

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
JULY 14, 2006 (Second Friday of Each Month)
SCMTD ENCINAL CONFERENCE ROOM
370 ENCINAL STREET, SUITE 100
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
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF MAY 12 & 26 AND JUNE 9 & 23, 2006
Minutes: **JUNE MINUTES WILL BE INCLUDED IN THE JULY 28, 2006 BOARD PACKET**
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JUNE 2006
Report: Attached
- 5-3. ACCEPT AND FILE JUNE 2006 RIDERSHIP REPORT
Report: Attached
PAGES 1 & 4 OF THE RIDERSHIP REPORT WILL BE INCLUDED IN THE JULY 28, 2006 BOARD PACKET
- 5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF JASON SOUZA, CLAIM #06-0015
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JULY 19, 2006 AND MINUTES OF MAY 17, 2006
Agenda/Minutes: Attached

- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR APRIL 2006 AND APPROVAL OF BUDGET TRANSFERS
Staff Report: **WILL BE INCLUDED IN THE JULY 28, 2006 BOARD PACKET**
- 5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR APRIL 2006
Report: Attached
- 5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF APRIL 2006
Staff Report: Attached
- 5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF MAY 2006
Staff Report: **WILL BE INCLUDED IN THE JULY 28, 2006 BOARD PACKET**
- 5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2006 MEETING(S)
Staff report: **WILL BE INCLUDED IN THE AUGUST BOARD PACKET**
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: Attached
- 5-12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH DEVCO OIL FOR DIESEL AND GASOLINE FUELS
Staff Report: Attached
- 5-13. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF APRIL, MAY & JUNE 2006
Staff Report: Attached
- 5-14. CONSIDERATION OF RENEWAL OF LIABILITY AND PHYSICAL DAMAGE INSURANCE COVERAGE WITH CALTIP FOR FY 06-07
Staff Report: Attached
ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING
- 5-15. CONSIDERATION OF **RESOLUTIONS** RATIFYING ACTIONS OF THE GENERAL MANAGER IN REQUESTING THE SCCRTC AND THE CALIFORNIA TRANSPORTATION COMMISSION TO PROGRAM AND ALLOCATE FUNDS TO METRO CAPITAL PROJECTS FOR BUS CONVERSIONS, BUS REPLACEMENT, AND METROBASE FUNDING IN THE 2006 – 2008 STIP
Staff Report: Attached

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chair Rotkin
Staff Report: Attached
THIS PRESENTATION WILL TAKE PLACE AT THE JULY 28, 2006 BOARD MEETING
7. CONSIDERATION OF SERVICE REVISIONS FOR FALL 2006
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: Staff Report and Attachment "B" are attached. **Remaining Attachments will be included in the July 28, 2006 Board Packet**
8. CONSIDERATION OF ADOPTING AN ANNUAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION RATE FOR FEDERALLY-FUNDED PROCUREMENTS IN 2007
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: Attached
9. CONSIDERATION OF RESPONSIVE COMMENTS TO DEPARTMENT OF TRANSPORTATION'S (DOT) NOTICE OF PROPOSED RULEMAKING DATED FEBRUARY 27, 2006 RE REQUEST FOR COMMENTS ON OTHER ISSUES
Presented By: Margaret Gallagher, District Counsel
Staff Report: **WILL BE INCLUDED IN THE JULY 28, 2006 BOARD PACKET**
10. CONSIDERATION OF RESPONSE TO RECOMMENDATIONS OF THE PARATRANSIT COORDINATION TASK FORCE
Presented By: Steve Paulson, Paratransit Administrator
Staff Report: **WILL BE INCLUDED IN THE JULY 28, 2006 BOARD PACKET**
11. CONSIDERATION OF THE CREATION OF THE POSITION OF FINANCE MANAGER DESIGNATE FOR THE PERIOD OF SEPTEMBER 1, 2006 THROUGH DECEMBER 31, 2006
Presented By: Les White, General Manager
Staff Report: Attached
12. CONSIDERATION OF APPROVAL OF INCREASED RATES FOR ADVERTISEMENTS ON METRO BUSES
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: Attached
ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING

13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR EMPLOYER PAID FAMILY VISION INSURANCE COVERAGE
Presented By: Tom Stickel, Maintenance Manager
Staff Report: Attached
ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING
14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR REPLACEMENT VEHICLE FOR TRANSIT SUPERVISORS
Presented By: Tom Stickel, Maintenance Manager
Staff Report: Attached
ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING
15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SERVICE TRUCK FOR FLEET MAINTENANCE
Presented By: Tom Stickel, Maintenance Manager
Staff Report: Attached
16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR HEAVY DUTY BRAKE DRUMS
Presented By: Tom Stickel, Maintenance Manager
Staff Report: Attached
17. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A TWO-MONTH CONTRACT EXTENSION WITH CABRILLO COLLEGE FOR TRANSIT SERVICE
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: **Will be distributed at the July 14, 2006 Board Meeting**
ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING
18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Government Code Section 54957.6)
 - a. Agency Negotiators: Robyn Slater, Human Resources Manager,
Chief Spokesperson
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Elisabeth Ross, Finance Manager
 1. Employee Organization: Service Employees International Union
(SEIU), Local 415

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

Minutes- Board of Directors

May 12, 2006

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, May 12, 2006 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chair Tavantzis called the meeting to order at 9:02 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz (arrived after roll call)
Dene Bustichi
Michelle Hinkle
Kirby Nicol
Emily Reilly (arrived after roll call)
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Mike Keogh
Ex-Officio Wes Scott

STAFF PRESENT

Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager

Robyn Slater, Human Resources Manager
Judy Souza, Acting Operations Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Paul Marcelin-Sampson, MAC
Bonnie Morr, UTU
Emery Ross, Mgmt Retiree

Paul Schraeder, Mgmt Retiree
Bob Yount, MAC

2. ORAL AND WRITTEN COMMUNICATION

Written:
None.

5-1.1

Oral:

Paul Marcelin-Sampson reported there are some real problems with METRO's Customer Service that he encountered while attempting to plan his trip to attend the second meeting of the Transportation Funding Task Force (TFTF), which was held at the Felton Community Hall. Because *Headways* does not label streets on Route 35, he called Customer Service, who projected an unhelpful attitude, and were unwilling to look online at a site like MapQuest for the address that he provided. Mr. Marcelin-Sampson pointed out that METRO is turning away business with this practice and requested that it be looked into.

DIRECTOR REILLY ARRIVED

Mr. Marcelin-Sampson reported that there were still persistent misconceptions about METRO's service at the second meeting of the TFTF with no one from METRO there to respond. METRO's Technical Advisor attended and participated extensively in the first meeting, but did not attend the second meeting. The staff member that did attend did not participate or offer corrections.

Chair Rotkin responded that Staff would be sending a letter to clear up the misconceptions. Les White added that METRO was very clear with the RTC in the beginning about its staff limitations regarding the TFTF. METRO said at the time that there was no staff available to cover this and that METRO was not financially equipped to hire another staff person just to participate in the TFTF.

DIRECTOR BEAUTZ ARRIVED

Emery Ross, Management Retiree, spoke about the retiree medical rates and distributed a letter to the Board, dated November 22, 2000 from Paul Chandley to Kent Hicklin, which is attached to the file copy of these Minutes. The letter references the Board authorizing reimbursement to retirees of CalPERS medical premiums that exceed the District's contribution cap. Mr. Ross informed the Board that this is a very urgent matter for retirees as it is a big cut out of their pay.

Chair Rotkin replied that the Board realizes this needs to be addressed and will be discussing it in Closed Session on May 26th as there are legal issues and contract questions involved.

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr, UTU, stated that she would like to "ditto" support for the retiree medical issue.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF MARCH 10 AND MARCH 24, 2006 AND SPECIAL MINUTES OF MARCH 17, 2006

March 24th Minutes will be included in the May 26, 2006 Board Packet.
No questions or comments.

5-1.2

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF APRIL 2006

No questions or comments.

5-3. ACCEPT AND FILE APRIL 2006 RIDERSHIP REPORT

Pages 1 & 4 of the Ridership Report will be included in the May 26, 2006 Board Packet.
No questions or comments.

5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIMS OF KATHY LAMOTHE, CLAIM #06-0007, AND S. REDDAN, CLAIM #06-0009, AND BARBARA FREDERICK, CLAIM #06-0010

No questions or comments

5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR MAY 17, 2006

No questions or comments.

5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR FEBRUARY 2006 AND APPROVAL OF BUDGET TRANSFERS

Will be included in the May 26, 2006 Board Packet.
No questions or comments.

5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR FEBRUARY 2006

Will be included in the May 26, 2006 Board Packet.
No questions or comments.

5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF FEBRUARY 2006

Discussion:

Chair Rotkin stated that the chart on page #5-8.2 indicates that METRO is doing well in terms of providing service and questioned the fluctuation of the Excessively Late / Missed Trips. Steve Paulson responded that there are many variables, including: anytime METRO arrives 60 minutes after a requested pick-up time it is counted as a missed trip; delays are also caused by construction, locating passengers, and no-shows.

Paul Marcelin-Sampson suggested that Staff provide a summary of causes of late and missed trips. Chair Rotkin replied that only if the numbers of excessively late or missed trips increase significantly, should Staff begin to document them.

5-1.3

5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF FEBRUARY 2006

No questions or comments.

5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE APRIL 2006 MEETINGS

No questions or comments.

5-11. ACCEPT AND FILE METROBASE STATUS REPORT

Will be included in the May 26, 2006 Board Packet.
No questions or comments.

5-12. ACCEPT AND FILE PROGRESS REPORT ON THE STATUS OF METRO'S WORKERS' COMPENSATION PROGRAM ONE YEAR AFTER METRO'S TRANSITION TO ITS CURRENT THIRD PARTY ADMINISTRATOR

Will be included in the May 26, 2006 Board Packet.
No questions or comments.

5-13. ACCEPT AND FILE RIDERSHIP STATUS REPORT ON ROUTES 12A AND 32

Discussion:

Chair Rotkin stated that Route 12A should be a priority to reinstate in the future when service could be expanded.

5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH COUNTY OF SANTA CRUZ FOR PAYROLL SERVICES

No questions or comments.

5-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH PAT PIRAS CONSULTING FOR EVALUATION OF DISTRICT'S ADA/504 PROGRAMS & ACTIVITIES TO REFLECT PREVIOUSLY APPROVED EXTENSION OF REVIEW DEADLINE

No questions or comments.

5-1.4

5-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH FOLGER GRAPHICS FOR GRAPHIC DESIGN SERVICES FOR HEADWAYS

No questions or comments.

5-17. CONSIDERATION OF REQUEST FOR SHUTTLE SERVICE RECEIVED FROM THE CITY OF WATSONVILLE

No questions or comments.

5-18. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH DRIVER ALLIANT INSURANCE SERVICES, INC. FOR INSURANCE BROKER SERVICES AND CONTINUING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT IN ORDER TO ACCESS EXCESS WORKERS' COMPENSATION INSURANCE

No questions or comments.

5-19. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR THREE POSITION BICYCLE CARRIERS TO SPORTWORKS NORTHWEST, INC.

No questions or comments.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

This presentation will take place at the May 26, 2006 Board meeting.

7. PUBLIC HEARING ON FY 06-07 AND FY 07-08 DRAFT FINAL BUDGET

Public Hearing will take place at 9:00 a.m. at the May 26, 2006 Board meeting

Summary:

Elisabeth Ross stated that the union budget workshop has been set for Monday, May 22nd from 1:00 –3:00 p.m. in the Encinal Conference Room. Gary Klemz had asked that it be rescheduled, but since he was the only one that could not be there, another separate meeting will be scheduled to review the budget with the SEIU Negotiating Team. The budget review with Union representatives will be to answer any questions line by line and the public will have an opportunity to comment at the Public Hearing on May 26th. Staff will return to the Board for approval of the Final Budget in June.

5-1.5

Ms. Ross added that she had prepared the budget documents with the actual figures through January, rather than through March, which she normally has by this time, so the numbers may change in June.

Discussion:

Chair Rotkin asked when the revenue-based salary increase for UTU would take effect. Ms. Ross replied that the final sales tax numbers are usually verified by the auditors in August, and if there is an increase over a certain number, which there appears there will be, the pay increase would be effective September 1 and would be retroactive if the auditors verify the figures at a subsequent date.

8. **CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION TO THE AIR DISTRICT FOR FY2007 AB 2766 FUNDS TO OPERATE PUBLIC TRANSIT SERVICE ON HOLIDAYS**

Paul Marcelin-Sampson stated that MAC member Stuart Rosenstein has been asked to attend the May 26th Board meeting as he had brought forward the holiday service request, which is the basis for the Air District application.

9. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE CONTRACT FOR AUCTIONEER SERVICES**

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR NICOL

Move this Item to the Consent Agenda

Motion passed unanimously with Director Keogh being absent.

10. **CONSIDERATION OF WHETHER TO CONTINUE TO UTILIZE THE AUDIT SYSTEMS THAT ARE CURRENTLY IN PLACE TO DETERMINE WHETHER THE CALL STOP ANNOUNCEMENT SYSTEM IS OPERATING IN ACCORDANCE WITH METRO POLICY AND THE AMERICANS WITH DISABILITIES ACT REGULATIONS**

Summary:

Margaret Gallagher reported that the Board had continued this matter from its April meeting in order to obtain additional information related to utilizing outside investigators, rather than security guards, to audit the external announcements at the transit centers. Staff believes very strongly that the monitoring should continue in order to have independent evidence that METRO is in compliance with the call stop legal requirements and METRO policy. Staff concurred with UTU's suggestion to utilize outside auditors and recommends that the Board authorize Staff to engage an outside investigation firm 3-5 hours per week at \$50 - \$75 per hour at a maximum of \$250 per week or \$12,000 per year.

5-1.6

Discussion:

Director Beautz asked about the possibility of utilizing a different type of firm to conduct the external auditing and Ms. Gallagher replied that she could contact other agencies regarding that.

Bonnie Morr, UTU, reported that there is a serious need for a security guard in Watsonville. Ms. Morr suggested that the external auditing may only be needed for 6 months and that UTU would like bus operators involved in the training of the external announcement auditing.

Several Directors stated their support of the Staff recommendation and Chair Rotkin suggested re-evaluating the situation in 1 year to determine if the auditing frequency can be reduced.

Vice Chair Tavantzis added that posting a security guard at the Watsonville Transit Center could be discussed at a future meeting.

11. **CONSIDERATION OF A RESOLUTION OF APPRECIATION AND REMEMBRANCE OF COLLEEN CROSBY FOR HER SERVICE AND DEDICATION TO SANTA CRUZ COFFEE ROASTING COMPANY, LESSEE OF SANTA CRUZ METRO**

No questions or comments.

12. **CONSIDERATION OF SERVICE REVISIONS FOR SUMMER 2006**

Summary:

Mark Dorfman reported that these are minor, small cost changes for Summer 2006.

Discussion:

Paul Marcelin-Sampson suggested that the 46-day memo be presented at least 1 month early to allow for public comment. Mark Dorfman replied that that these are minor changes and that major changes always have public hearings.

13. **CONSIDERATION OF AUTHORIZING A CHANGE ORDER IN THE CONTRACT WITH NEW FLYER OF AMERICA FOR THE PURCHASE TWO 40 FOOT COMPRESSED NATURAL GAS BUSES**

Summary:

Mark Dorfman reported that METRO utilized a piggy-back order for these buses using an existing contract from Culver City to save the costs of bidding a separate contract for a small order. Staff recently met with New Flyer and determined that revisions to the Culver City specifications required to make the buses similar to the buses METRO currently operates would cost \$54,147.40 for the two buses.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR NICOL

Authorize the General Manager to issue a Change Order in the contract with New Flyer of America for the purchase of two (2) 40 foot compressed natural gas buses in the amount of \$54,147.40

Motion passed unanimously with Director Keogh being absent.

14. ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR MAY 26, 2006 – CAPITOLA CITY COUNCIL CHAMBERS, 420 CAPITOLA AVE, CAPITOLA, CA

Vice Chair Tavantzis announced that the May 26, 2006 Board meeting will be held at the Capitola City Council Chambers at 420 Capitola Avenue.

15. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would have a conference with its Labor Negotiators regarding SEIU, Local 415, and UTU, Local 23, ParaCruz Division, and the Board would be continuing the Public Employee Performance Evaluation of the General Manager.

16. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

SECTION II: CLOSED SESSION

Vice Chair Tavantzis adjourned to Closed Session at 9:56 a.m. and reconvened to Open Session at 11:18 a.m.

SECTION III: RECONVENE TO OPEN SESSION

17. REPORT OF CLOSED SESSION

Chair Rotkin reported that the Board took no reportable action in Closed Session.

ADJOURN

There being no further business, Vice Chair Tavantzis adjourned the meeting at 11:18 a.m.

Respectfully submitted,



CINDI THOMAS

Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

May 26, 2006

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, May 26, 2006 at the Capitola City Council Chambers, 420 Capitola Avenue, Capitola, CA.

Chair Rotkin called the meeting to order at 9:00 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz
Dene Bustichi
Michelle Hinkle
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Marcela Tavantzis

DIRECTORS ABSENT

Mike Keogh
Kirby Nicol
Mark Stone
Ex-Officio Wes Scott

STAFF PRESENT

Mark Dorfman, Assistant General Manager
Terry Gale, IT Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator

Elisabeth Ross, Finance Manager
Robyn Slater, Human Resources Manager
Judy Souza, Acting Operations Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Gary Klemz, SEIU Field Representative
Sandra Lipperd, UTU
Paul Marcelin-Sampson, MAC
Manny Martinez, PSA
Ian McFadden, Transit Planner

Gillian McGlaze, PSA
John Mellon, VMU
Emery Ross, Mgmt Retiree
Amy Weiss, Spanish Interpreter

2. ORAL AND WRITTEN COMMUNICATION

Written:

a. Louise Barnes
b. Doug Center

Re: Complaint Concerns
Re: Retiree Medical Premiums

Chair Rotkin reported that Staff would prepare responses to the written communications.

5-1.9

Oral:

Paul Marcelin-Sampson said he was very concerned, as a member of a visible minority group, with the racial specification references in the complaint letter under Item #2-a. Mr. Marcelin-Sampson found the comments very offensive and urged the Board to return the letter stating that members of the public may say whatever they like, but if they would like a response, they need to remove the racial generalizations.

Mr. Marcelin-Sampson gave an update on the Transportation Funding Task Force (TFTF). As one of the Board's appointees, he attended the Special meeting at UCSC on May 15th, the May 20th meeting in Watsonville, and the meeting held last night in Aptos. Mr. Marcelin-Sampson spoke about the negative impacts on METRO that would result if METRO were required to use smaller buses, as had been recommended at the TFTF meetings. He urged the Board to request an audience with Fred Keeley to explain these impacts so this recommendation does not appear in the final TFTF report. Mr. Marcelin-Sampson added that the focus of the sparsely attended meeting at UCSC was on campus transportation issues and the environmental misconception that METRO operates "dirty diesel buses", although there has been an 80% reduction in emissions compared to 10 years ago, and that METRO is on the path of converting its fleet to CNG.

Director Spence reported that she attended the TFTF meeting in Felton and that there were 61 attendees. Suggestions were made at the meeting to have lumber racks installed on buses and to tax medical marijuana to fix potholes.

Les White added that Staff is preparing a letter for the Board Chair's signature regarding the small bus issue and others that have come up at the TFTF meetings.

Director Reilly reported that she is also a member of the Task Force and feels the meetings have been very enlightening.

3. LABOR ORGANIZATION COMMUNICATIONS

None.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

SECTION I:

OPEN SESSION:
INSERT ITEM #2

ORAL AND WRITTEN COMMUNICATION
(Insert Written Communication)

CONSENT AGENDA:
ADD TO ITEM #5-1

APPROVE REGULAR BOARD MEETING MINUTES OF MARCH 10 AND MARCH 24, 2006 AND SPECIAL MINUTES OF MARCH 17, 2006

(Insert March 24th Minutes)

ADD TO ITEM #5-3

ACCEPT AND FILE APRIL 2006 RIDERSHIP REPORT
(Insert Pages 1 & 4)

5-1.10

- INSERT ITEM #5-6** ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR FEBRUARY 2006 AND APPROVAL OF BUDGET TRANSFERS
(Insert Staff Report)
- INSERT ITEM #5-7** ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR FEBRUARY 2006
(Insert Report)
- ADD TO ITEM #5-9** ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF FEBRUARY AND MARCH 2006
(Insert March Report)
- INSERT ITEM #5-11** ACCEPT AND FILE METROBASE STATUS REPORT
(Insert Staff Report)
- DELETE ITEM #5-12** ACCEPT AND FILE PROGRESS REPORT ON THE STATUS OF METRO'S WORKERS' COMPENSATION PROGRAM ONE YEAR AFTER METRO'S TRANSITION TO ITS CURRENT THIRD PARTY ADMINISTRATOR
(Deleted: Will be included in the June 2006 Board Packet)
- ADD ITEM #5-21** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ASSIGNMENT OF LEASE AGREEMENT TO NEW OWNERS WHILE RETAINING ALL FORMER TENANTS AS OBLIGORS ON THE LEASE
(Insert Staff Report)
- REGULAR AGENDA:**
- DELETE ITEM #13** CONSIDERATION OF AUTHORIZING A CHANGE ORDER IN THE CONTRACT WITH NEW FLYER OF AMERICA FOR THE PURCHASE TWO 40 FOOT COMPRESSED NATURAL GAS BUSES
(Deleted: Action taken at the May 12, 2006 Board Meeting)
- DELETE ITEM #14** ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR MAY 26, 2006 – CAPITOLA CITY COUNCIL CHAMBERS, 420 CAPITOLA AVE, CAPITOLA, CA
(Deleted: Action taken at the May 12, 2006 Board Meeting)
- ADD ITEM #15** CONSIDERATION OF A RESOLUTION OF APPRECIATION FOR THE SERVICES OF MARILYN FENN AS ASSISTANT FINANCE MANAGER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
(Insert Resolution)
- ADD ITEM #16** CONSIDERATION OF A RESOLUTION OF APPRECIATION FOR THE SERVICES OF JUDY SOUZA AS BASE SUPERINTENDENT FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
(Insert Resolution)
- ADD ITEM #17** CONSIDERATION OF AUTHORIZING STAFF TO WORK WITH MONTEREY-SALINAS TRANSIT AS THE LEAD AGENCY TO DEVELOP AND SUBMIT TWO APPLICATIONS TO THE AIR DISTRICT FOR SUPPLEMENTAL FUNDS FOR THE BUS RAPID TRANSIT FEASIBILITY STUDY AND FOR A NEW WEB-BASED TRAVELER INFORMATION SYSTEM
(Insert Staff Report)

5-1.11

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF MARCH 10 AND MARCH 24, 2006 AND SPECIAL MINUTES OF MARCH 17, 2006
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF APRIL 2006
- 5-3. ACCEPT AND FILE APRIL 2006 RIDERSHIP REPORT
- 5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIMS OF KATHY LAMOTHE, CLAIM #06-0007, AND S. REDDAN, CLAIM #06-0009, AND BARBARA FREDERICK, CLAIM #06-0010
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR MAY 17, 2006
- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR FEBRUARY 2006 AND APPROVAL OF BUDGET TRANSFERS
- 5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR FEBRUARY 2006
- 5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF FEBRUARY 2006
- 5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF FEBRUARY AND MARCH 2006
- 5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE APRIL 2006 MEETINGS
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-12. DELETED: WILL BE INCLUDED IN THE JUNE 2006 BOARD PACKET
(ACCEPT AND FILE PROGRESS REPORT ON THE STATUS OF METRO'S WORKERS' COMPENSATION PROGRAM ONE YEAR AFTER METRO'S TRANSITION TO ITS CURRENT THIRD PARTY ADMINISTRATOR)
- 5-13. ACCEPT AND FILE RIDERSHIP STATUS REPORT ON ROUTES 12A AND 32
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH COUNTY OF SANTA CRUZ FOR PAYROLL SERVICES
- 5-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH PAT PIRAS CONSULTING FOR EVALUATION OF DISTRICT'S ADA/504 PROGRAMS & ACTIVITIES TO REFLECT PREVIOUSLY APPROVED EXTENSION OF REVIEW DEADLINE
- 5-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH FOLGER GRAPHICS FOR GRAPHIC DESIGN SERVICES FOR HEADWAYS
- 5-17. CONSIDERATION OF REQUEST FOR SHUTTLE SERVICE RECEIVED FROM THE CITY OF WATSONVILLE
- 5-18. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH DRIVER ALLIANT INSURANCE SERVICES, INC. FOR INSURANCE BROKER SERVICES AND CONTINUING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT IN ORDER TO ACCESS EXCESS WORKERS' COMPENSATION INSURANCE

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- 5-19. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR THREE POSITION BICYCLE CARRIERS TO SPORTWORKS NORTHWEST, INC.
- 5-20. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE CONTRACT FOR AUCTIONEER SERVICES
(Moved to Consent Agenda at the May 12, 2006 Board Meeting. Retained original numbering as Item #9)
- 5-21. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ASSIGNMENT OF LEASE AGREEMENT TO NEW OWNERS WHILE RETAINING ALL FORMER TENANTS AS OBLIGORS ON THE LEASE

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR SKILLICORN

Approve the Consent Agenda

Motion passed unanimously with Directors Keogh, Nicol and Stone being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employees were awarded longevity certificates for their years of service:

TEN YEARS

Michelle Fitzpatrick, Bus Operator
David Mahan, Transit Supervisor
Steven Paulson, Paratransit Administrator
David Valdez, Vehicle Service Technician

TWENTY-FIVE YEARS

Kathleen Bryant, Bus Operator

THIRTY YEARS

Elisabeth Ross, Finance Manager

7. PUBLIC HEARING ON FY 06-07 AND FY 07-08 DRAFT FINAL BUDGET

Summary:

Elisabeth Ross reported that she is continuing to update and adjust the FY 06-07 and FY 07-08 Draft Final Budget and that it would come back to the Board for final action next month. The Board will also see a 5-year Operating Budget Plan and a 5-year Capital Plan next month as well.

CHAIR ROTKIN OPENED THE PUBLIC HEARING AT 9:30 A.M.

Paul Marcelin-Sampson congratulated METRO on its very transparent budget process, explaining that other Bay Area agencies and their Boards often do not see the information until months after

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the budget is approved. Mr. Marcelin-Sampson also gave the following three suggestions, pointing out that his intention was not meant to be a criticism, but rather to provide additional information to aid in decision making: 1) the Board could request a breakdown of overtime, as it has historically exceeded projections; 2) small, ongoing fare increases could be considered; and 3) budget information should be expressed on a unit basis.

CHAIR ROTKIN CLOSED THE PUBLIC HEARING AT 9:36 A.M.

Discussion:

Director Spence asked about reserve accounts and Ms. Ross replied that total reserves are approximately \$19 million and that information would be included in the next Board Packet.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN

Accept input on the FY 06-07 and FY 07-08 Draft Final Budget

Motion passed unanimously with Directors Keogh, Nicol and Stone being absent.

8. CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION TO THE AIR DISTRICT FOR FY2007 AB 2766 FUNDS TO OPERATE PUBLIC TRANSIT SERVICE ON HOLIDAYS

Summary:

Mark Dorfman reported that this was a suggestion by MAC to find funding sources to operate limited service on four holidays: New Year's Day, Memorial Day, July 4th and Labor Day.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR SKILLICORN

Adopt Resolution authorizing Staff to submit an application to the Air District for AB 2766 funds, and if awarded, execute a grant agreement and operate holiday service

Discussion:

Paul Marcelin-Sampson introduced MAC member Stuart Rosenstein who brought this suggestion forward. Mr. Rosenstein thanked the Board for acting on MAC's request because it is important for those who must work on holidays and also to keep families together for holidays.

Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Directors Keogh, Nicol and Stone being absent.

10. CONSIDERATION OF WHETHER TO CONTINUE TO UTILIZE THE AUDIT SYSTEMS THAT ARE CURRENTLY IN PLACE TO DETERMINE WHETHER THE CALL STOP ANNOUNCEMENT SYSTEM IS OPERATING IN ACCORDANCE WITH METRO POLICY AND THE AMERICANS WITH DISABILITIES ACT REGULATIONS

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Summary:

Margaret Gallagher reported that the Board had continued this matter from its April meeting in order to obtain additional information related to utilizing outside investigators, rather than security guards, to audit the external announcements at the transit centers. Since the last meeting, Legal Department Staff has contacted others that could provide the external auditing.

Staff recommends keeping the existing monitoring systems in place for four months while an external auditor is selected, a contract and training program are developed, and a pilot program is conducted at the Watsonville Transit Center. Staff will report back to the Board at the end of the trial period.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY

Authorize keeping the existing monitoring systems in place for four months while an external auditor is selected, a contract and training program are developed, and a pilot program is conducted at the Watsonville Transit Center. Staff will report back to the Board at the end of the trial period.

Motion passed unanimously with Directors Keogh, Nicol and Stone being absent.

11. CONSIDERATION OF A RESOLUTION OF APPRECIATION AND REMEMBRANCE OF COLLEEN CROSBY FOR HER SERVICE AND DEDICATION TO SANTA CRUZ COFFEE ROASTING COMPANY, LESSEE OF SANTA CRUZ METRO

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN

Adopt Resolution of appreciation and remembrance of Colleen Crosby for her service and dedication to Santa Cruz Coffee Roasting Company, lessee of Santa Cruz METRO

Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Directors Keogh, Nicol and Stone being absent.

12. CONSIDERATION OF SERVICE REVISIONS FOR SUMMER 2006

Summary:

Mark Dorfman reported that these are minor, small cost changes for Summer 2006. Ian McFadden gave a brief presentation of the revisions which include improving: consistency of Highway 17 service in Scotts Valley, weekday service to and from the Beach area, early morning weekday service in Capitola Village, weekday service to Live Oak Schools and Harbor High School, and Pajaro Valley High School service.

Discussion:

Director Spence suggested more publicity of METRO services.

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Chair Rotkin suggested that METRO produce a flier with instructions on how to get to the San Francisco and San Jose airports. Director Reilly agreed and added that it should include Paul Marcelin-Sampson's website, iridethebus.org. Paul Marcelin-Sampson agreed and pointed out that many other agencies link to his website, but METRO does not and this information is not included in *Headways* or on METRO's website and METRO's Customer Service is not equipped to help customers with directions to airports.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR SPENCE

Approve proposed Service Modifications for Summer 2006

Motion passed unanimously with Directors Keogh, Nicol and Stone being absent.

15. CONSIDERATION OF A RESOLUTION OF APPRECIATION FOR THE SERVICES OF MARILYN FENN AS ASSISTANT FINANCE MANAGER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Elisabeth Ross accepted the Resolution on behalf of Marilyn Fenn, who was unable to attend today's meeting.

ACTION: MOTION: DIRECTOR SKILLICORN SECOND: DIRECTOR HINKLE

Adopt Resolution of appreciation for the services of Marilyn Fenn as Assistant Finance Manager for the Santa Cruz Metropolitan Transit District

Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Directors Keogh, Nicol and Stone being absent.

16. CONSIDERATION OF A RESOLUTION OF APPRECIATION FOR THE SERVICES OF JUDY SOUZA AS BASE SUPERINTENDENT FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

The following people congratulated Judy Souza on her retirement and thanked her for her many years of dedicated service: Chair Rotkin, Vice Chair Tavantzis, Director Beautz, Gillian McGlaze, Manny Martinez, Emery Ross, Paul Marcelin-Sampson, John Mellon, Ian McFadden, and Sandra Lipperd.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR BEAUTZ

Adopt Resolution of appreciation for the services of Judy Souza as Base Superintendent for the Santa Cruz Metropolitan Transit District

Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Directors Keogh, Nicol and Stone being absent.

17. CONSIDERATION OF AUTHORIZING STAFF TO WORK WITH MONTEREY-SALINAS TRANSIT AS THE LEAD AGENCY TO DEVELOP AND SUBMIT TWO APPLICATIONS TO THE AIR DISTRICT FOR SUPPLEMENTAL FUNDS FOR THE BUS RAPID TRANSIT FEASIBILITY STUDY AND FOR A NEW WEB-BASED TRAVELER INFORMATION SYSTEM

Summary:

Mark Dorfman reported that METRO and MST propose submitting two joint grant applications for jointly managed projects. The first would provide up to \$80,000 in supplemental funds for the analysis of Bus Rapid Transit (BRT) corridors; and the second would provide up to \$199,900 for establishing new web-based traveler information services.

Discussion:

Paul Marcelin-Sampson suggested that the BRT grant application be written broadly enough to allow for simple schedule changes to routes today that would be considered BRT and stated that the web-based traveler information system should be fully accessible.

Ian McFadden reported that he had attended the BRT conference a few weeks ago and is a big advocate of BRT.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN

Authorize Staff to work with Monterey-Salinas Transit as the lead agency to develop and submit two applications to the Air District for supplemental funds for the Bus Rapid Transit feasibility study and for a new web-based traveler information system

Motion passed unanimously with Directors Keogh, Nicol and Stone being absent.

18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would have a conference with its Labor Negotiators regarding SEIU, Local 415, and UTU, Local 23, ParaCruz Division, and the Board would also have a conference with its Legal Counsel regarding one case of anticipated litigation.

19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

SECTION II: CLOSED SESSION

Chair Rotkin adjourned to Closed Session at 10:25 a.m. and reconvened to Open Session at 12:26 p.m.

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SECTION III: RECONVENE TO OPEN SESSION

20. REPORT OF CLOSED SESSION

Chair Rotkin reported that the Board took no reportable action in Closed Session.

ADJOURN

There being no further business, Chair Rotkin adjourned the meeting at 12:26 p.m.

