section 8: Safety Requirements

Diamashield will comply with all safety requirements as laid out in the RFP.

Section 9: Warranty

Diamashield will warrant all work performed and materials provided for 2 years for workmanship and 3 years for materials.



Travis Sibley
Sales Manager- Government

OBJECTIVE

A challenging career with the opportunity to contribute to the efficient operation of a company and to earn advancement through on the job performance.

SKILLS PROFILE

- Expert at identifying and capturing new business opportunities to build high profits and growth
- Excellent organizational, time management and leadership skills
- Strong interpersonal and communication skills
- Experience in handling confidential paperwork
- Consistently meets and exceeds business targets
- Good customer-relations background

EMPLOYMENT HISTORY

Epoxi-Tech/Diama-Shield 2000-current
SalesManager - Government, Madison Heights, MI

- Joined forces with Epoxi-Tech to learn the Flooring business hands on and aid in new ventures
- Diama-Shield branches off and becomes one of the nation's largest flooring contractors
- Manage crews and customer relations
- Instrumental in training, operations and company growth
- Equally involved with the improvement and development of existing and new flooring systems and procedures
- Responsible for specific areas of operations, including government projects development, program development and general contractor relations

Continental Paper and Supply 1992-2000
Redistribution Sales Representative, Detroit, MI

- Sold systems, programs and products to janitorial supply distributors
- Grew territory from \$400,000 to \$2,500,000 with steady increases each year
- Won salesperson of the year in 1998 among a twenty plus work force



Travis Sibley
Sales Manager- Government

EDUCATION

Diploma
Walled Lake Central, Walled Lake, MI

1988



Josh Lawler
Project Manager

OBJECTIVE

Seeking a position with a company where my strong work ethic and professionalism will ensure the company's success.

SKILLS PROFILE

- Safe, efficient, and licensed hi-lo driver
- Chauffeur's License: State of Michigan
- Honing/drilling machine setup and operation
- Strong ability ensure quality control
- Team-oriented employee with solid work ethic and initiative
- Experience in reading blue print

EMPLOYMENT HISTORY

Project Manager

10/2006 to Present

Diana-Shield, LLC

- Skilled at different flooring techniques, polishing, epoxy , staining
- Managing crew members
- Responsible with coordinating schedules with Home Depot
- Maintaining Ryder vehicles
- Responsible for keeping daily logs

Shipping & Receiving

2/2004 to 9/2006

Future Die Cast Co.

- Performed shipping and receiving
- Ordered supplies

Press Operator/Die Setter

7/2001 to 1/2004

Proto Gage Tool and Die

- Programmed press machine
- Set dies
- Performed Q-S inspections

Machine Builder

1/1998 to 6/2001

Acme Manufacture Company

- Performed machine building and conveyor assembly
- Created prototypes
- Performed shipping and receiving procedures

EDUCATION

High School Diploma

Santa Cruz Metropolitan
Transit District



ADDENDUM NO. 1

**Santa Cruz Metropolitan Transit District
Request for Proposals (RFP) No. 10-23
For Preparation and Installation of Epoxy and Sealant to the
Floor of the Maintenance Building Located at
138 Golf Club Drive, Santa Cruz, CA**

NEW RFP DUE DATE: March 29, 2010 @ 5:00 PM, PST

Date of Addendum Issue: March 17, 2010

Notice is hereby given that the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is providing the following clarifications, modifications, additions and / or deletions to RFP No. 10-23 for Preparation and Installation of Epoxy and Sealant to the Floor of the Maintenance Building Located at 138 Golf Club Drive, Santa Cruz, CA. This Addendum shall become a part of the original RFP as issued by Santa Cruz METRO.

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3. **BIDDERS REQUESTS FOR CLARIFICATIONS:**

3 1 QUESTION: The common industry practice is that the bond company only provides warranty for up to 2 years, and the manufacturer for 3 years. Santa Cruz METRO is asking for 5 years workmanship and 10 years for manufactured materials. Please clarify and let me know if I can still participate to bid if I go with the industry norm

ANSWER: Part III Specifications, Article 9. Warranty is revised as follows:

All work performed and materials provided shall be warranted for ~~5~~ two (2) years for workmanship and ~~10~~ three (3) years for materials

3 2 QUESTION: Our company is certified with the State of California and the city of San Francisco as a Minority and Small Business. Do you accept their certification?

ANSWER: Santa Cruz METRO will acknowledge their certification.

RFP No. 10-23, Addendum No. 1 – Issue: March 17, 2010

3.3 *QUESTION* Is there a minimum required thickness for the coating system?

ANSWER: Two layers of epoxy coat and one layer of clear coat is at least 20 mils.

3.4 *QUESTION* Is there a basis of design specification for the coating and striping material?

ANSWER: Stripping is to be done before clear coat. Coating and striping material specification to be recommended by Offeror.

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4.2 Epoxy color to be Slate Base Coat with Dusty Trail Blend color chips.

4.3 "Sealant" equals Urethane Clear Coat Sealer.

4.4 Clarification of work surface to be treated in chassis wash area of Phase I: all concrete surfaces are to be treated including the approximately 9" vertical concrete wall of the pit area.

END OF ADDENDUM NO. 1

Lloyd Longnecker
Purchasing Agent

Travis Sibley

TRAVIS Sibley

DIAMA - SHIELD

MARCH 2

*Santa Cruz Metropolitan
Transit District*



February 19, 2010

Attached you will find Santa Cruz Metropolitan Transit District's (Santa Cruz METRO) Request for Proposals (RFP) No. 10-23 for the preparation and installation of epoxy and sealant to the floor of the Santa Cruz METRO Maintenance Building located at 138 Golf Club Drive, Santa Cruz, CA

Last day to submit a proposal will be 5:00 p.m. on March 22, 2010, at the Santa Cruz METRO's Administration Office, 110 Vernon Street, Santa Cruz, CA 95060.

Please submit a fully executed Part II General Information Form along with required information identified in the specification section of the RFP. A contract will be executed for the services requested and will be in substantially the same form as the Contract in Section V.

Disadvantaged Business Enterprises (DBE) as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of the contract with Santa Cruz METRO, and all contractors shall take all necessary and reasonable steps to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts and subcontracts.

In connection with the execution of any contract with Santa Cruz METRO, the successful contractor shall not discriminate against any employee or application for employment because of race, color, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability.

Santa Cruz METRO, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation issued pursuant to such Act, hereby notifies all contractors that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit a proposal in response to this request for proposals and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

If you have any questions, please contact the Purchasing Office at (831) 426-0199 or email address: llongnecker@scmttd.com. Please note that all changes to the RFP will be made only by written addenda issued to all offerors; oral changes are not binding. Please request a written addendum for any proposed change.

Sincerely,

Lloyd Longnecker
Purchasing Agent

*110 Vernon Street, Santa Cruz, CA 95060 (831) 426-6080, FAX (831) 426-6117
METRO online at <http://www.scmttd.com>*

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

**For Preparation And Installation Of Epoxy And Sealant
To The Floor Of The Maintenance Building Located At
138 Golf Club Drive, Santa Cruz**

Santa Cruz METRO RFP No. 10-23

Date Issued: February 19, 2010

Proposal Deadline: 5:00 P.M., March 22, 2010



Contents of this RFP

Part I.	Instructions to Offerors
Part II.	General Information Form
Part III.	Specifications
Part IV.	General Conditions
Part V.	Contract/Agreement
Part VI.	FTA Requirements for Non-Construction Contracts
Part VII.	Protest Procedures
Attachment A	Phase I and II Coverage Area Drawings
Attachment B	Phase I and II Striping Area Drawings

PART I

INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO SANTA CRUZ METRO:** Proposals (1 original and 4 copies) must be delivered to Santa Cruz METRO's Purchasing Office, 110 Vernon Street, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by Santa Cruz METRO. Telephone or electronic proposals will not be accepted.
4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.
5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to Santa Cruz METRO and the advantage to Santa Cruz METRO of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of Santa Cruz METRO, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO METRO:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to Santa

Cruz METRO that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for proposals, unless a longer time period is specified by Santa Cruz METRO in the RFP.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of Santa Cruz METRO to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with Santa Cruz METRO; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make Santa Cruz METRO a third-party beneficiary thereunder; (b) grant to Santa Cruz METRO the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to Santa Cruz METRO any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to Santa Cruz METRO. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **SANTA CRUZ METRO'S PREROGATIVE:** Santa Cruz METRO reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit Santa Cruz METRO to negotiate a contract, nor does it obligate Santa Cruz METRO to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