Respectfully submitted,


CINDI THOMAS
Administrative Services Coordinator

5-1.18

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
18849	06/09/06	101.92	001002	ORACLE CORPORATION		8455	SUPP/UPDATE 3/1-5/31	101.92	
18850	06/09/06	125.00	001027	OVERLAND PACIFIC & CUTLER, INC		8456	MB RELOCATION SVC	125.00	
18851	06/09/06	3,841.03	001036	STANDARD INSURANCE COMPANY		8394	JUNE LIFE & AD&D INS	3,841.03	
18852	06/09/06	717.61	001038	TWINVISION NA INC.		8395	REV VEH PARTS	717.61	
18853	06/09/06	1,489.22	001039	GRAFFITI REMOVAL, INC.		8396	REV VEH PARTS	1,489.22	
18854	06/09/06	11,626.86	001043	VISION SERVICE PLAN		8397	JUNE VISION INS	11,626.86	
18855	06/09/06	8,660.69	001063	NEW FLYER INDUSTRIES LIMITED		8398	REV VEH PARTS 413	413.20	
						8399	REV VEH PARTS 199	198.54	
						8400	REV VEH PARTS 20	19.50	
						8401	REV VEH PARTS 307	307.18	
						8402	REV VEH PARTS 40	39.84	
						8403	REV VEH PARTS 2525	2,525.44	
						8404	REV VEH PARTS 589	588.60	
						8405	REV VEH PARTS 447	447.39	
						8406	REV VEH PARTS 1578	1,578.34	
						8407	REV VEH PARTS 2543	2,542.66	
18856	06/09/06	29.77	001112	BRINKS TROPHY SHOPPE	7	8457	ENGRAVED BADGE	29.77	
18857	06/09/06	369.22	001315	WASTE MANAGEMENT		8458	MAY RESEARCH PARK	170.56	
						8459	MAY KINGS VILLAGE	154.56	
						8460	MAY HERMON/KINGS	44.10	
18858	06/09/06	87,813.03	001316	DEVCO OIL		8408	STATEMENT FUEL/FLT	87,813.03	
18859	06/09/06	89.00	001400	KIPLINGER LETTER		8409	JUNE 10/06-JUNE 9/07	89.00	
18860	06/09/06	645.00	001492	EVERGREEN OIL INC.		8461	HAZ WASTE DISPOSAL	645.00	
18861	06/09/06	2,221.29	001800	THERMO KING OF SALINAS, INC		8412	REV VEH PARTS	2,221.29	
18862	06/09/06	844.57	001976	SPORTWORKS NORTHWEST, INC.		8410	REV VEH PARTS 204	209.03	
						8411	REV VEH PARTS 610	635.54	
18863	06/09/06	3,720.42	001A	SBC/MCI		8462	MAY PHONES/PT	485.64	
						8463	MAY PHONES	1,703.31	
						8464	MAY PHONES/ PT	44.50	
						8521	MAY PHONES IT	1,486.97	
18864	06/09/06	307.50	002035	BOWMAN & WILLIAMS		8465	TOPO OF BUS TRNARND	307.50	
18865	06/09/06	84.04	002063	COSTCO		8466	PHOTO PROCESS/ OPS	30.98	
						8467	PHOTO PROCESS/ LEGAL	13.52	
						8468	PHOTO PROCESS/ OPS	24.33	
						8469	RETIREMENT CAKE/ JS	15.21	
18866	06/09/06	33,131.13	002069	A TOOL SHED, INC.		8470	1ST & FINAL REL.ASST	33,131.13	
18867	06/09/06	65,460.50	002123	GIRO, INC.		8471	HASTUS LIC/SVC AGREE	65,460.50	
18868	06/09/06	2,500.00	002267	SHAW & YODER, INC.		8472	APRIL LEGISLATIVE SV	2,500.00	
18869	06/09/06	1,650.00	002287	CALIFORNIA SERVICE EMPLOYEES		8413	JUNE MEDICAL	1,650.00	
18870	06/09/06	181.50	002295	FIRST ALARM		8473	DEC REVISION	181.50	
18871	06/09/06	579.25	002313	HARTSELL & OLIVIERI	7	8474	TRANSCRIPTS/ HRD	579.25	
18872	06/09/06	5,000.00	002346	CHANEY, CAROLYN & ASSOC., INC.		8475	JUNE LEGISLATIVE SVC	5,000.00	
18873	06/09/06	45.00	002388	DOGHERRA'S	7	8476	TOWING #206	45.00	
18874	06/09/06	149.85	002411	BIG O TIRE		8414	OUT RPR/8025,18,003	149.85	
18875	06/09/06	277.44	002504	TIFCO INDUSTRIES		8415	PARTS & SUPPLIES	277.44	
18876	06/09/06	72,095.97	002569	COMERICA BANK		8416	WORK COMP FUND	72,095.97	
18877	06/09/06	1,101.44	002802	BATTERY SYSTEMS		8417	REV VEH PARTS	1,101.44	
18878	06/09/06	1,766.57	002805	TELEPATH CORPORATION		8418	OUT RPR EQUIP	1,766.57	
18879	06/09/06	161.78	002809	PACIFIC PROPANE		8477	GAS/EQUIP RENTAL	161.78	
18880	06/09/06	1,509.47	002811	BERENDSEN FLUID POWER		8419	REV VEH PARTS	1,509.47	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
18881	06/09/06	3,375.00	002823	PAT PIRAS CONSULTING	7	8478	PROF.SVCS THRU 5/31	3,375.00	
18882	06/09/06	289.87	002829	VALLEY POWER SYSTEMS, INC.		8420	REV VEH PARTS	289.87	
18883	06/09/06	12.35	002853	THIRD PARTY SOLUTIONS		8479	IBUPROFEN 400MG	12.35	
18884	06/09/06	5,046.22	009	PACIFIC GAS & ELECTRIC		8480	5/03-5/31 VERNON # B	26.49	
						8481	05/03-05/31 RIVER ST	1,872.75	
						8522	5/3-6/2 370 ENCINAL	3,146.98	
18885	06/09/06	3,418.36	018	SALINAS VALLEY FORD SALES		8421	REV VEH PARTS	3,418.36	
18886	06/09/06	547.88	039	KINKO'S INC.		8482	MAY PRINTING	547.88	
18887	06/09/06	292.02	061	REGISTER PAJARONIAN		8422	ADVERTISING HRD	292.02	
18888	06/09/06	276.00	067	ROTO-ROOTER		8483	REPAIRS/MAINTENANCE	276.00	
18889	06/09/06	19.49	074	KENVILLE LOCKSMITHS	7	8423	PARTS & SUPPLIES	19.49	
18890	06/09/06	6,274.69	079	SANTA CRUZ MUNICIPAL UTILITIES		8484	4/28-5/30 PACIFIC AV	2,193.49	
						8485	4/28-5/30 PACIFIC AV	97.34	
						8486	4/26-5/24 ENCINAL ST	809.44	
						8487	4/26-5/24 DUBOIS ST	310.59	
						8488	4/26-5/24 ENCINAL ST	101.75	
						8489	4/26-5/24 RIVER ST	1,968.56	
						8490	4/26-5/24 GOLF CLUB	793.52	
18891	06/09/06	17,017.56	085	DIXON & SON TIRE, INC.		8453	OUT RPR REV VEH	64.18	
						8454	TIRES & TUBES	16,953.38	
18892	06/09/06	185.72	087	RECOGNITION SERVICES		8491	EMP INCENTIVE 170	185.72	
18893	06/09/06	118.43	104	STATE STEEL COMPANY		8424	SUPPLY/PARTS FLT	118.43	
18894	06/09/06	31.34	115	SNAP-ON INDUSTRIAL		8431	SMALL TOOLS	31.34	
18895	06/09/06	4,316.65	117	GILLIG CORPORATION		8425	REV VEH PARTS	895.95	
						8426	REV VEH PARTS	3,420.70	
18896	06/09/06	2,020.44	130	CITY OF WATSONVILLE UTILITIES		8523	3/2-5/2 RODRIGUEZ ST	36.36	
						8524	3/2-5/2 RODRIGUEZ ST	61.58	
						8525	475 RODRIGUEZ ST	1,316.12	
						8526	3/2-5/2 RODRIGUEZ ST	606.38	
18897	06/09/06	115.51	147	ZEE MEDICAL SERVICE CO.		8492	SAFETY SUPPLIES	115.51	
18898	06/09/06	602.22	148	ZEP MANUFACTURING COMPANY		8427	REV VEH PTS/CLN SUP	602.22	
18899	06/09/06	692.00	158	DLD TRUCK STRAPS, INC.		8428	REV VEH PARTS	692.00	
18900	06/09/06	44.52	161	OCEAN CHEVROLET		8429	REV VEH PARTS	44.52	
18901	06/09/06	142.63	172	CENTRAL WELDER'S SUPPLY, INC.		8493	NITROGEN FOR LNG/MB	142.63	
18902	06/09/06	2,059.68	282	GRAINGER		8430	REV VEH PARTS	1,309.72	
						8494	REPAIRS/MAINT.SUPPLY	749.96	
18903	06/09/06	1,465.93	372	FEDERAL EXPRESS		8432	POST & MAILING	1,465.93	
18904	06/09/06	2,778.38	432	EXPRESS PERSONNEL SERVICES		8495	TEMP W/E 5/7 ADM	930.00	
						8496	TEMP W/E 5/14 ADMIN	918.38	
						8497	TEMP W/E 5/21 ADMIN	930.00	
18905	06/09/06	205.59	434	VERIZON WIRELESS-PAGERS		8433	EQUIP RENTAL	31.80	
						8498	JUNE PAGERS/ FAC	113.36	
						8499	WIRELESS PC CARD	60.43	
18906	06/09/06	53.84	434B	VERIZON CALIFORNIA		8434	MONTHLY RENTAL	53.84	
18907	06/09/06	145.05	436	WEST PAYMENT CENTER		8500	APRIL ACCESS CHARGES	145.05	
18908	06/09/06	817.46	448	UNISOURCE		8435	OFFICE SUPPLIES	184.59	
						8501	PHOTOCOPY PAPER	632.87	
18909	06/09/06	144.62	461	VULTRON INC.		8436	REV VEH PARTS	144.62	
18910	06/09/06	750.00	475	TRAPEZE SOFTWARE GROUP, INC.		8502	FLTMATE APR-JUN 06	750.00	
18911	06/09/06	935.82	480	DIESEL MARINE ELECTRIC, INC.		8437	REV VEH PARTS	935.82	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
18912	06/09/06	321.00	481	PIED PIPER EXTERMINATORS, INC.		8503	JUNE PEST CONTROL	321.00	
18913	06/09/06	175.19	511	LUMINATOR		8438	REV VEH PARTS 170	175.19	
18914	06/09/06	108.79	534	REGENTS OF UNIVERSITY OF CALIF		8504	PREP FOR TRIAL REV	108.79	
18915	06/09/06	21.11	546	GRANITE ROCK COMPANY		8505	REPAIRS/MAINTENANCE	21.11	
18916	06/09/06	74.39	667	CITY OF SCOTTS VALLEY		8506	SEWER CHARGES/ KINGS	74.39	
18917	06/09/06	70.00	682	WEISS, AMY L.		8507	MAY INTERPRETER	70.00	
18918	06/09/06	563.30	711	GLASS DOCTOR	7	8439	OUT RPR/REV VEH	563.30	
18919	06/09/06	307.79	788	SCMTD PETTY CASH - FINANCE		8518	PETTY CASH/ FINANCE	307.79	
18920	06/09/06	36,521.27	800	DELTA DENTAL PLAN		8446	JUNE DENTAL	36,521.27	
18921	06/09/06	1,128.43	845A	BLUE SHIELD OF CALIFORNIA		8440	COBRA PREMIUM	1,128.43	
18922	06/09/06	6,541.84	851	I.M.P.A.C. GOVERNMENT SERVICES		8527	4055019201230522	6,541.84	
18923	06/09/06	1,534.50	852	LAW OFFICES OF MARIE F. SANG	7	8441	WORKER COMP CLAIM	418.50	
						8442	WORKER COMP CLAIMS	1,116.00	
18924	06/09/06	468.34	854	AMERICAN SEATING COMPANY		8443	REV VEH PARTS	468.34	
18925	06/09/06	6,854.36	872	YALE-PACIFIC, INC.		8444	OUT RPR-EQUIP.	5,552.82	
						8445	OUT RPR-EQUIP.	1,301.54	
18926	06/09/06	552.00	878	KELLY SERVICES, INC.		8508	TEMP W/E 5/14 FINANC	552.00	
18927	06/09/06	9.00	880	SEISINT, INC.		8509	PROF/TECH SVC LGL	9.00	
18928	06/09/06	47,960.73	904	RNL DESIGN		8510	PROF SVC THRU 4/30	47,960.73	
18929	06/09/06	6,355.77	909	CLASSIC GRAPHICS		8447	OUT RPR/REV VEH	1,835.93	
						8448	OUT RPR/REV VEH	4,519.84	
18930	06/09/06	70.66	932	A.L. LEASE COMPANY, INC.		8511	REPAIRS/MAINTENANCE	70.66	
18931	06/09/06	14,884.66	941	ASSURANT EMPLOYEE BENEFITS		8449	JUNE LTD INS.	14,884.66	
18932	06/09/06	897.00	943	CLEAN BUILDING MAINTENANCE		8514	MAY JANITORIAL SVCS	897.00	
18933	06/09/06	296,065.80	948	ARNTZ BUILDERS, INC.		8512	CONST.SVC MB	296,065.80	
18934	06/09/06	32,896.20	948A	WESTAMERICA BANK TRUST DEPT		8513	APRIL SERVICES	32,896.20	
18935	06/09/06	2,330.30	952	SEWING MACHINE CENTER		8515	PFSAFF INSTRUC. BOOK	2,330.30	
18936	06/09/06	13,145.91	953	COALINGA MOTORS, INC.		8450	NON REV VEH	13,145.91	
18937	06/09/06	1,408.15	961	DMI		8516	DISKEEPER 10 MAINT.	1,408.15	
18938	06/09/06	3.03	973	SANTA CRUZ DODGE		8451	REV VEH PARTS	3.03	
18939	06/09/06	1,000.00	E023	CALDERON, FRANCISCO		6633	WAIVER PAYMENT	1,000.00	
18940	06/09/06	10.00	E385	GLENN, ISSAC		8517	DMV/VTT FEES	10.00	
18941	06/09/06	43.58	R445	USAA INSURANCE		8520	SETTLEMENT/CLAIM	43.58	
18942	06/09/06	1,100.00	R446	MASTERMAN, JOHN S.		8519	SETTLEMENT /CLAIM	1,100.00	
18943	06/23/06	396.02	001	SBC		8528	JUNE REPEATERS / OPS	396.02	
18944	06/23/06	650.00	001016	ALLARD'S SEPTIC SERVICE, INC.		8529	HAZ WASTE DISPOSAL	650.00	
18945	06/23/06	1,095.62	001048	CRUZ CAR WASH		8530	VEH WASH SVCS / PT	1,095.62	
18946	06/23/06	1,243.73	001052	MID VALLEY SUPPLY		8531	CLEANING SUPPLY /FAC	1,243.73	
18947	06/23/06	125.00	001062	ALLTERRA ENVIRONMENTAL INC.		8532	APRIL 06 PROF. SVC.	125.00	
18948	06/23/06	11,222.29	001063	NEW FLYER INDUSTRIES LIMITED		8618	REV VEH PARTS 533	532.77	
						8619	REV VEH PARTS 658	657.80	
						8620	REV VEH PARTS 786	785.90	
						8621	REV VEH PARTS 1868	1,867.32	
						8622	REV VEH PARTS 490	489.72	
						8623	REV VEH PARTS 7	7.02	
						8624	REV VEH PARTS 295	295.14	
						8625	REV VEH PARTS 1695	1,695.04	
						8626	REV VEH PARTS 766	765.97	
						8627	REV VEH PTS/SUP 1115	1,114.69	
						8628	REV VEH PARTS 42	42.35	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
						8629	REV VEH PARTS 754	754.37	
						8630	REV VEH PARTS 2214	2,214.20	
18949	06/23/06	11,128.50	001075	SOQUEL III ASSOCIATES	7	9000547	RESEARCH PARK RENT	11,128.50	
18950	06/23/06	7,590.00	001076	BROUGHTON LAND, LLC		9000548	110 VERNON ST RENT	7,590.00	
18951	06/23/06	465.50	001093	KROLL LABORATORY SPECIALISTS		8533	4/27-5/25 DRUG TESTS	465.50	
18952	06/23/06	305.27	001112	BRINKS TROPHY SHOPPE	7	8534	LOCAL MEETING EXP.	305.27	
18953	06/23/06	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000549	CAPITOLA MALL RENT	1,407.05	
18954	06/23/06	47.11	001230	CAPITOL CLUTCH & BRAKE, INC.		8631	REV VEH PARTS	47.11	
18955	06/23/06	1,002.78	001263	ABBOTT STREET RADIATOR, INC.		8632	OUT RPR REV VEH	1,002.78	
18956	06/23/06	92,134.84	001316	DEVCO OIL		8633	06/01-06/15 MAY FUEL	92,134.84	
18957	06/23/06	529.75	001346	CITY OF SANTA CRUZ		8536	1/1-4/30 MB INSP.SVC	529.75	
18958	06/23/06	110.00	001365	BORTNICK, ROBERT S. & ASSOC.	7	8537	INVESTIGATIVE SVCS	110.00	
18959	06/23/06	828.84	001379	SAFETY-KLEEN SYSTEMS, INC.		8538	HAZ WASTE DISPOSAL	828.84	
18960	06/23/06	14,851.94	001648	STEVE'S UNION SERVICE		8539	MAY FUEL / PT	14,829.62	
						8634	MAY FUEL FLT	22.32	
18961	06/23/06	15.00	001944	SANTA CRUZ COUNTY LAW LIBRARY		8540	JAN-MAR COPY CHARGE	15.00	
18962	06/23/06	68.62	002028	WESTCOAST LEGAL SERVICE	7	8541	PROF/TECH SVCS	68.62	
18963	06/23/06	169.10	002063	COSTCO		8542	LOCAL MEETING EXP	13.89	
						8543	OFFICE SUPPLIES	76.81	
						8635	PHOTO PROCESS OPS	37.35	
						8636	PHOTO PROCESS OPS	41.05	
18964	06/23/06	26,500.00	002116	HINSHAW, EDWARD & BARBARA	7	9000550	370 ENCINAL RENT	26,500.00	
18965	06/23/06	14,214.64	002117	IULIANO	7	9000551	111 DUBOIS RENT	11,214.64	
						9000552	115 DUBOIS RENT	3,000.00	
18966	06/23/06	382.65	002189	BUS & EQUIPMENT		8544	REV VEH PARTS/ PT	382.65	
18967	06/23/06	29,044.35	002295	FIRST ALARM		8545	APR. DISPATCH SVC/PT	105.00	
						8637	MAY SECURITY	28,939.35	
18968	06/23/06	450.00	002385	OPTIMUM BUSINESS SERVICES, INC	0	8546	COPIER MAINT. AGRMNT	450.00	
18969	06/23/06	2,261.54	002504	TIFCO INDUSTRIES		8638	PARTS & SUPPLIES	343.26	
						8639	PARTS & SUPPLIES	943.52	
						8640	PARTS & SUPPLIES	974.76	
18970	06/23/06	256.00	002567	DEPARTMENT OF JUSTICE		8547	MAY FINGERPRINTS	256.00	
18971	06/23/06	850.00	002624	DIGITAL RECORDERS		8641	REV VEH PARTS	850.00	
18972	06/23/06	2,478.33	002713	SANTA CRUZ AUTO TECH, INC.		8548	OUT RPR REV VEH / PT	2,478.33	
18973	06/23/06	964.93	002721	NEXTEL COMMUNICATIONS		8549	5/4-6/3 PHONES/ PT	964.93	
18974	06/23/06	6,846.82	002805	TELEPATH CORPORATION		8642	JUNE MAINT/EQUIP RPR	3,064.14	
						8643	KITE HILL ANT INST	3,782.68	
18975	06/23/06	45.00	002809	PACIFIC PROPANE		8550	GAS / EQUIP. RENTAL	45.00	
18976	06/23/06	462.99	002810	FENCE 4 RENT	7	8551	2 FENCE RENTALS / MB	462.99	
18977	06/23/06	63,528.08	002814	CREATIVE BUS SALES, INC.		8552	REVENUE VEH PARTS	1,149.75	
						8644	PT BUS AEROTECH	62,378.33	
18978	06/23/06	19,427.15	002829	VALLEY POWER SYSTEMS, INC.		8645	REV VEH PARTS	8,821.28	
						8646	REV VEH PARTS	763.53	
						8647	OUT RPR REV VEH	9,322.17	
						8648	OUT RPR REV VEH	120.00	
						8649	REV VEH PARTS	166.88	
						8650	REV VEH PARTS	233.29	
18979	06/23/06	627.00	002847	STATE OF CA-EDD		8553	PARADISE LEVY	627.00	
18980	06/23/06	86.60	004	NORTH BAY FORD LINC-MERCURY		8651	REV VEH PARTS	86.60	
18981	06/23/06	155.13	007	UNITED PARCEL SERVICE		8652	APR/MAY FREIGHT OUT	155.13	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
18982	06/23/06	16,908.05	009	PACIFIC GAS & ELECTRIC		8554	4/13-6/10 KINGS VLG	2,088.08	
						8555	5/5-6/5 920 PACIFIC	2,195.79	
						8556	4/27-6/1 111 DUBIOS	5,501.49	
						8653	CNG 4/30/06-5/31/06	7,122.69	
						8557	FINGERPRINTING	220.00	
18983	06/23/06	220.00	014	CABRILLO COLLEGE		8654	REV VEH PARTS	4,549.59	
18984	06/23/06	4,549.59	018	SALINAS VALLEY FORD SALES		8558	REPAIRS/MAINT/SUPPLY	688.78	
18985	06/23/06	688.78	036	KELLY-MOORE PAINT CO., INC.		8559	MAY PRINTING	18.31	
18986	06/23/06	18.31	039	KINKO'S INC.		8560	MAY UNIF/LAUNDRY/FAC	73.28	
18987	06/23/06	2,244.35	041	MISSION UNIFORM		8561	MAY UNIF/LAUNDRY/FAC	445.23	
						8562	MAY UNIF/LAUNDRY/PT	78.60	
						8655	MAY UNIF/LAUND FLT	1,647.24	
18988	06/23/06	3,496.49	043	PALACE ART & OFFICE SUPPLY		8563	OFFICE SUPPLIES	3,496.49	
18989	06/23/06	177.65	061A	REGISTER PAJARONIAN		8656	MAY CLASSIF ADV/FLT	91.10	
						8657	MAY CLASSIF ADV/FLT	86.55	
18990	06/23/06	100.86	074	KENVILLE LOCKSMITHS	7	8565	MAY LOCKS / KEYS	12.10	
						8658	REV VEH PARTS	88.76	
18991	06/23/06	653.75	075	COAST PAPER & SUPPLY INC.		8566	CLEANING SUPPLIES	543.34	
						8659	OFFICE SUPPLIES	110.41	
18992	06/23/06	281.94	079	SANTA CRUZ MUNICIPAL UTILITIES		8567	4/6-6/5 RESEARCH PRK	281.94	
18993	06/23/06	1,065.00	080	STATE BOARD OF EQUALIZATION		8568	5/1-6/16 USE TAX	1,065.00	
18994	06/23/06	14,436.06	085	DIXON & SON TIRE, INC.		8569	MAY TIRES/TUBES/PT	2,445.82	
						8660	MAY TIRES & TUBES	11,990.24	
18995	06/23/06	53.04	104	STATE STEEL COMPANY		8661	SUPPLIES/PARTS FLT	53.04	
18996	06/23/06	269.43	107	SAN LORENZO LUMBER		8570	REPAIRS/MAINT/SUPPLY	151.54	
						8662	OTH MOB SUP/PTS FLT	117.89	
18997	06/23/06	2,519.58	110	JESSICA GROCERY STORE, INC.		9000553	CUSTODIAL SERVICES	2,519.58	
18998	06/23/06	2,714.13	117	GILLIG CORPORATION		8663	REV VEH PARTS	2,714.13	
18999	06/23/06	60.19	123	BAY PHOTO LAB		8571	PHOTO PROCESS / PT	60.19	
19000	06/23/06	187.50	126	EUCALYPTUS LANDSCAPING, LLC		8572	LOT SWEEPING / SV	187.50	
19001	06/23/06	98.55	130	CITY OF WATSONVILLE UTILITIES		8573	5/1-5/23 SAKATA LN	13.73	
						8574	5/1-6/1 SAKATA LN	75.12	
						8575	5/1-5/23 RODRIGUEZ	9.70	
19002	06/23/06	2,861.14	135	SANTA CRUZ AUTO PARTS, INC.		8576	REV VEH PARTS/TLS/PT	898.36	
						8664	REV VEH PTS/TOOL REP	1,962.78	
19003	06/23/06	111.01	147	ZEE MEDICAL SERVICE CO.		8577	SAFETY SUPPLIES	111.01	
19004	06/23/06	774.51	148	ZEP MANUFACTURING COMPANY		8665	REV VEH PARTS	774.51	
19005	06/23/06	276.46	149	SANTA CRUZ SENTINEL		8666	CLASSIFIED ADV FLT	276.46	
19006	06/23/06	1,298.74	161	OCEAN CHEVROLET		8578	REV VEH PARTS / PT	1,126.02	
						8667	REV VEH PARTS	172.72	
19007	06/23/06	1,133.76	166	HOSE SHOP. THE		8579	REPAIRS/MAINT/SUPPLY	17.32	
						8668	REV VEH PARTS	1,116.44	
19008	06/23/06	864.88	167	KEYSTON BROTHERS		8669	OTH MOB SUPPLIES	864.88	
19009	06/23/06	453.10	170	TOWNSEND'S AUTO PARTS		8670	REV VEH PTS/SML TOOL	453.10	
19010	06/23/06	15.75	172	CENTRAL WELDER'S SUPPLY, INC.		8580	NITROGEN FOR LNG/MB	15.75	
19011	06/23/06	2,475.26	192	ALWAYS UNDER PRESSURE		8581	REPAIRS/MAINTENANCE	2,475.26	
19012	06/23/06	202.22	210	HOLIDAY SMOG		8671	OUT RPR/OTHER VEH	202.22	
19013	06/23/06	632.50	249	DOC'S TOW & STORAGE, INC.		8672	OUT RPR REV VEH	632.50	
19014	06/23/06	255.00	282	GRAINGER		8582	PROG. WEEKLY TIMER	222.85	
						8673	SMALL TOOL	32.15	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
19015	06/23/06	10.18	288	MUNCIE TRANSIT SUPPLY		8674	REV VEH PARTS	10.18	
19016	06/23/06	830.07	294	ANDY'S AUTO SUPPLY		8583	REV VEH PARTS / PT	361.55	
						8675	REV VEH PRT/SUPPLIES	468.52	
19017	06/23/06	184.00	367	COMMUNITY TELEVISION OF		8584	TV COVERAGE 5/26 MTG	184.00	
19018	06/23/06	1,565.90	395	APPLIED GRAPHICS, INC.		8676	PRINTING OPS	1,565.90	
19019	06/23/06	15.57	405	JOHN'S ELECTRIC MOTOR SVC	7	8585	OUT REPAIR/DELTA SAW	15.57	
19020	06/23/06	1,290.38	432	EXPRESS PERSONNEL SERVICES		8586	TEMP W/E 5/28 ADMIN	558.00	
						8587	TEMP W/E 6/4 ADMIN	732.38	
19021	06/23/06	82.28	436	WEST PAYMENT CENTER		8588	MAY ACCESS CHARGES	82.28	
19022	06/23/06	527.40	448	UNISOURCE		8589	COPY PAPER / METRO	263.70	
						8677	OFFICE SUPPLIES	263.70	
19023	06/23/06	1,368.61	461	VULTRON INC.		8678	REV VEH PARTS	136.61	
						8679	REV VEH PARTS	1,100.00	
						8680	REV VEH PARTS	132.00	
19024	06/23/06	333.00	481	PIED PIPER EXTERMINATORS, INC.		8590	JUNE PEST CONTROL	333.00	
19025	06/23/06	405.94	504	CUMMINS WEST, INC.		8682	OUT RPR REV VEH	405.94	
19026	06/23/06	89.75	510A	HASLER, INC.		8592	7/1-7/31 RENTAL/ADM	48.71	
						8593	7/1-7/31 RENTAL/ PT	41.04	
19027	06/23/06	1,004.00	533	LINDSKOG, P.E., ROBERT	7	8594	PROF. SVC. 3/8-6/8	1,004.00	
19028	06/23/06	368.40	580	BLOCK AND COMPANY, INC.		8591	OFFICE SUPPLIES	368.40	
19029	06/23/06	725.00	616	BROWN ARMSTRONG		8595	MAY AUDIT SERVICES	725.00	
19030	06/23/06	1,058.80	681	SCOTT'S BODY SHOP	7	8681	OUT RPR OTH VEH	1,058.80	
19031	06/23/06	1,441.62	753	DEPARTMENT OF GENERAL SERVICES		8683	STATE CONTRACT CHGS	1,441.62	
19032	06/23/06	713.00	852	LAW OFFICES OF MARIE F. SANG	7	8596	WORKERS COMP. CLAIMS	713.00	
19033	06/23/06	1,332.00	878	KELLY SERVICES, INC.		8597	TEMP/FIN W/E 5/28	564.00	
						8598	TEMP/FIN W/E 6/4	768.00	
19034	06/23/06	346.40	882	PRINT SHOP SANTA CRUZ		8599	PRINTING / HRD	259.80	
						8600	PRINTING / ADMIN	86.60	
19035	06/23/06	37.00	886	ALL PURE WATER		8684	MAY WATER	37.00	
19036	06/23/06	945.00	900	STATE OF CALIFORNIA-DEPT OF		8601	EPA MANIFEST FEES	945.00	
19037	06/23/06	4,588.31	909	CLASSIC GRAPHICS		8685	OUT RPR REV VEH	1,462.07	
						8686	OUT RPR REV VEH	3,126.24	
19038	06/23/06	7,969.69	912	FOLGER GRAPHICS		8602	PRINTING / HEADWAYS	7,969.69	
19039	06/23/06	700.00	916	DOCTORS ON DUTY		8603	4/26-5/25 DRUG TESTS	700.00	
19040	06/23/06	10.83	946	ACME AND SONS		8687	EQUIP RENTAL OPS	10.83	
19041	06/23/06	59.66	959	FIRST ADVANTAGE CORPORATION		8604	11/21-12/23 DRG TEST	59.66	
19042	06/23/06	377.70	962	WESTERN APPRAISERS		8688	INSPECTION BUS#2235	377.70	
19043	06/23/06	1,400.00	993	WORK PERFORMANCE CENTER		8605	5/25-6/9 EMP. PHYS.	1,400.00	
19044	06/23/06	100.00	B003	BEAUTZ, JAN	7	8609	MAY BOARD MEETING	100.00	
19045	06/23/06	50.00	B006	HINKLE, MICHELLE	7	8611	MAY BOARD MEETING	50.00	
19046	06/23/06	100.00	B011	REILLY, EMILY	7	8613	MAY BOARD MEETING	100.00	
19047	06/23/06	100.00	B012	SPENCE, PAT	7	8615	MAY BOARD MEETING	100.00	
19048	06/23/06	100.00	B014	CITY OF WATSONVILLE		8617	MAY BOARD MEETING	100.00	
19049	06/23/06	100.00	B015	ROTKIN, MIKE	7	8614	MAY BOARD MEETING	100.00	
19050	06/23/06	100.00	B016	SKILLICORN, DALE	7	8608	JUNE BOARD MEETING	100.00	
19051	06/23/06	50.00	B017	STONE, MARK	7	8616	MAY BOARD MEETING	50.00	
19052	06/23/06	100.00	B018	BUSTICHI, DENE	7	8610	MAY BOARD MEETING	100.00	
19053	06/23/06	50.00	B020	NICOL, KIRBY		8612	MAY BOARD MEETING	50.00	
19054	06/23/06	10.00	E394	MILBURN, PETER		8606	VTT FEES	10.00	
19055	06/23/06	3,000.00	R447	CHINELLO, ANDREW		8607	CHINELLO SETTLEMENT	3,000.00	

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DATE 07/05/06 13:53

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR COAST COMMERCIAL BANK

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DATE: 06/01/06 THRU 06/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
TOTAL		1,245,620.68	COAST COMMERCIAL BANK				TOTAL CHECKS	207	1,245,620.68

5-2.7

**Page 1 of the June Ridership Report will
be included in the
July 28, 2006 Board Packet.**

BUS OPERATOR LIFT TEST *PULL-OUT*

VEHICLE CATEGORY	TOTAL BUSES	AVG # DEAD IN GARAGE	AVG # AVAIL. FOR SERVICE	AVG # IN SERVICE	AVG # SPARE BUSES	AVG # LIFTS OPERATING	% LIFTS WORKING ON PULL-OUT BUSES
FLYER/HIGHWAY 17 - 40'	7	0	7	1	6	1	100%
FLYER/LOW FLOOR - 40'	12	4	8	5	3	5	100%
FLYER/LOW FLOOR - 35'	18	2	16	14	2	14	100%
FLYER/HIGH FLOOR - 35'	15	3	12	2	10	2	100%
GILLIG/SAM TRANS - 40'	10	1	9	1	8	1	100%
DIESEL CONVERSION - 35'	15	3	12	12	0	12	100%
DIESEL CONVERSION - 40'	14	3	11	9	2	9	100%
ORION/HIGHWAY 17 - 40'	11	1	10	8	2	8	100%
GOSHEN	3	1	2	0	2	0	100%
TROLLEY	1	0	1	0	1	0	100%
CNG NEW FLYER - 40'	8	1	7	6	1	6	100%

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF JUNE 2006

BUS #	DATE	DAY	REASON
8077F	14-Jun	Wednesday	Floats back up from kneel. Won't stay down.
8080F	9-Jun	Friday	Shakes on way down and stow's very labored
8082F	1-Jun	Thursday	Lift would not stow
8085F	20-Jun	Tuesday	Lift caught middle stop decking and pulled it up. Front stops tripping hazard.
8090F	8-Jun	Thursday	Kneel buzzer wouldn't stop. Lift power switch worked reverse to normal= <u>on</u> was <u>off</u> . Couldn't move bus.
8092F	14-Jun	Wednesday	Kneel does not always kneel
9803LF	5-Jun	Monday	Ramp will not deploy. Ramp deploys slow.
9807LF	15-Jun	Thursday	Ramp gets stuck when coming up & going out & needs a slight touch & then resumes proper functioning.
9815LF	28-Jun	Wednesday	Kneel switch cover loose

F New Flyer
 G Gillig
 C Champion
 LF Low Floor Flyer
 GM GMC
 CG CNG
 CN SR855 & SR854
 OR Orion/Hwy 17

Note: Lift operating problems that cause delays of less than 30 minutes.

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**Page 4 of the June Ridership Report will
be included in the
July 28, 2006 Board Packet.**

5-3.4

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Souza, Jason
Date of Incident: 05/16/06

Received: 06/15/06 Claim #: 06-0015
Occurrence Report No.: MISC 06-11

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ _____ and reject the balance.

By Margaret Gallagher
Margaret Gallagher
DISTRICT COUNSEL

Date: June 22, 2006

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of July 28, 2006.

By _____
Cindi Thomas
RECORDING SECRETARY

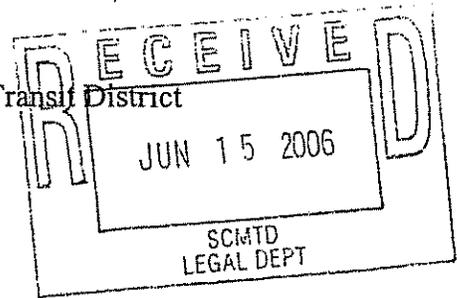
Date: _____

MG/Ig
Attachment(s)

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Pursuant to Section 910 et Seq., Government Code)

Claim # 06-0015



TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

ATTN: Secretary to the Board of Directors
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

1. Claimant's Name: Jason Manuel Souza

Claimant's Address/Post Office Box: [REDACTED]

Claimant's Phone Number: [REDACTED]

2. Address to which notices are to be sent: [REDACTED]

3. Occurrence: I was riding my skate board to the skate park when I hit a rock. The bus driver stopped, saw the board roll in front of him, then proceeded to run it over.
Date: May 15, '06 Time: 2:00 ? Place: the Fun spot
Circumstances of occurrence or transaction giving rise to claim: going to skate park to practice skate boarding
Smashing it like a pep can!

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: broken trucks, ripped wheels, busted bearings, & snapped board.

5. Name or names of public employees or employees causing injury, damage, or loss, if known: public bus driver

6. Amount claimed now \$ 200.00
Estimated amount of future loss, if known \$ 40.00
TOTAL \$ 240.00

7. Basis of above computations: Custom made Pto board - trucks \$60.00 - bearings \$20 wheels \$40, board \$35, gripping & bolts \$15, stickers \$30 - \$40 in sponsorship lost

Jason M. Souza
CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

June 14, 2006
DATE

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District

5-4.2

****REVISED****



**Agenda
METRO Advisory Committee**

6:00 pm
July 19, 2006
920 Pacific Avenue
Santa Cruz, California

1. Roll Call
2. Agenda Additions/Deletions
3. Oral/Written Communication
4. Consideration of Minutes of June 21, 2006
5. Ridership Report for May 2006
6. ParaCruz Operations Status Report for ~~May~~ **March** 2006
7. Discussion of METRO Smoking/Non-Smoking Policy In and Around Transit Centers Including Consideration of Public Opinion
8. Discussion of the DOT's Proposed Rule Concerning Modifications to the ADA and Related Rules Affecting Public Transportation
9. Review of 5 Year Operating and Capital Financial Plan
10. Discussion of West Side Proposal
11. **Discussion of Paracruz Customer Guide changes**
12. Communications to METRO General Manager
13. Communications to METRO Board of Directors
14. Items for Next Meeting Agenda
15. Adjournment

Next Meeting: Wednesday August 16, 2006 @ 6:00 pm
Santa Cruz Metro Conference Room

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes - METRO Advisory Committee (MAC)

May 17, 2006

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, May 17, 2006 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

Chair Robert Yount called the meeting to order at 6:02 p.m.

1. ROLL CALL:

MEMBERS PRESENT

Dan Alper
Norm Hagen, Vice-Chair
Paul Marcelin-Sampson
Mara Murphy (arrived after roll call)
Dennis Papadopulo
Dave Williams
Robert Yount, Chair

MEMBERS ABSENT

Lesley Wright
Stuart Rosenstein

VISITORS PRESENT

Carolyn Derwing, UTU
Matthew Melzer

STAFF PRESENT

Les White, General Manager
Mark Dorfman, Assistant General Manager
Steve Paulson, Paratransit Administrator

2. AGENDA ADDITIONS/DELETIONS

None.

3. ORAL/WRITTEN COMMUNICATION

Oral: Norm Hagen requested an update from SCMTD Staff on the Route 79 Ridership. He states he has noticed a considerable increase in ridership over the last year and half. Robert Yount stated that the ridership figures are included in the Board Packet.

Oral: Paul Marcelin-Sampson reminded the Committee of the Transportation Funding Task Force and the upcoming meeting on Saturday, May 20, 2006. He mentioned the website, www.tftaskforce.org, and encouraged people to attend the Task Force meetings. He continued by saying the meetings are lacking in pertinent substance regarding local transportation issues referring to the last meeting where the topics were "antique cable cars" and "smaller buses."

Oral: Les White stated that he had just returned from 3 days in Sacramento. He stated that the Governor had just signed a bill and explained how it would affect SCMTD. He discussed financial figures, ballot measures on the upcoming November election and how the current budget would be affected. Dave Williams asked if the money figures are "capital only." Les White replied affirmatively.

5-5.2

Oral: Paul Marcelin-Sampson asked Les White to give the Committee an update on MetroBase. Les White responded by saying the MetroBase project is under construction and discussed the budget and how it was divided up into 3 parts. He discussed the current process of the construction and pile driving process. He continued to describe the future processes and funding of the project including the fuel conversion of all buses thus eliminating diesel fuel completely by projected year 2012.

Bob Yount asked if there were any questions and then asked when the lease costs of existing offices would be eliminated. Les White described the present plans of relocating the Administrative, Fleet and Construction offices by purchasing the Vernon Street building and proposed that this would be complete by Jan 01, 2008. He continued explaining the process of finishing the Maintenance building, moving the Dubois shop facilities there, and eliminating the Devco premium fuel charges when the Fueling Station is complete. Les White concluded the MetroBase update by explaining the process of purchasing a permanent location for ParaCruz and the budget plans.

Norm Hagen asked how the public would become aware of the proposed plans. Les White stated the information would be in front of the Board in June and if the Board adopted the policies, the information will then be released to the public. Norm Hagen wanted clarification if there was constant media coverage of the progress of the new facilities. Les White then spoke of the bond measures and how it would affect the budget.

4. CONSIDERATION OF MINUTES OF FEBRUARY 15, 2006 AND MARCH 15, 2006 MEETINGS (NO MEETING IN APRIL – LACK OF QUARUM)

Paul Marcelin-Sampson asked that the February 15th Minutes be corrected on page three, Item #9 to indicate he and Robert Yount both agreed to volunteer to type up the Subcommittee's final draft.¹

ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: DENNIS PAPADOPULO

ACCEPT AND FILE MINUTES OF THE FEBRUARY AND MARCH MEETINGS WITH THE REQUESTED CHANGES

Motion passed with Paul Marcelin-Sampson abstaining on the March minutes because he was absent from that meeting and Lesley Wright and Stuart Rosenstein being absent.

5. DISCUSSION OF FIXED ROUTE USE IN WATSONVILLE

Norm Hagen stated the need for more bus service on the weekends in Watsonville based on his observations and conversation with bus riders. Norm Hagen stated that the ParaCruz system is difficult and expensive. Mr. Hagen continued by stating he has observed an increasing ridership. Mara Murphy informed the Committee that Family Services is moving to the courthouse and creating additional ridership for that area.

¹ This correction was made to the February minutes

Norm Hagen requested additional evening service to accommodate riders staying out longer during summer hours. Norm Hagen asked how the bus service is divided up between Santa Cruz based on the populations. Les White stated that without the University the two towns are approximately equal. Mara Murphy asked if there were ridership reports available. Mark Dorfman stated there are reports available and that they would be included in the MAC Packets going forward.

Mara Murphy asked if there was any public forums concerning the needs and wants of the community. Les White responded by saying that is what the Task Force is for. Paul Marcelin-Sampson reported that when he attends the public meetings several people attend and speak positively about METRO but then no one rides home on the bus.

ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: NORM HAGEN

INVESTIGATE POSSIBLE GRANTS FOR ADDITIONAL BUS SERVICE FOR WATSONVILLE AND HOLIDAYS.

Motion passed unanimously with Lesley Wright and Stuart Rosenstein being absent.

6. DISCUSSION OF WESTSIDE PROPOSAL

Mathew Melzer handed out his proposal of route adjustments, which is attached to the file copy of these minutes, that would be more efficient on Santa Cruz's Westside. Mr. Melzer then explained his proposal and how it would eliminate Route 3B, resurrect the Route 2, hypothetically making it the Route 18, add trips to Route 20, and cut trips from Routes 15 and 16. Route 18 would re-establish past routes. The proposal also suggested Route 7 to provide service to Natural Bridges and DeAnza and have Route 68 serve the Beach Flats. Paul Marcelin-Sampson offered some possible options to the proposal. Norm Hagen requested some time to study the proposal because he had not seen it. Les White stated he felt the proposal was well thought out and would step back and let Mark Dorfman, Ian McFadden, and the Service Planning and Review Committee work on it.

Mr. White handed out a flyer being distributed around the University, which is attached to the file copy of these minutes, telling people not to ride the METRO. Carolyn Derwing reported that she was on the Service Planning and Review Committee (SPARC) and would be glad to present the proposal to SPARC. Ms. Derwing reported Route 3B was being renamed Route 3 and that Route 7N is being changed to Route 68N. Ms. Derwing suggested that any proposed route changes be turned in immediately in time for the next SPARC meeting.

ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: NORM HAGEN

ACCEPT AND FILE PROPOSAL AND PROVIDE COPY FOR SPARC WITHOUT ANY ENDORSEMENTS

Motion passed unanimously with Lesley Wright and Stuart Rosenstein being absent.

7. DISCUSSION OF LOW PRESSURE TOILETS

Paul Marcelin-Sampson stated he was a very strong supporter of “low-flow” toilets and waterfree urinals. Paul suggested converting all METRO buildings to be fitted with “low flow” toilets and waterfree urinals including retrofitting existing buildings. Les White stated that the installation of new fixtures could be costed out and recommended that facilities the METRO would inhabit for 3 years or less not be retrofitted due to cost. The new facilities will have “low-flow” toilets but Les was not sure about waterfree urinals.

ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: NORM HAGEN

RECOMMEND THAT ALL METRO BUILDINGS BE FITTED WITH NEW “LOW-FLOW” TOILETS AND WATERFREE URINALS.