Santa Cruz METRO reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to Santa Cruz METRO Administrative Office no later than ten (10) calendar days after the date of notification of award by Santa Cruz METRO. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, Santa Cruz METRO may award the contract to another offeror; in such event, Santa Cruz METRO shall have no liability and said party shall have no remedy of any kind against Santa Cruz METRO.
17. **DISADVANTAGED BUSINESS ENTERPRISES:** The Board of Directors of Santa Cruz METRO has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of Santa Cruz METRO contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: Santa Cruz METRO will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

19. PUBLIC RECORDS ACT:

- A. Responses to this IFB shall be subject to the provisions of the California Public Records Act (Government Code Sections §6250 et. seq.).
- B. The Bidder may label information as "Trade Secret", "Confidential" or "Proprietary". Santa Cruz METRO will not advise as to the nature or content of documents entitled to protection from disclosure under the California Public Records Act. Santa Cruz METRO will use its best efforts to inform the Contractor of any request for any documents provided by the Bidder to Santa Cruz METRO marked "Trade Secret", "Confidential", or "Proprietary". However, it is incumbent on the Contractor to assert any rights to confidentiality and to seek and obtain a court order prohibiting the release of such information.
- C. Under no circumstances, will Santa Cruz METRO be responsible or liable to the Bidder or any other party for the disclosure of any such labeled information, whether the disclosure is required by law or a court order or occurs through inadvertence, mistake, or negligence on the part of Santa Cruz METRO or its officers, employees, agents, and/or Contractors.
- D. The Bidder, at its sole expense and risk, shall be responsible for prosecuting or defending any action concerning the information contained in the IFB and shall hold Santa Cruz METRO harmless from all costs and expenses, including attorney's fees, in connection with such actions.

20. BOND REQUIREMENTS:

A. Proposal Security

- 1. All proposals must be accompanied by proposer security in an amount not less than ten percent (10%) of the Total Contract Price, payable to Santa Cruz METRO. The Proposer's Security must be in the form of cash, a cashier's check, a certified check, or a Proposer's Bond or a combination thereof. In submitting a proposal, it is understood and agreed by Proposer that the right is reserved by Santa Cruz METRO to reject any and all proposals, or part of any proposal, and it is agreed that the proposal may not be withdrawn for a period of sixty (60) days subsequent to the opening of the proposals, without the written consent of Santa Cruz METRO.
- 2. It is also understood and agreed that if the undersigned proposer should withdraw any part or all of his/her proposal within sixty (60) days after the proposal opening without the written consent of Santa Cruz METRO, shall refuse or be unable to enter into this Contract, as provided herein, or refuse or be unable to furnish adequate and acceptable Performance Bonds and Labor and Material Payment Bonds, as provided herein or refuse or be unable to furnish adequate and acceptable insurance, as provided herein, he/she shall forfeit his proposal security to the extent of Santa Cruz METRO's damages occasioned by such withdrawal, or refusal or inability to enter into an agreement, or provide the required security therefore.
- 3. It is further understood and agreed that to the extent the defaulting proposer's proposal security, certified check, cashier's check, treasurer's check, and/or official bank check (excluding any income generated thereby which has been retained by Santa Cruz METRO as provided shall prove inadequate to fully recompense Santa Cruz METRO for the damages occasioned by default, then the undersigned proposer agrees to indemnify Santa Cruz METRO and pay over to Santa Cruz METRO the difference between the proposal security and Santa Cruz METRO's total damages, so as to make Santa Cruz METRO whole.

4. The proposal security must be issued by a fully qualified surety company acceptable to Santa Cruz METRO and listed as a company currently authorized under 31 Code of Federal Regulations (CFR), Part 223 as possessing a Certificate of Authority as described thereunder and , listed as a company possessing the authority to issue surety bonds in the State of California. Proposer's securities will be held until the Contract has been fully executed, after which all Proposer's securities, except any Proposer's securities which have been forfeited, will be returned to the respective Proposer as soon as practicable but in no event beyond sixty days from the award of the contract.

B. Payment Bond

A payment bond shall be executed within ten working days after the signing of a Contract in an amount not less than one hundred percent (100%) of the Contract price. The payment bond shall provide Santa Cruz METRO with security for Contractor's full payment to all subcontractors for costs of materials, equipment, supplies, and labor furnished in the course of performance of the Contract.

C. Performance Bond

A performance bond shall be executed within ten working days after the signing of a Contract in an amount not less than one hundred percent (100%) of the Contract price. The performance bond shall guarantee the Contractor's faithful performance of the Contract in compliance with all terms, conditions and requirements specified in the Contract documents.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A310

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we
Diama-Shield, LLC (Here insert full name and address or legal title of Contractor)
32401 Industrial Drive, Madison Heights, Michigan 48071
as Principal, hereinafter called the Principal, and
Travelers Casualty and Surety Company of America (Here insert full name and address or legal title of Surety)
One Tower Square, Hartford, Connecticut 06183-6014
a corporation duly organized under the laws of the State of Connecticut
as Surety, hereinafter called the Surety, are held and firmly bound unto
Santa Cruz METRO (Here insert full name and address or legal title of Owner)
110 Vernon Street, Santa Cruz, California 95060
as Obligee, hereinafter called the Obligee, in the sum of

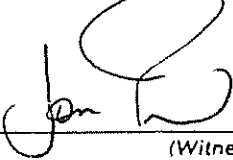
Ten Percent (10%) of Amount of Bid Dollars (10%),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents.

WHEREAS the Principal has submitted a bid for

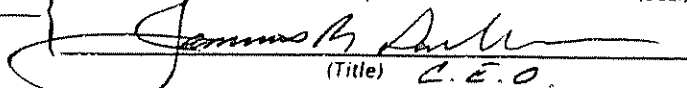
Preparation And Installation Of Epoxy And Sealant To The Floor of The Maintenance Building Located At
138 Golf Club Drive Santa Cruz

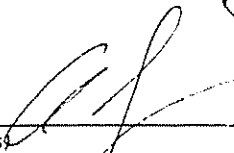
NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract
with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding
or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt
payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter
such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty
hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract
with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain
in full force and effect.

Signed and sealed this 22nd day of March, 2010

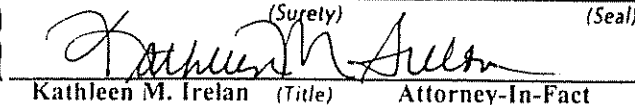

(Witness)

Diama-Shield, LLC
(Principal) (Seal)


(Title) C.E.O.


(Witness)

Travelers Casualty and Surety Company of America
(Surety) (Seal)


(Title) Kathleen M. Irellan Attorney-In-Fact



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 221694

Certificate No. 003285107

KNOW ALL MEN BY THESE PRESENTS: That St Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota. that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland. that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa. and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Ian J. Donald, Jeffrey A Chandler, Kathleen M Irelan, Robert Trobec, Alan P Chandler, and Chad Teague

of the City of Troy, State of Michigan, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 7th day of October, 2009

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss

By: [Signature]
George W. Thompson, Senior Vice President

On this the 7th day of October, 2009, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal
My Commission expires the 30th day of June, 2011



[Signature]
Marie C. Tetreault, Notary Public



Travis Sibley
REGIONAL MANAGER

Diamashield, LLC
32401 Industrial Drive
Madison Heights, MI 48071

888.730.4075 248.228.3250
F 248.228.3255 C 313.510.6149

tsibley@diamashield.com
diamashield.com

**FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF
THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ**

RFP No. 10-23

(To be completed by the offeror and placed at the front of your proposal)

DIAMA-SHIELD MARCH 22, 2010
 Legal Name of Firm Date

32401 INDUSTRIAL DR MADISON HEIGHTS, MI 48071
 Firm's Address

248.228.3250 248.228.3255
 Telephone Number FAX Number

LIMITED LIABILITY COMPANY 05-0601595
 Type of Organization (Partnership, Corporation, etc.) Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with Santa Cruz METRO that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to Santa Cruz METRO that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to Santa Cruz METRO the required insurance certificates within ten (10) calendar days of the Notice of Award.

Signature of Authorized Principal

TRAVIS SIBLEY, SALES MANAGER

Name of Principal-in-Charge and Title

JOSHUA LAWREN, PROJECT MANAGER

Name of Project Manager and Title

TRAVIS SIBLEY, SALES MGR 313.510.6149(C) TSIBLEY@DIAMASHIELD.COM

Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

32401 INDUSTRIAL DR MADISON HEIGHTS, MI 48071

Addresses Where Correspondence Should Be Sent

PREPARATION AND INSTALLATION OF EPOXY FLOOR

Areas of Responsibility of Prime Contractor

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) DIAMA-SHIELD certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) DIAMA-SHIELD CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.