ACTION: AMMENDMENT: PAUL MARCELIN-SAMPSON SECOND: NORM HAGEN

METRO RECOMMENDS THAT ALL NEW METRO FACILITIES AND FACILITIES METRO WILL INHABIT FOR MORE THAN THREE YEARS BE FITTED WITH NEW “LOW-FLOW” TOILETS AND WATERFREE URINALS.

Motion passed unanimously with Lesley Wright and Stuart Rosenstein being absent.

8. DISCUSSION OF RTC ALLOCATING SUFFICIENT RESOURCES TO PUBLIC TRANSIT (INVITATION TO GEORGE DONDERO)

Robert Yount asked if an invitation went out to George Dondero. Mark Dorfman stated that unfortunately no invitation had been sent out yet and suggested that this item be carried over to next MAC meeting on June 21, 2006. Les White reported on budget and funding issues including putting in a request for bus stop shelters from RTC and sales tax. Paul Marcelin-Sampson spoke of the information being shared at the Transportation Task Force that could be misconceived by the public.

9. COMMUNICATIONS TO METRO GENERAL MANAGER

None

9. COMMUNICATIONS TO METRO BOARD OF DIRECTORS

None

10. ITEMS FOR NEXT MEETING ADJENDA

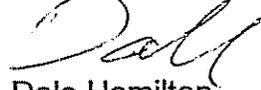
- Discussion of RTC Allocating Sufficient Resources to Public Transit (Invitation to George Dondero)
- Discussion of METRO Smoking Policy in Transit Centers

- Discussion of proposed DOT rules regarding ADA. Robert Yount handed out information on the proposed DOT rules, which is attached to the file copy of these minutes

ADJOURN

There being no further business, Chair Yount thanked everyone for participating, and he adjourned the meeting at 7:40 p.m.

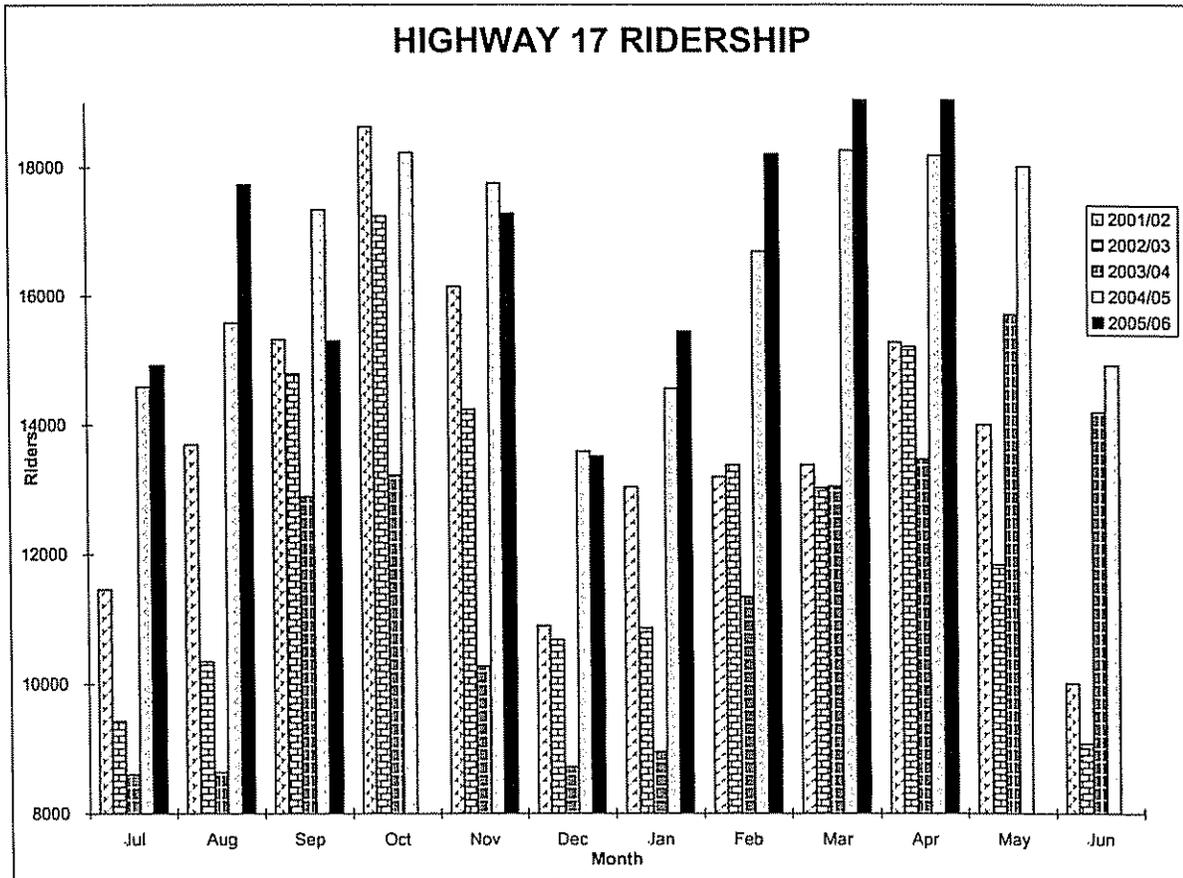
Respectfully submitted,



Dale Hamilton
TEMPORARY ADMINISTRATIVE ASSISTANT

HIGHWAY 17 - APRIL 2006

	March			YTD		
	This Year	Last Year	%	This Year	Last Year	%
FINANCIAL						
Cost	\$ 124,061	\$ 112,959	9.8%	\$ 1,063,287	\$ 1,144,050	(7.1%)
Farebox	\$ 64,410	\$ 60,378	6.7%	\$ 490,738	\$ 534,582	(8.2%)
Operating Deficit	\$ 55,630	\$ 47,473	17.2%	\$ 493,059	\$ 526,198	(6.3%)
Santa Clara Subsidy	\$ 27,815	\$ 23,737	17.2%	\$ 246,530	\$ 263,099	(6.3%)
METRO Subsidy	\$ 27,815	\$ 23,737	17.2%	\$ 246,530	\$ 263,099	(6.3%)
San Jose State Subsidy	\$ 2,246	\$ 2,774	(19.0%)	\$ 15,720	\$ 17,910	(12.2%)
AMTRAK Subsidy	\$ 1,775	\$ 2,334	(23.9%)	\$ 63,769	\$ 65,360	(2.4%)
STATISTICS						
Passengers	19,407	18,183	6.7%	150,867	164,784	(8.4%)
Revenue Miles	39,594	40,666	(2.6%)	357,746	411,225	(13.0%)
Revenue Hours	1,485	1,525	(2.6%)	13,416	15,420	(13.0%)
Passengers/Day	647	606	6.7%	565	542	4.2%
Passengers/Weekday	796	737	8.0%	702	673	4.3%
Passengers/Weekend	349	300	16.3%	267	240	11.1%
PRODUCTIVITY						
Cost/Passenger	\$ 6.39	\$ 6.21	2.9%	\$ 7.05	\$ 6.94	1.5%
Revenue/Passenger	\$ 3.32	\$ 3.32	(0.1%)	\$ 3.25	\$ 3.24	0.3%
Subsidy/Passenger	\$ 2.98	\$ 2.76	7.9%	\$ 3.37	\$ 3.30	2.1%
Passengers/Mile	0.49	0.45	9.6%	0.42	0.40	5.2%
Passengers/Hour	13.07	11.92	9.6%	11.24	10.69	5.2%
Recovery Ratio	51.9%	53.5%	(2.9%)	46.2%	46.7%	(1.2%)



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006
TO: Board of Directors
FROM: Steve Paulson, Paratransit Administrator
SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004.
- New regulations regarding lunch and rest breaks became effective August 1, 2005.
- Operating Statistics and customer feedback information reported are for the month of April 2006.

III. DISCUSSION

METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.

METRO began direct operation of ADA paratransit service (METRO ParaCruz) beginning November 1, 2004. This service had been delivered under contract since 1992.

New regulations requiring meal periods became effective August 1, 2005. This presented new scheduling challenges resulting in decreased driver productivity and increased use of supplemental service providers.

During the month of April, seventeen (17) service complaints and three (3) compliments were received regarding service issues. Twelve (12) of the complaints were found to be either "not valid" or unverifiable. In each of these instances, the staff member was reminded of the importance of quality customer service. Two (2) of the valid complaints was related to missed

5-8.1

trips, one (1) as the result of late pick up, due to dispatch error, one (1) related to a scheduling error, and one as a result of an operator's failure to escort a passenger to the door.

Operating Statistics for FY 05-06 through April 2006

	July 05	Aug 05	Sept 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06
Scheduled	7570	7935	8413	9526	8516	7262	7361	7419	8734	8331
Performed	6513	6799	7220	8384	7199	6202	6405	6360	7819	7019
Total miles	50,755	56,599	55,890	64,163	55,208	49,325	50,259	45,879	59,382	52,181
Av trip miles	5.86	6.03	5.69	5.75	5.79	5.71	5.57	5.12	5.58	5.42
Within ready window	91.97%	91.99%	90.93%	87.88%	89.67%	92.26%	94.06%	91.24%	90.71%	90.97%
Excessively late/missed trips	9	12	23	33	19	9	4	22	17	11
Monthly call volume	6163	6719	6465	7481	6325	5784	5690	5692	6544	5959
Call average seconds to answer	36	29	29	30	26	29	23	23	23	22
Hold times less than 2 minutes	88%	90%	90%	90%	92%	91%	95%	95%	96%	97%
Distinct riders	795	806	842	878	827	779	748	770	813	817
Most frequent rider	52 rides	49 rides	57 rides	53 rides	45 rides	43 rides	48 rides	47 rides	56 rides	50 rides
Shared rides	58.5%	58.9%	63.6%	66.3%	66.1%	60.4%	58.9%	63.5%	64.6%	65.1%
Passengers per rev hour	1.68	1.38	1.58	1.64	1.66	1.45	1.48	1.53	1.60	1.58
Rides by supplemental providers	5.47%	7.94%	8.23%	13.10%	15.19%	6.05%	1.92%	3.21%	7.02%	6.31%
SCT cost per ride	\$22.23	\$22.79	\$22.95	\$25.17	\$22.73	\$24.40	\$22.46	\$22.78	\$22.85	\$22.88
ParaCruz driver cost per ride (est)	\$23.58	\$24.87	\$23.31	\$25.26	\$24.77	\$24.88	\$24.27	\$24.87	\$24.32	\$24.81
Rides < 10 miles	81.29%	82.85%	79.87%	78.01%	77.89%	79.83%	79.30%	79.63%	78.11%	79.27%
Rides > 10 miles	18.71%	17.15%	20.14%	21.99%	22.11%	20.17%	20.70%	20.36%	21.89%	20.73%

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IV. FINANCIAL CONSIDERATIONS

NONE

V. ATTACHMENTS

NONE

5-8:3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006
TO: Board of Directors
FROM: Frank L. Cheng, Project Manager
SUBJECT: STATUS OF THE METROBASE PROJECT

I. RECOMMENDED ACTION

That the Board of Directors accept and file the MetroBase Status Report.

II. SUMMARY OF ISSUES

- Service Building work
 - Rough grading of site
 - Building subgrade work, underground plumbing and electrical
 - Concrete Pile cutoff
- Maintenance Building package in review stage

III. DISCUSSION

Service & Fueling Building work is continuing on 1122 River Street. Concrete piles were driven and have been cutoff and final survey to be completed. other components of the project around the piles are being constructed. The Building subgrade work that can be seen are underground plumbing and electrical work. Also, the LCNG platform is under construction.

Maintenance Building package will be in the review process before it goes out to bid. Meetings are set up for discussion of the package content.

New updates for the MetroBase Project can be viewed at <http://www.scmtd.com/metrobase>
Information on the project, contact information, and MetroBase Hotline number (831) 621-9568 can be viewed on the website.

New updates on the MetroBase Project:

- Rough grading of site
- Building subgrade work, underground plumbing and electrical
- Concrete Pile cutoff

Previous information regarding the MetroBase Project:

A. Service & Fueling Building (IFB 05-12)

- Concrete Driven Piles Phase #2 completed end of May 2006.
- Arntz Builders trailer and containers installed adjacent to 1122 River Street

5-11.1

- Public Outreach Newsletter sent to areas possibly affected by construction.
- Notice to Proceed issue effective January 9, 2006 with 365 calendar day construction period.
- Weekly Construction Meetings

B. Maintenance Building

- Construction schedule set to 32 months
- RNL contract modified for added Maintenance Building scope
- RNL began working on the Maintenance Building portion of the MetroBase project.
- Harris & Associates contract modified for added Maintenance Building scope.

IV. FINANCIAL CONSIDERATIONS

Funds for the construction of the Service & Fueling Building Component of the MetroBase Project are available within the funds the METRO has secured for the Project.

V. ATTACHMENTS

Attachment A: None

5-11.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006
TO: Board of Directors
FROM: Tom Stickel, Manager of Maintenance
SUBJECT: CONSIDERATION OF CONTRACT EXTENSION WITH DEVCO OIL, INC. FOR DIESEL AND GASOLINE FUEL

I. RECOMMENDED ACTION

It is recommended that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Devco Oil, Inc. for diesel and gasoline fuel.

II. SUMMARY OF ISSUES

- The District has had a contract with Devco Oil, Inc. to provide diesel and gasoline fuel for the past five years.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

III. DISCUSSION

The Santa Cruz Metropolitan Transit District requires the supply of diesel and gasoline fuel for use in its fleet. The estimated monthly requirements for this contract are 80,000 gallons of diesel fuel and 2,000 gallons of unleaded gasoline fuel per month. The District does not have its own diesel or gasoline fueling facilities, so it is necessary for the fueling to be done off-site at the facilities of the provider of the fuels. Since each vehicle will have to be transported to the contractor's facility on a daily basis, it is imperative that the facility used for the delivery of fuel be within a 10-block radius of the District's Operations Facility at 1200 River Street.

With the construction of the MetroBase Fueling and Bus Wash Facility projected to be completed in the first quarter of 2007, the District will still need to have a contract for diesel and gasoline fuels. The District has negotiated with Devco Oil, Inc. to provide fuel for one additional year under the same terms of reimbursement with an cancellation clause for either diesel and/or gasoline fuel with ten days written notice. Devco Oil, Inc. has provided excellent service over the past five years of the current contract. District staff recommends that the Board of Directors authorize the General Manager to sign a one-year contract extension on behalf of the District.

IV. FINANCIAL CONSIDERATIONS

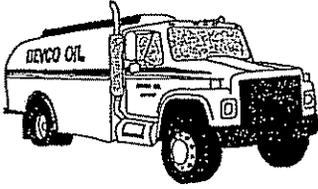
Funding for this contract is contained in the Operating Budget. The annual budget for diesel and gasoline fuel is \$ 1,750,000.

5-12.1

V. ATTACHMENTS

- Attachment A:** Letter from Devco Oil, Inc
Attachment B: Contract Amendment

Attachment A



DEVCO OIL, INC.

139 Encinal Street
P O Box 473
Santa Cruz, CA 95060
Phone 831 423-2121
Fax 831 423-4128

Fuel
•
Lubricants
•
Cardlock

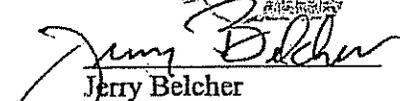


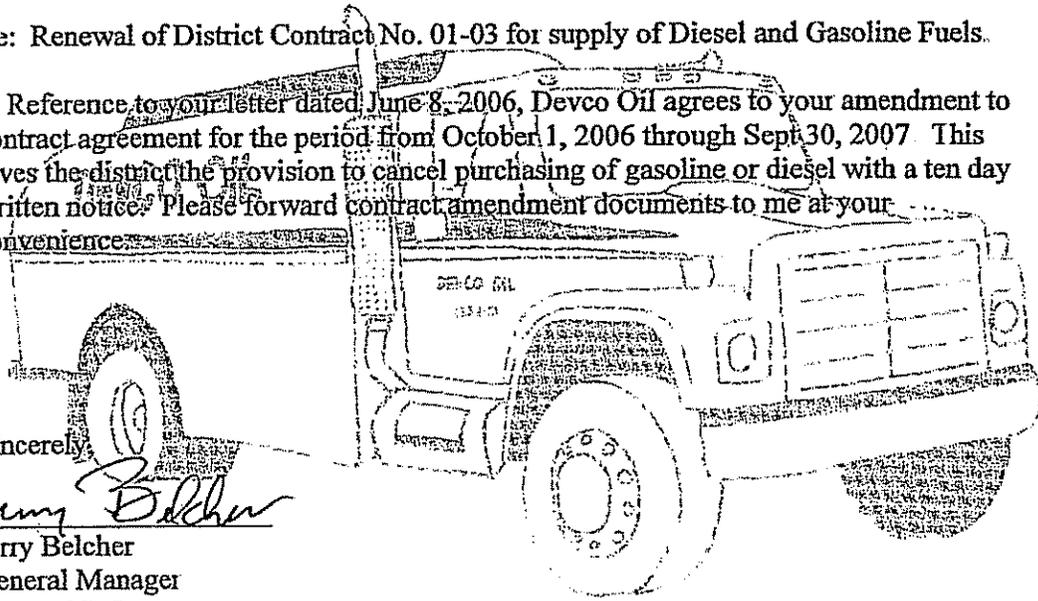
Mr. Lloyd Longnecker
Santa Cruz Metropolitan Transit District
110 Vernon St. Suite B
Santa Cruz, Ca. 95060

Re: Renewal of District Contract No. 01-03 for supply of Diesel and Gasoline Fuels.

In Reference to your letter dated June 8, 2006, Devco Oil agrees to your amendment to contract agreement for the period from October 1, 2006 through Sept 30, 2007. This gives the district the provision to cancel purchasing of gasoline or diesel with a ten day written notice. Please forward contract amendment documents to me at your convenience.

Sincerely,


Jerry Belcher
General Manager
Devco Oil, Inc.



SANTA CRUZ METRO
TRANSIT DISTRICT

2006 JUN 20 AM 11:58

RECEIVED

5-12.91

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
THIRD AMENDMENT TO CONTRACT NO. 01-03
FOR SUPPLY OF DIESEL AND GASOLINE FUELS**

This Third Amendment to Contract No. 01-03 for supply of diesel and gasoline fuels is made effective October 1, 2006 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and Devco Oil, Inc. ("Contractor").

I. RECITALS

- 1.1 District and Contractor entered into a Contract for supply of diesel and gasoline fuels ("Contract") on October 1, 2001.
- 1.2 The Contract allows for the extension upon mutual written consent.
- 1.3 The District requests the addition of a cancellation clause for either gasoline and/or diesel fuel.

Therefore, District 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 September 30, 2007. This Contract may be mutually extended by agreement of both parties.

III. ADDITIONAL CANCELLATION CLAUSE

- 3.1 District reserves the right to cancel the provisions for unleaded gasoline and/or diesel fuel by providing Contractor with ten (10) days written notice.

IV. REMAINING TERMS AND CONDITIONS

- 4.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

V. AUTHORITY

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

SIGNATURES ON NEXT PAGE

5-12. b1

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
DEVCO OIL, INC.

By _____

Jerry Belcher
General Manager, CFO

APPROVED AS TO FORM:

Margaret R. Gallagher
District Counsel

5-12.62

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: July 28, 2006
TO: Board of Directors
FROM: Margaret Gallagher, District Counsel
SUBJECT: ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF APRIL THROUGH JUNE 2006

I. RECOMMENDED ACTION

This report is for informational purposes only. No action is required.

II. SUMMARY OF ISSUES

- At the November 2001 Board of Directors meeting, staff was authorized to conduct quarterly call stop compliance audits of the internal call stop announcements.
- Staff contracted with Robert S. Bortnick & Associates, a private investigative firm, to conduct the audit.
- METRO has 41 active routes serving 998 active bus stops. On July 25, 2003, the Talking Bus was activated on all local routes excluding the Highway 17 service.
- On February 23, 2004 all buses and routes, including the Highway 17 service were equipped with the Talking Bus Technology and the system was fully operational.

III. DISCUSSION

At the November 2001, Board of Directors' meeting, staff was authorized to conduct quarterly call stop compliance audits to insure that call stop announcements were being made. Staff contracted with Robert S. Bortnick & Associates, a private investigative firm, to conduct the audits. Robert S. Bortnick & Associates was authorized to conduct 100 hours to survey the internal announcements at a cost of \$5,000.00 each quarter. METRO has 41 active routes serving 998 active bus stops. METRO purchased Talking Bus equipment and programming capabilities in order to assure compliance with the call stop requirements. On July 25, 2003 the Talking Bus was activated on all local routes. On February 23, 2004, all buses in Metro's fixed route service, including the Highway 17 service, were equipped with the Talking Bus Technology.

Attachment A details the results of the current audit for the period April through June 2006. The results of the audit indicate a compliance rate of 98%. Attachment B provides the results of the call stop audits since the Talking Bus Technology has been in operation.

All compliance issues are referred to the Operations Department for review and appropriate action. Equipment malfunctions are referred to the Maintenance Department and programming errors are referred to the IT Department.

Additionally, METRO's contract security guards complete random external route announcement checks on 25 buses per day at Pacific Station, verifying that each bus announces the route four times within a 2-minute period prior to the bus' departure from Pacific Station. During this period, April through June 2006, the security guards documented that of the buses that they audited daily for the 90-day period, only 8 failures occurred during the period. Therefore, of the 2,250 possible external announcements, the announcements were properly announced 2,242 times and failed 8 times during the period (99.645%).

IV. FINANCIAL CONSIDERATIONS

Randomly conducted call stop compliance audits cost approximately \$20,000.00 per year.

V. ATTACHMENTS

Attachment A: Stop Announcement Audit Results (April-June 2006)

Attachment B: Summary of Audit Results

ROBERT S. BORTNICK & ASSOCIATES
PRIVATE INVESTIGATION

CRIMINAL/CIVIL
CA. LIC. NO. PI11733

136 VERNON STREET
SANTA CRUZ, CALIFORNIA 95060
TELEPHONE (831) 423-5122
FAX (831) 459-0430
E-MAIL: BortnickPI@yahoo.com

**STOP ANNOUNCEMENT AUDIT RESULTS
(APRIL – JUNE 2006)**

Statistical Summary

Total number of trips surveyed _____ 91
 Total number of trips with talking buses _____ 91 (100%)
 Total number of stop announcements surveyed _____ 2,747
 Total number of stop announcements made _____ 2,693 (98%)
 Total number of stop announcements missed _____ 54

Key to Codes

M = missed announcement(s)

Operator Badge Issues

* Did not note the Badge ID# or description of operator on this trip (Route 35 on 06/06/06)

Table of Results

<u>ROUTE</u>	<u>BUS #</u>	<u>DATE</u>	<u>CALLS MADE</u>	<u>CALLS MISSED</u>	<u>NOTES</u>
03B -- Mission/Nat Brdgs	9801	06/05/06	40	1	M
04 -- Harvey Wst/Para/Em	2212	06/02/06	27	2	M
07 -- Beach/Lighthouse	9808	05/11/06	27	0	
07 -- Beach/Lighthouse	9828	06/19/06	27	0	
07N -- Beach Nt/Cap Mall	2211	06/15/06	33	1	M
07N -- Beach Nt/Cap Mall	9805	06/18/06	34	0	
07N -- Beach Nt/Metro Ctr	9805	06/18/06	18	1	M
10 -- UC High St	9828	05/11/06	34	0	
10 -- UC High St	2224	06/23/06	6	0	

Table of Results

<u>ROUTE</u>	<u>BUS #</u>	<u>DATE</u>	<u>CALLS MADE</u>	<u>CALLS MISSED</u>	<u>NOTES</u>
13 – UC Walnut	2204	06/01/06	34	0	
15 – Laurel West	2226	06/02/06	29	0	
16 – Laurel East	9801	05/14/06	17	0	
16 – Laurel East	2225	06/01/06	31	0	
16 – Laurel East	9823	06/15/06	31	0	
19 – Lower Bay Wknd	2231	06/17/06	36	5	M
19 – UC Lower Bay	9811	06/29/06	37	1	M
31 – SV Dr/Graham Hill	9823	06/23/06	21	0	
31 – SV Dr/Hwy 17 SC	9823	06/23/06	19	0	
35 – Glen Arbor/Mt Store	2214	06/06/06	37	1	M
35 – Hwy 9/Bear Creek	9805	06/19/06	31	0	
35 – Santa Cruz	9803	05/13/06	36	0	
35 – Santa Cruz	9802	06/06/06	36	0	
35 – Santa Cruz	2223	06/17/06	32	0	
35 – Santa Cruz	9805	06/19/06	36	0	
35 – Santa Cruz	2220	06/20/06	36	0	
35 – Santa Cruz	9810	06/24/06	32	0	
35 – Santa Cruz	9810	06/28/06	26	0	
35A – Glen Arbor/Mt Str	9814	05/13/06	47	0	
35A – Glen Arbor/Mt Str	9815	06/17/06	47	0	
35A – Glen Arbor/Mt Str	9810	06/28/06	47	0	
35A – Hwy 9/BC/Sylvan	2220	06/20/06	40	0	
35A – Hwy 9/MS/Sylvan	2220	06/24/06	40	0	
40 – Santa Cruz	2227	06/21/06	15	0	
40 – Waddell Cr/Davnpt	2227	06/21/06	15	0	
41 – Bonny Doon	2217	06/23/06	8	0	
42 – Davenport/BD	2201	06/25/06	40	1	M
53 – Capitola/Dominican	9815	05/30/06	38	0	
55 – Rio Del Mar	9813	06/05/06	36	0	
55 – Rio Del Mar	9804	06/26/06	14	0	
56 – Cabrillo/La Selva	8092	05/30/06	21	0	
56 – Capitola Mall	8092	05/30/06	10	1	M
66 – 17 th Ave/Cap Mall	9803	05/13/06	31	0	
66 – 17 th Ave/Cap Mall	2217	06/24/06	5	0	
66 – 17 th Ave/Cap Mall	2214	06/28/06	31	0	
66 – 17 th Ave/SC	2218	05/13/06	31	0	
66 – 17 th Ave/SC	9802	06/26/06	31	0	
66 – 17 th Ave/SC	9802	06/28/06	31	0	
68 – Cap Mall 2	9817	05/14/06	30	0	
68 – Cap Mall	2221	06/18/06	27	2	M
68 – Santa Cruz	2220	05/14/06	31	0	
68 – Santa Cruz	2216	06/18/06	23	0	

5-13.a2

Table of Results

<u>ROUTE</u>	<u>BUS #</u>	<u>DATE</u>	<u>CALLS MADE</u>	<u>CALLS MISSED</u>	<u>NOTES</u>
69 – Capitola Rd	2219	06/05/06	20	0	
69 – Capitola Rd	2218	06/28/06	5	0	
69 – Santa Cruz	9813	06/18/06	5	0	
69 – Santa Cruz	2207	06/20/06	5	0	
69 – Santa Cruz	9803	06/21/06	5	0	
69A – Cap Rd/SC	9814	06/07/06	31	1	M
69A – Cap Rd/SC	2206	06/08/06	32	0	
69A – Cap Rd/SC	2223	05/11/06	37	0	
69A – Cap Rd/SC	2204	06/23/06	6	0	
69A – Cap Rd/SC	2236	06/28/06	6	0	
69A – Cap Rd/Wats	9820	06/26/06	36	4	M
69A – Cap Rd/Wats	2236	06/29/06	39	0	
69N – Cap Mall/Cabrillo	2214	06/15/06	13	0	
69N – SC/Capitola Vill	9823	06/15/06	5	0	
69N – SC/Capitola Vill	9802	06/15/06	31	1	M
69W – Cabrillo/SC	9818	06/17/06	6	0	
69W – Cabrillo/SC	2221	06/18/06	6	0	
69W – Cabrillo/SC	2219	06/25/06	32	0	
69W – Cabrillo/SC	9801	06/29/06	37	0	
69W – Cabrillo/Wats	2220	06/02/06	5	0	
69W – Cabrillo/Wats	2223	06/07/06	35	0	
69W – Cabrillo/Wats	9814	06/13/06	40	0	
71 – Arthur/SC	2231	05/31/06	73	0	
71 – Clifford/SC	9821	06/05/06	29	0	
71 – Clifford/SC	9820	06/13/06	57	16	M
71 – Clifford/Wats	9809	06/15/06	5	0	
71 – Clifford/Wats	2231	06/16/06	70	4	M
71 – Clifford/Wats	2222	06/18/06	6	0	
71 – Clifford/Wats	2207	06/20/06	5	0	
71 – Crestview/SC	2225	06/26/06	39	1	M
71 – Crestview/Wats	9820	05/11/06	70	0	
71 – Crestview/Wats	8085	06/08/06	65	0	
71 – Crestview/Wats	2222	06/17/06	5	0	
71 – Crestview/Wats	2203	06/25/06	64	1	M
71 – Pennsylvania/Wats	9821	05/31/06	67	2	M
72 – Corralitos	9814	06/13/06	39	0	
74 – Ohlone/Rolling Hills	9808	06/16/06	42	0	
75 – Green Valley	2224	06/13/06	59	1	M
76 – Green Valley	2223	06/25/06	52	1	M
79 – East Lake	2228	06/13/06	17	6	M

5-13.a3

SUMMARY OF THE CALL STOP QUARTERLY AUDIT RESULTS

	Jul-Sep 2003	Oct-Dec 2003	Jan-Mar 2004	Apr-Jun 2004	Jul-Sep 2004	Oct-Dec 2004	Jan-Mar 2005	Apr-Jun 2005	Jul-Sep 2005	Dec 2005- Feb 2006	Apr-Jun 2006
Call Stops Survey	2,418	2,596	2,378	3,223	2,855	2,294	3,521	3,061	2,420	3,297	2,747
Call Stops Announced	2,305	2,558	2,371	3,165	2,842	2,258	3,490	3,003	2,367	3,258	2,693
Call Stops Not Announced	113	38	7	58	11	36	31	58	53	39	54
Percent of Call Stops Completed	95.3%	98.5%	99.7%	98.2%	99.6%	98.4%	99.1%	98.1%	97.8%	98.8%	98%
% of Call Stops Not Completed	4.7%	1.5%	.3%	1.8%	.4%	1.6%	.9%	1.9%	2.2%	1.2%	2%

5-13.61

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 14, 2006
TO: Board of Directors
FROM: Elisabeth Ross, Finance Manager
**SUBJECT: RENEWAL OF LIABILITY AND PHYSICAL DAMAGE INSURANCE
COVERAGE WITH CALTIP FOR FY 2006-07**

ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors authorize payment to the California Transit Insurance Pool (CalTIP) in the amount of \$505,295.00 for participation in the FY 06-07 liability and physical damage insurance coverage program.

II. SUMMARY OF ISSUES

- The District carries general liability and vehicle insurance through CalTIP, a pool of California public transit properties established in 1987.
- The renewal for FY 06-07 is in the amount of \$434,823.00 for liability insurance, including an additional \$10 million in excess coverage; and \$70,472.00 for vehicle physical damage insurance.

III. DISCUSSION

The District has been a member of CalTIP since its inception in 1987. Each member agency has a representative on CalTIP's Board of Directors. Assistant General Manager Mark Dorfman is the District's representative. Coverage limits are \$20 million general and vehicular liability with a \$250,000 deductible per occurrence. The FY 06-07 premium for liability coverage is \$434,823.00, an increase of \$35,610.00 or 9% from FY 05-06.

Vehicle physical damage coverage is for actual cash value of the vehicle with a \$25,000 deductible on buses and a \$500 deductible on non-revenue vehicles. The premium for this coverage is \$70,472.00, a decrease of \$3,504.00 or 5% from FY 05-06.

Pool loss experience has been very good and the net cost of this coverage has been very favorable to the District. The liability coverage includes errors and omissions coverage.

IV. FINANCIAL CONSIDERATIONS

The insurance cost is included in the FY 06-07 final budget.

V. ATTACHMENTS

None.

5-14.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006

TO: Board of Directors

FROM: Mark Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF A RESOLUTION RATIFYING ACTIONS OF THE GENERAL MANAGER IN REQUESTING THE SCCRTC AND CTC TO PROGRAM AND ALLOCATE FUNDS TO METRO CAPITAL PROJECTS FOR BUS CONVERSIONS, BUS REPLACEMENTS, AND RE-ALLOCATION OF METROBASE FUNDING IN THE 2006 – 2008 STIP.

I. RECOMMENDED ACTION

Adopt a resolution ratifying actions of the General Manager (Attachment A) requesting the SCCRTC and the CTC to program and allocate Public Transit Account funds for bus engine conversions, bus replacements and re-allocation of MetroBase funding in the 2006-2008 STIP.

II. SUMMARY OF ISSUES

- Santa Cruz County Regional Transportation Commission (SCCRTC) nominated projects for inclusion in the *State Transportation Improvement Program (STIP)* in February, 2006. The California Transportation Commission (CTC) adopted the 2006 STIP in April, 2006.
- Due to surplus funding capacity in the Public Transportation Account, the CTC could fund up to \$12,800,000 in public transit projects in Santa Cruz County but was unable to program any of the nominated local streets and road projects.
- The General Manager then requested that the SCCRTC nominate METRO's diesel engine conversion project and 2 bus replacement projects as a STIP amendment for \$12,000,000 in Public Transit Account eligible STIP funds and reprogram \$1,137,000 in Regional Surface Transportation Program funds with PTA eligible STIP funds for MetroBase.
- The SCCRTC Interagency Technical Advisory Committee (ITAC) and the SCCRTC approved submitting the projects for STIP Funds as requested, and the California Transportation Commission will consider an amendment to add the projects and reprogram MetroBase funds at its July 19th meeting.
- Adopting the attached resolution will authorize the General Manager to request funding allocations and execute contracts to implement the capital improvements. STIP funds do not require local matching cash.

5-15.1

III. DISCUSSION

In January, the SCCRTC nominated projects for inclusion in the *State Transportation Improvement Program (STIP)* with adoption of its *Regional Transportation Improvement Program (RTIP)*. METRO submitted the Advanced Traveler Information System for \$500,000 in STIP funding. The CTC adopted the 2006 STIP in April, 2006.

Due to surplus funding in the state's Public Transportation Account and insufficient funds available for local streets and roads, the CTC did not program any new local streets and roads projects in the 2006 STIP. The CTC advised, however, that \$12,800,000 in Public Transit Account eligible projects, up to the Santa Cruz County share, could be programmed now.

With METRO's pressing, unfunded capital needs to convert diesel engines to CNG fuel and to replace local and Highway 17 buses which have exceeded their useful lifespan in mind, the General Manager requested that the SCCRTC nominate three new Public Transit Account eligible projects for \$12,000,000 in Regional Improvement Program funds for programming and allocation in the 2006 STIP. In addition, \$1,137,000 in STIP funds were requested to replace Regional Surface Transportation Program (RSTP) funds programmed for MetroBase in 2007. The Regional Surface Transportation Program funds would then be available to local streets and road projects.

The SCCRTC Interagency Technical Advisory Committee and the SCCRTC nominated the projects for inclusion in the 2006 STIP by an amendment to be considered by the California Transportation Commission at its July, 2006 meeting. The three new transit projects and the amount requested for \$12,000,000 in State-only funding are:

- | | |
|--|-------------|
| 1) Replace up to 5 Highway 17 Express Buses | \$2,000,000 |
| 2) Replace up to 8 Local Route Buses | \$3,200,000 |
| 3) Convert up to 40 engines from diesel to CNG | \$6,800,000 |

METRO staff recommends that the Board adopt the attached resolution authorizing the General Manager to request the addition and allocation of three new transit projects eligible for Public Transit Account funding and the reprogramming of Regional Improvement Program funds for \$1,137,000 in RSTP funds to MetroBase in the 2006 STIP.

IV. FINANCIAL CONSIDERATIONS

These projects will add \$12,000,000 in new funds for METRO Capital improvements. \$1,137,000 in RSTP funds will be reprogrammed with STIP funds for MetroBase. Matching local funds are not required.

V. ATTACHMENTS

Attachment A: Resolution Authorizing the addition of transit projects to the 2006 STIP

5-15.2

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:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
REQUESTING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION
COMMISSION AND THE CALIFORNIA TRANSPORTATION COMMISSION
TO ADD NEW TRANSIT PROJECTS TO THE
2006 STATE TRANSPORTATION IMPROVEMENT PROGRAM**

WHEREAS, SB 45 (Chapter 622, Statutes 1997) substantially revised the process for appropriating and allocating state funds for transportation projects; and,

WHEREAS, the Santa Cruz County Regional Transportation Commission (SCCRTC) is responsible for programming projects eligible for Santa Cruz County's share of State Transportation Improvement Program (STIP) funds, pursuant to Government Code Section 14527(b), for inclusion in the Regional Transportation Improvement Program and submission to the California Transportation Commission for inclusion in the STIP; and,

WHEREAS, the Santa Cruz Metropolitan Transit District is an eligible sponsor of transportation projects in the Regional Transportation Improvement Program; and

WHEREAS, project submittals through the SCCRTC to the California Transportation Commission must be consistent with procedures, conditions and provided to project sponsors;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager of the Santa Cruz Metropolitan Transit District is authorized to request the SCCRTC and the California Transportation Commission to add the following Public Transportation Account eligible projects to the 2006 STIP for Regional Improvement Program funding in the amounts listed:

- | | |
|--|------------------|
| 1) Replace up to 5 Highway 17 Express Buses | \$2,000,000 |
| 2) Replace up to 8 Local Route Buses | \$3,200,000 |
| 3) Convert up to 40 engines from diesel to CNG | \$6,800,000 |
| 4) Replace \$1,137,000 in RSTP funds for MetroBase | \$1,137,000 and, |

BE IT FURTHER RESOLVED, that the General Manager is authorized to submit funding allocation requests and to execute any necessary contracts or agreements for these projects; and,

BE IT FURTHER RESOLVED, that a copy of this Resolution shall be transmitted upon request to the SCCRTC and the California Transportation Commission in conjunction with the submission of these public transit projects; and,

5-15.a1

BE IT FURTHER RESOLVED, that the Santa Cruz Metropolitan Transit District has the financial and technical capability to implement, maintain and operate these projects for the life of the equipment and will operate it for the benefit of the general public, or, with prior approval of the California Department of Transportation, will transfer the responsibility; and,

BE IT FURTHER RESOLVED, that the Santa Cruz Metropolitan Transit District is empowered by State statute pursuant to Government Code Sections 98210 and 98220 with the institutional abilities required to implement these projects; and,

BE IT FURTHER RESOLVED, that the Santa Cruz Metropolitan Transit District will give the California Department of Transportation's representative the right to examine all records, books, papers, or documents affiliated with the projects; and,

BE IT FURTHER RESOLVED, that the Santa Cruz Metropolitan Transit District will comply with all provisions of the California Environmental Quality Act, the National Environmental Protection Act, the Americans with Disabilities Act and any other federal, state, and/or local laws, rules and/or regulations in the implementation and operation of these projects.

PASSED AND ADOPTED this 28th Day of July 2006 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____

MIKE ROTKIN
Board Chair

ATTEST _____

LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

5-15.a2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006

TO: Board of Directors

FROM: Robyn Slater, Human Resources Manager

SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Board Chair present them with awards.

II. SUMMARY OF ISSUES

- None.

III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Employee Recognition List

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

EMPLOYEE RECOGNITION

TEN YEARS

None

FIFTEEN YEARS

Bonnie J. Wilson, Admin Secretary Supervisor

TWENTY YEARS

None

TWENTY-FIVE YEARS

None

THIRTY YEARS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 21, 2006
TO: Board of Directors
FROM: Mark Dorfman, Assistant General Manager
SUBJECT: CONSIDERATION OF SERVICE CHANGE FOR FALL 2006

I. RECOMMENDED ACTION

Staff recommends Board consideration for approval of proposed service adjustments for September 2006.

II. SUMMARY OF ISSUES

- Staff has recently concluded an initial study of running times on Metro's inter-city routes and proposes modifications to running times based on the study.
- Staff continues to review the effects of the service reductions over the past few years and make minor modifications as needed.
- Modifications to the Highway 17 schedule are proposed by Metro and our J.P.A. partners.

III. DISCUSSION

Over the past few months staff has conducted a schedule adherence study of our intercity routes. Included in the study are routes 66, 68, 69, 69A, 69W, 71 and 91. Based on information received from the study, staff is proposing modifications to the schedules of those routes. More detailed information will be provided in the Board Packet for the second July meeting. In addition to those changes, the following items are also included in the Fall 2006 service change:

Route 3 Mission Street

As part of the service reductions in Fall 2004 the Route 3 was moved to on-the-hour departures. In reviewing the service, staff has also received comments from the public indicating that this route would provide better service if it was moved back to a before-the-hour departure. This will enable our customers who are traveling to work on the westside to arrive on the hour. There are no costs anticipated for this proposal.

Route 7N/68N Live Oak via Broadway/Portola:

A few years ago Route 7N used to turn around at East Cliff Village. In service adjustments through the years, its routing was extended to Capitola Mall. This proposal modifies the routing of the 7N in both the outbound and inbound directions, and renames it to 68N (see map). There are no costs anticipated for this proposal.

Routes 16 & 19 University (Night Owl)

This past year the Night Owl service has had difficulty maintaining its schedule. Night Owl schedules are being revised for improved schedule adherence.

Highway 17

AMTRAK has submitted proposed changes for September. These changes include modification of departure times for three weekday and four weekend trips. There are no costs anticipated for this proposal.

Metro staff is also reviewing on-time performance issues with some of our night service. More information will be made available at the second July Board meeting.

Upon receiving reports of standees on the 4:30 PM northbound trip, staff converted a bus deadheading to San Jose in the afternoon to an in-service trip on Fridays when the overloads were happening. This proposal will convert that deadheading bus to an in-service bus on all weekdays. The bus will go into service at Cavallaro Transit Center. The 4:30 PM bus which departs Metro Center will now be able to proceed to San Jose without stopping in Scotts Valley. There are no costs anticipated for this proposal.

Route 53 Capitola/Dominican

Under this proposal the first trip at 7:05 AM will be deleted. This service has been redeployed elsewhere. Because this first trip serves Thurbur Lane, a loop will be added to the 9:05 AM trip to serve the area. Costs for this proposal are expected to be \$1,945 annually.

Route 54 Capitola/Aptos/La Selva

As result of the elimination of the 7:05 AM Route 53 trip, a new trip of Route 54 will begin inbound at Cabrillo College at 7:30 AM beginning in August. There are customers who use the first Route 53 to get to Dominican Hospital and on into Santa Cruz before 8:00 AM. For September, this 7:30 AM Route 54 trip will be moved earlier to depart at 7:05 AM from Cabrillo College. It will then arrive at Capitola Mall in time to catch the 7:30 AM inbound Route 69A. There are no costs anticipated for this proposal.

Route 68 Broadway/Portola

This route will go back to its regular non-summer routing.

Route 69 Capitola Road

Staff continues to look at the effects of the service cuts over the last two years and make small adjustments when possible. Currently the 69's have morning running times that expand in the afternoon. That expansion happens at noon time. In the last round of service reductions many early morning "short" 69's (those that travel from Santa Cruz to Capitola Mall only) were eliminated. After midmorning the 69's depart every 15 minutes. However because the running times expand at noon the 11:52 AM 69 is followed eight minutes later by the 12 PM 69A. Staff proposes to eliminate the 11:52 AM trip and move it to 9:52 AM. There are no costs anticipated for this proposal.

Route 71 Santa Cruz/Watsonville

Staff has received operator comments indicating that the first inbound trip from Watsonville to Santa Cruz at 5:45 AM has difficulty making its connection with the Highway 17 bus at Dominican Hospital. Staff proposes to move this trip earlier by five minutes to facilitate that transfer. There are no costs anticipated for this proposal.

IV. FINANCIAL CONSIDERATIONS

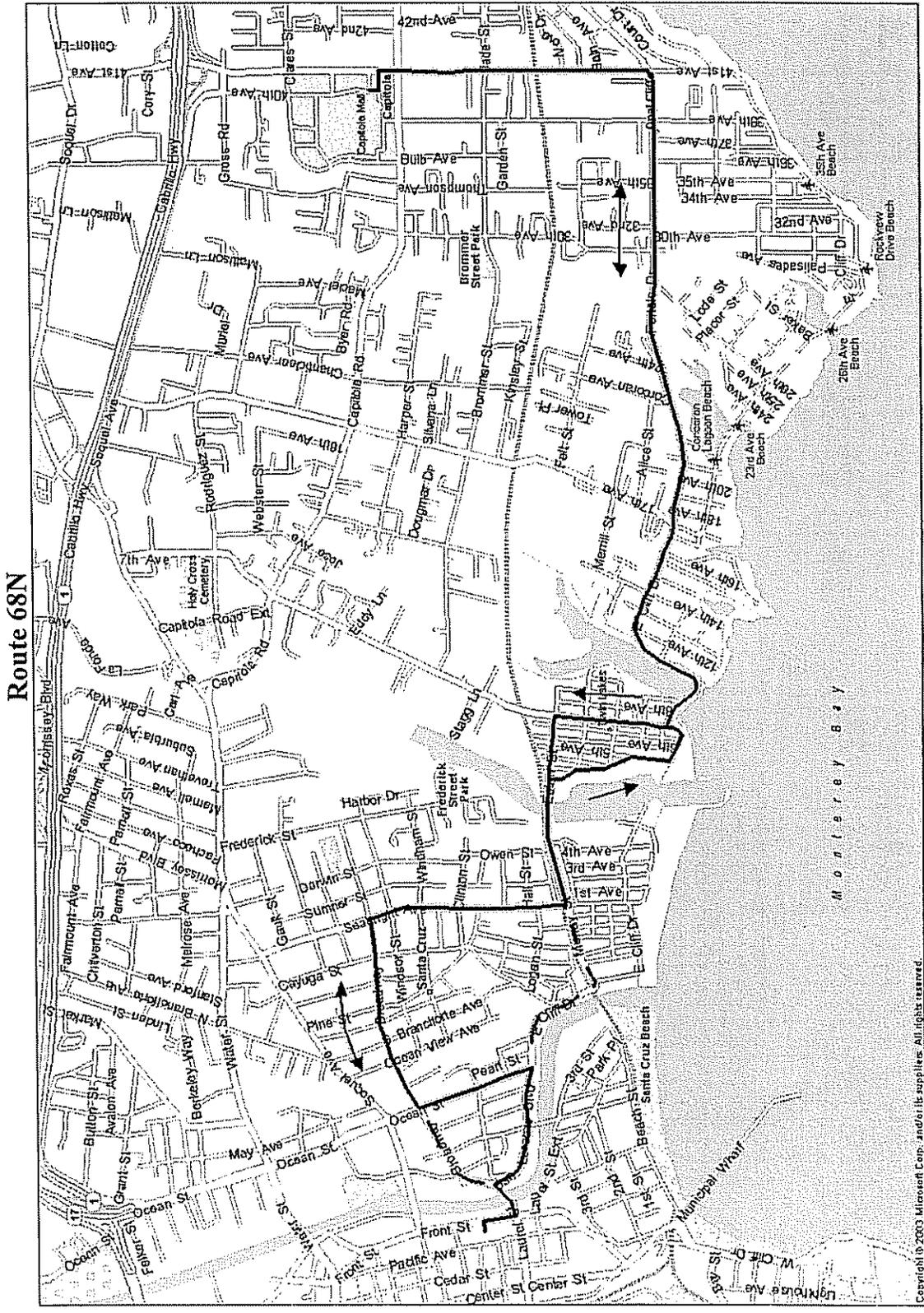
Estimated cost for this proposal is \$1,950

V. ATTACHMENTS

- Attachment A:** Route 3 Timetable
- Attachment B:** Route 68N Map
- Attachment C:** Route 53 Timetable
- Attachment D:** Route 54 Timetable
- Attachment E:** Route 66 Timetable
- Attachment F:** Route 68 Timetable
- Attachment G:** Route 69/69A/69N and 69W Timetable
- Attachment H:** Route 71 Timetable

(NOTE: Attachments A, C, D, E, F, G & H will be included in the July 28, 2006 Board Packet)

7.3



Route 68N

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7.61

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: **CONSIDERATION OF ADOPTING AN ANNUAL DBE PARTICIPATION RATE OF 1.57% FOR FEDERALLY FUNDED PROCUREMENTS IN FY2007.**

I. RECOMMENDED ACTION

Adopt an annual DBE participation rate of 1.57% for Fiscal Year 2007.

II. SUMMARY OF ISSUES

- The Department of Transportation requires the District to have a Disadvantaged Business Enterprise (DBE) Program and to set an annual goal to ensure that small, minority- and women-owned businesses are not discriminated against in District procurements.
- Code of Federal Regulations Title 49, Part 26 (49 CFR 26) prescribes the annual DBE goal calculation method.
- The proposed FY 2007 goal establishes an adjusted DBE participation rate of 1.57% for METRO procurements. The lower base rate was increased to compensate for the smaller number of DBEs in construction and transportation in the METRO market area.
- The District will accept public comments on the proposed goal until August 25, 2005.

III. DISCUSSION

In 1983, the United States Congress enacted the first Disadvantaged Business Enterprise statutes to end discrimination contract awards funded with Federal assistance. As required by the Department of Transportation since then, the Santa Cruz Metropolitan Transit District annually establishes a goal and tracks DBE participation in its own procurement activities. The intent of the goal is to attain the same rate of participation by small, minority and women-owned business in procurements which could be expected in the absence of discrimination.

The Code of Federal Regulations (49 CFR 26) prescribes the method for calculating the annual goal for DBE participation. Both the US Bureau of Census and the California Department of Transportation's Unified Certification Program maintain extremely specific and uniform data on business activity and ownership by county. Both data sources use the North American Industry Classification System (NAIC), which categorizes business activities into hundreds of six-digit

classification codes. Caltrans also uses the NAIC in its DBE Vendor Directory, enabling METRO staff to accurately calculate a DBE goal conforming to a preferred method.

METRO staff increased the base DBE participation rate indicated using the June, 2005 DBE Vendor Directory to account for large construction contract opportunities in building MetroBase. Caltrans' June, 2005 DBE vendor directory yielded a base rate of 1.16% for overall DBE participation from within the 14-county area which furnishes most of METRO's vendors. Because of the large MetroBase construction procurement, contractors and subcontractors may be drawn from outside the typical market area. To accommodate this wider appeal, staff increased the rate of DBE participation in construction activities from 1.20%, the portion of DBE vendors in the METRO market area, to 1.64%, the portion of DBE vendors statewide. This adjustment increased the overall DBE goal from 1.16% to 1.57%.

In 2004, The Federal Transit Administration conducted a triennial review of METRO's federal program administration and found METRO's DBE program to comply with the federal requirements.

In April, 2006, the Ninth Circuit Court of Appeals ruled that absent evidence of specific racial discrimination in contract awards, procurements could no longer specify contract-specific, or "race-conscious" goals for contracts. The California Department of Transportation on May 1, 2006, instituted a "race-neutral" DBE program, and Santa Cruz METRO will continue to implement a race-neutral DBE program in accordance with guidance from Caltrans.

The District will accept public input for 45 days after announcing the new goal. Public comments and the District's response will be included in the annual goal statement submitted to the Federal Transit Administration for ultimate approval. Staff will accept comments through August 25, 2005.

The attached *Annual DBE Program Goal Fiscal Year 2007* contains the methodology for setting the DBE participation rate at 1.57%. Adopting the goal commits the District's procurement efforts to attain a DBE participation rate of 1.57% for the Federal Fiscal Year beginning October 1, 2006.

III. FINANCIAL CONSIDERATIONS

Adopting the *Annual DBE Program Goal Fiscal Year 2007* has no financial impact; however, contracts funded with FTA assistance will be monitored for DBE goal achievement.

V. ATTACHMENTS

Attachment A: *Santa Cruz Metropolitan Transit District Annual DBE Program Goal Fiscal Year 2007*

Santa Cruz Metropolitan Transit District

Annual DBE Program Goal
Fiscal Year 2007

July, 2006

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Introduction

The Santa Cruz Metropolitan Transit District (METRO) maintained a Disadvantaged Business Enterprise (DBE) Program in accordance with the U.S. Department of Transportation (DOT) as required in 49 CFR Part 23. The purpose of the METRO DBE program is to ensure that small firms competing for DOT sponsored contracts were not disadvantaged by unlawful discrimination. Initially, the program applied to minority owned businesses. In 1987, Congress expanded the DBE program to include small women-owned businesses as well.

In February 1999, the U.S. Congress passed a new regulation for Disadvantaged Business Enterprises in response to the Supreme Court's 1995 opinion (*Adarand vs. Pena*) that affirmative action programs must be narrowly tailored to serve a compelling government interest. In order to streamline DBE program administration and to incorporate the new rules, the Department of Transportation codified the revised DBE requirements in a new section, 49 CFR 26.

The Santa Cruz Metropolitan Transit District DBE Program - 49 CFR Part 26 contains the complete DBE program including policies, requirements, remedies, and records except for the amount of DBE participation to be determined each year. The Program conforms to Participation by Disadvantaged Business Enterprises in Department of Transportation Programs; Final Rule as published in the Federal Register of February 2, 1999. The METRO Board of Directors adopted the Program on July 21, 2000 and submitted it to the Federal Transit Administration for approval on July 25, 2000. The complete Program is available upon request from District's DBE Liaison Officer at the address listed on the last page of this Annual Update.

The Santa Cruz Metropolitan Transit District Annual DBE Program Goals FY2007 is the annually updated part of the comprehensive DBE Program. Each year, the Santa Cruz Metropolitan Transit District will review its goal accomplishment for Disadvantaged Business Enterprise participation in DOT assisted contracts and recalculate the goal for the coming year, if indicated, based upon demonstrable evidence relevant to the District's marketplace. This document presents the annual goal, describes the methodology behind it and discusses race-neutral and race-conscious measures that the District anticipates using to reach the goal.

Declarations

The Santa Cruz Metropolitan Transit District receives Federal financial assistance from the Department of Transportation, and, as a condition of receiving this assistance, has signed an assurance that it will comply with 49 CFR Part 26. The Santa Cruz Metropolitan District will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE Program, the Santa Cruz Metropolitan Transit District will not, directly or through contractual or other arrangements use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

Annual Goal Methodology

METRO's annual goal-setting methodology follows the prescribed method in 49 CFR §26.45 and draws upon relevant market data particular to the geographic area in which METRO typically contracts. In step one, METRO uses the US Bureau of Census County Business Patterns and the California Department of Transportation's statewide directory of eligible DBE vendors in its Unified Certification Program to estimate the number of DBEs which might be available in METRO's contracting area. Step two narrowly tailors the estimate to the actual market conditions for DBEs in METRO's procurement areas.

METRO's annual goal calculation is based upon very specific data available on business ownership in the area and is narrowly tailored to the characteristics of the market area in which METRO contracts. Since 2005, Caltrans has identified its certified DBE vendors by county using the 6-digit North American Industry Classification System, which corresponds exactly to the classification system used by the U.S. Census Bureau's County Business Pattern data. METRO now derives its goal from the actual count of DBE vendors within a narrow range of industrial classification codes and compares it to the count of all businesses in the exact same classifications in the County Business Patterns. METRO's DBE goal is more accurate and better tailored to the relevant market area than those calculated before 2005.

In order to be considered a Disadvantaged Business Enterprise for the purpose of participating in federally funded procurements, a firm must be certified by an agency receiving assistance from one of the federal transportation agencies. In California, each certified firm is catalogued in the statewide DBE directory, which Caltrans updates weekly, giving an accurate count of certified DBE firms in the market area.

Apparently, few minority and women owned businesses register for DBE certification. Whether for privacy, excessive income or other unknown reasons, minority and women-owned businesses do not apply for DBE status at the rate which might be expected, and the DBE Directory represents a portion of all businesses estimated to be owned by a minority or woman. While other small, minority- or woman-owned businesses may exist, this goal-setting methodology accounts only for those businesses certified and listed in the directory to calculate the annual participation goal.

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STEP 1: ESTABLISHING THE BASE FIGURE

In order to estimate the potential DBE participation rate in the absence of discrimination, staff first categorized previous METRO contracts according to the North American Industry Classification System (NAIC), which classifies business activity in Canada, Mexico and the United States into distinct groups for purposes of statistical comparison¹. Each business activity is assigned a 2 to 6 digit number within a hierarchy of increasing specificity based upon the number of digits. For example, construction activity is grouped generally under the 2-digit category "23". Special construction trades are further categorized in "235", with Paint and Drywall contractors organized as NAIC code "23521" and electrical contractors as code "23531". Other groupings follow the same pattern.

Examination of METRO's previous DOT assisted contracts revealed that contract work occurs in construction, paratransit service, wholesale procurement and business services such as finance, planning environmental consulting and engineering. To achieve the greatest specificity and eliminate related areas in which METRO has not contract opportunities, METRO staff sometimes chose the full 6-digit code and at other times used only 3 or 2 digits when all related subcategories also had contract opportunities. The NAIC codes incorporating relevant contract areas would be: Construction, 233; Heavy Construction, 234; Special trade contractors, 235; Paratransit and special passenger transportation, 485; Wholesale goods, 42, 441, 442, 444; and Business Services, 5133, 5241, 5324, 54, 561, 621111, 621511 and 812331. Disadvantaged Business Enterprises (DBEs) could then be compared with all firms by NAIC by county using US Census Data and the California Department of Transportation's (Caltrans) certified DBE Vendor Directory maintained for the statewide Unified Certification Program.

In the next step, staff defined a market area to represent the likely area in which most procurement contracts would be awarded. With proximity to San Francisco and San Jose, many contracts are awarded in the San Francisco and Monterey Bay Areas. In order to establish geographic consistency with the Caltrans DBE vendor directory, staff expanded the market area definition to include all of Caltrans Districts 04 and 05, which extends the market area boundary north to Sonoma and south to Santa Barbara Counties. For this exercise, METRO's market area includes the following counties: Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano and Sonoma. While a fraction of contracts may lie beyond, this area includes the second and fourth largest cities in the State, San Jose and San Francisco, both of which have diverse economies with strong service, retail and wholesale sectors.

The June, 2005 Caltrans DBE Vendor Directory maintained for the California Unified Certified Program lists DBE certified firms within the market area. The percentage of DBEs in the geographic area and in the NAICs in which METRO contracts can be computed by simply dividing the number of DBE firms listed in the relevant categories in Caltrans Districts 4 and 5 by the number of all firms in those counties in the same categories as counted by US Bureau of Census County Business Patterns for 2002. The following table calculates the percentage of DBE firms in each contract area in each county.

¹ <http://www.census.gov/epcd/www/naics.html>

Table 1. METRO Market Area Firms by NAIC and DBEs in UCP Directory

	Construction 233,234,235	Transport. 485	Wholesale 42,441,442,44 3,444	Services 5133,5241,5324,54, 561, 621111,621511, 812331	#Firms in NAICs
County					
Caltrans District 04					
Alameda	2,784	43	4,375	9,000	16,202
Contra Costa	2,315	39	1,932	6,397	10,683
Marin	1,054	11	874	2,992	4,931
Napa	507	13	332	828	1,680
San Francisco	1,539	73	2,224	8,755	12,591
San Mateo	1,906	62	1,991	5,216	9,175
Santa Clara	3,337	60	4,630	13,038	21,065
Solano	740	19	648	1,259	2,666
Sonoma	2,003	25	1,241	3,047	6,316
Caltrans District 05					
Monterey	982	12	907	1,835	3,736
San Benito	184	2	93	213	492
San Luis Obispo	1,031	19	652	1,597	3,299
Santa Barbara	1,087	21	981	2,613	4,702
Santa Cruz	866	9	623	1,630	3,128
District 04 & 05 TOTAL	20,335	408	21,503	58,420	100,666
Certified DBE Firms					
Market Area	Construction NAICs	Transport. NAICs	Wholesale NAICs	Services NAICs	SUM DBEs
Districts 04 & 05	244	0	6	749	999
%DBE	1.20%	0.00%	0.03%	1.28%	0.99%

Sources: US Bureau of the Census, County Business Patterns, 2002
 CA Dept. of Transportation, UCP Directory of DBEs, June, 2005.

This table enables the percentage of DBE vendors within the METRO marketplace to be calculated. From the last row of Table 1, the DBE vendor participation rate which could be expected in each of the four NAIC groups in the absence of discrimination would be: 1.20% for construction trades; 0.0% for contract transportation services; 0.03% for wholesale goods; and 1.28% for services. Overall, DBEs represent approximately one percent of all firms in the NAICs in which METRO contracts.

The base figure for the DBE goal is determined by multiplying the percentage of contract procurements in each category (total procurements=100%) by the DBE participation rate expected in each category and summing the four products. Table 2 below shows the data used to calculate the base figure for the overall DBE goal.

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Table 2: Base DBE Contract Goal

	Construction NAICs	Transport. NAICs	Wholesale NAICs	Services NAICs	SUM TOTAL
%DBE in Market Area	1.200%	0.000%	0.028%	1.28%	2.51%
Fed Assisted Contract \$	\$8,409,246	\$27,750	\$284,902	\$275,577	\$8,997,475
% of Contract Funds	93.46%	0.31%	3.17%	3.06%	100%
% Contracts * %DBE	1.12%	0.00%	0.001%	0.04%	1.16%
METRO Ops Budget:	\$36,072,000	FTA Ops.:	\$3,229,078		
METRO Ops. Procurement:	\$5,621,570	Procurable	\$503,229		
METRO Cap Budget: (non-veh)	\$30,067,809	FTA Cap	\$8,494,246		
Procurement TOTAL	\$35,689,379	total FTA:	\$8,997,475		
construction [CAPITAL]	\$30,067,809	1.00000	\$8,409,246		
transportation	310,000	0.05514	\$27,750		
wholesale	3,182,635	0.56615	\$284,902		
business services	2,128,935	0.37871	\$275,577		
	35,689,379	1.00000000	\$8,997,475		

Applying the same four categories to METRO's FY2007 budget, the proportion of FTA operating assistance available for procurement is first determined using the same ratio of procurement dollars to the overall operating budget shown in the first two rows of the first column of the grid under Table 3. Next, FTA capital assistance is allocated to contract procurement according to project description, with all FTA capital allocated the construction category with the exception of \$85,000 allocated to business services for the Short Range Transit Plan. Then, FTA procurement assistance dollars are distributed across the remaining 3 categories in the same proportion as non-construction procurements in the operating budget as shown in the bottom three rows of the grid under Table 3. The resultant percentage is applied to the amount of FTA procurement assistance in order to calculate federal dollars available for DBE vendor contracting.

The percentage of FTA procurement dollars in each of the four categories was multiplied by the estimated percentage of available DBEs from Table 2 to determine a percentage participation rate in each NAIC group. Finally these four percentages were added to arrive at the un-adjusted base goal of 1.16% for DBE participation in FY 2007.

STEP 2: ADJUSTMENT TO THE BASE DBE CONTRACT GOAL

In reviewing the coming year's contract opportunities, the greatest amount by far of FTA funds will be spent in construction. METRO's past experience shows that on large engineering contractors tend to subcontract tasks to specialists in each construction area, yielding more opportunities for small businesses to participate, which in turn increases the opportunity for DBEs since they are by definition small

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businesses. Also, MetroBase construction may attract contractors from beyond the typical market area due to its size. Rather than using 1.20% for the market share in construction for the level of DBE participation anticipated in the absence of discrimination, this amount is increased to 1.64%, the statewide percentage of DBEs in construction trades as shown in Table 3 (below). Also, the DBE Directory indicates no DBE firms within Transportation NAICs within the market area. Statewide, 336 establishments are indicated, 0.37% of the total number. The two numbers for percentage of Construction and Transportation firms statewide, will be substituted for the local market percentage of anticipated DBE participation to determine the adjusted in goal in Table 4.

Table 3. Statewide Certified DBE Firms

	Construction NAICs	Transport. NAICs	Wholesale NAICs	Services NAICs	SUM DBEs
State Total	69,093	1,430	91,050	174,140	335,713
Certified DBEs in State	1,130	18	336	2,226	3,710
%DBE	1.64%	1.26%	0.37%	1.28%	1.11%

Annual Goal

The annual goal is adjusted to consider the impact of large construction projects which could attract contractors from beyond the typical market area for METRO contracts. Increasing the anticipated DBE participation rate for construction contracts increases the overall DBE goal from 1.16% to 1.57% to compensate for the smaller number of construction and transportation firms in the market area.

Table 4: Adjusted DBE Contract Goal

Available DBEs	Construction NAICs	Transport. NAICs	Wholesale NAICs	Services NAICs	All Contract Opportunity
METRO Market Area	1.64%	1.26%	0.03%	1.28%	
Federal Contract \$ FY07	\$8,409,246	\$27,750	\$284,902	\$275,577	\$8,997,475
% of FTA Funds	93.46%	0.31%	3.17%	3.06%	6.54%
% Contracts * %DBE	1.53%	0.00%	0.00%	0.04%	1.57%
				=DBE	\$ 141,493

Santa Cruz Metropolitan Transit District's overall goal for FY 2007 is to extend 1.57% of its Federal financial assistance to Disadvantaged Business Enterprises in DOT-assisted contracts, excluding FTA funds used to purchase rolling stock. Santa Cruz Metropolitan Transit District expects to spend \$141,493 federal dollars with DBE vendors during the fiscal year.

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Race-Neutral Measures

The U.S. DOT Regulations require that the maximum feasible portion of the DBE overall annual goal be met by using race-neutral methods. Race neutral methods include efforts made to assure that bidding and contracting requirements facilitate participation by DBE's and other small businesses by unbundling large contracts to make them more accessible, encouraging prime contractors to subcontract portions of the work, and providing technical assistance, outreach and communications programs. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, a DBE is awarded a subcontract on a prime contract that does not carry a DBE goal, or a DBE wins a subcontract, even if there is a DBE goal, from a prime contractor that did not consider its DBE status in making the award.

During the past year, the Ninth Circuit Court of Appeals ruled that absent evidence of specific racial discrimination in contract awards, procurements could no longer specify contract-specific, or "race-conscious" goals in the award of contracts. The California Department of Transportation on May 1, 2006, instituted a "race-neutral" DBE program, and Santa Cruz METRO will continue to implement a race-neutral DBE program in accordance with guidance from Caltrans.

Process

METRO will publish a notice of the proposed annual DBE goal to inform the public that the proposed goal and its rationale are available for inspection for 30 days following the date of the notice. METRO will accept comments on the goals for 45 days from the date of the notice. This notice will be published in the Santa Cruz Sentinel newspaper and in Passenger Transport. For FY 2007, public comments will be accepted through August 25, 2005. The goal and methodology will be available at the Main Branch of the Santa Cruz Public Library and during business hours at 370 Encinal Street, Suite 100, Santa Cruz, California.

METRO's annual goal submission to the Federal Transit Administration will include a summary of comments received during this public participation process and METRO's responses.

METRO will monitor this year's overall goal for DBE participation in procurement contracts beginning October 1.

Comments

Please direct comments on the Annual DBE Goals or the METRO DBE Program to:

Thomas Hiltner, Grants/Legislative Analyst
Santa Cruz Metropolitan Transit District
370 Encinal, Suite 100
Santa Cruz, CA 95060
831-426-6080
thiltner@scmtid.com

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: **CONSIDERATION OF THE CREATION OF THE POSITION OF FINANCE MANAGER DESIGNATE FOR THE PERIOD OF SEPTEMBER 1, 2006 THROUGH DECEMBER 31, 2006.**

I. RECOMMENDED ACTION

That the Board of Directors approve the creation of the temporary position of Finance Manager Designate for the period of September 1, 2006 through December 31, 2006.

II. SUMMARY OF ISSUES

- Elisabeth Ross has served in various capacities at the Santa Cruz Metropolitan Transit District (METRO) in since 1976.
- Currently Elisabeth Ross serves as the Finance Manager for METRO.
- Elisabeth Ross has indicated that it is her desire to retire from METRO by December 31, 2006, or sooner if possible.
- The position of Assistant Finance Manager is currently vacant due to the retirement of Marilyn Fenn.
- The position of a public agency Finance Manager is both crucial and complex. Therefore it is anticipated that it will require some time to fill and that an "overlap" of time with the new Finance Manager and Elisabeth Ross would be beneficial.
- Staff recommends that the Board create the position of Finance Manager Designate for the period of September 1, 2006 through December 31, 2006 in order to provide for an orderly transition in the Finance department.

III. DISCUSSION

The position of Finance Manager is critical to the stability of any public agency. METRO has been fortunate to have the services of Elisabeth Ross in this position. Ms. Ross has served METRO in a variety of positions, including Assistant General Manager, since 1976. Ms. Ross has indicated that she would like to retire prior to December 31, 2006. The loss of the services of Elisabeth Ross creates a vacuum that will be very difficult to fill. Additionally, the recent retirement of Marilyn Fenn as Assistant Finance Manager makes it even more critical for METRO that an orderly transition in leadership in the Finance Department takes place.

In order to provide an opportunity for an orderly transition in the Finance Department I am proposing that we recruit and employ a new Finance Manager prior to the retirement of Elisabeth Ross. To provide a mechanism for the "overlap" of Finance Managers I am recommending that the Board of Directors create the position of Finance Manager Designate for the period of September 1, 2006 through December 31, 2006. The cost of the Finance Manager Designate position will be approximately \$28,000 plus benefits for the four-month period of time. Salary savings from the open Assistant Finance Manager position will offset funding requirements for the position. The delay of the appointment of the Assistant Finance Manager will allow the new Finance Manager Designate to participate in the selection process for this position.

IV. FINANCIAL CONSIDERATIONS

It is anticipated that the Finance Manager will require \$28,000 plus benefits for the September 1, 2006-December 31, 2006 period. This position, if approved, would be funded from the savings from the open Assistant Finance Manager position.

V. ATTACHMENTS

Attachment A: None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 14, 2006
TO: Board of Directors
FROM: Mark Dorfman, Assistant General Manager
SUBJECT: CONSIDERATION OF AN INCREASE IN RATES FOR ADVERTISING ON METRO BUSES

ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors the increases as shown on the attached exhibit for the rates for advertising on METRO Buses, and that a Trade-Out Program be established for the Queen size signs.

II. SUMMARY OF ISSUES

- After the cancellation of the Bus Advertising contract, METRO was approached by Comcast with a request to do Bus Advertising.
- Staff was examining alternatives of doing a joint advertising program with Monterey Salinas Transit at the time, but to handle the request from Comcast, advertising rates were set up.
- Since that time, the Assistant General Manager has absorbed the bus advertising program.
- The intent of the program was to offer low rates to try and sell as much space as possible, and then gradually increase the rates.
- METRO has been able to sell King size ads to national advertisers, and has had a fair amount of sales of Tail ads to local businesses. Queen size ads have been not been requested as much.
- As a result, staff is requesting that the Board approve an increase in the King rates of 15% and 10% in the Tail Rates. No changes are proposed for the Queen Rates.
- MST has increased their King ads by 15% as part of this years budget but made no changes in any other rates.
- To assist in creating interest in the Queen signs, staff is proposing that subject to the approval of the General Manager, that advertising trades with other media be used only for the Queen ads.

III. DISCUSSION

METRO had been using an outside contractor for its Bus Advertising program. After the contract with Obie Media ended, a contract was awarded to Princeton Media. They were never able to meet the requirements of the contract and it was terminated. At that time, METRO was evaluating a joint program with Monterey Salinas Transit where one individual was to market advertising on both systems.

While the program was being developed, METRO was approached by Comcast requesting rates for a large purchase of advertising signs. Staff quickly put together a program with advertising rates and we began to sell advertising directly to advertisers. The program has been administered by the Assistant General Manager.

When the rates were established, they were set low enough to sell space, with the intent being to raise the rates as the program matured. Attachment A shows the advertising rates that are currently in effect.

Bus Advertising is available in three sizes –

- King Size Displays – 30” x 144”
- Queen Size Displays – 30” x 88”
- Tail Size Displays – 21” x 72”

To date, Metro has been able to sell the King Size Display Ads to national advertisers. They are willing to pay whatever the rates are, as they are interested in our market. Currently we are priced very reasonably. Tail Sized Display Ads are usually purchased by local firms, but they are the second most popular signs that we sell. Queen Size Display Ads have proven to be the hardest to sell.

Staff is proposing the following rate adjustments to the Bus Advertising Program. There would be an increase of 15% in the price of Kings, an increase of 10% in the price of Tails, and no increase in the price of Queens (Attachment B).

In order to increase the utilization of the Queen Size Bus Displays, staff is proposing that we be allowed to do advertising trade-outs ONLY for Queen Size Bus Displays with other media. In this way we would get advertising placed on the Queen Sized Bus Displays and use the value of rate to get advertising trade with radio, TV and newspapers. This would allow METRO to get free advertising for space that has not sold. The space would be traded at the rates in existence for the space, and all trade-out contracts would have to be approved by the General Manager.

It is therefore recommended that the Board of Directors approve the Bus Advertising Rates as shown in Attachment B and that staff be allowed to establish an advertising trade-out program for Queen Size Display Ads on a space available basis.

IV. FINANCIAL CONSIDERATIONS

The rate increase proposed will allow METRO to continue to develop the Bus Advertising Program as a viable source of revenue and the Advertising Trade-Out Program will allow METRO to establish an advertising program at little or no cost.

V. ATTACHMENTS

Attachment A: Existing Bus Advertising Rates

Attachment B: Proposed Bus Advertising Rates



**Santa Cruz METRO
Bus Advertising Rates**
(effective January 1, 2005)

King Size Displays
30" x 144"

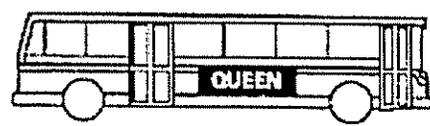
BUS ADVERTISING RATES PER MONTH



Showing	# of Buses	1 Month	3 Months	6 Months	12 Months
#100	80	\$20,800	\$16,800	\$14,000	\$12,000
#50	40	\$10,400	\$ 8,400	\$ 7,000	\$ 6,000
#25	20	\$ 5,200	\$ 4,200	\$ 3,500	\$ 3,000
Per Unit	1	\$ 260	\$ 210	\$ 175	\$ 150

Queen Size Displays
30" x 88"

BUS ADVERTISING RATES PER MONTH



Showing	# of Buses	1 Month	3 Months	6 Months	12 Months
#100	80	\$18,400	\$14,400	\$11,600	\$ 9,600
#50	40	\$ 9,200	\$ 7,200	\$ 5,800	\$ 4,800
#25	20	\$ 4,600	\$ 3,600	\$ 2,900	\$ 2,400
Per Unit	1	\$ 230	\$ 180	\$ 145	\$ 120

Tail Displays
21" x 72"

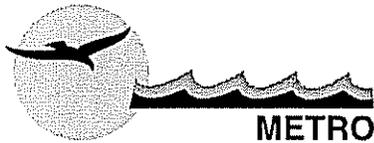
BUS ADVERTISING RATES PER MONTH



Showing	# of Buses	1 Month	3 Months	6 Months	12 Months
#100	80	\$16,400	\$12,400	\$10,000	\$ 8,000
#50	40	\$ 8,200	\$ 6,200	\$ 5,000	\$ 4,200
#25	20	\$ 4,100	\$ 3,100	\$ 2,500	\$ 2,100
Per Unit	1	\$ 205	\$ 155	\$ 125	\$ 105

MOUNTING COSTS	
King	\$75 per sign
Queen	\$50 per sign
Tail	\$35 per sign

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**Santa Cruz METRO
Bus Advertising Rates**
(effective July 31, 2006)

King Size Displays
30" x 144"

BUS ADVERTISING RATES PER MONTH



Showing	# of Buses	1 Month	3 Months	6 Months	12 Months
#100	80	\$23,920	\$19,360	\$16,080	\$13,840
#50	40	\$11,960	\$9,680	\$8,040	\$6,920
#25	20	\$5,980	\$4,840	\$4,020	\$3,460
Per Unit	1	\$ 299	\$ 242	\$ 201	\$ 173

Queen Size Displays
30" x 88"

BUS ADVERTISING RATES PER MONTH



Showing	# of Buses	1 Month	3 Months	6 Months	12 Months
#100	80	\$18,400	\$14,400	\$11,600	\$ 9,600
#50	40	\$ 9,200	\$ 7,200	\$ 5,800	\$ 4,800
#25	20	\$ 4,600	\$ 3,600	\$ 2,900	\$ 2,400
Per Unit	1	\$ 230	\$ 180	\$ 145	\$ 120

Tail Displays
21" x 72"

BUS ADVERTISING RATES PER MONTH



Showing	# of Buses	1 Month	3 Months	6 Months	12 Months
#100	80	\$18,080	\$13,680	\$11,040	\$9,280
#50	40	\$9,040	\$6,840	\$5,520	\$4,640
#25	20	\$4,520	\$3,420	\$2,760	\$2,320
Per Unit	1	\$ 226	\$ 171	\$ 138	\$ 116

MOUNTING COSTS

King	\$75 per sign
Queen	\$50 per sign
Tail	\$35 per sign

12.61

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 14, 2006
TO: Board of Directors
FROM: Tom Stickel, Manager of Maintenance
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR EMPLOYER PAID FAMILY VISION INSURANCE COVERAGE WITH VISION SERVICE PLAN

ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for employer paid family vision insurance coverage with Vision Service Plan.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- Four firms submitted proposals for the District's review.
- An evaluation committee comprised of District staff and representatives of both unions reviewed and evaluated the proposals.
- The evaluation committee is recommending that a contract be established with Vision Service Plan to provide employer paid family vision insurance coverage.

III. DISCUSSION

The District sought proposals from qualified vision insurance providers to provide employer paid family vision insurance coverage. Pricing was requested for a one-year contract and optional pricing on a two-year contract dependent upon the financial advantage to the District of either a one or two year contract. Fixed prices for the first one/two years for basic coverage will be established as part of the initial contract.

On May 15, 2006, District Request for Proposal No. 05-24 was mailed to eleven firms specializing in vision care insurance and was legally advertised. On June 9, 2006 proposals were received and opened from four firms. These firms are listed and ranked in Attachment A. An evaluation committee comprised of District staff and representatives of both unions have reviewed and evaluated the proposals.

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

Evaluation Criteria	Column 1 Criteria Weight	Column 2 Rating (1-10)	Column 3 Weighted Rating (column 1 x column 2)
Qualifications and Experience	2.0		
Coverage/benefits offered	4.0		
Cost/Price Proposal	4.0		
Total	10.0		

The new contract rate will provide an 8.8 % reduction in the current rate charged per employee family. Based on the above criteria, the selection committee is recommending that the Board of Directors authorize the General Manager to sign a two-year contract with Vision Service Plan to provide employer paid family vision insurance coverage for an amount not to exceed \$ 256,000 over a two-year period. Contractor will provide services meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Operating Budget.