Signature and Title of Authorized Official

TRAVIS Sibley

SALES MANAGER

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name DIAMA-SHIELD

Signature of Authorized Official 

Name and Title of Authorized Official TRAVIS Sibley, SALES Mgr

Date 3-22-2010

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the proposal. A proposal which does not include the certificate will be considered non-responsive.

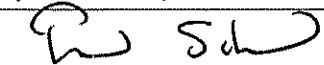
A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: MARCH 22, 2010
Signature: 
Company Name: DIAMA - SHIELD
Title: SALES MANAGER

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.


Date: _____
Signature: _____
Company Name: _____
Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME DIAMA-SHIELD CONTRACTOR'S ADDRESS 32401 INDUSTRIAL DR
 DBE GOAL FROM CONTRACT MAXIMUM ALLOWABLE% MADISON HEIGHTS, MI 48071
 FED. NO. _____
 COUNTY _____ PROPOSAL AMOUNT \$ \$ 99,948.45
 AGENCY _____ PROPOSAL OPENING DATE MARCH 29, 2010
 CONTRACT NO. _____ DATE OF DBE CERTIFICATION _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with Santa Cruz METRO. By submitting a proposal, offeror certifies that he/she is in compliance with Santa Cruz METRO's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
<div style="text-align: right; margin-top: 20px;"> TOTAL CLAIMED DBE PARTICIPATION \$ <u> -</u> <u> -</u> % </div>					



 SIGNATURE OF CONTRACTOR

MARCH 25, 2010

 DATE

AREA CODE/TELEPHONE 248.228.3250

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
/					
TOTAL CLAIMED DBE PARTICIPATION				\$ -	- %

PART III

SPECIFICATIONS FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ

1. INTRODUCTION

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is requesting proposals from qualified firms to undertake the following activities related to preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, CA.

2. BACKGROUND

Santa Cruz METRO's Fleet Maintenance Facility is located at 138 Golf Club Drive, Santa Cruz, CA. Santa Cruz METRO is currently occupying half of the building and is awaiting completion of construction of the second half of the building. Once the second half of the building is available, the successful contractor will be able to commence the epoxy and sealant work described below.

3. SCOPE OF WORK

The project is split in two phases. Project will consists of bead blasting, grinding existing concrete, and applying epoxy, sand, and sealant at 138 Golf Club Drive, Santa Cruz as per specifications, terms, and conditions contained in this RFP and attached drawings.

Phase 1 - The work consists of bead blasting, grinding existing concrete, applying one coat of approved epoxy, broadcasting corresponding mesh sieve size sand into the wet material, applying 2nd coat of approved epoxy with the sand, curing, and applying an approved urethane sealant coat.

1. Bead blasting floor.
2. Grinding existing floor concrete.
3. Applying first coat of approved epoxy.
4. Broadcasting corresponding grade mesh sieve size sand into wet material depending on area.
 - a. Overall area will require a fine grade of 30 mesh sieve size sand.
 - b. The chassis wash area will require a medium grade of 10 mesh sieve size sand.
5. Applying second coat of approved epoxy with the sand.
6. Curing.
7. Reflective striping of bays and walkways per layout (4" wide and 34" separation between lines).
8. Applying coat of approved urethane sealant.

Phase 2 - Santa Cruz METRO will relocate fleet operations into Phase 1-newly applied epoxy and sealant floor. The work for Phase 2 consists of bead blasting, cleaning any spills, grinding existing concrete, applying one coat of approved epoxy, broadcasting a fine grade of 30 mesh sieve size sand into the wet material, applying 2nd coat of approved epoxy with the sand, curing, and applying an approved urethane sealant coat.

1. Bead blasting floor.
2. Cleaning any spills on floor.
3. Grinding existing floor concrete.
4. Applying first coat of approved epoxy.
5. Broadcasting a fine grade of 30 mesh sieve size sand into wet material.
6. Applying second coat of approved epoxy with the sand.
7. Curing.

8. Reflective striping of bays and walkways per layout (4" wide and 34" separation between lines).
9. Applying coat of approved urethane sealant.

The following show the approximate square footage of each phase:

Phase 1	12,564 sq ft
Chassis Wash Room	1,196 sq ft
Phase 2	10,826 sq ft
Stair Room	289 sq ft
Pit Area	1000 sq ft
TOTAL:	25,875 sq ft

Contractor is to provide submittals for owner approval for the following items:

1. Reflective striping color - International Safety Yellow.
2. Epoxy or approved equal.
3. Urethane sealant or approved equal.

4. PROPOSER'S MINIMUM QUALIFICATIONS

General Qualifications:

- 4.1 The Proposer shall have a minimum of five (5) years experience in epoxy floor sealing as required in this RFP.
- 4.2 The Proposer or Proposer's subcontractors must possess all permits, licenses and certificates required or necessary for the performance of the Services set forth in this RFP. Neither the Proposer nor any of the Proposer's subcontractors shall have had any such permit, license or certificate suspended or revoked during the 12 month period prior to submittal of their proposal.

5. EVALUATION OF PROPOSALS

- 5.1 **Evaluation Criteria:** The following criteria will be used to evaluate proposals:

EVALUATION CRITERIA	POINTS POSSIBLE
1. Qualifications of firm for services requested.	20 Points
2. Experience and capabilities in providing services requested including references.	20 Points
3. Cost Proposal	35 Points
4. Completeness and detail of the submitted Proposal.	20 Points
5. Disadvantaged Business Enterprise Participation	5 Points
Total Points Possible	100 Points

- 5.2 **Evaluation Procedure:** An Evaluation Committee, comprised of Santa Cruz METRO staff, will review and evaluate all proposals submitted according to the evaluation criteria provide in this RFP.
- 5.3 **Award:** When the Evaluation Committee has completed its work, negotiations will be conducted for the extent of services to be rendered and for the method of compensation. Because Santa Cruz METRO may award without conducting negotiations, the proposal submitted shall contain the Proposer's most favorable terms and conditions. Final approval will be requested at the Santa Cruz METRO Board of Directors meeting on April 23, 2010.

6. PREVAILING WAGE REQUIREMENTS

Pursuant to appropriate Sections of the Labor Code of the State of California, the Director of the California Department of Industrial Relations has ascertained the general prevailing rate of wages (which rate includes employer payments for health and welfare, vacation, pension, and similar purposes) for those classifications applicable to the services to be performed under this Agreement, for straight time, overtime, Saturday, Sunday and holiday work. Said prevailing wage rates have been adopted by Santa Cruz METRO Board of Directors and are incorporated herein by reference. These wage rates are available through the California State Department of Industrial Relations, <http://www.dir.ca.gov>. The Contractor shall post a copy of the prevailing wage rates at the jobsite or material staging area.

Workmen employed in the work must be paid at the rates at least equal to the prevailing wage rates as adopted. If Contractor uses a craft or classification not shown on the prevailing wage determinations, Contractor may be required to pay the wage rate of that craft or classification most closely related to it as shown in the general determinations effective at the time of Contract award.

In the performance of the services specified in this Contract, the Contractor and all Sub Contractors shall be responsible for compliance with California Labor Code Sections 1776 (Payroll records, retention, inspection, noncompliance penalties, rules and regulations) and 1777.5 (Employment of registered apprentices, wages, standards, number, apprenticeable craft or trade, exemptions, contributions).

This Contract is also subject to Federal requirements for payment of prevailing wages as determined by the Secretary of Labor. Where there are differences in the rates, the higher rate shall apply.

7. PROPOSAL CONTENT

7.1 **General Information:** Complete the attached General Information Form (Part II), and place in the front of all proposals submitted.

7.2 **Qualifications of Firm:** This section shall include a brief description of the firm's size as well as the local organizational structure. Include a discussion on the firm's financial stability, capacity and resources. Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the Contractor or its insurers within the last five years.

7.3 **Experience of the Firm:** This section shall include:

- A description of the Proposer's experience and capability in the type of work covered in SCOPE OF WORK.
- Resumes of Key Personnel and staff to be assigned to this project.
- Proposed Organizational Chart of key personnel and staff to be assigned to this project.
- A list of at least three client references for whom the Proposer provided similar services within the past three years with contact names and addresses.

7.4 **Cost Proposal:** This section shall include the Proposer's price for performing the services discussed in the scope of work. Proposals in which the costs do not reflect a reasonable relationship to the work to be conducted may be viewed as failing to comprehend the requirements of the scope of work, and, therefore, cause the proposal to be rejected as being non-responsive.

7.5 **Disadvantage Business Enterprise (DBE) Participation:** The extent to which the firm's intended use of DBE Subcontractors or is itself a certified DBE firm (Reference DBE form Part II).

7.6 **Exceptions to the RFP:** This section shall include any exceptions the Proposer has taken to this RFP. If no exceptions are taken, proposer shall so state on their submitted proposal.