V. ATTACHMENTS

- Attachment A:** List and ranking of firms responding to the RFP
- Attachment B:** Contract with Vision Service Plan

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

**RANKING OF FIRMS RESPONDING TO
DISTRICT RFP NO. 05-24 FOR EMPLOYER PAID
FAMILY VISION INSURANCE COVERAGE**

1. Vision Service Plan
3333 Quality Drive
Rancho Cordova CA 95670
2. SafeGuard Dental and Vision
95 Enterprise, Suite 100
Aliso Viejo CA 92656
3. Medical Eye Services
345 Baker Street
Costa Mesa CA 92626
4. Superior Vision Services, Inc.
11101 White Rock Road
Rancho Cordova CA 95670

**PROFESSIONAL SERVICES CONTRACT
FOR EMPLOYER PAID FAMILY VISION INSURANCE COVERAGE (05-24)**

THIS CONTRACT is made effective on August 1, 2006 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and VISION SERVICE PLAN ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Employer Paid Family Vision Insurance Coverage

District has the need for Employer Paid Family Vision Insurance Coverage. In order to obtain these services, the District issued a Request for Proposals, dated May 15, 2006, 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 Employer Paid Family Vision Insurance Coverage and whose principal place of business is 3333 Quality Drive, Rancho Cordova, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Employer Paid Family Vision Insurance Coverage, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On July 14, 2006 District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Employer Paid Family Vision Insurance Coverage described herein. This Contract is intended to fix the provisions of these services.

District 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 May 15, 2006

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

Contractor's Proposal to the District for Employer Paid Family Vision Insurance Coverage, signed by Contractor and dated June 9, 2006.

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 District for this project in accordance with the Request for Proposals issued May 15, 2006.

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 May 15, 2006.

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 the District.

At the option of the District, 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

District shall compensate Contractor \$26.58 per employee plus family per month. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$ 256,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a project number provided by the District 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 the District (or any grantor of the District,

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 the District 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.

DISTRICT

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

CONTRACTOR

Vision Service Plan
3333 Quality Drive
Rancho Cordova CA 95670
Attention: Cindy Holmes, Account Executive

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 _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
VISION SERVICE PLAN

By _____
Richard W. Steere
Vice President of Sales

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

For Employer Paid Family Vision Insurance Coverage

District RFP No. 05-24

Date Issued: May 15, 2006

Proposal Deadline: 5:00 P.M., June 9, 2006



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:** The District 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 THE DISTRICT:** Proposals (1 original and 4 copies) must be delivered to the District Purchasing Office, 110 Vernon Street, Suite B, 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 the District. 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 the District and the advantage to the District 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 the District, 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 THE DISTRICT:** 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 the District 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 the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors.

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 the District 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 the District; (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 the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District 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 the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District 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 the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District 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 the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. 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, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S 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) in all areas of District 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.

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

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

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 _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

CONTRACTOR'S ADDRESS _____

 PROPOSAL AMOUNT \$ _____
 PROPOSAL OPENING DATE _____
 DATE OF DBE CERTIFICATON _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District'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
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
PARTICIPATION \$ _____ _____ %

PART III

SPECIFICATIONS FOR EMPLOYER PAID FAMILY VISION INSURANCE COVERAGE

1. INTRODUCTION

The Santa Cruz Metropolitan Transit District is an independent public transit agency. It is the sole public transit operator in Santa Cruz County. The District operates service on 41 fixed routes and jointly operates Highway 17 Express service with the Santa Clara Valley Transportation Authority. The District operates a fleet of 113 buses.

The District has an operating budget of \$36 million with approximately 90 retirees and 326 active employees with a payroll of \$19 million annually. Employees are divided into three major subdivisions, two of which are covered by collective bargaining agreements. The groups are as follows:

Management (non-union)
Bus Operators (UTU Local 23)
Administrative/Maintenance (SEIU Local 415)
Paratransit Operators (UTU Local 23)

2. BACKGROUND INFORMATION

Administrative Offices:	370 Encinal Street, Suite 100 Santa Cruz, California 95060
Nature of Business:	Public Transportation
Current Insurance Carrier:	Vision Service Plan (VSP)
Vision Benefit Coverage to Quote:	Match current plan benefits (<u>See Attachment A</u>)
Commission:	No commissions
Proposed Effective Date:	August 1, 2006
Proposed Term:	One or two-year contract with renewal options not to exceed a total of five years
Premium Payment:	District paid family coverage
Employee/Retiree Enrollments:	As of 5/1/2006: <ul style="list-style-type: none">• Employee/retiree only: 115• Plus one dependent: 124• Plus two or more: 162

3. INTENT OF REQUEST FOR PROPOSAL

The District seeks proposals from qualified vision insurance providers to provide employer paid family vision insurance coverage. Pricing is requested on a one-year contract and optional pricing on a two-year contract. The contract period of performance will be for one or two years dependent upon the financial advantage to the District of either a one or two year contract. The District will retain the option to renew for up to three/four additional years not to exceed a total of five years from the initial contract together with all additional renewals. Fixed prices for the first one/two years for basic coverage will be established as

part of the initial contract. Pricing for subsequent years will be negotiated based on the consumer price index; loss experience and/or enhancements in service.

4. QUALIFICATIONS

The District may investigate the qualifications of all firms that submit a proposal 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 the District to make all reasonable investigations necessary to evaluate the qualifications stated in the proposal.

The District will award a contract to the firm which is most capable of performing the services described in the RFP, based upon the criteria as set fourth in item 9 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 ability to deliver the desired insurance coverage. As part of the determination that your firm is responsible and capable of providing this service, any firm making a proposal to this RFP agrees to the following:

- A. Provide sixty (60) days written notice of proposed policy anniversary renewal rate changes.
- B. No currently covered employee/retiree will lose coverage as a result of a change in insurance carriers including covered employees not actively at work on a new carrier's policy effective date.
- C. Provide a list of three (3) clients in California who could be contacted as references (public agencies preferred).
- D. Provide for a thirty-day written notice by policyholder to cancel policy.
- E. Provide a description or samples of monthly billing statements and administration manual.
- F. Allow for the effective dates of coverage for new employees to be determined as a result of union agreements with the District.

5. 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 firm follow the format with care. Proposals should be as brief and concise as possible. Each firm, in responding to this RFP, should provide a quotation of monthly rates for either a three tier price quote or a one composite price quote for employee plus all dependents or both.

1. Cover Letter
2. Qualifications of the Firm and Staff
3. Highlights of Insurance Program offered
4. Firm's cost proposal
5. Required Proposal Documents

6. TYPE OF CONTRACT AWARDED

The District intends to enter into a firm-fixed price contract for either a one or two-year contract term dependent upon the financial advantage to the District. The District will retain the option to renew for up to three/four additional years not to exceed a total of five years from the initial contract together with all additional renewals. Pricing on option years to be negotiated with 60-day written notice of rate change. The District's Board of Directors is expected to award a contract on June 23, 2006 or July 14, 2006. The contract term would begin August 1, 2006.

7. ADDITIONAL INFORMATION AND CHANGES

The Purchasing Office will respond to questions relating to this procurement. Questions of a substantive nature may be emailed or faxed to the attention of Lloyd Longnecker, Purchasing Agent, at llongnec@scmt.com, (831) 469-1958. No oral modification of this RFP shall be valid. Any

modifications shall be by written RFP addendum and issued by the Purchasing Office.

8. CONFIDENTIAL DATA

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

9. PROPOSAL EVALUATION PROCESS AND SCORING MODEL

A Proposal Evaluation Committee will perform the overall evaluation process. The evaluation criteria will be the sole basis for determining the acceptability of proposals. The proposal should be specific and complete in every detail. Brief telephone interviews using a standardized questionnaire format may be conducted at the discretion of the Evaluation Committee of those firms selected as finalist by the selection panel.

Evaluation Criteria	Column 1 Criteria Weight	Column 2 Rating (1-10)	Column 3 Weighted Rating (column 1 x column 2)
Qualifications and Experience	2.0		
Coverage/benefits offered	4.0		
Cost/Price Proposal	4.0		
Total	10.0		

10. PROPOSAL SUBMISSION

A complete submittal will consist of one signed original and four (4) copies of the proposal documents. All submittals must be received at the reception desk of the District's office at the address provided below no later than **5:00 p.m. on June 9, 2006. Proposals received after that time will not be considered.** Proposal packages must be sealed and marked as follows:

"RFP No. 05-24 for Employer Paid Family Vision Insurance Coverage "

**Send proposal packages to:
Santa Cruz Metropolitan Transit District
Purchasing Office
110 Vernon Street, Suite B
Santa Cruz, CA 95060**

ATTACHMENT A

VISION BENEFIT SUMMARY

Current Plan Coverage

- Eligible employees and retirees and eligible dependents (dependent children to age 23) as determined by the District.
- Eligible for either lenses and frames OR contact lenses every 12 months
 - Examination every 12 months
 - Lenses and Frames every 12 months
 - Contact lenses every 12 months
- Deductible:
 - Exam and materials: \$5.00
 - Contact lenses: \$50.00
 - Limitations: Blended or progressive lenses, oversize, or coated lenses, frame overage, cosmetic lenses
- Not covered: Non-prescription lenses, two pair of lenses in lieu of bifocals, medical or surgical treatment, orthoptics or vision training, or supplemental tests.

Fees	<u>Member Doctor Schedule</u>	<u>Non-Member Doctor Schedule</u>
Professional Fees		
Vision Examination, up to	paid-in-full	\$ 40.00
Materials		
Single Vision Lenses, up to	paid-in-full	\$ 40.00
Bifocal Lenses, up to	paid-in-full	\$ 60.00
Trifocal Lenses, up to	paid-in-full	\$ 80.00
Lenticular Lenses, up to	paid-in-full	\$125.00
Frames, up to	paid-in-full *	\$ 45.00
Tints, up to	paid-in-full	\$ 5.00
Contact Lenses		
Necessary	\$350.00	\$210.00
Elective	\$350.00	\$210.00

* must provide a wide selection of frames covered in full

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 District 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

District 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 the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, 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 the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District 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 the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District 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 the District; (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 the District, 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 the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District 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 the District 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 the District 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 the District has or may acquire an interest.

2.02 Termination for Default

2.02.01 The District 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, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District 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 District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of the District 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 District 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 District 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 the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District'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 the District 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. District 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 District 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 the District 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 District (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 District 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 performance 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 District and any insurance or self-insurance maintained by District 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 the District.
- (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 District.
- (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 the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District 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 District 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 the District.

8. RESERVED

9. NO DISCRIMINATION

In connection with the performance of services provided under this Contract, Contractor shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local laws.

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 District 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.

11. PROMPT PAYMENT

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from District. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the District. This 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 District 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 District Liability

The District'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 District premises or distribute same to District employees.

13.05 Publicity

Contractor agrees to submit to District all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein the District's name is mentioned or language used from which the connection of District'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 District.

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 District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District 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 the District; and any such action by Contractor without District'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 the District. Any such action by Contractor without District'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 District 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 District premises or in a District vehicle.

13.17 Responsibility for Equipment

13.17.01 District 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 District.

13.17.02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District 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 the District.

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 District 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 EMPLOYER PAID FAMILY VISION INSURANCE COVERAGE (05-24)

THIS CONTRACT is made effective on August 1, 2006 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and _____ ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Employer Paid Family Vision Insurance Coverage

District has the need for Employer Paid Family Vision Insurance Coverage. In order to obtain these services, the District issued a Request for Proposals, dated May 15, 2006, 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 Employer Paid Family Vision Insurance Coverage and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Employer Paid Family Vision Insurance Coverage, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On _____, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Employer Paid Family Vision Insurance Coverage described herein. This Contract is intended to fix the provisions of these services.

District 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 May 15, 2006

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

Contractor's Proposal to the District for Employer Paid Family Vision Insurance Coverage, signed by Contractor and dated June 9, 2006.

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 District for this project in accordance with the Request for Proposals issued May 15, 2006.

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 May 15, 2006.

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 the District.

At the option of the District, 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

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District 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 project number provided by the District 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 the District (or any grantor of the District, 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 the District 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.

DISTRICT

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 _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

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 the District 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 the District, 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, the District 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 the District 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 the District to enter into such litigation to protect the interests of the District, 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 the District, 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 District 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 the District 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 the District 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, the District 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 the District (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 the District 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 23 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 23 apply to this Agreement.

12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District 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 the District 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. The District'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 the District 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 the District.

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

The District 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 the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District 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. The District 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, the District, 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 the District 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 the District 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 the District 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, the District (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 the District, 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. The District 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, the District 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.

The District 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.

District 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 the District 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 the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District 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

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they 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 jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105-1839

*Santa Cruz Metropolitan
Transit District*



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 1

REQUEST FOR PROPOSALS (RFP) NO. 05-24

FOR EMPLOYER PAID FAMILY VISION INSURANCE COVERAGE

May 31, 2006

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 Request for Proposal. The following questions and request for information were received from interested firms. Answers are provided below:

1. ***Question: What is the current frame allowance?***
Answer: \$120.00 retail allowance plus 20% off any overage for any member doctor and \$45.00 for any non-member doctor. **See attached REVISED Attachment A Current Plan Coverage.**
2. ***Question: What are your current vision rates/premiums?***
Answer: \$29.14 per month for employee or employee +1 or employee + family
3. ***Request: Would you please provide a census of the District as we will be providing a GEO access report with the submitted proposal.***
Answer: See attached census report.
4. Firms submitting a proposal shall provide a list of all full service providers located in Santa Cruz County.
5. Proposal response date remains June 9, 2006, 5:00 p.m. PST.

Lloyd Longnecker
Purchasing Agent

Attachments

*110 Vernon Street, Suite B, Santa Cruz, CA 95060
Fleet Maintenance (831) 469-1954 • Purchasing (831) 426-0199
FAX (831) 469-1958*

REVISED ATTACHMENT A

VISION BENEFIT SUMMARY

Current Plan Coverage

- Eligible employees and retirees and eligible dependents (dependent children to age 23) as determined by the District.
- Eligible for either lenses and frames OR contact lenses every 12 months
 - Examination every 12 months
 - Lenses and Frames every 12 months
 - Contact lenses every 12 months
- Deductible:
 - Exam and materials: \$5.00
 - Contact lenses: \$50.00
 - Limitations: Blended or progressive lenses, oversize, or coated lenses, frame overage, cosmetic lenses
- Not covered: Non-prescription lenses, two pair of lenses in lieu of bifocals, medical or surgical treatment, orthoptics or vision training, or supplemental tests

Fees	<u>Member Doctor Schedule</u>	<u>Non-Member Doctor Schedule</u>
Professional Fees		
Vision Examination, up to	paid-in-full	\$ 40.00 \$45.00
Materials		
Single Vision Lenses, up to	paid-in-full	\$ 40.00 \$45.00
Bifocal Lenses, up to	paid-in-full	\$ 60.00 \$65.00
Trifocal Lenses, up to	paid-in-full	\$ 80.00 \$85.00
Lenticular Lenses, up to	paid-in-full	\$125.00
Polycarbonate Lenses	<i>paid in full for dependent children adult cosmetic lenses discounted through VSP</i>	
Frames, up to	paid-in-full <i>\$120 retail allowance plus 20% off any overage *</i>	\$ 45.00
Tints, up to	paid-in-full	\$ 5.00
Contact Lenses		
Necessary	\$350.00 <i>covered in full with with prior authorization from VSP</i>	\$210.00 \$250.00
Elective	\$350.00	\$210.00 \$130.00

* must provide a wide selection of frames covered in full

EXHIBIT - B



June 6, 2006

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
Purchasing Office
110 Vernon Street, Suite B
Santa Cruz, CA 95060

RE: RFP No. 05-24 for Employer Paid Family Vision Insurance Coverage

To whom it may concern:

VSP is pleased to respond to Santa Cruz Metropolitan Transit District's request for a vision care proposal. We have complied with the requirements of the RFP and can agree to General Conditions to the Contract and suggest that it be added as an addendum to your current contract with VSP.

As you consider finalists for this contract, we believe you will ultimately judge the success of the vision program on issues such as ease of administration, network access, plan coverage and customer satisfaction. VSP leads the industry in exceptional satisfaction in each of these areas as shown in the following excerpts from our latest satisfaction survey results (excellent, very good and good ratings):

Client Satisfaction		Patient Satisfaction	
Ease of doing business with VSP	98%	Convenience of VSP doctor locations	98%
Likely to renew the VSP plan	96%	Overall level of service	99%
Overall satisfaction	99%	Overall satisfaction	100%

Through products, administration and funding options, VSP has the flexibility to meet **Santa Cruz Metropolitan Transit District's** budgetary needs while maintaining a consistent level of service for its employees. VSP provides choice without sacrificing value, as demonstrated throughout our proposal.

With VSP, your employees will receive convenient, quality patient care through our national network of **32,000** private practice doctor access points. VSP doctors deliver the convenience and choice that today's consumers demand by offering evening and weekend hours in both medical and retail settings. All VSP doctor locations offer both retail and eyecare services (eyewear and exams), giving their patients a "one stop shopping" experience.

We would like to encourage you to visit VSP's corporate headquarters in Rancho Cordova, California. Many clients have found that a site visit provides an excellent opportunity to observe first-hand VSP's commitment to delivering the promises outlined in our RFP response. We also recommend that you visit www.vsp.com to experience the wide array of resources and tools available on our interactive Web site.

VSP is a solution-oriented company with the experience and resources necessary to build a strong partnership with **Santa Cruz Metropolitan Transit District**. VSP – a reputable partner **Santa Cruz Metropolitan Transit District** can rely on now and in the future.

Sincerely,

Cindy Holmes
ACCOUNT EXECUTIVE

Passion for people. Vision for life.



Proposal Overview for



Santa Cruz Metropolitan Transit District

Executive Summary

VSP's Awards and Recognition

General Information Form

Qualifications of VSP and Staff

Highlights of Vision Care Program

Rates

Plan Design

Required Proposal Documents

- Lobbying Certification Form
- Buy America Provision Form
- Contractor DBE Information Form

GeoAccess Report

Disruption Reports

VSP Doctor Directory

VSP's Performance Standards

Exhibit A – Account Team Biographies

Exhibit B – VSP's Financial Statement

Value

- Unlimited Lens and Frame Choices
- Unlimited Lens Options
- Discount on LaserVision Care
- Discount on Additional Glasses
- Industry Benchmark of Quality
- Operational Stability
- Benefit Communications Support

Service

- Client-Focused Account Team
- World Class Call Center¹
- IVR Available 24/7
- Call, E-mail or Chat with a CSR
- Online Resources & Tools
- Administrative Uniformity
- Half a Century of Experience
- 25,000 Clients
- 46 Million Members (40 Million Funded)
- \$2 Billion in Revenue

¹ Awarded by Service Quality Management (SQM) Benchmarked against 200 other call centers

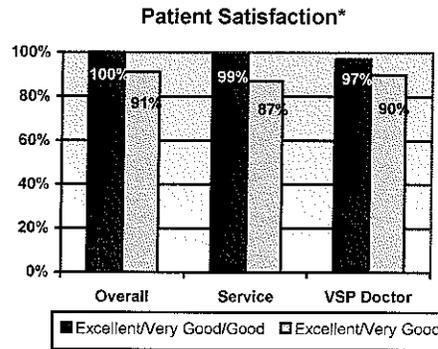
Providers

- 32,000 Access Points Nationwide
- One-Stop Shopping
- 24-Hour Care Access
- Avg Driving Distance is 4 Miles
- Retail & Medical Office Locations
- Evening & Weekend Hours
- Consumer Preferred Model
- Private Practice ODs & MDs
- DPA/TPA/ABO Certified
- NCQA Credentialing Certificate
- Average 20 Years in Practice

Exceptionality...

VSP exceeds the standard in eyecare by delivering exceptional value, service and providers. We call this "exceptionality" and believe it is what elevates VSP in the marketplace

Satisfaction is Key: The results from our latest satisfaction surveys confirm that VSP continues to deliver not just good, but exceptional satisfaction as shown by the excellent and very good ratings below:



*For patients satisfied with level of coverage



*VSP Satisfaction Surveys - Q4 2005

Service You Can Count On: VSP provides unparalleled service backed by our exceptional performance standards, which cover claim processing, call center management, online membership and patient satisfaction.

A Focus on Eye Health: Through VSP's Eye Health Management philosophy, we are committed to maintaining our members' eye health as well as their overall health. A routine eye exam can detect symptoms of a wide variety of conditions from health issues like diabetes, to eye diseases like glaucoma. Early treatment of these conditions can help prevent vision loss and save on costly complications later. VSP is working to collect data from our doctors that will complement clients' disease management programs and overall wellness efforts in keeping employees healthy and productive.

Technology That Works: Through our interactive Web site and sophisticated internal systems, VSP makes it easy for clients, members and doctors to get personalized information in a secure environment.

Unbeatable Coverage: From California to New York and everywhere in between, VSP delivers uniformity from a decentralized, nationwide network. This allows our clients to provide consistent benefits, regardless of location. Quality eye exams and unlimited eyewear choices exemplify VSP.

VSP's Promise: Satisfaction is our guarantee. We are committed to providing:

- A hassle-free experience
- Quality, choice and convenience
- Straightforward communication
- Privacy and confidentiality
- Responsive service

Choose Exceptionality... Choose VSP!

Passion
for people.

Vision
for life.™

VSP Awards & Recognition



THE INTERNATIONAL BUSINESS AWARDS
2005 Winner



Credentialing and
Recredentialing



ACCREDITED
HEALTH WEB SITE

FORTUNE
100 BEST
COMPANIES
TO WORK FOR 2006

**2004 National Vision Plan Member Satisfaction Study and J.D. Power and Associates 2005 National Vision Plan Member Satisfaction StudySM 2005 study based on 1,150 responses from members of large national vision care plans who were surveyed in July 2005. 2004 conducted for VSP by J.D. Power and Associates. www.jdpower.com*

VSP has earned several awards, demonstrating our commitment to providing our clients and members exceptional service.

For the fourth consecutive year, VSP's call center has received an award for World Class Customer Satisfaction from Service Quality Measurement Group, Inc (SQM), ranking VSP in the top 5% of the entire benchmark. SQM is a recognized leader in the measurement of customer and employee satisfaction in the call center industry across North America, benchmarking more than 200 call centers each year. VSP was also recognized with awards for Highest Employee and Customer Satisfaction for the Insurance Industry for 2004 and 2005.

VSP has won the International StevieTM Award for Best Customer Service Organization in the 2005 International Business AwardsSM. The International Business Awards are the only global, all-encompassing business awards program honoring great performances in the workplace. Recipients of 76 International Stevie Award trophies were selected from more than 600 nominations received from companies and individuals in more than 30 countries.

VSP is one of the select companies in the country and the first eyecare benefit company to be awarded a credentialing certificate by the National Committee for Quality Assurance (NCQA), an independent nonprofit organization that assesses and reports on America's health care. This certificate signifies a "gold standard" status for our doctor credentialing process.

URAC, a leading independent nonprofit organization that promotes health care quality through accreditation and certification programs, awarded VSP's Web site the Health Web Site Accreditation. This accreditation is composed of 53 rigorous standards that closely examine various aspects of health Web site operations.

For the seventh consecutive year, FORTUNE Magazine has rated VSP as one of the "100 Best Companies to Work For" in America. VSP is currently rated number 7 and is the only vision plan provider on the list.

VSP was awarded the "Highest in Overall Member Satisfaction Among National Vision Plans for the Second Year in a Row"^{**} by J.D. Power and Associates. This ranking, based on an independent study of consumers nationwide, demonstrates VSP's commitment to providing high-quality eyecare benefit plans and exceptional service to our members. It is a direct reflection of the member satisfaction with our doctors and VSP employees, all of which sets us apart from other national vision care plans.



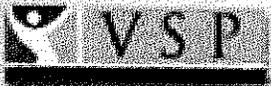
Passion
for people.

Vision
for life.



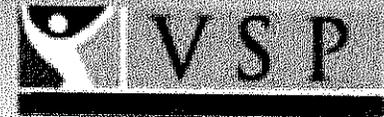
2005 J.D. Power and Associates Study Results

Summary Presentation

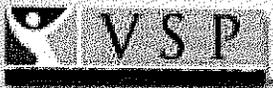


J.D. Power and Associates ranked VSP

"Highest in Overall Member Satisfaction Among National Vision Plans, Two Years in a Row."



©2014 Vision Service Plan Member Satisfaction Study and 2013 Vision Care Satisfaction Study. National Vision Plan Member Satisfaction Study © 2013. Study based on 1,135 responses from members of large national vision care plans with some responses in 2013. Study conducted for VSP by J.D. Power and Associates, www.jdpower.com



Are corporate chains important for member satisfaction?

- No! VSP has the highest member satisfaction compared to competitors *with* corporate chains.
 - Independents (private practice) are clearly preferred by members.
 - No clear preference demonstrated for any one plan with corporate chains.
 - Corporate chains, limited labs and lens restrictions appear to decrease satisfaction compared to VSP.



VSP Clear Satisfaction Winner

	VSP	EyeMed	Davis	Cole	Spectera
<i>Overall</i>	1st	2nd	3rd	4th	Last
<i>Coverage & Benefits</i>	1st	2nd	Last	3rd	4th
<i>Cost</i>	1st	3rd	2nd	4th	Last
<i>Doctor Network</i>	1st	2nd	3rd (tie)	Last	3rd (tie)
<i>Purchase Experience</i>	1st	4th	3rd	Last	2nd
<i>Customer Service</i>	1st (tie)	Last	2nd	1st (tie)	3rd

Source: J.D. Power and Associates 2005 National Vision Plan Member Satisfaction StudySM



Are corporate chains important for enrollment?

- No! J.D. Power and Associates found that VSP members were more likely to:
 - Re-enroll in current vision care plan if given a choice
 - Recommend their vision care plan
 - Use the plan benefits again for services and purchases

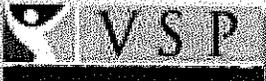


VSP Highest Member Loyalty



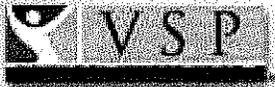
	VSP	EyeMed	Davis	Cole	Spectera
Likelihood to re-enroll	1st	Last (tie)	2nd	Last (tie)	Last (tie)
Likelihood to recommend plan	1st	3rd (tie)	2nd	3rd (tie)	Last

Source: J.D. Power and Associates 2005 National Vision Plan Member Satisfaction StudySM



Why are members more satisfied with VSP's network?

	<i>Overall Satisfaction</i>	<i>Corporate Chains</i>	<i>Plan-owned Labs</i>	<i>Directed Choice for Materials</i>
VSP	<i>1st</i>	Patients prefer private practice.	VSP lets the doctor make the best decision for each patient.	
EyeMed	<i>2nd</i>	x	x	x
Davis	<i>3rd</i>	x	x	x
Cole	<i>4th</i>	x	x	x
Spectera	<i>Last</i>	x	x	x



Independent Studies Confirm Success Criteria

- Compared to the competition, J.D. Power and Associates confirms that VSP members are more satisfied with:
 - Coverage & Benefits
 - Cost
 - Doctor Network & Clinical Service
 - Eyewear Purchase Experience
 - Customer Service
- Exceptional Overall Satisfaction including Network and Cost + High Enrollment/Re-enrollment = *Plan Success*

**Success
Criteria**

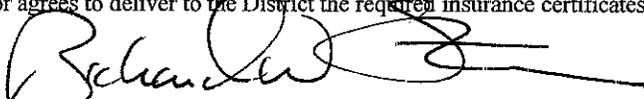
PART II

GENERAL INFORMATION FORM

Employer Paid Family Vision Insurance Coverage RFP No. 05-24
(To be completed by the offeror and placed at the front of your proposal)

VISION SERVICE PLAN	6/1/06
Legal Name of Firm	Date
3333 QUALITY DRIVE, RANCHO CORDOVA, CA 95670	
Firm's Address	
(800) 852-7600	(916) 851-4854
Telephone Number	FAX Number
NOT FOR PROFIT CORPORATION	94-1632821
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 the District 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 the District 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 the District the required insurance certificates within ten (10) calendar days of the Notice of Award.



Signature of Authorized Principal

RICHARD W. STEERE, VICE PRESIDENT OF SALES

Name of Principal-in-Charge and Title

CINDY HOLMES, ACCOUNT EXECUTIVE

Name of Project Manager and Title

CINDY HOLMES, ACCOUNT EXECUTIVE, Cindy.Holmes@vsp.com (916) 851-4834
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

3333 QUALITY DRIVE, RANCHO CORDOVA, CA 95670

Addresses Where Correspondence Should Be Sent

ADMINISTRATOR OF VISION CARE BENEFITS

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

NONE



Presented to Santa Cruz Metropolitan Transit District

Qualifications of VSP and Staff

VSP Experience:

Established in California in 1955, VSP has been the nation's largest vision care plan for nearly **half a century**. As a not-for-profit company, we focus solely on providing high-quality, high-value eyecare benefits.

In addition to providing vision benefits to Santa Cruz Metropolitan Transit District members, we also provide benefits to companies in nearly every business sector, including:

- 14 state governments and 100 health plans
- 1,720 high-tech companies
- 54% of Fortune's 100 "Best Companies to Work for in America" that provide a vision plan

Presently, VSP covers 46 million members (employees and dependents) through 25,000 contracts nationwide.

Account Management Team Qualifications:

Ms. Cindy Holmes, Account Executive, will continue to have overall responsibility for providing superior service. In addition to Ms. Holmes' responsibilities for this account, her Sales Administrator, Ms. Mary Rodriguez will also be available to provide day-to-day assistance and act as a liaison between Santa Cruz Metropolitan Transit District and departments within VSP.

Ms. Holmes began her career with VSP in 1988. Starting in Contract Administration, she brought over 11 years of experience to her current position at VSP. In 1990, Ms. Holmes was promoted to a Field Sales Assistant and again in 1993 when she became an Inside Sales Service/Renewal Representative. She is located at the VSP Corporate Headquarters in Sacramento, California. Ms. Holmes currently works with our Inside Sales division as an Account Executive. She is responsible for the sales, service and renewals for groups in Alameda, Santa Clara, Monterey, Santa Cruz and San Benito counties in California.

Ms. Holmes and Ms. Rodriguez may be reached at the following address and phone numbers:

VSP
3333 Quality Drive
Rancho Cordova, CA 95670
Phone: (800) 852-7600 or (916) 851-5000
Fax: (916) 851-5152
E-mail: Cindy.Holmes@vsp.com or Mary.Rodriguez@vsp.com

A biography for Ms. Holmes is provided as *Exhibit A*.

Presented to Santa Cruz Metropolitan Transit District

In addition to the account management team, VSP's Member Services Department will continue to service Santa Cruz Metropolitan Transit District's employees. The toll-free telephone number, (800) 877-7195, gives patients the option of speaking directly to a customer service representative or using our automated Interactive Voice Response (IVR) system, which provides personalized information on eligibility, plan coverage, past service and VSP doctors.

Availability

- Web site (vsp.com) 24/7
- E-mail (Imember@vsp.com) 24/7
- IVR 24/7
- Customer service representatives Monday – Friday, 5 a.m. to 7 p.m. PST
Saturday, 6 a.m. to 2:30 p.m. PST

References:

Ms. Michelle Maloney
Benefits Manager
CITY OF MONTEREY
City Hall - Madison and Pacific
Monterey, CA 93940
Phone: (831) 646-3765
(465 employees enrolled)

Ms. Mischa Lorraine
Principal Personnel Analyst
**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT**
300 Lakeside Drive, 20th Floor
Oakland, CA 94612
Phone (510) 464-6238
(3300 employees enrolled)

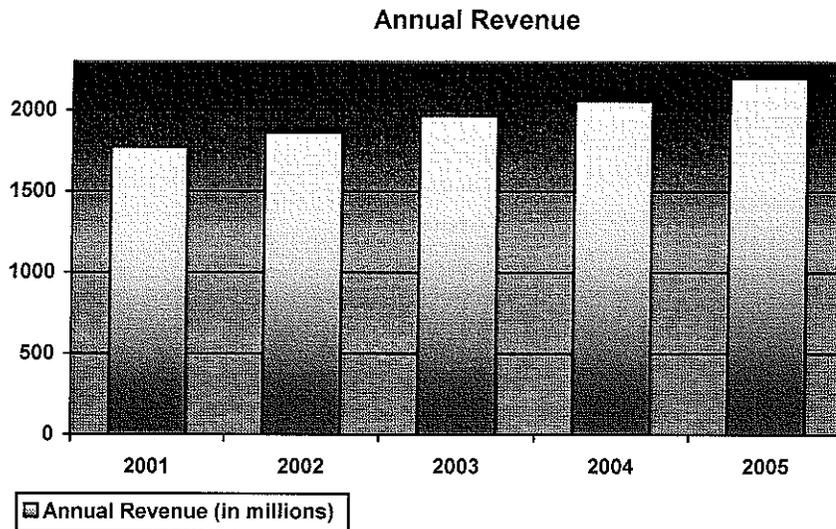
Ms. Angela Casalegno
Benefits Analyst
CITY OF SANTA CRUZ
809 Center Street, Room 7
Santa Cruz, CA 95060
Phone: (831) 420-5407
(675 employees enrolled)

Financial Stability:

VSP is a financially sound, stable organization with the resources to support a successful long-term partnership with Santa Cruz Metropolitan Transit District. As a not-for profit organization with no owners, stockholders or shareholders, VSP is not subject to being purchased, which promotes our long-term stability.

With \$700 million in reserves funded through operations, VSP enjoys a solid financial position.

The following chart illustrates our revenue increases over the past five years, demonstrating our consistent financial growth. In fact, our annual revenue was 2.2 billion in 2005.



VSP's most recent audited financial statement has been included as *Exhibit B*.

In addition, effective November 10, 2005, A.M. Best rated VSP and its eyecare subsidiaries "A" (excellent) in the Class XI financial size category. According to A.M. Best, VSP's rating outlook is positive and reflects:

- Continued profitability
- Strong capitalization
- Solid balance sheet
- Dominant market position
- Consistently strong operating performance
- Conservative investment portfolio
- High client retention

Over the past seven years of being rated by A.M. Best, VSP has generated consistently high annual growth rates, along with growth in underwriting gains in its core product line. This operating profitability has been well supported by its investment portfolio, which encompasses a conservative investment approach and has generated consistent positive contributions. With strong emphasis on liquidity, the portfolio also provides effective coverage of the predominantly short-term liability structure. Therefore, this is favorable to the level of capital with growth directly correlated with net income.



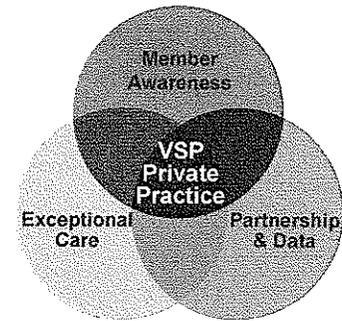
Presented to Santa Cruz Metropolitan Transit District

Highlights of the VSP Insurance Program

VSP delivers exceptional satisfaction, a doctor network offering the utmost in quality, value and choice and is the first vision care plan to include a comprehensive wellness/disease management component – VSP’s Eye Health Management Program. These key differentiators are detailed below.

Eye Health Management

VSP has fifty years of experience dedicated to effectively managing eyecare plans and members’ eye health. We are putting this experience to good use with VSP’s Eye Health Management Program, which complements clients’ disease management and wellness initiatives. VSP’s Eye Health Management Program combines patient awareness and education with medical data collection in order to potentially save overall health care costs and improve patient health outcomes.



Through VSP’s Windows to Wellness educational campaign, members can receive informational materials that emphasize the importance of regular eyecare such as:

- Patient Eyecare Report – summary of VSP doctors services & recommendations
- Diabetes Awareness Program – to include annual eye exam reminders
- *Eye on Health* – annual eye wellness newsletter
- Eyecare education via vsp.com and CD
- PCP Form – online tool for VSP doctors to communicate findings with patient’s PCP

VSP’s Eye Health Management Program currently focuses on six common, yet potentially debilitating diseases: diabetes, diabetic retinopathy, glaucoma, macular degeneration, hypertension and corneal arcus (high cholesterol indicator). Early detection and treatment of these conditions is critical in helping to prevent vision loss and save on costly complications later. With VSP, members receive a fully-covered thorough eye health examination that can identify symptoms of these diseases as well as many others. Because VSP doctors are certified and practice to the fullest scope of their licensure, they can diagnose and prescribe many of the treatments necessary to manage these conditions. For areas beyond the VSP doctor’s scope of treatment, VSP provides online tools for the doctor to communicate findings with the patient’s Primary Care Physician (PCP). We believe this partnership among VSP, the patient, the VSP doctor and the PCP can lead to better health outcomes.

VSP can provide customized prevalence rates for the above diseases along with associated potential cost savings using data from respected sources such as:

- The Centers for Disease Control
- The American Diabetes Association
- The National Institute of Health
- The National Eye Institute

VSP is collecting health data from its doctors regarding the diseases outlined above and can work with your organization to interface with disease management companies and/or health plans to integrate wellness and disease management initiatives. VSP can also provide HIPAA-compliant reporting to support these efforts, with the ultimate goals being to reduce overall health care costs and improve patient health outcomes.

Exceptional Satisfaction

For the second consecutive year VSP ranked “Highest in Overall Member Satisfaction Among National Vision Plans¹,” in J.D. Power and Associates’ 2005 National Vision Plan Member Satisfaction StudySM. This ranking, based on an independent study of consumers nationwide, demonstrates VSP’s ability to deliver exceptional satisfaction. Overall satisfaction was based on the following five performance factors, with VSP ranking highest compared to the other national vision plans included in the study:

- Coverage and benefits
- Cost
- Eye doctor network and clinical service
- Eyewear purchase experience
- Customer service



Additionally, VSP conducts its own monthly satisfaction surveys of members, clients, doctors and our own employees. Consistently, VSP achieves top ratings in these surveys as well, with respondents rating their overall satisfaction as exceptional (as measured by the top two tiers of excellent and very good ratings, on a five point scale).

Doctor Network

To ensure the utmost in quality, value and choice, VSP contracts exclusively with private practice optometrists and ophthalmologists, providing 32,000 points of access throughout urban, suburban and rural communities nationwide. Here are a few key facts about VSP doctors:

- 87% offer extended hours (early morning, evenings and/or weekends)
- 33% are located in retail settings such as malls and shopping areas
- 100% are full service locations (provide exams and dispense eyewear)
- 100% accept new VSP patients and provide 24 hour on-call availability
- 100% possess the highest level of licensure allowed by state law
- 100% are credentialed to NCQA standards – VSP is the first eyecare company to be awarded a credentialing certificate from NCQA

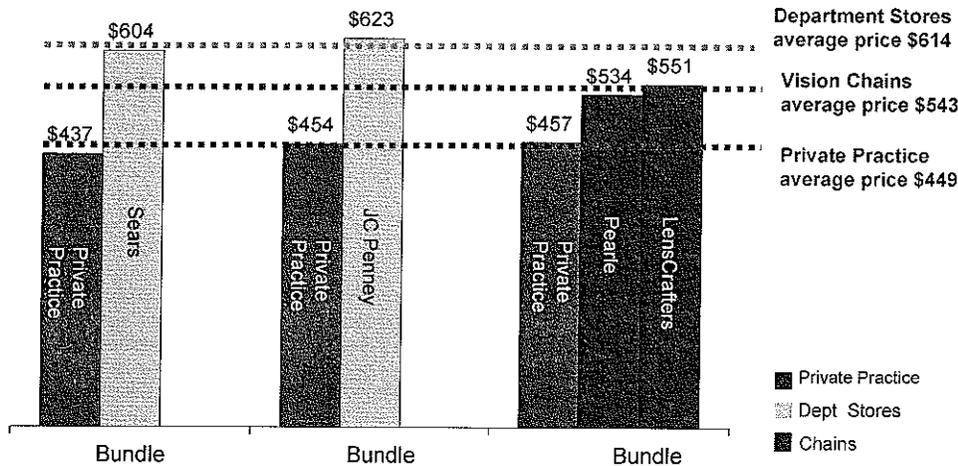


¹ 2004 National Vision Plan Member Study and J.D. Power and Associates 2005 National Vision Plan Member Satisfaction StudySM. 2005 study based on 1,130 responses from members of large national vision care plans who were surveyed in July 2005. 2004 study conducted for VSP by J.D. Power and Associates www.jdpower.com

What does this mean to VSP clients and members? With VSP, you get an experienced doctor who is accessible and qualified to provide the fullest scope of patient care. VSP optometrists are required to be Diagnostic or Therapeutic Pharmaceutical Agent (DPA/TPA) certified, which means they can diagnose and treat eye health conditions. VSP ophthalmologists are certified by the American Board of Ophthalmology (ABO).

In addition to higher quality, VSP's private practice doctors offer greater consumer value and choice than chains or department stores with virtually any brand/manufacturer available depending on individual preferences/needs. Independent research firm, National Shopping Service² confirmed in its 2005 Pricing Study that corporate chains and department stores tend to have much higher mark-ups than private practice doctors so that a 40% discount at a chain/department store is typically equivalent to a 20% discount at a private practice doctor. The study compared popular lens and frame choices at private practice doctors and chain/department stores and shows that chain/department store prices on average are significantly higher than private practice as the example shown in the graph below illustrates:

Comparison of Retail Prices



Bundle 1: Exam, Varilux Comfort lenses & Stetson 178 frames
 Bundle 2: Exam, Varilux Comfort lenses & Chaps 98 frames
 Bundle 3: Exam, Varilux Comfort lenses & Brooks Brothers 324 or 325 frames

² National Shopping Service 2005 Pricing Study: Private Practice vs Chains.

PLANS AND MONTHLY RATES - VSP SIGNATURE PLAN

VSP has three plans, A, B and C. The primary difference is the interval when services are available as shown below

	PLAN A	PLAN B	PLAN C
EXAMINATION	12 Months	12 Months	12 Months
LENSES	24 Months	12 Months	12 Months
FRAME	24 Months	24 Months	12 Months

Plan A, B and C benefits are identical, except for the frequency as noted above. Further, Plan C allows tinted and photochromic lenses, while these cost the patient extra under plans A and B.

POLITICAL SUBDIVISION / COMPOSITE BASIS for Groups headquartered in CALIFORNIA

EMPLOYEE + FAMILY

PLAN C

\$5.00 COPAYMENT

\$26.58

These monthly underwriting rates are based on a group enrollment of approximately 400 employees and are valid for an effective date on or prior to August 1, 2006. These rates assume 100% participation of all eligible employees and dependents. If employee contributions are involved, VSP requires 100% participation of those enrolled in the group medical or dental plan.

TWO YEAR RATE GUARANTEE

Contracts will be issued for two years unless other arrangements are made with VSP in advance. We will consider longer rate guarantees, but at higher rates. If it is necessary to raise our rates at the end of the contract period or any month thereafter, you will be notified at least 60 days in advance. These rates are based on the assumption that VSP will receive these amounts over the full plan term. Financial penalties may apply in the event of early termination of the contract.

Santa Cruz Metropolitan Transit District - 6/5/06

ALTERNATE PLANS AND MONTHLY RATES - VSP SIGNATURE PLAN

VSP has three plans, A, B and C. The primary difference is the interval when services are available as shown below.

	PLAN A	PLAN B	PLAN C
EXAMINATION	12 Months	12 Months	12 Months
LENSES	24 Months	12 Months	12 Months
FRAME	24 Months	24 Months	12 Months

Plan A, B and C benefits are identical, except for the frequency as noted above. Further, Plan C allows tinted and photochromic lenses, while these cost the patient extra under plans A and B.

POLITICAL SUBDIVISION / COMPOSITE BASIS for Groups headquartered in CALIFORNIA

EMPLOYEE + FAMILY

PLAN C

\$10.00 COPAYMENT

\$25.15

PLAN C

\$15.00 COPAYMENT

\$23.75

PLAN C

\$20.00 COPAYMENT

\$22.44

These monthly underwriting rates are based on a group enrollment of approximately 400 employees and are valid for an effective date on or prior to August 1, 2006. These rates assume 100% participation of all eligible employees and dependents. If employee contributions are involved, VSP requires 100% participation of those enrolled in the group medical or dental plan.

TWO YEAR RATE GUARANTEE

Contracts will be issued for two years unless other arrangements are made with VSP in advance. We will consider longer rate guarantees, but at higher rates. If it is necessary to raise our rates at the end of the contract period or any month thereafter, you will be notified at least 60 days in advance. These rates are based on the assumption that VSP will receive these amounts over the full plan term. Financial penalties may apply in the event of early termination of the contract.

Santa Cruz Metropolitan Transit District - Alternate Rates 6/5/06



Signature Plan Summary

VSP Network: 32,000 Access Points Nationwide

Benefit	General Description																
Eye Examination	VSP offers a thorough eye exam covered in full, less any applicable plan copayment, when services are obtained from a VSP network doctor.																
Materials \$50 Copay Applies to Elective Contact Lenses	<p>Lenses: VSP's standard lenses are covered in full (less any applicable plan copayment), including glass or plastic single vision, bifocal, trifocal or other more complex lenses necessary for the patient's visual welfare.</p> <p>Frames: VSP provides a wholesale frame allowance of \$46 that equates to approximately \$120 retail equivalent, giving patients full coverage for more than 18,000 frames on the market today. If the patient selects a frame that exceeds the plan allowance, VSP offers a 20% discount off the amount over the retail allowance.</p> <p>Contact lenses: Covered in full up to \$350 allowance, applied to the contact lens exam (fitting and evaluation) and lenses. Our special program provides current soft contact lens wearers who qualify with a covered-in-full contact lens evaluation¹ and initial supply of non-specialty replacement lenses from VSP's list of popular brands. VSP doctors also provide a 15% discount off their professional services for prescription contact lenses.</p>																
Lens Options	<p>Tints and Photochromic lenses are covered. Polycarbonate lenses are covered for children.</p> <p>To ensure added value, VSP controls the cost of non-covered spectacle lens options. All VSP network doctors must adhere to our patient options price list, which VSP sets and controls. On a national average, we achieve a savings of approximately 20% below usual and customary.</p>																
Valuable Discounts	<p>As an added benefit VSP provides:</p> <ul style="list-style-type: none"> • 20% off additional pairs of prescription glasses² • 15% off professional contact lens services³ • Up to 25% off laser vision correction through contracted laser centers 																
Low Vision	Members with severe visual problems are eligible for this benefit, which can include supplemental testing, low vision prescription services, evaluations, optical and non-optical aids and training. If low vision supplemental testing is approved, VSP will pay up to a maximum of \$125 every two years. If low vision aids are approved, VSP will pay 75% of the approved amount up to a maximum of \$1,000 per covered individual (less any amount paid for supplemental testing) every two years.																
Exclusions	<p>The following items are excluded under this plan:</p> <ul style="list-style-type: none"> • plano lenses (non-prescription) • two pairs of glasses instead of bifocals • replacement/repair of lost/broken lenses or frames • medical or surgical treatment • orthoptics, vision training or supplemental testing • expenses associated with securing materials 																
Out-of-Network Schedule of Allowances	<p>Although more than 95% of our patients see VSP network doctors, we believe that choice is essential when it comes to health care. That's why VSP provides the following reimbursement schedule for patients choosing a non-VSP provider.</p> <table border="0"> <tbody> <tr> <td>Eye examination</td> <td>\$45</td> <td>Frame</td> <td>\$45</td> </tr> <tr> <td>Single vision lenses</td> <td>\$45</td> <td>Contact lenses</td> <td>\$130</td> </tr> <tr> <td>Bifocal lenses</td> <td>\$65</td> <td>Necessary contact lenses</td> <td>\$250</td> </tr> <tr> <td>Trifocal lenses</td> <td>\$85</td> <td>Tints</td> <td>\$5</td> </tr> </tbody> </table>	Eye examination	\$45	Frame	\$45	Single vision lenses	\$45	Contact lenses	\$130	Bifocal lenses	\$65	Necessary contact lenses	\$250	Trifocal lenses	\$85	Tints	\$5
Eye examination	\$45	Frame	\$45														
Single vision lenses	\$45	Contact lenses	\$130														
Bifocal lenses	\$65	Necessary contact lenses	\$250														
Trifocal lenses	\$85	Tints	\$5														

¹ Based on a \$120 elective contact lens allowance. Members with an allowance less than \$120 simply pay the difference between their allowance and \$120 at the time of the contact lens evaluation.

² Discounts valid through the same VSP doctor who performed the covered eye exam within 12 months from the date of the exam.

³ Discounts valid through the same VSP doctor who performed the covered eye exam within 12 months from the date of the exam.

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 VISION SERVICE PLAN

Signature of Authorized Official 

Name and Title of Authorized Official RICHARD W. STEERE, VICE PRESIDENT OF SALES

Date 6/1/06

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.

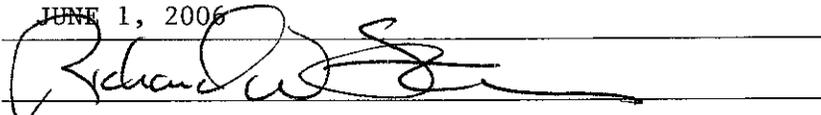
A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

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 FIA 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: JUNE 1, 2006
Signature: 
Company Name: VISION SERVICE PLAN (VSP)
Title: VICE PRESIDENT OF SALES

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

SEE ATTACHED

CONTRACTOR'S NAME VISION SERVICE PLAN (VSP)
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

CONTRACTOR'S ADDRESS 3333 QUALITY DRIVE
RANCHO CORDOVA, CA 95670

PROPOSAL AMOUNT \$ _____
 PROPOSAL OPENING DATE _____
 DATE OF DBE CERTIFICATION _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District'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
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
PARTICIPATION \$ _____ %



Presented to Santa Cruz Metropolitan Transit District

MBE/WBE/DVBE Participation

As a not-for-profit company with no owners, VSP cannot be classified as a MBE, WBE or DVBE company; however, VSP fosters a culture that appreciates and values diversity and embraces the creativity and innovation that results from having a diverse workforce as well as relationships with diverse business partners.

We ensure our support of Minority, Women and Disabled Veteran Business Enterprises (MBE/WBE/DVBEs) through our contracts with doctors, vendors and laboratories throughout the nation. We are also an active member of the Women's Business Enterprise National Council (WBENC). Additionally, we make every effort to solicit new business with MBE/WBE/DVBEs by providing all new vendors with our supplier guide that explains our program and helps identify potential MBE/WBE/DVBE business partners. Each year, VSP advertises in trade publications and participates in procurement conferences focusing on MBE/WBE/DVBEs. To ensure additional support of our program, we also train our personnel to use various online, Web-based tools to broaden our database of MBE/WBE/DVBE suppliers for the competitive bidding process.

Currently, we contract with:

- 1,496 MBE/WBE doctors (optometrists and ophthalmologists) throughout the country
- 24 corporate contracts with vendors qualifying as MBE & WBE
- 29 MBE/WBE contract laboratories across the country

In 2005, through all of the above contracts combined, VSP generated more than **\$95 million** in annual revenue for MBE/WBE participants.

The following outlines our MBE/WBE participation for the State of California.

State of California	
# of MBE/WBE Doctors	385
# of MBE/WBE Contract Labs	14
# of MBE/WBE/DBE Contract Vendors	18
Total dollars paid in 2005 to MBE/WBE doctors, contract labs and contract vendors	\$45,239,774.40

It's important to note that VSP does not assign doctors to members. Instead, we allow members the freedom to select the doctor of their choice. We also allow our doctors the freedom to use the VSP contract laboratory of their choice. For these reasons, VSP cannot guarantee contract dollars to specific MBE/WBE/DVBE doctors or contract laboratories and therefore, we are unable to complete the form provided within the RFP. However, we believe the above information demonstrates VSP's commitment and support of MBE/WBE/DVBEs.

When selected as a finalist, VSP will be happy to share our report outlining all of our participating MBE/WBE doctors and vendors, along with their corresponding revenue amounts.

State	Minority	Women	Grand Total
AK	1	2	3
AL	6	15	21
AR	1	8	9
AZ	5	8	13
CA	216	169	385
CO	9	33	42
CT	2	8	10
DC	2	2	4
DE	1	1	2
FL	33	50	83
GA	5	13	18
HI	12	2	14
IA		5	5
ID	1	2	3
IL	36	34	70
IN	8	29	37
KS	3	11	14
KY	1	8	9
LA	6	8	14
MA	8	26	34
MD	8	12	20
ME	1	3	4
MI	7	32	39
MN	2	12	14
MO	2	12	14
MS		2	2
MT		2	2
NC	2	5	7
NE		7	7
NH	1	1	2
NJ	12	29	41
NM	6	6	12
NV	11	8	19
NY	15	35	50
OH	4	32	36
OK	8	28	36
OR	5	7	12
PA	7	42	49
PR	6	4	10
RI	1	8	9
SC	5	10	15
SD	2	5	7
TN	5	12	17
TX	97	100	197
UT	2	1	3
VA	13	23	36
VT		1	1
WA	13	14	27
WI	3	6	9
WV	1	4	5
WY	1	3	4
Grand Total	596	900	1496

Doctor Count by state
FY 2005

VISION SERVICE PLAN
 MBE/WBE SUMMARY

VSP MBE/WBE NATIONAL PERCENT PARTICIPATION
 LTM 12-31-2005

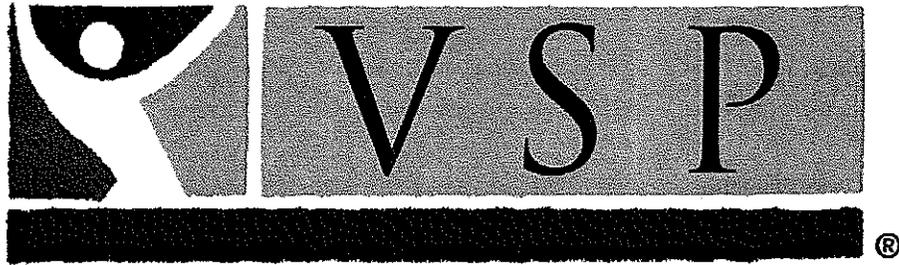
<u>PROVIDERS</u>	<u>TOTAL</u>
MINORITY	\$ 32 048 077
WOMEN	\$ 40,126,963
TOTAL PROVIDER MBE/WBE	\$ 72 175 040
TOTAL QUALIFYING EXPENSES	\$ 1 187 659 894
COUNT	1 496

<u>VENDORS</u>	<u>TOTAL</u>
MINORITY	\$ 430 146
WOMEN	\$ 2,778,917
TOTAL VENDORS MBE/WBE	\$ 3 209 064
TOTAL QUALIFYING EXPENSES	\$ 24 710 146
COUNT	24

<u>CONTRACT LABS</u>	<u>TOTAL</u>
MINORITY	\$ 12 848 849
WOMEN	\$ 7,541,772
TOTAL CONTRACT LAB MBE/WBE	\$ 20 390 621
TOTAL QUALIFYING EXPENSES	\$ 310 117 677
COUNT	29

<u>FINAL--ALL COMBINED</u>	<u>TOTAL %</u>
MINORITY	0.00%
WOMEN	0.00%
TOTAL MBE/WBE	0.00%

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Santa Cruz Metropolitan Transit District

Accessibility Analysis - Driving Distance

June 2, 2006

A report on the accessibility of the

VSP Network Doctors

for the employees of

Santa Cruz Metropolitan Transit District

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Employees With Access

Accessibility summary - Full Service Locations

Accessibility analysis specifications	
Doctor group:	All Doctors 22,876 doctors at 17,537 locations (based on 32,522 records)
Employee group:	All Employees 393 employees
Access standard:	2 doctors within 10 miles
Employees with desired access:	387 (98.5%)

Average distance to a choice of doctors for employees with desired access					
Number of doctors	1	2	3	4	5
Miles	2.4	2.7	3.4	3.6	3.8

Key geographic areas				
City	Total number of employees	Employees with desired access		
		Number	Percent	Average distance to 2 doctors
Santa Cruz, CA	123	122	99	1.9
Watsonville, CA	88	88	100	2.9
Soquel, CA	28	28	100	3.3
Aptos, CA	18	18	100	2.8
Capitola, CA	15	15	100	1.0
Salinas, CA	14	14	100	3.3
Felton, CA	11	11	100	2.1
Freedom, CA	11	11	100	0.3
Boulder Creek, CA	11	9	82	6.5
Ben Lomond, CA	9	9	100	2.3

Cities meeting the access standard

All Employees						
City	Total number of employees	Total number of doctors	Employees with desired access			
			Number	Pct	Average distance to doctors	
					1	2
Springdale, AR	1	7	1	100	1.1	1.1
Lakeside, AZ	1	0	1	100	5.4	9.2
Aptos, CA	18	2	18	100	2.6	2.8
Ben Lomond, CA	9	2	9	100	2.3	2.3
Boulder Creek, CA	11	0	9	82	6.5	6.5
Brookdale, CA	1	0	1	100	3.7	3.7
Capitola, CA	15	2	15	100	1.0	1.0
Castroville, CA	3	0	3	100	6.7	6.7
Davenport, CA	1	0	1	100	6.3	6.3
Desert Hot Springs, CA	2	0	2	100	8.8	9.6
Felton, CA	11	0	11	100	2.1	2.1
Freedom, CA	11	6	11	100	0.2	0.3
Gilroy, CA	2	9	2	100	2.2	2.2
Inyokern, CA	1	0	1	100	6.5	6.9
Los Banos, CA	4	5	4	100	1.4	1.5
Los Gatos, CA	1	18	1	100	1.3	1.3
Marina, CA	5	1	5	100	1.3	7.9
Menlo Park, CA	1	2	1	100	3.5	3.5
Moss Landing, CA	1	0	1	100	5.1	5.4
Mount Hermon, CA	1	0	1	100	1.9	1.9
Pacific Grove, CA	1	1	1	100	1.3	2.1
Paso Robles, CA	1	7	1	100	4.5	4.7
Redding, CA	1	25	1	100	4.6	5.1
Sacramento, CA	1	136	1	100	0.3	0.3
Salinas, CA	14	30	14	100	3.0	3.3
San Francisco, CA	1	165	1	100	1.2	1.2
San Jose, CA	3	118	3	100	0.7	1.5
San Juan Bautista, CA	1	0	1	100	9.5	9.8
San Leandro, CA	1	18	1	100	1.4	1.4
Santa Cruz, CA	123	26	122	99	1.9	1.9
Scotts Valley, CA	9	3	9	100	2.5	2.6
Seaside, CA	1	1	1	100	2.1	2.7
Soquel, CA	28	0	28	100	3.2	3.3
Sunnyvale, CA	1	24	1	100	0.9	0.9
Torrance, CA	1	58	1	100	0.2	0.3
Watsonville, CA	88	8	88	100	2.7	2.9
Miami, FL	1	88	1	100	3.0	3.0
Honolulu, HI	1	90	1	100	0.4	0.9
Kailua, HI	2	6	2	100	2.9	3.7

Access standard: 2 doctors within 10 miles
 Doctor group: All Doctors

Cities meeting the access standard

All Employees						
City	Total number of employees	Total number of doctors	Employees with desired access			
			Number	Pct	Average distance to doctors	
					1	2
Birmingham, MI	1	5	1	100	0.8	1.0
Elizabeth City, NC	1	10	1	100	2.2	2.2
Mooreville, NC	2	8	2	100	1.4	2.0
Minden, NV	1	4	1	100	1.1	2.3
Medford, OR	1	18	1	100	2.4	2.4
Merlin, OR	1	0	1	100	7.6	7.6
San Antonio, TX	1	105	1	100	1.5	3.5
Bellingham, WA	2	16	2	100	2.7	3.1
Moses Lake, WA	1	7	1	100	0.2	0.2
TOTALS	390	1,031	387	99	2.4	2.7

GreaterAccess

Access standard: 2 doctors within 10 miles
 Doctor group: All Doctors

Employees Without Access

Accessibility summary - Full Service Locations

Accessibility analysis specifications	
Doctor group:	All Doctors 22,876 doctors at 17,537 locations (based on 32,522 records)
Employee group:	All Employees 393 employees
Access standard:	2 doctors within 10 miles
Employees without desired access:	6 (1.5%)

Average distance to a choice of doctors for employees without desired access					
Number of doctors	1	2	3	4	5
Miles	12.4	18.3	20.0	20.0	21.5

Key geographic areas				
City	Total number of employees	Employees without desired access		
		Number	Percent	Average distance to 2 doctors
Boulder Creek, CA	11	2	18	10.7
Santa Cruz, CA	123	1	1	14.2
Bonnets Ferry, ID	1	1	100	35.3
La Grange, CA	1	1	100	21.1
Trinidad, CA	1	1	100	17.7

Cities not meeting the access standard

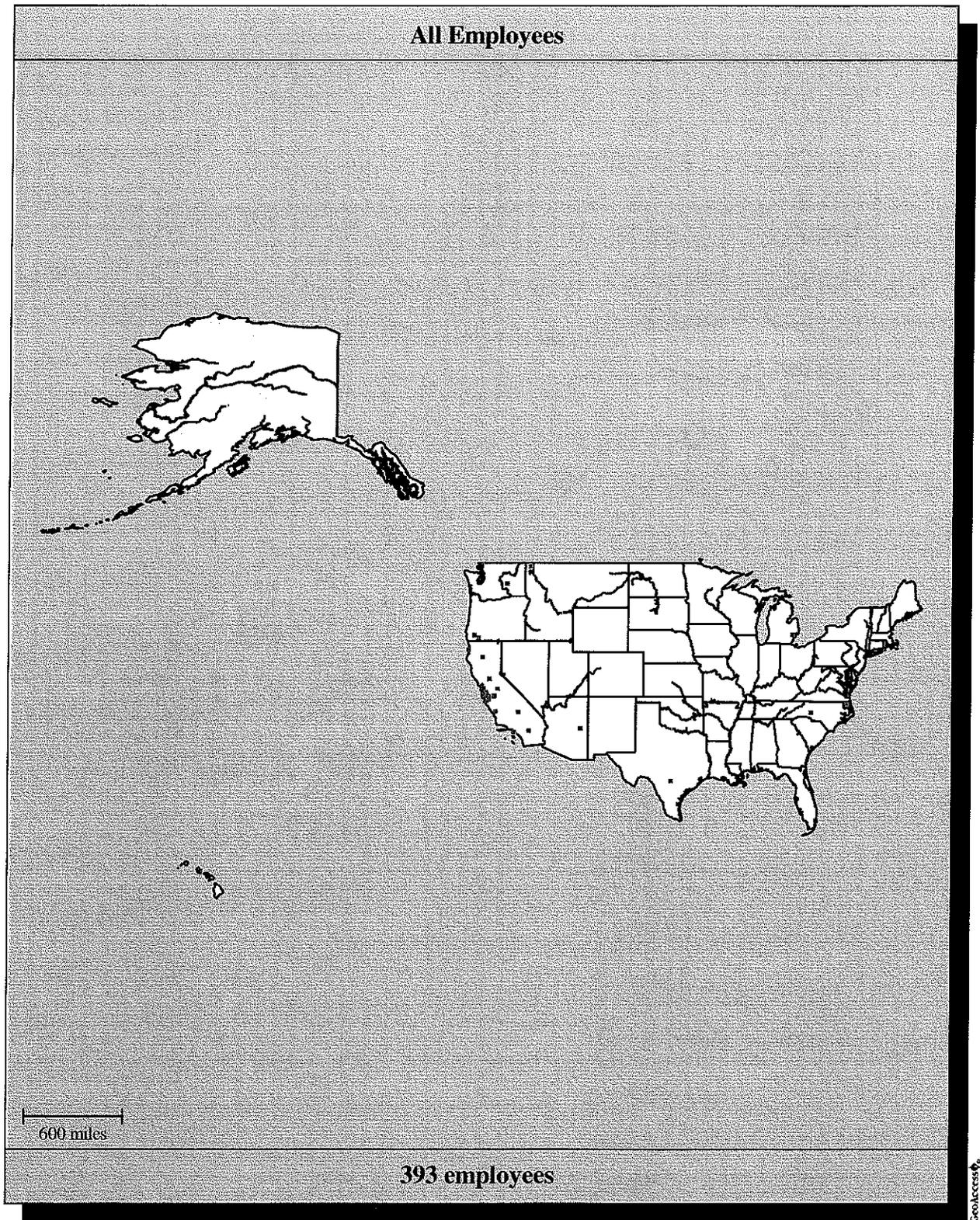
All Employees						
City	Total number of employees	Total number of doctors	Employees without desired access			
			Number	Pct	Average distance to doctors	
					1	2
Boulder Creek, CA	11	0	2	18	10.7	10.7
La Grange, CA	1	0	1	100	20.1	21.1
Santa Cruz, CA	123	26	1	1	14.2	14.2
Trinidad, CA	1	0	1	100	17.7	17.7
Bonnars Ferry, ID	1	1	1	100	1.0	35.3
TOTALS	137	27	6	4	12.4	18.3

GeoAccess

Access standard: 2 doctors within 10 miles
 Doctor group: All Doctors

Employee and Doctor Maps

Employee locations



■ Employee locations

Doctor group: All Doctors

Doctor locations



- Single doctor locations
- ◆ Multiple doctor locations

Employee Zip Code Radius Information

ZIP Code radius information

Population Center Point Analysis						
City	ZIP Code	Total number of employees	Doctors within x miles			
			10.0	15.0	20.0	25.0
Springdale, AR	72764	1	16	22	26	33
Lakeside, AZ	85929	1	2	3	3	3
Aptos, CA	95001	2	38	47	70	163
	95003	16	30	49	102	195
Ben Lomond, CA	95005	9	5	42	107	235
Boulder Creek, CA	95006	11	4	24	184	273
Brookdale, CA	95007	1	5	43	124	237
Capitola, CA	95010	15	33	49	71	147
Castroville, CA	95012	3	5	45	68	86
Davenport, CA	95017	1	2	7	35	51
Desert Hot Springs, CA	92240	2	14	20	42	55
Felton, CA	95018	11	31	35	80	235
Freedom, CA	95019	11	14	37	60	117
Gilroy, CA	95020	2	12	19	36	66
Inyokern, CA	93527	1	4	4	4	4
La Grange, CA	95329	1	0	0	1	15
Los Banos, CA	93635	4	5	5	5	8
Los Gatos, CA	95032	1	121	219	295	359
Marina, CA	93933	5	26	55	70	72
Menlo Park, CA	94025	1	57	146	298	460
Moss Landing, CA	95039	1	16	18	58	119
Mount Hermon, CA	95041	1	33	35	77	235
Pacific Grove, CA	93950	1	23	26	48	56
Paso Robles, CA	93446	1	15	22	22	41
Redding, CA	96002	1	27	28	28	28
Sacramento, CA	95816	1	131	191	225	296
Salinas, CA	93906	6	30	31	49	85
	93907	8	30	31	55	87
San Francisco, CA	94110	1	203	305	474	567
San Jose, CA	95123	1	119	170	241	315
	95124	1	160	239	281	364
	95131	1	163	286	336	383
San Juan Bautista, CA	95045	1	10	23	61	66
San Leandro, CA	94577	1	83	263	646	739
Santa Cruz, CA	95060	47	33	35	45	129
	95061	3	35	35	59	112
	95062	57	33	48	59	129
	95063	7	33	48	59	117
	95065	9	35	44	94	202
Scotts Valley, CA	95066	9	33	45	121	248
Seaside, CA	93955	1	26	45	54	66

GeoAccess

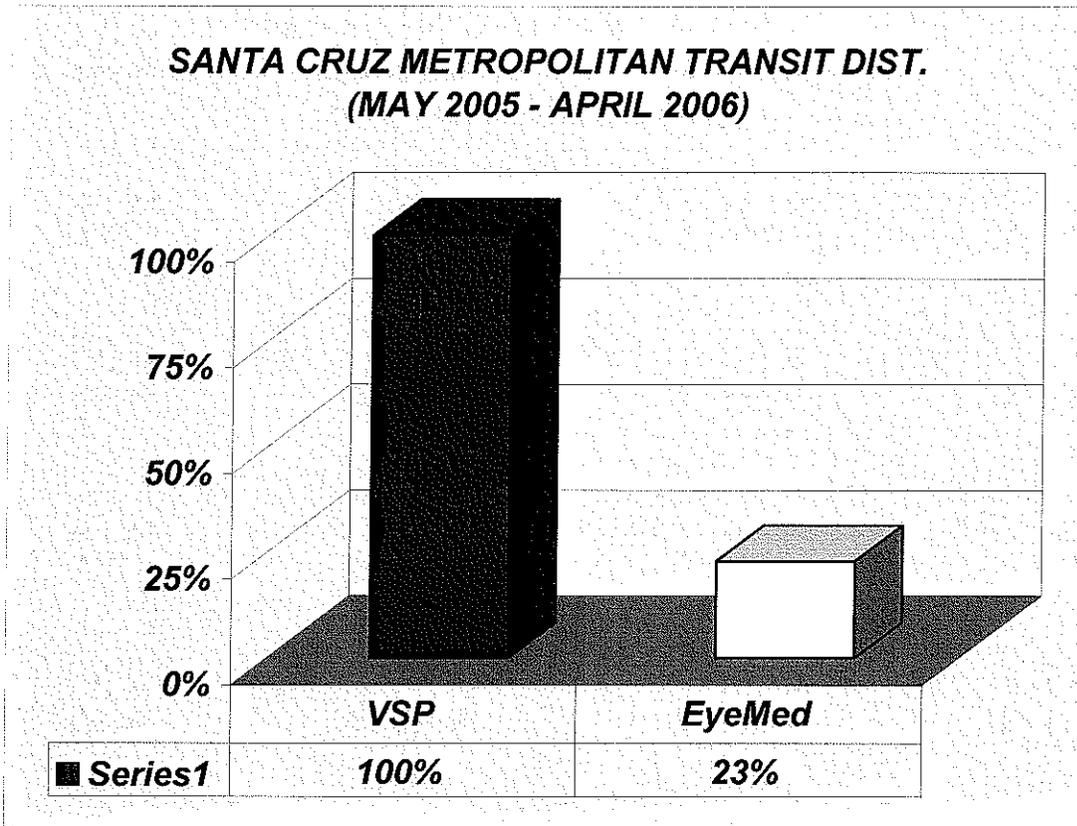
Employee group: All Employees
 Doctor group: All Doctors

ZIP Code radius information

Population Center Point Analysis						
City	ZIP Code	Total number of employees	Doctors within x miles			
			10.0	15.0	20.0	25.0
Soquel, CA	95073	28	33	44	110	209
Sunnyvale, CA	94085	1	179	304	345	412
Torrance, CA	90503	1	181	308	657	914
Trinidad, CA	95570	1	0	2	7	14
Watsonville, CA	95076	83	15	37	60	117
	95077	5	14	22	63	103
Miami, FL	33138	1	49	101	156	217
Honolulu, HI	96816	1	99	104	145	154
Kailua, HI	96734	2	49	117	147	156
Bonnars Ferry, ID	83805	1	1	1	1	1
Birmingham, MI	48009	1	104	199	337	402
Elizabeth City, NC	27909	1	10	10	10	10
Moorestville, NC	28117	2	26	31	41	80
Minden, NV	89423	1	8	22	28	28
Medford, OR	97501	1	20	23	28	28
Merlin, OR	97532	1	15	15	15	15
San Antonio, TX	78228	1	55	99	105	109
Bellingham, WA	98225	1	16	19	20	24
	98226	1	17	20	20	24
Moses Lake, WA	98837	1	7	7	7	8

Employee group: All Employees
 Doctor group: All Doctors

GROUP# 12019717



Total member provider paid claims in California from May 2005 - April 2006: 535

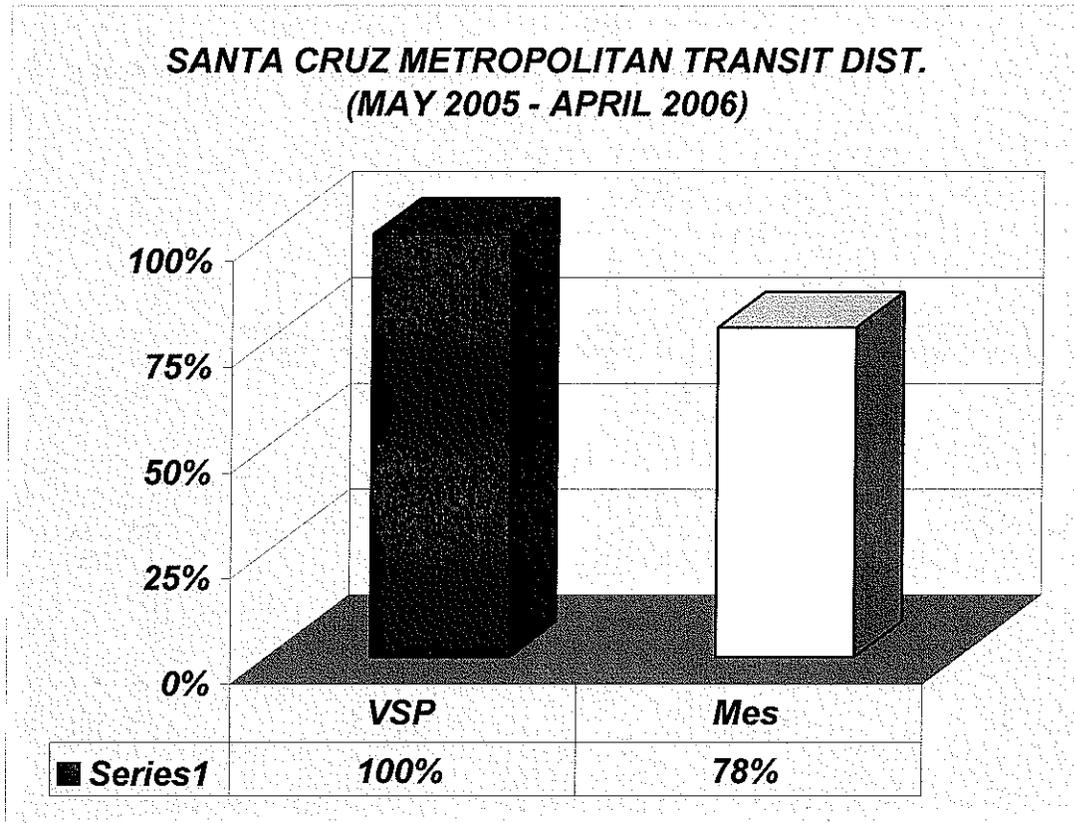
Claims that would see the same provider: 121 (23%)

Claims that would have to change providers: 414 (77%)

*EyeMed Provider Directory as of June 2005



GROUP# 12019717

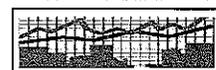


Total member provider paid claims in California from May 2005 - April 2006: 535

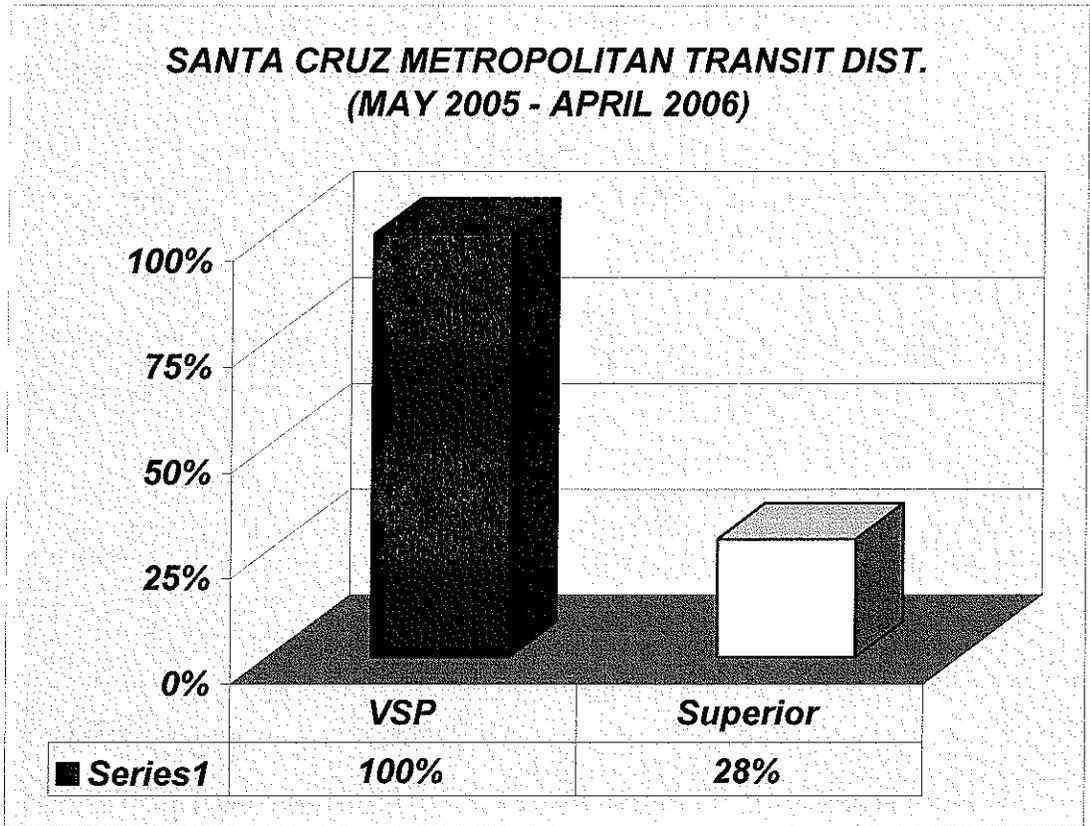
Claims that would see the same provider: 416 (78%)

Claims that would have to change providers: 119 (22%)

*Mes Provider Directory as of May 2006



GROUP# 12019717

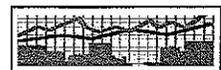


Total member provider paid claims in California from May 2005 - April 2006: 535

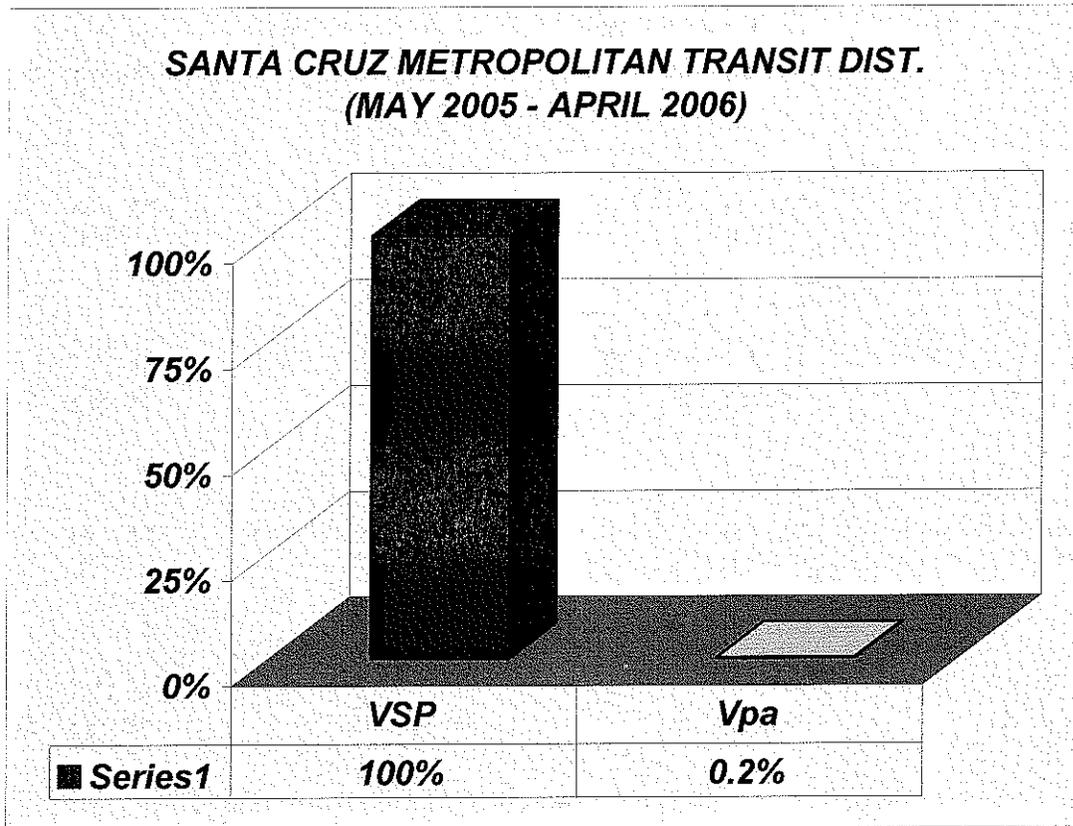
Claims that would see the same provider: 152 (28%)

Claims that would have to change providers: 383 (72%)

*Superior Provider Directory as of May 2006



GROUP# 12019717



Total member provider paid claims in California from May 2005 - April 2006: 535

Claims that would see the same provider: 1 (0.2%)

Claims that would have to change providers: 534 (99.8%)

*Vision Plan of America Provider Directory as of May 2006





Presented to Santa Cruz Metropolitan Transit District

VSP's Performance Standards

In addition to our high quality benefits, we are committed to providing unparalleled service backed by our exceptional performance standard measures. Our performance standards help ensure that our clients and members are receiving the kind of quality care and service they've come to expect from VSP. From claim processing and customer service to VSP doctor and member satisfaction, at VSP, we stand behind our services by offering the following exceptional performance standards:

Claims Processing	Standard
Out-of-network claims processed within 5 days	95%
Out-of-network claims processed within 15 days	99%
VSP doctor claims processed within 5 days	95%
Processing accuracy	99%
Financial accuracy	99%
Call Center Management	
Average speed to answer	25 seconds
Response to telephone inquiries within 24 hours	98%
Abandonment rate	3%
Membership Management (maintenance files)	
Electronic eligibility online in two business days	98%
Doctor Satisfaction (based on voluntary turnover)	
VSP doctor retention rate	98%
Patient Satisfaction (respondents satisfied w/level of coverage)	
With VSP	96%
With the care from VSP doctor	96%



3333 Quality Drive
Rancho Cordova, CA 95670
Phone: (800) 852-7600 or (916) 851-5000
Fax: (916) 851-5152
E-mail: Cindy.Holmes@vsp.com

Cindy Holmes

Account Executive

EXPERIENCE

Ms. Cindy Holmes began her career with VSP in 1988. Starting in Contract Administration, she brought over 11 years of experience to her current position at VSP. In 1990, Ms. Holmes was promoted to a Field Sales Assistant and again in 1993 when she became an Inside Sales Service/Renewal Representative. She is located at the VSP Corporate Headquarters in Sacramento, California. Ms. Holmes currently works with our Inside Sales division as an Account Executive. She is responsible for the sales, service and renewals for groups in Alameda, Santa Clara, Monterey, Santa Cruz and San Benito counties in California.