7.7 **Federal Forms:**

7.7.1 **Certification of Restrictions on Lobbying (Part II):** Complete this form and include with all copies of the proposal.

7.7.2 **Certification of Debarment (Part II):** Complete this form and include with all copies of the proposal.

8. SAFETY REQUIREMENTS

8.1 All work shall be performed in strict accordance with METRO, OSHA, and Cal-OSHA safety procedures. The contractor agrees to comply fully with all current, and subsequently revised procedures or requirements. All contractor personnel shall be fully qualified and trained to operate the contractor's equipment and be knowledgeable in safe operating practices regarding hazardous and non-hazardous waste operations. The contractor, who accepts full responsibility for its maintenance and use, shall furnish safety equipment required by METRO.

8.2 The Contractor agrees to perform its obligations hereunder in a safe and efficient manner, using good operating practices. The Contractor's vehicles, equipment, and practices used hereunder shall meet without limitation all DOT, EPA, DTSC, and CHP requirements.

8.3 All equipment furnished by the contractor shall be in a good state of repair/condition and of a type and design that will permit safe and efficient operation and shall be in accordance with all state and federal rules and regulations pertaining to such equipment.

8.4 The Contractor will post and maintain all signs, notices, barricades, and other safeguards required by law, ordinance, or good judgment. The Contractor shall bear full responsibility for the protection and safety of public, personnel, materials, and surfaces in the vicinity of the work being performed.

9. WARRANTY

All work performed and materials provided shall be warranted for 5 years for workmanship and 10 years for materials.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

1. GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements Santa Cruz METRO is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

Santa Cruz METRO may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by Santa Cruz METRO upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever Santa Cruz METRO determines that such termination is in Santa Cruz METRO 's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by Santa Cruz METRO, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to Santa Cruz METRO in the manner, at the time, and to the extent directed by Santa Cruz METRO all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case Santa Cruz METRO shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of Santa Cruz METRO, to the extent Santa Cruz METRO may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to Santa Cruz METRO and deliver in the manner, at the time, and to the extent, if any, directed by Santa Cruz METRO the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to Santa Cruz METRO; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by Santa Cruz METRO, any property of the types referred to above provided, however, that the Contract shall 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 Santa Cruz METRO, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to Santa Cruz METRO to the Contractor

under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as Santa Cruz METRO may direct; (8) complete performance of such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as Santa Cruz METRO 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 Santa Cruz METRO has or may acquire an interest.

2.02 Termination for Default

2.02.01 Santa Cruz METRO may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, Santa Cruz METRO may procure, upon such terms and in such manner as Santa Cruz METRO may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to Santa Cruz METRO, the Contractor shall be liable to Santa Cruz METRO for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and Santa Cruz METRO shall be considered to have been terminated pursuant to termination for convenience of Santa Cruz METRO pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of Santa Cruz METRO provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3. FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude Santa Cruz METRO from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

3.02 Notification by Contractor

Contractor shall notify Santa Cruz METRO in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by Santa Cruz METRO to evaluate any Contractor request for relief under this Article 3. Santa Cruz METRO shall examine Contractor's notification and determine if the Contractor is entitled to relief. Santa Cruz METRO shall notify the Contractor of its decision in writing. Santa Cruz METRO's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from Santa Cruz METRO for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

5. PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. Santa Cruz METRO shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of METRO is to ensure that such services are performed and rendered in a competent and cost effective manner.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against Santa Cruz METRO for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless Santa Cruz METRO (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which Santa Cruz METRO may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's negligence, recklessness or willful misconduct under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

7. INSURANCE

7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall

obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects Santa Cruz METRO and any insurance or self-insurance maintained by Santa Cruz METRO shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractors vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
 - (a) Full Personal Injury coverage.
 - (a) Broad form Property Damage coverage.
 - (a) A cross-liability clause in favor of Santa Cruz METRO.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by Santa Cruz METRO.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after Santa Cruz METRO shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify Santa Cruz METRO in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide Santa Cruz METRO at or before the effective date of this Contract with a certificate of insurance of the coverage required.

- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to Santa Cruz METRO.

8. SINGLE PROPOSAL

If only one proposal is received in response to the RFP, Offeror may be required to submit to Santa Cruz METRO within five (5) days of Santa Cruz METRO demand, a detailed cost proposal. Santa Cruz METRO may conduct a cost or price analysis of the cost proposal to determine if the proposal price(s) are fair and reasonable. Offeror shall cooperate with Santa Cruz METRO in compiling and submitting detailed information for the cost and price analysis.

9. NO DISCRIMINATION

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

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of Santa Cruz METRO contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

I. PROMPT PAYMENT

11.01 Prompt Progress Payment to Subcontractors

The prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with Santa Cruz METRO's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

A. Prompt Payment of Withheld Funds to Subcontractors

Santa Cruz METRO shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by Santa Cruz METRO of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by Santa Cruz METRO. Any delay or postponement of payment may take place only for good cause and with Santa Cruz METRO's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on Santa Cruz METRO Liability

Santa Cruz METRO's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on Santa Cruz METRO premises or distribute same to Santa Cruz METRO employees.

13.05 Publicity

Contractor agrees to submit to Santa Cruz METRO all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein Santa Cruz METRO's name is mentioned or language used from which the connection of Santa Cruz METRO's name therewith may, within reason, be inferred or implied. Contractor further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of Santa Cruz METRO.

13.06 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover

attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on Santa Cruz METRO property, (2) ensure that its employees take appropriate protective measures, and (3) provide Santa Cruz METRO's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on Santa Cruz METRO property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify Santa Cruz METRO against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by Santa Cruz METRO; and any such action by Contractor without Santa Cruz METRO's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of Santa Cruz METRO. Any such action by Contractor without Santa Cruz METRO's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

13.15 Audit

This Contract is subject to audit by Federal, State, or Santa Cruz METRO personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on Santa Cruz METRO premises or in a Santa Cruz METRO vehicle.

13.17 Responsibility for Equipment

13.17.01 Santa Cruz METRO shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Santa Cruz METRO.

13.17.02 Contractor is responsible to return to Santa Cruz METRO in good condition any equipment, including keys, issued to it by Santa Cruz METRO pursuant to this Agreement. If the contractor fails or refuses to return Santa Cruz METRO-issued equipment within five days of the conclusion of the contract work Santa Cruz METRO shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of Santa Cruz METRO.

13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements Santa Cruz METRO is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

PART V

CONTRACT FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ (10-23)

THIS CONTRACT is made effective on _____, 2010 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("Santa Cruz METRO"), and _____ ("Contractor").

1. RECITALS

1.01 Santa Cruz METRO's Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO's Need for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz

Santa Cruz METRO has the need for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated February 19, 2010, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz and whose principal place of business is _____. Pursuant to the Request for Proposals by Santa Cruz METRO, Contractor submitted a proposal for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On _____, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO, to provide the preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 19, 2010

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, signed by Contractor and dated March 22, 2010.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued February 19, 2010.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 19, 2010.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by Santa Cruz METRO.

At the option of Santa Cruz METRO, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$ _____ maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinafter set forth or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____

SAMPLE CONTRACT

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

SANTA CRUZ METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR -

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

SAMPLE
CONTRACT

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS, that _____
Called the Principal, and _____, a corporation duly organized under the laws of
the State of _____
Having its principal place of business at _____
In the State of _____, and authorized to do business in the State of California, herein called Surety,
are held and firmly bound unto the Santa Cruz Metropolitan Transit District hereinafter called "Santa Cruz
METRO", "DISTRICT", or "Obligee" in the sum of _____
(\$ _____) being not less than ONE HUNDRED PERCENT
(100%) of the total amount of the Contract price, lawful money of the United States of America, well and truly to be
made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these
presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS the Principal has entered into a Contract with the Obligee for the preparation and installation of epoxy
and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz and said Principal is
required under the terms of said Contract to furnish a bond securing payment of claims to which reference is made
in Section 3248 of the California Civil Code.

NOW, THEREFORE, if said Principal or any of its subcontractors fails to pay any of the persons named in Section
3181 of the California Civil Code, or the amounts due under the California Unemployment Insurance Code with
respect to work performed under the Contract, or any amounts required to be deducted, withheld and paid over to the
California Employment Development Department from the wages of the Contractor and subcontractors pursuant to
Section 13020 of the California Unemployment Insurance Code with respect to such work and labor, the Surety will
pay same, in the amount not exceeding the sum specified in this bond, and will also pay, in case suit is brought upon
this bond, a reasonable attorney's fee, to such claimant and to the Obligee to be fixed by the court.

This bond will inure to the benefit of any persons named in Section 3181 of the California Civil Code so as to give a
right of action to such persons or to their assigns in any suit brought upon this bond.