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 the District 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.

DISTRICT

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

CONTRACTOR

Vision Service Plan
3333 Quality Drive
Rancho Cordova CA 95670
Attention: Cindy Holmes, Account Executive

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 _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
VISION SERVICE PLAN

By _____
Richard W. Steere
Vice President of Sales

Approved as to Form:

Margaret Rose Gallagher
District Counsel

13.63

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 14, 2006
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR ONE SPORT UTILITY VEHICLE WITH NORTH BAY FORD

ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for the purchase of one each sport utility vehicle with North Bay Ford.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit bids from qualified firms.
- Only one firm submitted a bid for the District's review.
- District staff has reviewed the submitted bid.
- District staff is recommending that a contract be established with North Bay Ford to provide one each sport utility vehicle.

III. DISCUSSION

Vehicles assigned to Transit Supervisors are vehicles that are used approximately 20 hours a day, seven days a week. These vehicles must be sturdy to withstand the various road conditions throughout the County under all types of weather conditions. In January of 2001, the District's Board of Directors approved a standard for transit supervisor vehicles. In July of 2003, a Transit Supervisor driving a Ford Explorer was broad-sided by a negligent driver who had failed to stop at a red light. The Transit Supervisor was saved from severe bodily injury if not a fatality by the side impact beam of the Ford Explorer.

On January 18, 2005, Invitation for Bid No. 05-26 was mailed to nineteen firms and was legally advertised. On June 27, 2006 one bid was received and opened. District staff has reviewed the bid and has performed a cost analysis to determine if the lone bid is fair and reasonable.

District staff is recommending that a contract be established with North Bay Ford to provide one each Ford Explorer for an amount not to exceed \$ 26,777. Contractor will provide a vehicle meeting all District specifications and requirements.

14.1

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Capital Improvement Program under District Funded Projects.

V. ATTACHMENTS

Attachment A: Contract with North Bay Ford

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

CONTRACT FOR PROCUREMENT OF ONE EACH SPORT UTILITY VEHICLE (05-26)

THIS CONTRACT is made effective on July 14, 2006 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and **NORTH BAY FORD LINCOLN MERCURY** ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need For One Each Sport Utility Vehicle

District requires the purchase of one each sport utility vehicle to be used for standard purposes. In order to obtain said one each sport utility vehicle the District issued an Invitation for Bids, dated May 22, 2006 setting forth specifications for such one each sport utility vehicle. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a supplier of vehicles desired by the District and whose principal place of business is 1999 Soquel Avenue, Santa Cruz. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said one each sport utility vehicle which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On July 28, 2006 District selected Contractor as the lowest responsive, responsible bidder to provide said equipment. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

District 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 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated May 22, 2006.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated June 27, 2006.

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 supersede Exhibit B.

2.03 Recitals

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

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions and prices. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor as identified in the Bid Form, Exhibit B, not to exceed \$26,777 for satisfactory completion of all work under the terms and provisions of this Contract within forty-five (45) days thereof. Contractor understands and agrees that if he/she exceeds the \$26,777 maximum amount payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit invoices with a project number provided by the District 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 the District (or any grantor of the District, 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 the District are (1) actually incurred; (2) reasonable in amount; (3) related to this contract; and (4) necessary for performance of the services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. 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.

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

CONTRACTOR
North Bay Ford Lincoln Mercury
1999 Soquel Avenue
Santa Cruz CA 95062
Attention: Roberta K. Robinson

6. 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 it. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR –NORTH BAY FORD LINCOLN MERCURY

By _____
Roberta K. Robinson
Fleet Manager

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Invitation for Bid (IFB)

For One Each Sport Utility Vehicle

District IFB No. 05-26

Date Issued: May 22, 2006

Bid Deadline: 2:00 p.m., June 27, 2006



Contents of this IFB

Part I.	Bid Form
Part II.	Instructions to Bidders
Part III.	Specifications
Part IV.	General Conditions of the Contract
Part V.	Special Conditions of the Contract
Part VI.	Contract
Part VII.	FTA Requirements for Non-Construction Contracts
Part VIII.	Protest Procedures

PART I

BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled one each sport utility vehicle dated May 22, 2006 at the following prices. The unit bid prices should NOT INCLUDE SALES, USE, EXCISE OR ANY OTHER TAX, they are to be shown in the second column if applicable.

Item No.	Item Description	Quantity	Unit Price	Tax (8.25 %)	Extended Price
1	2006 New, Unused, Two-Wheel Drive Sport Utility Vehicle.	1			
2	DMV Fees	1			
3	OPTIONAL 5 Year/100,000 Miles Bumper-To-Bumper	1			
4	TOTAL BID				

Manufacturer/Model _____

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Items, Options shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

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: _____

BIDDER DBE INFORMATION

BIDDER'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

BIDDER'S ADDRESS _____

 BID AMOUNT \$ _____
 BID OPENING DATE _____
 DATE OF DBE CERTIFICATON _____
 SOURCE ** _____

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

 DATE

 AREA CODE/TELEPHONE

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

- * 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 bids 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.

BIDDER 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 II

INSTRUCTIONS TO BIDDERS

1. **CONTENTS:** This Invitation for Bids (IFB) includes the (I) Bid Form, (II) Instructions to Bidders, (III) Specifications, (IV) General Conditions of the Contract, (V) Special Conditions of the Contract, (VI) Contract, (VII) FTA Requirements for Non-Construction Contracts, and (VIII) Formal Bidding Procedures. The final Contract with the Successful Bidder will be in the form and substance of the Contract (Part VI) included in the IFB.
2. **SUBMISSION OF BID:** Prior to the date and time of bid opening, all bids shall be delivered to the Purchasing Office of the District at 110 Vernon Street, Suite B, Santa Cruz, California, 95060. All bids shall be in a sealed envelope properly endorsed as to name and opening date. No bids received after said time or at any place other than the place as stated in the Notice and Invitation to Bidders will be considered. For example, bids postmarked before bid opening but received after shall be rejected. Telephone or electronic bids will not be accepted.
3. **BIDDER RESPONSIBILITY:** The District has made every attempt to provide all information needed by bidders for a thorough understanding of project terms, conditions and other requirements. It is expressly understood that it is Bidder's responsibility to examine and evaluate the work required under this Invitation for Bids (IFB) and the terms and conditions under which the work is performed. By submitting a bid, Bidder represents that it has investigated and agrees to all the terms and conditions of the IFB.
4. **BID FORM:** The bid shall be made on the Bid Form provided therefore and shall be enclosed in a sealed envelope marked and addressed as required. If the bid is made by a sole proprietor, it shall be signed with his/her full name and his address shall be given; if it is made by a partnership, it shall be signed with the co-partnership name by a member of the firm, who shall also sign his/her own name, and the name and address of each member shall be given; and if it is made by a corporation, it shall be signed by an officer or other individual who has the full and proper authorization to do so.

When the Bid Form is signed by an agent, other than the officer or officers of a corporation authorized to sign Contracts on its behalf, or is signed by an agent other than a partner of a partnership, or by an agent for an individual, a power of attorney must be submitted with the bid; otherwise, the bid will be rejected as irregular and unauthorized.

Blank spaces in the Bid Form shall be properly filled. The phraseology of the Bid Form must not be changed, and no additions shall be made to the items mentioned therein. Alterations by erasure or interlineation must be explained or noted in the bid over the signature of the Bidder. If the unit price and the total amount named by a Bidder for any item do not agree, the unit price alone will be considered as representing the Bidder's intention.

Submission of alternative bid or bids, except as specifically called for in the IFB, will render it informal and may cause its rejection.

5. **COMPETITIVE BIDDING:** If more than one bid is offered by any individual, firm, partnership, corporation, association, or any combination thereof, under the same or different names, all such bids may be rejected. A party who has quoted prices on materials or work to a Bidder is not thereby disqualified from quoting prices to other Bidders, or from submitting a bid directly for the materials or work if otherwise qualified to do so.

All Bidders are put on notice that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract is in violation of the District's competitive bidding requirements and may render void any Contract let under such circumstances.

6. **EXPENSES TO BE INCLUDED IN BID PRICE:** Unless otherwise specified in the IFB, the bid price shall include all expenses necessary that go into making the items procured under the IFB complete and ready for immediate use by the District without additional expense. Bid price shall include, without limitation, all costs for labor, services, equipment, materials, supplies, transportation, installation, overhead, packing, cartage, insurance, license, fees, taxes, permits, bonds, inspection, and other expenses necessary to satisfy the provisions of the IFB, expressed and implied.

Unless bidder is specifically instructed to do otherwise in the Specifications section of this IFB, sales taxes shall be included in the bid price in the amount of 8.25 % of the total bid price. Federal Excise Tax, from which the District is exempt, should not be included in the bid price. A Federal Excise Tax Exemption certificate will be furnished to the successful Bidder.

Samples of items, when required, must be furnished free of expense to the District and, if not destroyed by tests may, upon request made at the time the samples are furnished, be returned at Bidder's expense.

7. **WITHDRAWAL OF BID:** Bidder may withdraw the bid before the expiration of the time during which bids may be submitted, without prejudice, by submitting a written request for its withdrawal to the District Secretary/General Manager.
8. **TIME OF DELIVERY:** Time of delivery is part of the bid and must be strictly adhered to by the Bidder. Bidder obligates itself to complete the work within the number of days specified in the Contract.
9. **CANVASS OF BID:** At the hour specified in the Notice of Invitation to Bidders, the District, in open session, will open, examine and publicly declare all bids received and shall announce each bidder's price. The remaining content of the bids shall not be made public until after an award is made by the Board of Directors or District Staff as appropriate. Bidders, their representatives and others interested, are invited to be present at the opening of bids. Award will be made or bids rejected by the District within the time period specified in the Bid, if none is specified, within sixty (60) days after the date of bid opening.
10. **RIGHT TO REJECT BIDS:** The District may reject any and all bids at its discretion, and may reject the bid of any party who has been delinquent or unfaithful in any former contract with the District. The right is reserved to reject any or all bids and to waive technical defects, as the interest of the District may require. The District may reject bids from Bidders who cannot satisfactorily prove the experience and qualifications outlined in the Instructions to Bidders.
11. **SINGLE BID:** If only one bid is received in response to the IFB, Bidder may be required to submit to District within five (5) days of District demand, a detailed cost proposal. The District may conduct a cost or price analysis of the cost proposal to determine if the bid price(s) are fair and reasonable. Bidder shall cooperate with District in compiling and submitting detailed information for the cost and price analysis.
12. **EXPERIENCE AND QUALIFICATIONS:** The Bidder may be required upon request of the District to prove to the District's satisfaction that the Bidder is responsible. Criteria used by the District to determine Bidder responsibility includes, without limitation, whether Bidder and its proposed contractors have the skill, experience, necessary facilities and financial resources to perform the Contract in a satisfactory manner and within the required time. Other criteria include whether the original equipment manufacturer of the items bid (1) has in operation, or has the capability to have in operation, a manufacturing plant adequate to assure delivery of all equipment within the time specified under the Contract and (2) has adequate engineering and service personnel, or has the capability to have such personnel, to satisfy any engineering or service problems that may arise during the warranty period and the useful life of all items bid. To help the District assess Bidder's responsibility and ability to provide continued parts, service, and engineering support for the useful life of all items bid, Bidder may be required to submit, at its own cost, its latest Dunn & Bradstreet report and its latest independently audited financial statements.
13. **APPROVED EQUALS:** In order to establish a basis of quality, certain items or processes may be specified by description or brand name. Unless otherwise specified, it is not the intent of the IFB to exclude other items or processes of equal value, utility or merit.

Bids for equivalent items meeting the standards of quality thereby indicated will be considered provided they are received by no later than fourteen calendar days before the date of bid opening. Any such bid shall include adequate information and samples, including technical data, test results, performance characteristics, life-cycle costs, and other salient characteristics to clearly describe the item or process offered and how it equals or exceeds the characteristics of the referenced brand or process.

Unless the Bidder clearly indicates otherwise in the bid, it is understood that he/she is offering a referenced brand or process as specified herein. The District reserves the right to determine whether a substitute offer is equivalent to, and meets the standards of, quality indicated by the brand name or process referenced.

14. **AWARD OF CONTRACT:** The award of the Contract, if awarded, will be to the responsive, responsible Bidder whose bid complies with the IFB in all respects, and whose ADJUSTED BID PRICE is the lowest of all qualified bids received. The methodology for determining the adjusted bid price is described in the Bid Form (Part I of the IFB). If the lowest responsive, responsible Bidder refuses or fails to execute the Contract, the District may award the Contract to the next lowest responsive, responsible Bidder or solicit new bids.
15. **EXECUTION OF CONTRACT:** The Contract shall be provided by the District in substantially the same form as provided in Part VI and shall be executed by the successful Bidder and returned to the District Purchasing Office (110 Vernon Street, Suite B, Santa Cruz, CA 95060) no later than ten (10) calendar days after the date of receipt of the Notice of Award. Successful Bidder shall submit the required insurance certificate(s) no later than ten (10) days after receipt of Notice of Award. Successful Bidder's execution and delivery of the insurance certificate(s) specified in the IFB is a condition precedent to the finalization of the Contract. In no event shall the successful Bidder commence work until it has received the signed Contract and notification from the District that the required insurance certificate(s) have been approved.
16. **ERRORS AND ADDENDA:** If omissions, discrepancies, or apparent errors are found in the IFB prior to the date of bid opening, the Bidder shall request a clarification from the District which, if substantiated, will be given in the form of addenda to all Bidders.
17. **NON-DISCRIMINATION:** The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability in the consideration for an award.
18. **DISADVANTAGED AND 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) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Bidder 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.
19. **INQUIRIES AND CORRESPONDENCE DURING BIDDING PERIOD:** Questions pertaining to the Specifications and the Bid Documents during the bidding period shall be directed to the Purchasing Agent at (831) 426-0199.

PART III

SPECIFICATIONS FOR ONE EACH NEW, UNUSED, MODEL 2006 TWO WHEEL DRIVE SPORT UTILITY VEHICLE

1. General:

- 1.1 The vehicle shall be new (unused), current model year production. Vehicle shall be supplied with the equipment and accessories indicated as standard equipment listed in manufacturer's published literature, with optional equipment/features required to meet specifications as provided below.
- 1.2 Vehicle must be legal for operation on all California highways, including California emissions.

2. Model/Year:

- 2.1 New, 2006, model Sports Utility Vehicle, two wheel drive
- 2.2 Four (4) passenger capacity minimum plus driver
- 2.3 Four door model

3. Wheelbase:

- 3.1 113.7 inches minimum

4. Engine:

- 4.1 Minimum 4.0 Liter, V-6, SOHC
- 4.2 Electronic Fuel Injected
- 4.3 Gasoline fueled
- 4.4 With heavy duty cooling system

5. Transmission:

- 5.1 Four (4) or five (5)-speed electronic shift with automatic overdrive

6. Suspension:

- 6.1 Manufacturers standard suited for city and highway use

7. Rear Differential:

- 7.1 Manufacturer's standard gear ratio most suitable for city and highway use

8. Wheels:

- 8.1 Standard steel or cast aluminum wheels

9. Steering:

- 9.1 Power assisted Rack and Pinion or Re-circulating ball type

10. Tires:

- 10.1 All season radial tires, size: P235/70R16.
- 10.2 Must include full size spare tire.

11. Brakes:

- 11.1 Power assisted, front disc and rear drum (four wheel disc brakes are acceptable)
- 11.2 Four-wheel Anti-lock Brake System (ABS)

12. Driver convenience:

- 12.1 Power windows with driver's one touch down
- 12.2 Driver controlled power window locks
- 12.3 Power door locks
- 12.4 Tilt steering column
- 12.5 A/M F/M cassette radio, or manufacturers standard
- 12.6 Deep tinted rear doors, rear quarter and lift gate glass
- 12.7 Six-way power drivers seat to include raise and lower
- 12.8 Dual front reading lights
- 12.9 Illuminated entry
- 12.10 Front center console
- 12.11 Cup holders
- 12.12 CFC free air conditioning system
- 12.13 Rear window defroster
- 12.14 Rear window wiper system. Intermittent with washer
- 12.15 Intermittent windshield wiper
- 12.16 Manufacturers custom floor mats front and rear
- 12.17 Vanity mirrors
- 12.18 Courtesy light off timer
- 12.19 Manufacturer's standard instrument gauges
- 12.20 Height adjustable shoulder belt

13. Exterior:

- 13.1 Solid color (**white**) manufacturers standard paint
- 13.2 Installed running boards
- 13.3 Fog lights

14. Remote Releases:

- 14.1 Remote hood release (cable operated)

15. Mirrors:

- 15.1 Dual side remote mirrors
- 15.2 Single interior mirror Day/Night

16. Air Bags:

- 16.1 Manufacturer's standard drivers side
- 16.2 Manufacturer's standard passenger side

17. Key Locking System:

- 17.1 Each vehicle shall have a single key locking system, four (4) sets of keys shall be provided for each vehicle

18. Tinted Glass:

18.1 Manufacturer's standard for the windshield and front doors

19. Seats:

19.1 Cloth fabric, manufacturer's standard graphite gray or agate

20. Warranties:

20.1 Three-year/36,000 mile Bumper-to-Bumper Coverage

20.2 Five-year/100,000 mile minimum rust protection

20.3 **OPTIONAL: Provide quote for optional extended five- (5) year/100,000-mile, bumper-to-bumper extended warranty coverage.**

21. Registration:

21.1 Vehicle must be registered as an exempt vehicle with the Department of Motor Vehicles (DMV) prior to delivery.

22. Delivery Location:

Santa Cruz Metropolitan Transit District
111 Du Bois Street
Santa Cruz, CA 95060
(831) 469-1954

23. Delivery Hours:

8:00 AM – 11:30 AM and 1:00 PM – 3:30 PM

24. Award of Contract/Purchase Order

The District Board of Directors will make an award of this bid at their July 28th meeting (31 days after the bid opening). Lowest responsible bidder will be notified of the District's intent to award a contract/purchase order.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

I. 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.

1.02 Right to Modify Contract

District 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 the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, 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 the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District 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 the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District 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 the District; (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 the District, any property of the types referred to above provided, however, that the Contractor 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 the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District 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 the District 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 the District 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 the District has or may acquire an interest.

2.02 Termination for Default

- 2.02.01 The District 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, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District 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 District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of the District 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 District 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.

3.2 Notification by Contractor

Contractor shall notify District 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 the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District'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 the District 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. District 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 District 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 the District 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 District (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 District 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 performance 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 District and any insurance or self-insurance maintained by District 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.
 - (b) Full Personal Injury coverage.
 - (c) Broad form Property Damage coverage.
 - (d) A cross-liability clause in favor of the District.

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 District.
- (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 the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District 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 District at or before the effective date of this Contract with a certificate of insurance of the coverage required.

8. RESERVED

9. NO DISCRIMINATION

In connection with the performance of services provided under this Contract, Contractor or subcontractor shall not discriminate on the basis of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local laws.

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 District 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.

11. PROMPT PAYMENT

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from District. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the District. This 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 District 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 District Liability

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

13.04 Drug and Alcohol Policy

Contractor shall comply with Federal Transit Administration's (FTA) drug and alcohol testing regulations, 49 CFR Parts 653 and 654. Contractor shall not use, possess, manufacture, or distribute

alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

13.05 Publicity

Contractor agrees to submit to District all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein the District's name is mentioned or language used from which the connection of District'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 District.

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 District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District 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 the District; and any such action by Contractor without District'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 the District. Any such action by Contractor without District'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 District 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 District premises or in a District vehicle.

13.17 Responsibility for Equipment

13.17.01 District 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 District.

13.17.02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District 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 the District.

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 District 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

Time is of the essence in this Contract.

PART V

SPECIAL CONDITIONS OF THE CONTRACT

1. BASIC SCOPE OF WORK

1.01 Basic Scope of Work

Contractor shall, without limitation, furnish and deliver equipment in accordance with the "Specifications" section of the Invitation for Bids, dated May 22, 2006.

2. DEFINITIONS

2.01 General

The terms (or pronouns in place of them) have the following meaning in the Contract.

2.01.01 ACCEPTANCE DATE - The date on which delivery is deemed to be complete in accordance with the provisions of the Contract and accepted in writing by the District.

2.01.02 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2 of Part VI - "Contract for ITEM," and any written amendments made in accordance with Article 13.14 of Part IV - "General Conditions of the Contract".

2.01.03 CONTRACTOR - Synonymous with Bidder.

2.01.04 DAYS - Calendar Days

2.01.05 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.

2.01.06 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.

3. BUY AMERICA CERTIFICATE

Contractor shall comply with the requirements of Section 165(a) of the Surface Transportation Assistance Act of 1982 and the applicable regulations in 49 Code of Federal Register Part 661. As evidence of Contractor's knowledge and understanding and certification of intention of compliance, Contractor has executed a Buy America Certificate, which is included as part of the "Bid Form" and incorporated herein by reference. If steel and manufactured products are needed by Contractor for its performance under the provisions of the Contract, Contractor shall only use steel and manufactured products that were produced in the United States.

4. LIQUIDATED DAMAGES

If the work is not completed within the time required, damage will be sustained by the District. It is, and will be impracticable and extremely difficult to ascertain and determine the actual damage which the District will sustain by reason of such delay; and it is therefore agreed that the Contractor shall pay to the District fifty dollars (\$50.00) for each and every day's delay in finishing the Work beyond the time prescribed. If the Contractor fails to pay such liquidated damages, the District may deduct the amount thereof from any money due or that may become due the Contractor under the Contract.

The Work shall be regarded as completed upon the date the District has accepted the same in writing.

5. STATE CONTRACT PROVISIONS

- 5.01 In the performance of work under these provisions, Contractor and its subcontractors will not discriminate against any employee or applicant for employment because of race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap (Government Code Section 12940 et seq.). Contractor and all its subcontractors will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap. such action 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 and its subcontractors shall post in conspicuous places, available to employees and applicants for employment, notice to be provided by STATE setting for the provisions of this section.
- 5.02 Contractor and its subcontractors will permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by STATE, for the purpose of investigation to ascertain compliance with Section 1 of this Article.
- 5.03 Contractor shall establish and maintain an accounting system and records that properly accumulate and segregate incurred costs by line item for the project. Contractor's accounting system shall conform to generally accepted accounting principles (GAAP), enable to determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of Contractor connected with performance under this Agreement shall be maintained for a minimum of three years from the date of final payment to District under these provisions and shall be held open to inspection and audit by representatives of STATE and the Auditor General of the State and copies thereof will be furnished upon request.
- 5.04 Contractor agrees that contract cost principles at least as restrictive as 48 CFR, Federal Acquisition Regulation System, Chapter 1 Part 31, shall be used to determine the allowability of individual items of costs. Contractor also agrees to comply with Federal procedures as set forth in 49 CFR, Part 18, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments.
- 5.05 For the purpose of determining compliance with Public Contract Code Section 10115, et seq., Military and Veterans Code Sections 999 et seq. and Title 2, California Code of Regulations, Section 1896.60 et seq., when applicable, and other matters connected with the performance of District's contracts with third parties pursuant to Government code Section 10532, Contractors and subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including but not limited to, the costs of administering the various contracts. Contractor and its subcontractors shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under such contract. STATE, the State Auditor General, the Federal Highway Administration, or any duly authorized representative of the Federal Government shall have access to any books, records and documents that are pertinent to the Agreement for audits, examinations, excerpts, and transactions and copies thereof shall be furnished if requested.

6. LABOR HARMONY REQUIREMENT

The construction manager/general and sub-contractor(s) at all tiers must be able to furnish labor that can work in harmony with all other elements employed or to be employed in conjunction with the construction work on the site. Without limiting the generality of the foregoing, 'labor harmony' shall include a provision of labor that will not cause, cause to be threatened, engage in, or give rise to, either directly or indirectly, any work disruption, slowdowns

or stoppages, or any violence or harm to any persons or property while performing any work or activities affecting the project in any way, including but not limited to: (1) traveling to and from the work site; (2) loading, transporting and off-loading of equipment and materials on the construction site; (3) delivery, receipt and unloading of material or equipment, or the provision or receipt of any construction-related services at any designated storage area, or the work site; (4) the performing of the work of the contract at the work site; and on non-working time associated with the above while employees are on site (e.g. lunch hours, breaks, queuing for transportation, etc.).

If a contractor causes any work disruption, slowdowns or work stoppages as a result of its inability to ensure labor harmony, that contractor shall pay to District the sum of \$100 per day as liquated damages while such work disruption, slowdown or work stoppage is underway. As an independent and further remedy, District reserves the right to order the offending contractor to cease work on the project until such time as the work disruption, slowdown or stoppage is resolved and, if the work disruption, slowdown or stoppage is not resolved in District's opinion, within a reasonable period of time, District reserves the right to withdraw the contract from the contractor and to put such contract or remainder of such contract out for re-bid.

If District claims that this provision has been violated, the contractor(s) must agree to submit the issue to emergency arbitration for final and binding resolution. The permanent arbitrator over such disputes shall be the Honorable Nat Agliano, retired or, if he is unavailable, the Honorable Richard Silver, retired. If they decline to serve and the parties are unable to agree on an acceptable alternative, the arbitrator will be selected by petition to the Superior Court for the County of Santa Cruz. The Arbitrator's authority shall be limited to a determination of whether the Labor Harmony requirement has been violated and, if so, what shall be the remedy.

PART VI

CONTRACT FOR PROCUREMENT OF ONE EACH SPORT UTILITY VEHICLE (05-26)

THIS CONTRACT is made effective on _____, 2006 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and _____ ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need For One Each Sport Utility Vehicle

District requires the purchase of one each sport utility vehicle to be used for standard purposes. In order to obtain said one each sport utility vehicle the District issued an Invitation for Bids, dated May 22, 2006 setting forth specifications for such one each sport utility vehicle. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a supplier of vehicles desired by the District and whose principal place of business is _____. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said one each sport utility vehicle which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On July 28, 2006 District selected Contractor as the lowest responsive, responsible bidder to provide said equipment. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

District 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 of the General Conditions of the Contract.

- a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated May 22, 2006.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated June 27, 2006.

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 supersede Exhibit B.

2.03 Recitals

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

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions and prices. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor _____ as identified in the Bid Form, Exhibit B, not to exceed \$_____, for satisfactory completion of all work under the terms and provisions of this Contract within forty-five (45) days thereof. Contractor understands and agrees that if he/she exceeds the \$_____ maximum amount payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit invoices with a project number provided by the District 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 the District (or any grantor of the District, 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 the District are (1) actually incurred; (2) reasonable in amount; (3) related to this contract; and (4) necessary for performance of the services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. 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.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060

Attention: General Manager

CONTRACTOR

Attention: _____

6. 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 it. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR-- _____

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

PART VII

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, nor any officer or controlling interest holder of Contractor, 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 the District 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 the District, 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, the District 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 the District 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 the District to enter into such litigation to protect the interests of the District, 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 the District, 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 District 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 the District 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 the District 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, the District 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 the District (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 bid. A bid that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District 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 23 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 23 apply to this Agreement.

12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District 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 the District 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. The District'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 the District 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 the District.

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

The District 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 the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District 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. The District 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, the District, 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 the District 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 the District 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 the District 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, the District (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 the District, 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. The District 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, the District 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.

The District 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.

District 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 the District 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 the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District 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 VIII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURE

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (District) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this Invitation for Bid (IFB) package must be filed within ten (10) calendar days after the date the IFB is first advertised. Protests relating to a recommendation for award solicited by this IFB must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the bidders. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they 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 jurisdiction over Bid Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Bidder may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of bid submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for bid submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

A Bidder may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105-1839

EXHIBIT - B

PART I

BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled one each sport utility vehicle dated May 22, 2006 at the following prices. The unit bid prices should NOT INCLUDE SALES, USE, EXCISE OR ANY OTHER TAX, they are to be shown in the second column if applicable.

Item No.	Item Description	Quantity	Unit Price	Tax (8.25 %)	Extended Price
1	2006 New, Unused, Two-Wheel Drive Sport Utility Vehicle.	1	23,152	1,913. ⁷⁵	
2	DMV Fees	1	246-		
3	OPTIONAL 5 Year/100,000 Miles Bumper-To-Bumper	1	1460-		
4	TOTAL BID				

Manufacturer/Model 2006 Ford Explorer 4x2

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Items, Options shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No.'s _____

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB. (Warning: Substantive exceptions will be cause for bid rejection.)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable.

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

IFB No. 05-26
"One Each Sport Utility Vehicle"
Bid Opening 2:00 p.m., June 27, 2006

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

North Bay Ford Lincoln Mercury
Company Name

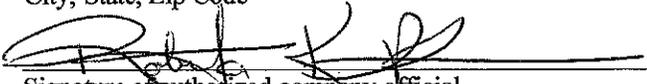
Indicate:

Sole Proprietorship Partnership Corporation

Joint Venture with _____

1999 Soquel Ave
Street Address

Santa Cruz, CA 95062
City, State, Zip Code


Signature of authorized company official

Roberta K Robinson
Typewritten name of above and title

Roberta K Robinson Fleet Mgr.
Name, title, and email address of person to whom correspondence should be directed

831-419-1602
Telephone Number

831-425-0598
FAX Number

June 27th
Date

94 424100
Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

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

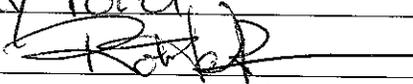
Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

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 North Bay Ford
Signature of Authorized Official 
Name and Title of Authorized Official Roberto Robinson Fleet Mgr.
Date June 27 06

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006

TO: Board of Directors

FROM: Tom Stickel, Manager of Fleet Maintenance

SUBJECT: REQUEST AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CONTRACT FOR THE PURCHASE OF ONE EACH SERVICE TRUCK

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors authorize the General Manager to use the State of California, Department of General Services contract for the purchase of one each service truck from Downtown Ford Sales.

II. SUMMARY OF ISSUES

- The District has funding for the purchase of one service truck for use by Fleet Maintenance.
- The State of California, Department of General Services has issued a cooperative vehicle procurement contract for the purchase of this truck.
- The Federal Circular that governs procurement for federally funded purchases encourages joint purchasing when the procurement includes the applicable federally mandated clauses.
- The District requests the use State of California vehicle contracts for this procurement as a means of streamlining the procurement process.
- District staff recommends that the Board of Directors authorize the General Manager to use the State of California, Department of General Services contract for trucks, vans and utility vehicles for the purchase of one each service truck from Downtown Ford Sales.

III. DISCUSSION

The District has funding for the purchase of one each service truck for Fleet Maintenance. Each year the State of California prepares bids for vehicles, trucks, vans and utility vehicles. The resulting cooperative purchasing contracts allow smaller public agencies to purchase vehicles based on statewide government agency requirements. This process allows for better pricing than the District would normally obtain due to the greater quantities requested in the state bid.

The FTA encourages grant recipients to utilize cooperative purchasing agreements whenever it is practical as a means of saving money. The State of California charges a contract usage fee of

2.48 % based on the purchase order total before tax or any offered cash discounts with a maximum charge of \$7,500.

It is recommended that the Board authorize the General Manager to use the State Procurement Process for the purchase of one each service truck for Fleet Maintenance from Downtown Ford Sales for a total amount not to exceed \$ 62,000.

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Capital Improvement Program under District Funded Projects.

V. ATTACHMENTS

Attachment A: Cost Summary for Service truck with Options required

THIS IS YOUR QUOTE

DF0707065

DOWNTOWN FORD SALES
 525 N16th Street, Sacramento, CA. 95814
 916-442-6931 fax 916-491-3138

QUOTATION

Customer

Name SANTA CRUZ METRO TRANSIT DISTRICT
 Address _____
 City CA
 Phone LLOYD LONGNECKER 831-469-1958

Date 7/7/2006
 REP FORBESS
 Phone 916-442-6931
 FOB _____

Qty	Description	Unit Price	TOTAL
1	2007 FORD F550 CAB CHASSIS 4X2 GAS	\$24,575 00	\$24,575 00
1	POWER WINDOWS/LOCKS/MIRRORS	\$667 00	\$667 00
1	DAYTIME RUNNING LAMPS	\$42 00	\$42 00
1	VINYL SEAT TRIM	\$70 00	\$70 00
1	SCELZI BODY PER SCMTD SPECIFICATIONS	\$31,600.00	\$31,600 00

NOTE: ORDER CUTOFF DATE IS AUGUST 15

Payment Details

-
-
-

Taxes	SHIPPING	\$56,954 00
		\$150 00
	TIRE FEE	\$4,556 32
	TOTAL	\$12.25
		\$61,672.57

Office Use Only

TERMS: \$500 DISCOUNT FOR PAYMENT WITHIN 20 DAYS

PRICING BASED UPON STATE OF CALIFORNIA CONTRACT
 1-06-23-20

15.a.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 28, 2006
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: **CONSIDERATION OF AWARD OF CONTRACT FOR FURNISHING HEAVY DUTY BRAKE DRUMS**

I. RECOMMENDED ACTION

District staff is recommending that the Board authorize the General Manager to enter into a contract with Orion Bus Industries, Inc. for the purchase of heavy-duty brake drums.

II. SUMMARY OF ISSUES

- At the August 15, 1997 board meeting, the Board of Directors authorized the District's participation in the Regional Transit Coordinating Council (RTCC) cooperative purchase agreements.
- The RTCC Procurement Committee released a bid for heavy-duty brake drums on April 25, 2006. The District is a participating transit agency in this bid.
- Bids were opened on May 25, 2006.
- The RTCC Procurement Committee recommends that RTCC Contract No. 2006-957RTCC be awarded to Orion Bus Industries, Inc. for the purchase of heavy-duty brake drums as the lowest responsive bidder.
- District staff recommends that the Board authorize the General Manager to enter into a contract with Orion Bus Industries, Inc. for the purchase of heavy-duty brake drums in reference to the RTCC contract.

III. DISCUSSION

In order to obtain the best prices by combining annual quantities from several participating transit agencies, the RTCC Procurement Committee actively participates in joint procurements for commodities that are commonly used by all RTCC member agencies.

RTCC bid documents were prepared and mailed out on April 25, 2006 to prospective bidders and was legally advertised. On May 25, 2006, six (6) bids were received and opened. All bids were evaluated and the RTCC Procurement Committee recommended that the contract for heavy duty brake drums be awarded to Orion Bus Industries, Inc. as the lowest responsive bidder.

District staff recommends that the Board authorize the General Manager to enter into a contract with Orion Bus Industries, Inc. for the purchase of heavy-duty brake drums in reference to RTCC contract number 2006-957RTCC.

IV. FINANCIAL CONSIDERATIONS

The necessary funds for the procurement of heavy-duty brake drums are contained within the Fleet Maintenance operating budget. Annual estimated budget for brake drums is \$30,000.

V. ATTACHMENTS

Attachment A: Contract with Orion Bus Industries, Inc.

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

2006-957RTCC

CONTRACT FOR HEAVY DUTY BRAKE DRUMS

THIS CONTRACT is made effective on August 1, 2006, between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and ORION BUS INDUSTRIES, INC., ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Santa Cruz, California 95060.