This bond is given to comply with Sections 3247 through 3252 inclusive of the California Civil Code and shall inure
to the benefit of any and all persons, companies and corporations named in Section 3181 of said _____ so as to
give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or
addition to the terms of the Contract, or to the work to be performed thereunder, or the specifications accompanying
the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change,
extension of time, alteration, or addition to the terms of the Contract, or to the work or to the special provisions.
Said Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

To be considered complete, both the Bidder and an admitted Surety insurer authorized by the California Insurance
Commissioner to transact surety business in the State of California, must sign this Payment bond. In addition, the
Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____
day of _____, _____, the name and corporate seal of each corporate party being hereto affixed and
these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Seal)

PRINCIPAL

BY

(Seal)

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

(This bond must be submitted in sets of four, each bearing original signatures. The signature of the Attorney-In Fact for the Surety must be acknowledged by a Notary Public. These bonds must be accompanied by a current Power of Attorney appointing such Attorney-In-Fact.)

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that WHEREAS, the Santa Cruz Metropolitan Transit District, herein called the "DISTRICT" or "Santa Cruz METRO" or "Obligee" has entered into Contract No. 10-23 with _____ called Principal for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive, Santa Cruz, and;

WHEREAS, said Principal is required under the terms of Contract No. 10-23 to furnish a bond for the faithful performance of the Contract;

NOW, THEREFORE, we, the Principal, and _____ as Surety, are held and firmly bound to Santa Cruz METRO, in the penal sum of _____

(\$ _____) lawful money of the United States of America, well and truly to be made being one hundred percent (100%) of the contract amount, for the payment of which sum will and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above-bonded Principal; its heirs, executors, administrators, successors, or assigns shall in all things stand to and abide by and well and truly keep and faithfully perform the covenants, conditions and agreements in the said Contract and any alteration thereof, made as provided in the Contract, on its part to be kept and performed at the time and in the manner specified and in all respects according to their true intent and meaning, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for the value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way effect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications. And the said surety, for value received, hereby stipulates and agrees to waive the provisions of the **California Civil Code Sections 2819 and 2845.**

As a condition precedent to satisfy completion of the Contract, the above obligations to the amount of _____ (\$ _____) being not less than FIFTY PERCENT (50%) of the total amount payable to Santa Cruz METRO, under this Contract, shall hold good for a period of one (1) year after the completion and acceptance of said work, during which time if the Principal, or its heirs, executors, administrators, successors, or assigns makes full and satisfactory repair and replacement of defective materials, faulty workmanship, and work not conforming to the requirements of the Contract, and protects Santa Cruz METRO from cost and damage caused by same, then the obligation in the sum of _____ (\$ _____) shall become null and void, otherwise it shall remain in full force and virtue.

In the event that Santa Cruz METRO, or its successors or assigns, shall be the prevailing party in an action brought upon this bond, then, in addition to the penal sum specified herein above, we agree to pay to Santa Cruz METRO, or its successors or assigns, a reasonable sum on account of attorney's fees in such action, which sum shall be fixed by the court.

California law shall govern the interpretation of this bond.

To be considered complete, both the Contractor and an admitted Surety insurer authorized by the California Insurance Commissioner to transact surety business in the State of California, must sign this Performance bond. In addition, the Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____ day of _____, _____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

DATE

PRINCIPAL

BY

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

[End of performance Bond.]

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Santa Cruz METRO or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to Santa Cruz METRO, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, Santa Cruz METRO shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as Santa Cruz METRO or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require Santa Cruz METRO to enter into such litigation to protect the interests of Santa Cruz METRO, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that Santa Cruz METRO, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after Santa Cruz METRO makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for Santa Cruz METRO of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or Santa Cruz METRO shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Non-construction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, Santa Cruz METRO shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to Santa Cruz METRO (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by Santa Cruz METRO if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

12.2 DBE Obligation

Santa Cruz METRO and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, Santa Cruz METRO and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. Santa Cruz METRO and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13.0 CONFLICT OF INTEREST

No employee, officer or agent of Santa Cruz METRO shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. Santa Cruz METRO's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform Santa Cruz METRO whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform Santa Cruz METRO.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

Santa Cruz METRO and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by Santa Cruz METRO, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when Santa Cruz METRO or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. Santa Cruz METRO or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, Santa Cruz METRO, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by Santa Cruz METRO or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of Santa Cruz METRO or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of Santa Cruz METRO or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, Santa Cruz METRO (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of Santa Cruz METRO, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. Santa Cruz METRO and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, Santa Cruz METRO and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

Santa Cruz METRO and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

Santa Cruz METRO and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by Santa Cruz METRO and Contractor of proprietary

rights, copyrights or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to Santa Cruz METRO or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by Santa Cruz METRO or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees.
 - (iii) Reporting for Own Employees.
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
 - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

POLICY

It is the policy of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) that it is responsible for resolving all Pre-Bid, Pre-Award and Post-Award Procurement Protest disputes arising out of third party procurements using good administrative practices and sound business judgment. It is Santa Cruz METRO's intention that its procurement process provides for fair and open competition in compliance with federal and state laws and Santa Cruz METRO policies.

Santa Cruz METRO has established these Pre-Bid, Pre-Award and Post-Award Procurement Protest Policy and Procedures so that all procurement protests/disputes are filed, processed and resolved in a manner consistent with the requirements of the Federal Transit Administration (FTA) Circular (4220.1F) *Third Party Contracting Guidance*, dated November 1, 2008, which are on file at Santa Cruz METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060, and available upon request.

APPLICABILITY

This regulation is applicable to all Santa Cruz METRO employees. This regulation is applicable to any Interested Party as defined herein who has a protest/dispute against Santa Cruz METRO in the Pre-Bid, Pre-Award and Post-Award procurement phase.

DEFINITIONS

"Common Grant Rules" refers to the Department of Transportation regulations "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," 49 CFR Part 18, which apply to Federal grants and cooperative agreements with governmental recipients of Federal assistance including Indian tribal governments.

"Interested Party" means a party that is an actual or prospective bidder or offeror whose direct economic interest would be affected by the award or failure to award the third party contract at issue. A subcontractor does not qualify as an "interested party".

"Protest" means a formal declaration of disapproval or objection issued by a concerned person, group, or organization that arises during the procurement process. A Protest is a potential bidder's or contractor's remedy for correcting a perceived wrong in the procurement process. See "Types of Protests" below.

"Protester" means a person, group, or organization that files a formal declaration of disapproval or objection. A protester must qualify as an "interested party".

"Types of Protests": There are three basic types of Protests pursuant to this regulation, based on the time in the procurement cycle when they occur:

- a.) A pre-bid or solicitation phase Protest is received prior to the bid opening or proposal due date. Pre-bid protests are those based on the content of the initial Notice and/or solicitation published by Santa Cruz METRO requesting bids from vendors or other interested parties.
- b.) A pre-award Protest is a protest against making an award and is received after receipt of proposals or bids, but before award of a contract.
- c.) A post-award Protest is a protest received after award of a contract. A post-award Protest must be received within 5 business days of the making of the award. A post-award Protest generally alleges a violation of applicable federal or state law and/or Santa Cruz METRO policy or procedures relative to the seeking, evaluating and/or awarding of the contract.

STANDARDS.

All Protests must be filed in writing with the Santa Cruz METRO Administrative Offices, Finance Manager, Santa Cruz Metropolitan Transit District, 110 Vernon Street, Santa Cruz, CA 95060, or electronically at financemanager@scmttd.com. No other location is acceptable.

A Protest must be in writing and set forth the specific grounds of the dispute and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protest shall include the name and contact information of the Protester, solicitation/contract number or description, and what remedy the Protester is seeking. The Protester is responsible for adhering to this regulation.

A Protester must exhaust all of Santa Cruz METRO's administrative remedies before pursuing a protest with the FTA.

Santa Cruz METRO's Finance Manager shall make a determination on the Protest generally within ten (10) working days from receipt of the Protest. The Decision of the Finance Manager must be in writing and shall include a response to each substantive issue raised in the Protest.

Any Decision by the Finance Manager may be appealed to the Board of Directors. The Protester has the right within five (5) business days of receipt of the Finance Manager's Decision to file an appeal restating the basis of the Protest and the grounds of the appeal. In the appeal, the Protester is only permitted to raise information and issues previously provided in the Protest or discovered after the Protest was submitted to the Finance Manager for Decision and directly related to the grounds of the Protest. The Protester shall be provided with at least 72-hour notification of when the Board of Directors will hear the Appeal. The Protester may appear, be represented and present evidence and testimony at the Appeal Hearing. The Board of Directors' decision shall constitute Santa Cruz METRO's final administrative determination.

In the event that the Protester is not satisfied with Santa Cruz METRO's Board of Directors' final administrative determination, he/she may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having the jurisdiction over Protest(s) and Appeal(s).

At any time, the Protester may request reconsideration of Santa Cruz METRO's Final Decision if data or information becomes available that was not previously known, or there has been an error of law or regulations.

The Protester may withdraw its Protest or Appeal at any time before Santa Cruz METRO issues a final decision.

If Santa Cruz METRO postpones the date of proposal submission because of a Protest or Appeal of the solicitation specifications, addenda, dates or any other issue relating to the procurement, Santa Cruz METRO will notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that a Protest/Appeal had been filed, and the due date for proposal submission shall be postponed until Santa Cruz METRO has issued its final Decision.

Reviews of Protests by FTA are limited to 1) Santa Cruz METRO's failure to have or follow its protest procedures, or its failure to review a complaint or Protest; or 2) violations of Federal law or regulation.

A Protest Appeal to the FTA must be filed in accordance with the provisions of FTA Circular 4220.1F. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under Santa Cruz METRO's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 1650
San Francisco, CA 94105-1839

Telephone: (415) 744-3133
Fax: (415) 744-2726

SANTA CRUZ METRO RESPONSIBILITIES TO FTA

Santa Cruz METRO's Finance Manager will notify the FTA when he/she receives a third party contract protest to which the FTA Circular (4420.1F) *Third Party Contracting Guidance* applies, and will keep the FTA informed about the status of the Protest including any appeals.

Santa Cruz METRO's Finance Manager will provide the following information to FTA:

- a. Subjects: A list of Protests involving third party contracts and potential third party contracts that:
 - (a) Have a value exceeding \$100,000, or
 - (b) Involve controversial matter, irrespective of amount, or
 - (c) Involve a highly publicized matter, irrespective of amount.

- b. Details: The following information about each Protest:
 - (a) A brief description of the Protest,
 - (b) The basis of disagreement, and
 - (c) If open, how far the Protest has proceeded, or
 - (d) If resolved, the agreement or decision reached, and
 - (e) Whether an appeal has been taken or is likely to be taken.

- c. When and Where: Santa Cruz METRO will provide this information:
 - (a) In its next quarterly Milestone Progress Report, and
 - (b) At its next Project Management Oversight review, if any.

- d. FTA Officials to Notify: When Santa Cruz METRO's Board of Directors denies a bid Protest, and an appeal is likely to occur, Santa Cruz METRO's Finance Manager will inform the FTA Regional Administrator for Region IX, or the FTA Associate Administrator for the program office administering a headquarters project directly about the likely appeal.

Santa Cruz METRO's Finance Manager will disclose information about any third party procurement Protest to FTA upon request. FTA reserves the right to require Santa Cruz METRO to provide copies of a particular Protest or all Protests, and any or all related supporting documents, as FTA may deem necessary.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

**For Preparation And Installation Of Epoxy And Sealant To
The Floor Of The Maintenance Building Located At 138 Golf
Club Drive, Santa Cruz**

Santa Cruz METRO RFP No. 10-23

Attachment A

Phase I and II Coverage Area Drawings



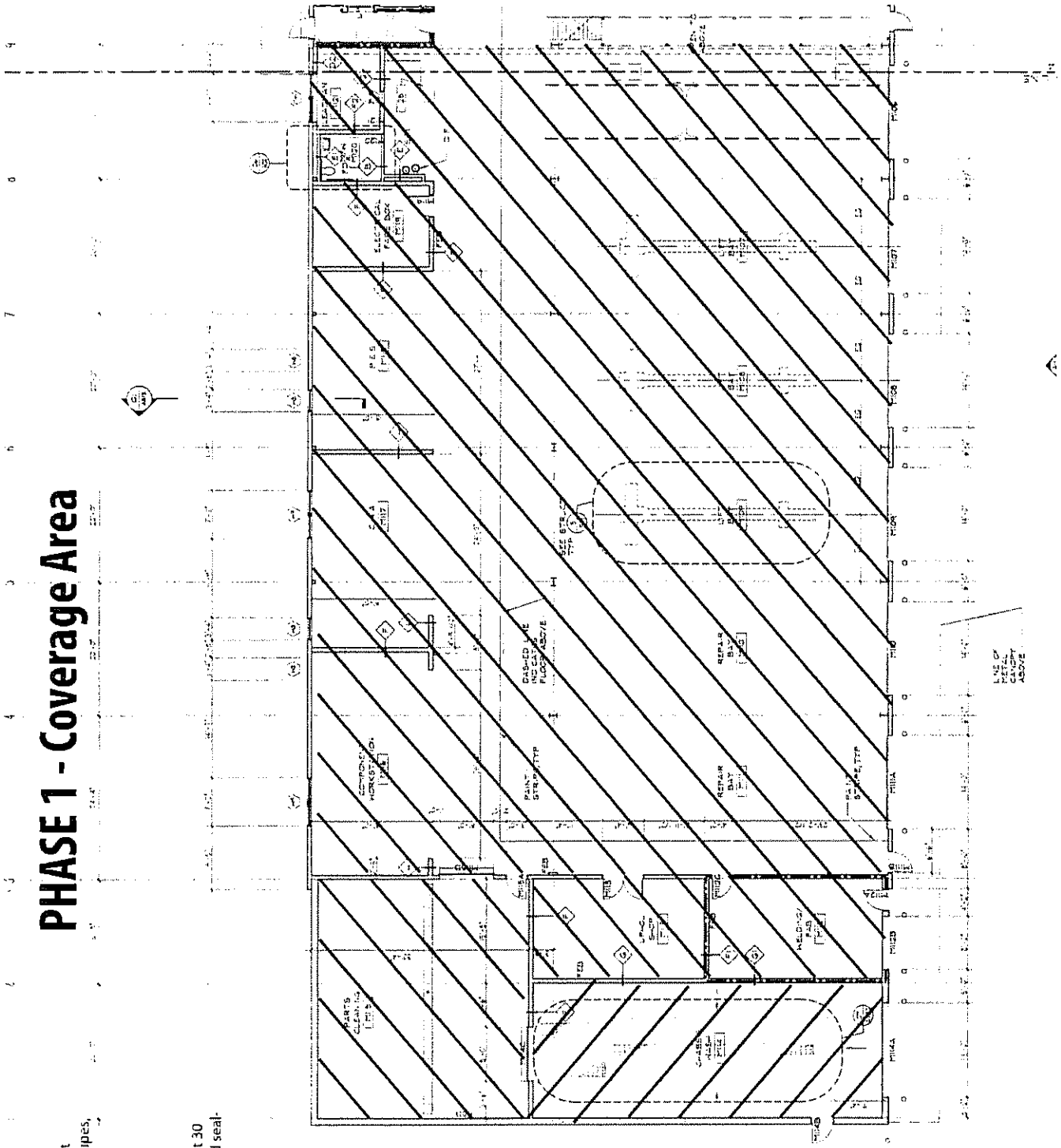
PHASE 1 - Coverage Area



Grind, epoxy, broadcast rougher mesh sand, stripes, and sealant

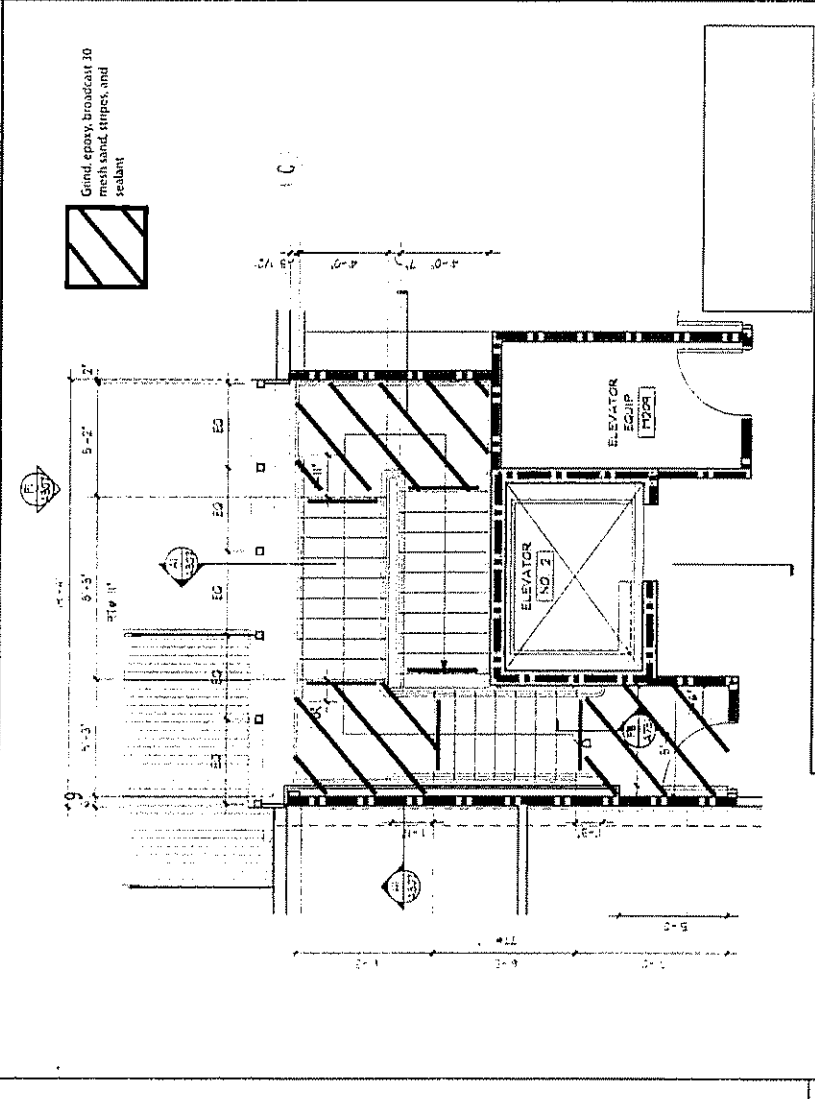
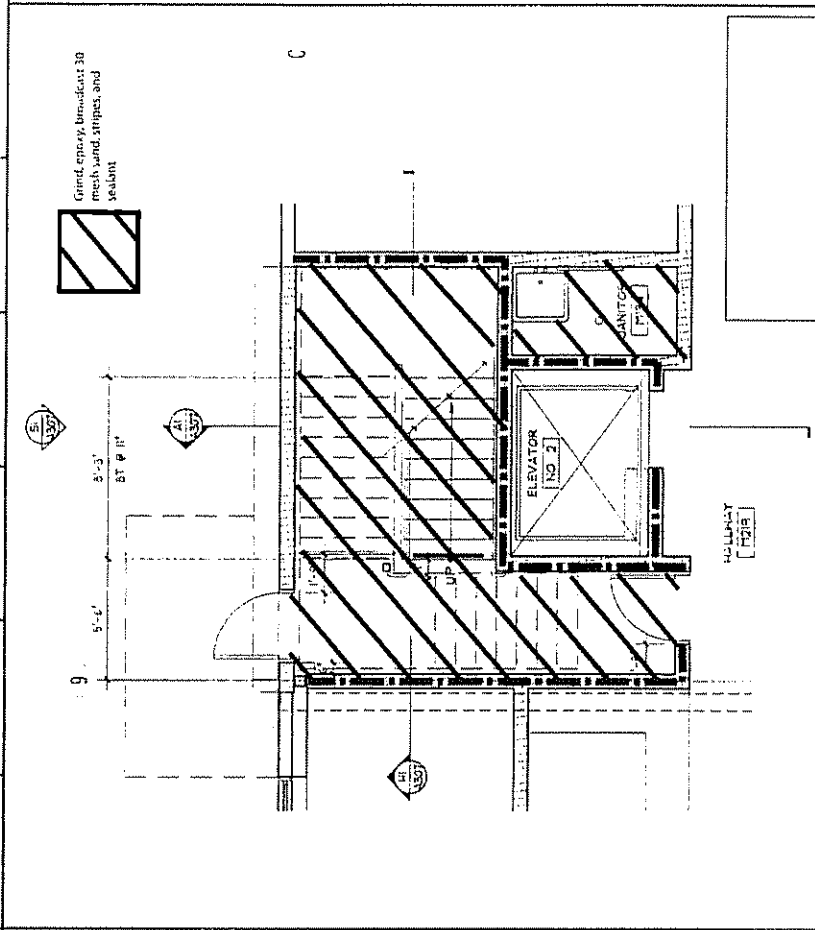


Grind, epoxy, broadcast 30 mesh sand, stripes, and sealant

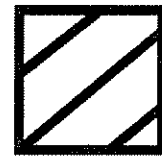
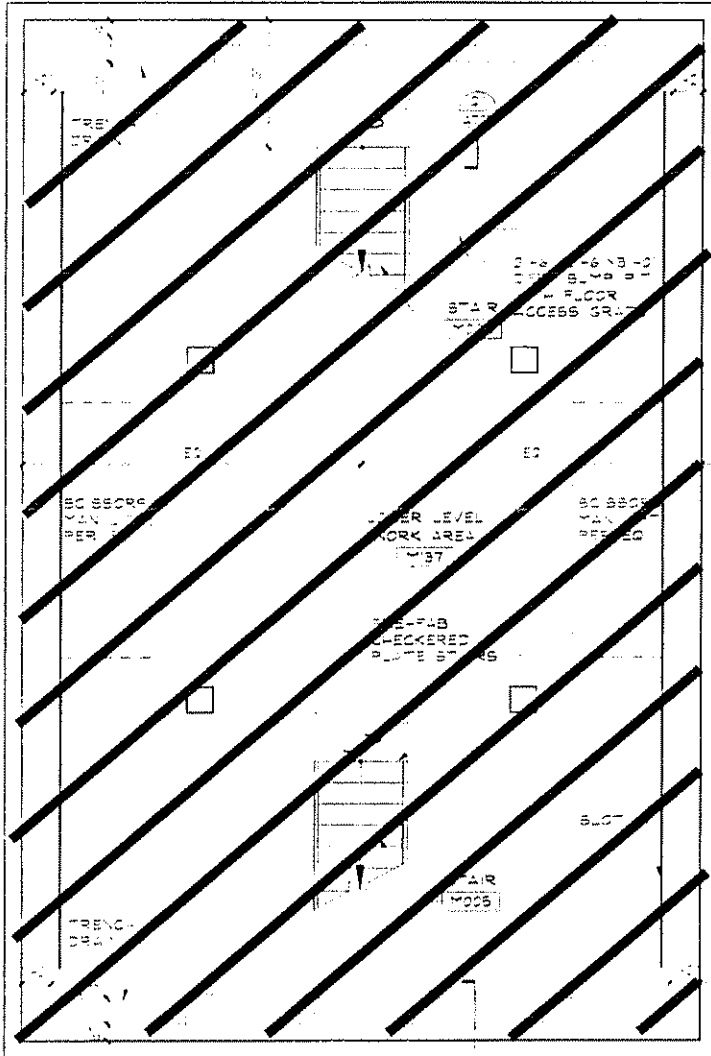


CONCRETE FLOOR AREA TO BE REPAIRED AND REFINISHED

PHASE 2 - Coverage Area (Elevator & Janitor Room)



PHASE 2 - Coverage Area (Pit)



Grind, epoxy, broadcast 30 mesh sand, stripes, and sealant

D1 LOWER LEVEL FLOOR PLAN : UNDER CARRIAGE ACCESS WORK AREA

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

**For Preparation And Installation Of Epoxy And Sealant To
The Floor Of The Maintenance Building Located At 138 Golf
Club Drive, Santa Cruz**

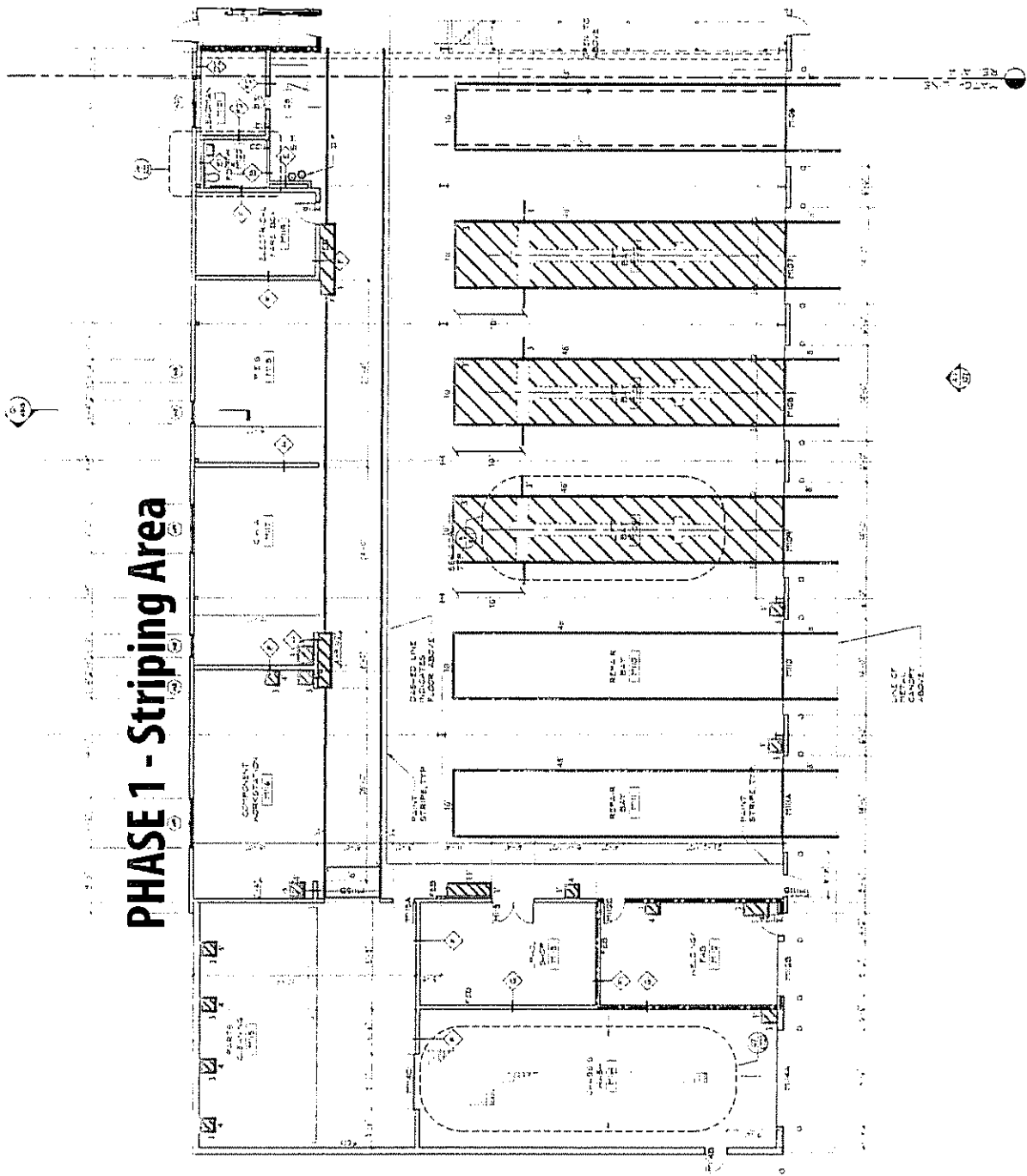
Santa Cruz METRO RFP No. 10-23

Attachment B

Phase I and II Striping Area Drawings



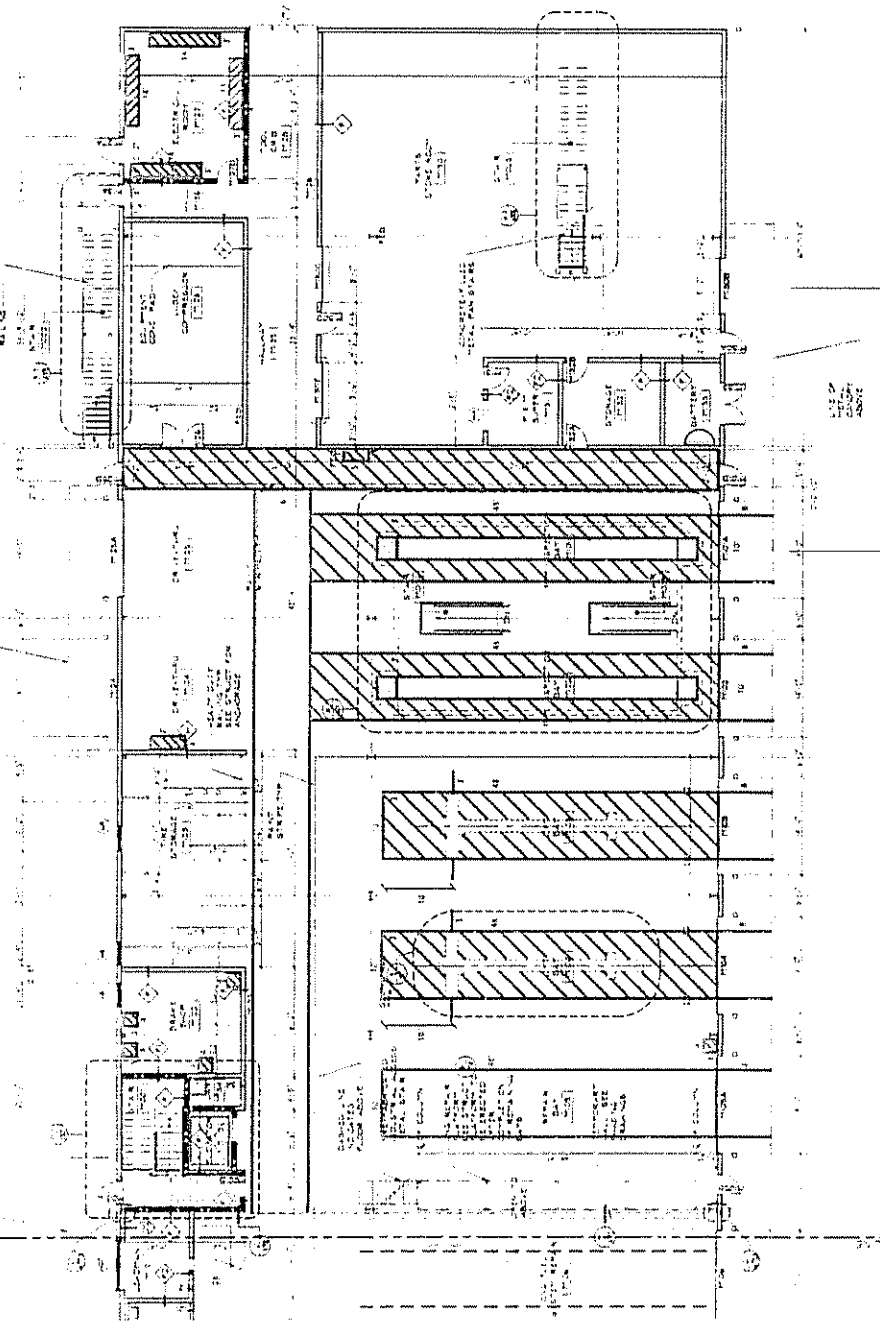
PHASE 1 - Striping Area



LINE OF
PAINT STRIPING
DASHED LINE
FLOOR MARKING

DATE: 10/10/00
BY: [Signature]

PHASE 2 - Striping Area



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 9, 2010

TO: Board of Directors

FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager

SUBJECT: **CONSIDERATION OF EXTENSION OF PURCHASE ORDER/
CONTRACT FOR EMPLOYMENT OF TEMPORARY HELP THROUGH
ROBERT HALF INTERNATIONAL FOR TEMPORARY EMPLOYMENT
STAFFING FOR THE GRANTS ANALYST POSITION THROUGH JUNE
30, 2010 FOR A TOTAL AMOUNT NOT TO EXCEED \$128,000**

ACTION REQUIRED AT THE APRIL 9, 2010 BOARD MEETING

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to extend the purchase order/contract with Robert Half International for temporary employment staffing for the grants analyst position through June 30, 2010 for a total amount not to exceed \$128,000.

II. SUMMARY OF ISSUES

- The employee responsible for Santa Cruz METRO's Grants/Legislative Analyst position was on leave from June 10, 2009 and has started to transition back to work since November 12, 2009.
- Santa Cruz METRO selected and hired a candidate from Robert Half International who has performed the duties of the position since June 29, 2009.
- Santa Cruz METRO would like to retain this temporary employee through June 30, 2010.

III. DISCUSSION

The employee responsible for Santa Cruz METRO's Grants/Legislative Analyst position had been on leave for an extended period of time. Santa Cruz METRO contacted personnel agencies for qualifications and resumes of candidates to fulfill the duties of this position until Santa Cruz METRO's employee was able to return to work. Santa Cruz METRO selected a candidate from Robert Half International who has performed the duties of the position since June 29, 2009. Santa Cruz METRO's Grants/Legislative Analyst employee started to transition back to work on November 12, 2009. During this transition period, the Board approved the retention of the temporary employee from Robert Half International through April 30, 2010. Due to the heavy workload and grant deadlines, Santa Cruz METRO would like to extend the contract through the end of the fiscal year.

Staff is recommending that the Board of Directors authorize the General Manager to extend the purchase order/contract with Robert Half International for temporary employment staffing for the grants analyst position through June 30, 2010 for a total amount not to exceed \$128,000.

IV. FINANCIAL CONSIDERATIONS

Funds to support this purchase order/contract are included in the Finance Department FY10 budget.

V. ATTACHMENTS

None

Prepared By: Lloyd Longnecker, Purchasing Agent
Date Prepared: March 31, 2010