1.02 District's Need for Heavy Duty Brake Drums

District requires the purchase of heavy-duty brake drums to be used for standard purposes. In order to obtain said goods, the District entered into a covenant with the Regional Transit Coordinating Council (RTCC), on May 25, 2006, to obtain said goods for a period of two (2) years. This agreement, 2006-957RTCC, is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a supplier of goods desired by the District and whose principal place of business is 165 Base Road, Oriskany, New York. Contractor was chosen as the lowest responsive, responsible bidder by AC Transit District, in a fair and open bid. The results of said Bid are attached hereto and incorporated herein by reference as Exhibit B. A copy of Contractor's Bid Form is attached hereto and incorporated herein by reference as Exhibit C.

1.04 Selection of Contractor and Intent of Contract

On June 1, 2006, AC Transit District, the lead procuring agency for this Bid, selected Contractor as the lowest responsive, responsible bidder to provide said goods. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

District 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.

a) Exhibit A - RTCC's Governing Contract.

16.21

- b) Exhibit B - Bid Abstract
- c) Exhibit C – Contractor’s Bid Form
- d) Exhibit D- Invitation for Bid, Contract No. 2006-957RTCC

2.02 Conflicts

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

2.03 Recitals

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

3. TIME OF PERFORMANCE

3.01 General

Contractor shall provide materials under this Contract at such times as deemed necessary by the District.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force through July 31, 2008.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor as identified in the Bid Form, Exhibit C. Upon satisfactory delivery of materials under the terms and provisions of this Contract, District agrees to pay Orion Bus Industries, Inc. within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the scheduled amounts payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit invoices referencing the District supplied Purchase Order number.

Invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, 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 the District are (1) actually incurred; (2) reasonable in amount; (3) related to this contract; and (4) necessary for performance of the services. The District shall pay no expenses unless specifically allowed by this contract.

16. a 2

5. 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.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street,
Santa Cruz, CA 95060

Attention: Lloyd Longnecker
District Buyer

CONTRACTOR

Orion Bus Industries, Inc.
165 Base Road
Oriskany NY 13424

Attention: Mark Brager
Vice President of Sales

6. 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 it. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie White
General Manager

CONTRACTOR-- ORION BUS INDUSTRIES, INC.

By _____
Mark Brager
Vice President of Sales

Approved as to Form:

Margaret Rose Gallagher
District Counsel

16.a3

INVITATION FOR BIDS

CONTRACT PROPOSAL NO. 2006-957RTCC

AC TRANSIT DISTRICT
Purchasing Department
10626 International Blvd.
Oakland, CA 94603

Date: April 25, 2006

TITLE: Heavy Duty Brake Drums

BIDS WILL BE OPENED at 10626 International Blvd. by 2 P.M. May 25, 2006

DO NOT INCLUDE SALES OR EXCISE TAXES in Bid prices.

Sign the bid, put it in an envelope, and write the Contract Bid number and Title on the outside. Sign and return this page. Retain Bidder's Duplicate copy for your files.

ALL BIDDERS COMPLETE THIS SECTION:

May 17 / 2006 2006

Upon execution of a Contract Acceptance form, the undersigned agrees to furnish, subject to provisions on the reverse of this form, all articles or services within the dates specified, in the manner and at the prices stated, in accordance with the advertisement, specifications, proposal, special conditions and general conditions, all of which are made part of the contract proposal, when authorized by Purchase Order, Contract Order, or Letter of Agreement issued by the District.

Name under which business is conducted: Orion Bus Industries Inc.

Business street address: 165 Base RD Telephone: 1800 668 2871

ORISKANY City NEW YORK State 13424 Zip Code

IF SOLE OWNER, sign here:

I sign as sole owner of the business named above:

Signed _____ Typed Name _____

F PARTNERSHIP OR JOINT VENTURE, sign here:

The undersigned certify that we are partners in the business (joint venture) named above and that we sign this contract proposal with full authority to do so (one or more partners sign):

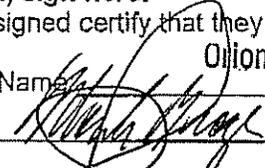
Signed _____ Typed Name _____

Signed _____ Typed Name _____

F CORPORATION, sign here:

The undersigned certify that they sign this contract proposal with full authority to do so:

Corporate Name Orion Bus Industries Inc.

Signed X  Typed Name MARK BRABEL Title VICE PRESIDENT SALES SUPERVISOR

Signed  Typed Name ROB MEDEIROS Title CONTRACTS

Incorporated under the laws of the State of NEW YORK

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

Santa Cruz Transit will purchase new heavy-duty brake drums. Quantities are based on the Santa Cruz Transit's prior annual purchase history. Approximate quantities are listed below. Santa Cruz Transit does not guarantee any specific quantities.

Est. Yearly Quantity Each	Santa Cruz Transit	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
76		64089F	WEBB	REAR, STD.	125.67
4		64040B	WEBB	FRONT, STD.	109.86
2		64015B	WEBB	REAR, STD.	129.05
2		64115B	WEBB	REAR, STD.	120.80
2		64117B	WEBB	FRONT, STD.	83.07
4		65169B	WEBB	FRONT, STD.	128.30
2		66812B	WEBB	REAR, STD.	287.99

PAYMENT TERMS:
DISCOUNTS:

NET 30 Days
N/A

SIGN AND RETURN THIS PAGE

INVITATION FOR BIDS

CONTRACT PROPOSAL NO. 2006-957RTCC

**AC TRANSIT DISTRICT
Purchasing Department
10626 International Blvd.
Oakland, CA 94603**

Date: April 25, 2006

TITLE: Heavy Duty Brake Drums

BIDS WILL BE OPENED at 10626 International Blvd. by 2 P.M. May 25, 2006

Sign the bid, put it in an envelope, and write the Contract Bid number and Title on the outside. Sign and return this page. Retain Bidder's Duplicate copy for your files.

DO NOT INCLUDE SALES OR EXCISE TAXES in Bid prices.

ALL BIDDERS COMPLETE THIS SECTION:

2006

Upon execution of a Contract Acceptance form, the undersigned agrees to furnish, subject to provisions on the reverse of this form, all articles or services within the dates specified, in the manner and at the prices stated, in accordance with the advertisement, specifications, proposal, special conditions and general conditions, all of which are made part of the contract proposal, when authorized by Purchase Order, Contract Order, or Letter of Agreement issued by the District

Name under which business is conducted: _____

Business street address: _____ Telephone: _____

City

State

Zip Code

IF SOLE OWNER, sign here:

I sign as sole owner of the business named above:

Signed _____ Typed Name _____

IF PARTNERSHIP OR JOINT VENTURE, sign here:

The undersigned certify that we are partners in the business (joint venture) named above and that we sign this contract proposal with full authority to do so (one or more partners sign):

Signed _____ Typed Name _____

Signed _____ Typed Name _____

IF CORPORATION, sign here:

The undersigned certify that they sign this contract proposal with full authority to do so:

Corporate Name: _____

Signed _____ Typed Name _____ Title _____

Signed _____ Typed Name _____ Title _____

Incorporated under the laws of the State of _____

GENERAL CONDITIONS, INSTRUCTIONS AND INFORMATION FOR BIDDERS

1. EXPLANATIONS, CLARIFICATIONS AND CHANGES

Bidders shall request any explanation, clarification or changes to specifications in writing. Any reply and/or change to specifications will be made by written addendum which shall become a part of the bid documents.

2. BID SUBMISSION

To receive consideration, bids must be delivered prior to the date and time for bid opening. All bids shall be in a sealed envelope properly endorsed as to the bid number and opening date. Submission of a bid shall constitute a firm offer to the District for ninety (90) days from the last day for receipt of bids.

Unauthorized conditions, limitations or provisos attached to a bid will render it non-responsive and may cause its rejection. No telegraphic or facsimile bids or modifications will be considered unless otherwise stated.

A bidder may withdraw his bid prior to bid opening, without prejudice, by submitting a written request for its withdrawal to the Purchasing Manager. The bidder must be able to identify its Bid, show proper identification, and show proper authorization to withdraw the Bid.

At the hour specified in the notice, the District will open, examine and publicly declare all bids received. Bidders, their representatives, and others interested, are invited to be present at the opening of bids. Awards will be made or bids rejected by the District within a reasonable time after bids have been opened.

3. APPROVED EQUALS

When the name of a manufacturer, brand or make, with or without a model number, is used in describing any item in this document, bids for similar articles will be considered unless otherwise stated. The District shall be the sole judge whether such alternate articles are acceptable. Unless the bidder states to the contrary, articles offered are assumed to be the specific articles named in this document and that articles offered are in accordance with the specifications. If not offering the specific articles named, bidder should enclose with bid full information, specifications and descriptive data on items offered. The District reserves the right to permit deviations from the specifications if any article offered is substantially in accord with the specifications and is deemed by the District to be as good quality and as fully satisfactory for its intended use as an article fully meeting specifications.

4. CONDITION OF ARTICLES

Articles offered and furnished must be new and previously unused and of manufacturer's latest model unless otherwise specified herein.

5. TAXES

The supplies, materials or equipment called for under the specifications will be used by the District in the performance of a governmental function and are exempt from taxation by the United States Government.

Unless otherwise stated bidder shall exclude applicable California State and local sales or use taxes in the total price in his bid. Said tax, wherever applicable, will be paid by the District to the Contractor, if licensed to collect same, or otherwise directly to the State.

6. AWARD AND REJECTION OF BIDS

The District may reject any and all bids, may waive any minor irregularities or informalities in any bid or in the bidding procedure, and must reject a bid of any party who has been delinquent or unfaithful in any former contract with the District. If an award is made, it shall be made to the lowest responsible bidder.

7. DELIVERIES

FOB destination in Oakland, freight prepaid and allowed. Unless otherwise stated in the specification or bid forms, bidder shall include freight or delivery charges in the total price in its proposal.

8. SEPARATE ITEMS OR IN THE AGGREGATE

Any bidder may bid separately for any item unless otherwise provided. The District may make awards on separate items or in an aggregate of several or all items unless otherwise provided.

9. CASH DISCOUNTS

Cash discount (discount for prompt payment) will be taken into consideration in determining the low bid under the following conditions:

- Discount period must be at least 30 days.
- The discount period will start on the date of completion of delivery of all items on any Purchase Order or other authorization or upon date of properly prepared invoices covering such deliveries, whichever is later.

- Payment is deemed to be made, for the purpose of claiming the discount, on the date of mailing the District's warrant or check.

10. ACCEPTANCE, BILLING AND PAYMENT

Acceptance by the District of any equipment, supplies, or materials furnished under the contract to be awarded shall occur only subsequent to the final inspection by authorized employees of the District. Defective or nonconforming equipment, supplies or materials shall be rejected by the District and the contract price adjusted accordingly unless acceptable replacement is made.

Invoices shall be rendered in triplicate to AC Transit District, P.O. Box 28507, Oakland, California 94604. Invoices shall include all applicable state, city and special district sales taxes at time of delivery. Invoices shall identify the Contract and Purchase Order Numbers. Unless otherwise stated, the District will make payment within thirty (30) days of the date of completion of delivery of all items on any Purchase Order or other authorization or upon date of properly prepared invoices covering such deliveries, whichever is later.

11. WARRANTY OF TITLE

The Contractor warrants and agrees that title to all materials and equipment furnished under this contract and accepted by the District will pass to the District free and clear of all liens, claims, security interests or encumbrances.

12. PERFORMANCE WARRANTY

Contractor shall supply his standard warranty(ies) on defects in workmanship and material applicable to the materials, supplies or equipment furnished hereunder. The standard warranties should be no less than the minimum requirements stated in the Specifications. All warranties to commence after acceptance of delivery by the District unless otherwise stated. It is understood and agreed that the District does not waive any warranty either expressed or implied or any liability of the manufacturer or contractor as may be determined by a decision of any court of the State of California or the United States.

13. INDEMNIFICATION

Contractor shall indemnify, keep and save harmless the District, its Board of Directors, officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, expense, costs (including, without limitation, costs and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, except such loss or damage caused by the sole negligence or willful misconduct of the District.

14. TERMINATION AND TERMINATION FOR CONVENIENCE

In the event the Contractor fails to perform any of his obligations under this contract, this contract may be terminated effective after 10 days written notice and all of contractor's rights hereunder ended. No new work will be undertaken and no new deliveries will be made after the date of receipt of such notice.

The District may terminate this Agreement for the District's convenience and without cause at any time by giving Contractor written notice of termination. In the event of termination, Contractor will be paid for those services performed or deliveries made pursuant to this Agreement to the satisfaction of the District up to the date of termination. In no event will the District be liable for costs incurred by Contractor after receipt of notice of termination.

15. NON-DISCRIMINATION

In connection with the execution of any contract hereunder, the Contractor shall not discriminate against any applicant or employee on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex or age as defined in Section 12926 Government Code.

16. GOVERNING LAW

This contract shall be governed by the laws of the State of California.

17. PROHIBITED INTERESTS

By submitting a bid, the bidder represents and warrants that neither the General Manager nor any Director, officer employee of the District is in any manner interested directly or indirectly in the bid or in the contract which may be awarded under it, or in any expected profits to arise therefrom (State of California Government Code section 1090 et Seq.). No member, officer or employee of the District, during his/her tenure or for one year thereafter, shall have an interest, direct or indirect, in this Contract or the proceeds thereof.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SPECIAL CONDITIONS

The Alameda Contra-Costa Transit District, acting on behalf of the Regional Transit Coordinating Council Procurement Committee (RTCC), is soliciting bids for heavy-duty brake drums. The contract provides for purchase and delivery of heavy-duty brake drums to participating RTCC agencies, as specified in the Technical Specifications of this bid.

These terms and conditions supplement the District's General Conditions, and Instructions and information for Bidders. In the event of a conflict between these conditions and the preceding General Conditions, these conditions take precedence.

18. CONTRACT TYPE/TERM

This is a two (2) year, firm fixed price, indefinite quantity contract.

The contract with each RTCC Agency shall be for two (2) years. Bid prices shall be firm for the term of the Contract.

The contract commencement date shall be three (3) days after execution of the written contract or Purchase Order with each RTCC Agency. Notification of award shall be made to the successful bidder in writing by the Alameda Contra-Costa Transit District for the Alameda Contra-Costa Transit District only.

The rights and obligations offered in the Contract shall be offered equally to all RTCC Agencies. Except for those provisions relating to the initial award of Contract by the District to the lowest responsive, responsible bidder, all references to the District shall mean each RTCC Agency. Each RTCC Agency shall issue individual contracts or Purchase Orders that shall specify quantity and delivery requirements and shall make payments directly to the Contractor who agrees to look solely to such agency for compensation. Any termination or modification of contractual commitments, in whole or in part, with individual RTCC agencies whether mutually agreed to or by remedy at law, shall in no way relieve the contractor of any such contractual obligations to the remaining RTCC Agencies.

19. QUANTITIES

The quantities listed are the estimated annual requirements based on current usage. The RTCC does not guarantee, either expressed or implied, to purchase these quantities, but the right is reserved to purchase any greater or lesser quantities. The RTCC also reserves the right to buy these or other products from other Contractors. Contractor shall be bound to the prices on the submitted Bid Form for the duration of the contract term.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SPECIAL CONDITIONS

20. DELIVERY

Delivery of all items required within thirty (30) days of placement of orders.

21. DELIVERY LOCATIONS FOR PARTICIPATING RTCC AGENCIES

Time and place of Delivery:

AC Transit District
Receiving Dock, Central Maintenance Facility
10626 International Boulevard
Oakland, CA 94603
Monday – Friday, 7:00 a.m. to 2:00 p.m.

Central Contra Costa Transit Auth. (CCCTA)
2477 Arnold Industrial Way
Concord, California 94520
Monday – Friday, 7:00 a.m. to 11:00 p.m.

Golden Gate Transit District (GGT)
1011 Andersen Drive
San Rafael, California 94901
Monday – Friday, 7:00 a.m. to 2:00 p.m.

Monterey –Salinas Transit (MST)
One Ryan Ranch Road
Monterey, California 93940
Monday – Friday, 8:00 a.m. to 2:00 p.m.

Santa Cruz Metro (SCMTD)
138 Golf Club Drive
Santa Cruz, California 95060
Monday – Friday, 8:00 a.m. to 12:00 p.m.
Monday – Friday, 1:00 p.m. to 2:30 p.m.

Vallejo Citizens Transit Corporation
1850 Broadway
Vallejo, California 94589
Monday – Friday, 7:00 a.m. to 2:00 p.m.

San Joaquin Regional Transit District
1533 E. Lindsay Street
Stockton, California 95205
Monday – Friday, 7:00 a.m. to 2:00 p.m.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SPECIAL CONDITIONS

22. **BILLING AND INVOICING FOR PARTICIPATING RTCC AGENCIES**

Contractor shall render invoices in triplicate to participating RTCC Agencies billing addresses listed below:

AC Transit District
P.O. BOX 28507
Oakland, CA 94603

Central Contra Costa Transit Auth. (CCCTA)
2477 Arnold Industrial Way
Concord, California 94520

Golden Gate Transit District (GGT)
P.O. BOX 9000, Presidio Station
San Francisco, California 94129

Monterey –Salinas Transit (MST)
One Ryan Ranch Road
Monterey, California 93940

Santa Cruz Metro (SCMTD)
370 Encinal Street, Suite 100
Santa Cruz, California 95060

Vallejo Citizens Transit Corporation
1850 Broadway
Vallejo, California 94589

San Joaquin Regional Transit District
1533 E. Lindsay Street
Stockton, California 95205

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SPECIAL CONDITIONS

23. COST AND PRICING DATA

In the event that there is only one (1) bid, cost and pricing data may be required to be submitted to the District by Contractor.

24. CONTRACT AWARD/EVALUATION

Award will be made to the lowest responsive and responsible bidder, and award may be made by individual item or in the aggregate, whichever is the most advantageous to the District.

25. MODIFICATION OF CONTRACT

This contract may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this agreement.

26. BRAND, MANUFACTURER OR PRODUCT NAMES

Whenever brand, manufacturer or product names are indicated in these specifications, they are included **ONLY** for the purpose of establishing identification and a general description of the item. Whenever such names appear, the term, "or Approved Equal" is considered to follow. Specifying a brand name, components and/or equipment in the specification shall not relieve the supplier from his/her responsibility to produce the product in accordance with the warranty and contractual requirements.

The Contractor is responsible for notifying the District of any inappropriate brand name, components and/or equipment that may be called for in the specification, and to propose a substitute for consideration.

27. PROTEST PROCEDURES

A. Protest Before Bid Opening

Protests based upon restrictive specifications or alleged improprieties in the bidding procedure shall be filed, in writing, with the Procurement and Materials Director, ten (10) days prior to the bid opening date. The protest must clearly specify the grounds on which the protest is based and include any supporting information.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SPECIAL CONDITIONS

B. Protest of Award

A bidder (or other interested party as defined under the District's Protest Procedures) may file a protest with the District alleging a violation of applicable federal or state law and/or District policy or procedure relating to seeking, evaluating and/or awarding of a procurement contract. Such protest must be filed no later than ten (10) days after the date of notice of award or non-award of the contract by the District.

- C. Copies of the District's Procurement Procedures should be obtained from the Districts Procurement and Materials Director. The Procurement Protest Procedures will be provided immediately upon request. **FAILURE TO COMPLY WITH ANY OF THE REQUIREMENTS SET FORTH IN THE DISTRICT'S WRITTEN PROTEST PROCEDURES MAY RESULT IN REJECTION OF THE PROTEST.**

28. **INSURANCE**

Vendor must have General Liability Insurance, coverage to be equal to Insurance Services Office Commercial General Liability Occurrence Form CG 0001, including contractual liability, severability of interests and products/completed operations. Limits shall be no less than \$1,000,000 per occurrence. Vendor's insurance is primary as respects to any claims relating to this contract. The policy must be endorsed to add the District as additional insured. **Coverage must be placed with insurers with a current A.M. Best rating of "A:-VII".** The District must be provided proof acceptable to the District of vendor's coverages prior to any work under this contract.

29. **CORRESPONDENCE**

All correspondence must show **Contract Bid Number 2006-957RTCC**.

30. **VENDOR REGISTRATION**

If you are not already an AC Transit registered vendor, an online Vendor Registration is required prior to contract award. Bidders should access www.actransit.org, select: purchasing, online purchasing, and register as an Online Purchasing User. To complete the process, include a W-9, Request for Taxpayer Identification Number and Certification – containing original signature – in proposals. If online access is not available, contact the Purchasing Department for instructions.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SPECIAL CONDITIONS

31. FURTHER INFORMATION

Perspective bidders may contact James A. Bonds, (510) 577-8842, between the hours of 7:00 a.m. and 3:30 p.m., Monday through Friday, holidays excepted, for further information.

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HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

1. NO OBLIGATION BY THE FEDERAL GOVERNMENT

- A. The Purchaser and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the District, Contractor or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- B. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

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

- A. The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.
- B. The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECIPIENTS

C. The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

3. ACCESS TO RECORDS

Access to Records of Recipients and Subrecipients. Upon request, the Recipient agrees to permit and require its Subrecipients to permit the Secretary of Transportation, the Comptroller General of the United States, and, if appropriate, the State, or their authorized representatives, to inspect all Project work, materials, payrolls, and other data, and audit the books, records, and accounts of the Recipient and its Subrecipients pertaining to the Project.

4. FEDERAL CHANGES

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Agreement between the District and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

5. CIVIL RIGHTS REQUIREMENTS

A. Nondiscrimination-In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

B. Equal Employment Opportunity The following equal employment opportunity requirements apply to this contract:

1. Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action 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. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

2. Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
3. Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
4. The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

6. TERMINATION

Supplementing Paragraph 14 of the General Conditions, Instructions and Information for Bidder, in the event that the Contractor breaches the terms or violates the conditions of the contract to be awarded, and does not within ten (10) days of written notice from the District cure such breach or violation, the District may immediately terminate the contract, and shall pay the Contractor only its allowable costs to date of termination.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

A. Termination for Convenience

The District may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the District's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to District to be paid the Contractor. If the Contractor has any property in its possession belonging to the District, the Contractor will account for the same, and dispose of it in the manner the District directs.

B. Termination for Default [Breach or Cause]

If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the District may terminate this contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the District that the Contract had an excusable reason for not performing s, such as a strike, fire or flood, events which are not the fault of or are beyond the control of the Contractor, the District, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

C. Opportunity to Cure

The District in its sole discretion may, in the case of termination for breach or default, allow the Contractor ten (10) days in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions.

If the Contractors fails to remedy to District's satisfaction the breach or default or any other terms, covenants, or conditions of this Contract within ten (10) days after receipt by Contractor or written notice from District setting forth the nature of said breach or default, District shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude District from also pursuing all available remedies against the Contractor

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

and it sureties for said breach or default.

D. Waiver of Remedies for any Breach

In the event that District elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by District shall not limit District's remedies for any succeeding breach of that or of any other term, covenant or condition of this Contract.

E. Termination for Default (Supplies and Service)

If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the District may terminate this contract for default. The District shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor's was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the District

7. DISADVANTAGED BUSINESS ENTERPRISES (DBE) POLICY

A. It is the policy of the District to ensure nondiscrimination in the award and administration of all contracts and to create a level playing field on which disadvantaged Business Enterprises (DBEs) can compete fairly for contracts and subcontracts relating to the District construction, procurement and professional services activities. To this end, the District has developed procedures to remove barriers to DBE participation in the bidding and award process, and to assist DBEs to develop and compete successfully outside the DBE program. In connection with this contract, the Contractor will cooperate with the District in meeting these commitments and objectives.

B. The District, a recipient of federal financial assistance from the Federal Transit Administration (FTA), is committed to and has adopted a DBE program in accordance with federal regulations 49 CFR Part 26, issued by the US Department of Transportation (U.S.DOT).

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

- C. Pursuant to 49 CFR 26.13, the Contractor is required to make the following assurance in its agreement with the District and to include this assurance in any agreements it makes with Subcontractors in the performance of this contract:
- D. "The Contractor 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 US DOT-assisted contracts. Failure by the Contractor or Subcontractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the District deems appropriate."
- E. Additionally, all of the requirements described in the DBE Program shall be met. A contract that has a specific DBE participation goal will be described in the Special Conditions. Any bidder who would like to request additional information or ask questions regarding the DBE Program may contact the District's DBE Administrator at (510) 577-8812.
- F. Prompt Payment to Subcontractors. In accordance with the District's DBE Program, the Contractor shall pay all subcontractors approved by the District for work that has been satisfactorily performed no later than thirty (30) days from date of Contractor's receipt of progress payments made by the District. Within sixty (60) days of satisfactory completion of all work required of the subcontractor, Contractor shall release any retainage payments withheld to the subcontractor.

8. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The following provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by the DOT, as set forth in FTA Circular 4220.1D, dated April 15, 1996, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in the Contract. The Contractor shall not perform ant act, fail to perform any act, or refuse to comply with any AC TRANSIT requests which would cause AC TRANSIT to be in violation of the FTA terms and conditions.

09. DEBARRMENT AND SUSPENSION REQUIREMENTS

- A. The prospective lower tier participant certifies, by submission of this bid or proposal, that neither it nor its "principals" [as defined at 49 C.F.R. § 29.105(p)] is presently debarred, suspended, proposed for debarment,

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

- B. When the prospective lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

10. CARGO PREFERENCE - USE OF UNITED STATES FLAG VESSELS

The contractor agrees: a. to use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels; b. to furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of leading for shipments 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 the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the District (through the contractor in the case of a subcontractor's bill- of-lading.) c. to include these requirements in all subcontracts issued pursuant to this contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

11. ENERGY CONSERVATION

The 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 U.S.C. Section 6321 et seq.).

Waterfowl Refuges, and Historic Sites," 23 C.F.R. Part 1420 and 49 C.F.R. Part 623

12. ENVIRONMENTAL PROTECTION

The Recipient agrees to comply with all applicable requirements on the National Environmental Policy Act of 1969, as amended, 42 U.S.C. §§ 4321 et seq., Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," 42 U.S.C. §§ 4321 note,; FTA statutory requirements at 49 U.S.C. § 5324(b); Council on Environmental Quality regulations pertaining to compliance with the National Environmental Policy Act of 1969, as amended, 40 C.F.R. Part 1500 et seq.; the joint FHWA/FTA regulations, "Environmental Impact

HEAVY DUTY BRAKE DRUMS
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SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

And Related Procedures, "23 C.F.R. Part 771 and 49 C.F.R. Part 622, and, when promulgated, FHWA/FTA joint regulations, "NEPA and Related Procedures for Transportation Decision-making, Protection of Public Parks, Wildlife and Waterfowl Refuges, and Historic Sites," 23 C.F.R. Part 1420 and 49 C.F.R. Part 623.

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HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

DISADVANTAGED BUSINESS ENTERPRISE (DBE) CERTIFICATION

Company Name

Street /Mailing Address

City/State/Zip Code

TAX I.D. _____

I. PRIME CONTRACTOR

- The Bidder/Proposer is a CalTrans certified DBE under the CalTrans Uniform Certification Program.

Certification No. _____ Expiration Date _____

- The Bidder/Proposer has applied for DBE status through the CalTrans Uniform Certification Program.

Application Date _____ Status of application _____

- The Bidder/Proposer is not a CalTrans certified DBE under the CalTrans Uniform Certification Program.

II. SUB-CONTRACTOR (if proposed in bid or proposal)

Attach a separate sheet for each sub-contractor to be used in the performance of services under a proposal specifying the sub-contractor DBE status as stated under section I listed above.

If not already registered, sub-contractors should access www.actransit.org, and complete an online vendor registration form by selecting purchasing, online purchasing, and registering as an Online Purchasing User. A W-9, Request for Taxpayer Identification Number and Certification is required to complete the process.

Prime Contractor's are requested to explain the DBE program and encourage sub contractors to apply for certification.

**HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008**

SUPPLEMENTAL FEDERAL REQUIREMENTS FOR FTA RECEIPIENTS

Prime Signature

Date

(Position/Title)

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HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

TECHNICAL SPECIFICATIONS

1. **Introduction**

It is the intent of the District to purchase various new **Webb** heavy-duty brake drums, or "Approved Equal" for the District's fleets.

2. **Purpose**

This specification prescribes minimum acceptable requirements for heavy-duty brake drums, which will provide maximum safety and reliability for the District; while taking advantage of the latest advancements in the field, particularly with regard to reliability of operation. The absence of specifications regarding detail implies that the best general practice will prevail and that first quality material and workmanship are to be used.

The heavy-duty brake drum procurement will result in a contract, where product must be delivered from Contractor's existing shelf stock within **thirty (30)** days after issuance of a Purchase Order.

3. **Requirement**

All heavy-duty brake drums shall be delivered F.O.B. to the following addresses listed below, in accordance with this specification:

AC Transit District
Receiving Dock, Central Maintenance Facility
10626 International Boulevard
Oakland, CA 94603
Monday – Friday, 7:00 a.m. to 2:00 p.m.

Central Contra Costa Transit Auth. (CCCTA)
2477 Arnold Industrial Way
Concord, California 94520
Monday – Friday, 7:00 a.m. to 11:00 p.m.

Golden Gate Transit (GGT)
1011 Andersen Drive
San Rafael, California 94901
Monday – Friday, 7:00 a.m. to 2:00 p.m.

Monterey –Salinas Transit (MST)
One Ryan Ranch Road
Monterey, California 93940
Monday – Friday, 8:00 a.m. to 2:00 p.m.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

TECHNICAL SPECIFICATIONS

Santa Cruz Metro (SCMTD)
138 Golf Club Drive
Santa Cruz, California 95060
Monday – Friday, 8:00 a.m. to 12:00 p.m.
Monday – Friday, 1:00 p.m. to 2:30 p.m.

Vallejo Citizens Transit Corporation
1850 Broadway
Vallejo, California 94589
Monday – Friday, 7:00 a.m. to 2:00 p.m.

San Joaquin Regional Transit (SJRTD)
1533 E. Lindsay Street
Stockton, California 95205
Monday – Friday, 7:00 a.m. to 2:00 p.m.

4. **Conformity**

All units or parts not specified shall be manufacturer's standard units. In all cases, material must be furnished as specified, but if the term "Approved Equal", is used, the General Manager of the District, or his designee, must approve any material or equipment substituted for specified material or equipment.

Each heavy-duty brake drum shall be delivered as a complete functional unit ready for operation, including all accessory items as may be required for the type of service herein specified. **No advantage** shall be taken by the **Contractor** if there are omissions in this specification of components, parts or installations, which are essential to the proper complete and safe operation of the equipment.

5. **Submission with Bid**

Bidder shall submit with their bid, Manufacturer's Specifications or literature covering heavy-duty brake drums and/or accessories or equipment offered to meet the requirements of this specification.

6. **Responsibility**

Heavy-duty brake drum manufacturer shall assume responsibility for all material used in the construction and fabrication of heavy-duty brake drums, whether same is made by heavy-brake drum manufacturer or purchased ready-made from an outside source.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

TECHNICAL SPECIFICATIONS

7. Approved Tested Heavy Duty Brake Drum Manufacturer

- (a) Webb Heavy Duty Brake Drums are the only approved heavy-duty brake drums for the participating RTCC Agencies that receive Federal Funds, **Alameda Contra-Costa Transit District is the only agency that will purchase Non U.S. Manufactured brake drums.**
- (b) Heavy-duty brake drums must certify to **Air Brake Standard FMVSS 121.**
- (c) Heavy-duty brake drum surface should be free of scoring, excessive heat checks and free of cracks.
- (d) Heavy-duty brake drum surface diameter should be within the maximum diameter cast or stamped on the drum.
- (e) Heavy-duty brake drum mounting and pilot holes must be round and true.
- (f) Heavy-duty brake drum mounting surface must be clean and flat.

CAUTION: IF ANY OF THE ABOVE CONDITIONS ARE NOT MET, THE BRAKE DRUMS ARE TO BE REPLACED FREE OF CHARGE BY THE CONTRACTOR.

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HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

AC TRANSIT and participating RTCC agencies will purchase **new heavy-duty brake drums**. Quantities are based on the District's prior annual purchase history. Approximate quantities are listed below, the District and participating RTCC agencies do not guarantee any specific quantities.

Est. Yearly Quantity Each	A.C. Transit In-House No.	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
840	020004	64115B		REAR, STD.	
300	020011	64117B		FRONT, STD.	
60	552079	66812B		REAR, STD.	
80	604454	64125B		DRIVE AXLE MCI, STD	
120	604396	65051		REAR, NABI LOW FLOOR	
80	604461	65153B		TAG AXLE, MCI, 2 ND SER.	
90	604357	65600B		FRONT, STD.	
60	604435	65600C		FRONT, MCI DRILLED	
80	604358	65551B		TAG, STD	
180	604419	66374B		FRT., NABI LOW FLR, 2ND.	

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
NON-U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

AC TRANSIT and participating RTCC agencies will purchase **new heavy-duty brake drums**. Quantities are based on the District's prior annual purchase history. Approximate quantities are listed below, the District and participating RTCC agencies do not guarantee any specific quantities.

Est. Yearly Quantity Each	A.C. Transit In-House No.	O.E.M. For Webb Wheel	Alternative Manufacturer KIC REYCO PART NO.	Drum Description	Price Per Drum
840	020004	64115B	52336-108	REAR, STD.	
300	020011	64117B	52824-138	FRONT, STD.	
60	552079	66812B	52918-048	REAR, STD.	
80	604454	64125B		DRIVE AXLE MCI, STD	
120	604396	65051		REAR, NABI LOW FLOOR	
80	604461	65153B		TAG AXLE, MCI, 2 ND SER.	
90	604357	65600B	54233-018	FRONT, STD.	
60	604435	65600C		FRONT, MCI DRILLED	
80	604358	65551B	54259-018	TAG, STD	
180	604419	66374B	54268-018	FRT., NABI LOW FLR, 2ND.	

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
NON-U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

AC TRANSIT and participating RTCC agencies will purchase **new heavy-duty brake drums**. Quantities are based on the District's prior annual purchase history. Approximate quantities are listed below, the District and participating RTCC agencies do not guarantee any specific quantities.

Est. Yearly Quantity Each	A.C. Transit In-House No.	O.E.M. For Webb Wheel	Alternative Manufacturer DURA BRAKE PART NO.	Drum Description	Price Per Drum
840	020004	64115B	14523	REAR, STD.	
300	020011	64117B		FRONT, STD.	
60	552079	66812B	16070	REAR, STD.	
80	604454	64125B	16125	DRIVE AXLE MCI, STD	
120	604396	65051		REAR, NABI LOW FLOOR	
80	604461	65153B		TAG AXLE, MCI, 2 ND SER.	
90	604357	65600B	16600	FRONT, STD.	
60	604435	65600C		FRONT, MCI DRILLED	
80	604358	65551B	14569	TAG, STD	
180	604419	66374B	16474	FRT., NABI LOW FLR, 2ND.	

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

Central Contra-Costa Transit Authority will purchase new heavy-duty brake drums. Quantities are based on the Central Contra-Costa Authority's prior annual purchase history. Approximate quantities are listed below. Central Contra-Costa Transit Authority does not guarantee any specific quantities.

Est. Yearly Quantity Each	Central Contra-Costa Transit	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
100		64115B		REAR, STD.	
20		64119B		FRONT, STD.	
40		65600B		FRONT, STD.	
20		66884			
20		69150			

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

Golden Gate Transit will purchase **new heavy-duty brake drums**. Quantities are based on the Golden Gate Transit's prior annual purchase history. Approximate quantities are listed below. Golden Gate Transit does not guarantee any specific quantities.

Est. Yearly Quantity Each	Golden Gate Transit	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
30		64048B		REAR, STD.	
30		64046B		FRONT, STD.	
100		64119B		FRONT, STD.	
100		64115B		REAR, STD.	

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

Monterey Salinas Transit will purchase **new heavy-duty brake drums**. Quantities are based on the Monterey Salinas Transit's prior annual purchase history. Approximate quantities are listed below. Monterey Salinas Transit does not guarantee any specific quantities.

Est. Yearly Quantity Each	Monterey Salinas Transit	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
40		64015B		REAR, STD.	
26		64117B		FRONT, STD.	
12		64051		FRONT, STD.	

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

Santa Cruz Transit will purchase **new heavy-duty brake drums**. Quantities are based on the Santa Cruz Transit's prior annual purchase history. Approximate quantities are listed below. Santa Cruz Transit does not guarantee any specific quantities.

Est. Yearly Quantity Each	Santa Cruz Transit	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
76		64089F		REAR, STD.	
4		64040B		FRONT, STD.	
2		64015B		REAR, STD.	
2		64115B		REAR, STD.	
2		64117B		FRONT, STD.	
4		65169B		FRONT, STD.	
2		66812B		REAR, STD.	

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

Vallejo Citizens Transit Corporation will purchase **new heavy-duty brake drums**. Quantities are based on Vallejo Citizens Transit's prior annual purchase history. Approximate quantities are listed below. Vallejo Citizens Transit Corporation does not guarantee any specific quantities.

Est. Yearly Quantity Each	Vallejo Citizens Transit Corp.	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
		64115B		REAR, STD.	
10		64115F		FRONT, STD.	
		64119B		REAR, STD.	
10		64115F		DRIVE AXLE MCI, STD	
		64125B		REAR, NABI LOW FLOOR	
36		64125F		TAG AXLE, MCI, 2 ND SER.	
18		65153B		FRONT, STD.	
12		16.5" X 6" Q SERIES			

PAYMENT TERMS: _____
DISCOUNTS: _____

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

OPTION
BID FORM SHEET
U.S. MANUFACTURED BRAKE DRUMS

Price Quotation

San Joaquin Regional Transit District will purchase **new heavy-duty brake drums**. Quantities are based on the San Joaquin Regional Transit District's prior annual purchase history. Approximate quantities are listed below. San Joaquin Regional Transit District does not guarantee any specific quantities.

Est. Yearly Quantity Each	San Joaquin Transit	O.E.M. For Webb Wheel	Alternative U.S. Manufacturer	Drum Description	Price Per Drum
50		64115B		REAR, STD.	
100		64048B		REAR, STD.	
50		66853			
50		65153			
50		65600		FRONT, STD.	
30		61958			
30		61567			
50		61989			

PAYMENT TERMS: _____
DISCOUNTS: _____

**HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008**

SAMPLE CONTRACT

This CONTRACT is made and entered into this ____ day of _____, 2006, by and between the Alameda-Contra Costa Transit District (hereinafter referred to as "District"), a special transit district established pursuant to California Public Utilities Code, Section 24501 et seq., and _____ (hereinafter referred to as "CONTRACTOR").

1. SCOPE OF WORK

Contractor shall furnish the District all labor, equipment, supplies, material and services as specified in and in full accordance with the Contract Documents issued by the District entitled:

**HEAVY DUTY BRAKE DRUMS
CONTRACT NO. 2006-957RTCC**

2. COMPONENT PARTS OF THE CONTRACT

This Contract shall consist of the following documents, each of which is on file with the District, and is incorporated into and made a part of the Contract by reference:

- A. This Contract
- B. Invitation for Bid No. 2006-957-RTCC and any Addenda thereto
- C. Bidder/Supplier's submitted Bid Forms

3. PERIOD OF PERFORMANCE

The Contractor shall furnish heavy-duty brake drums as specified in the Contract Documents from June 1, 2006 and ending May 31, 2008, for a two year period.

4. CONTRACT PRICE

The District agrees to pay the Contractor _____ (\$____.00) per brake drum for a not – to – exceed (NTE) contract total of (\$____.00) in accordance with prices as shown on submitted bid forms dated _____. The District and the Contractor must mutually agree upon any adjustments in payment. Invoices should be submitted to AC Transit Accounts Payable, P.O. Box 28507, Oakland, California 94604. **Please reference the Contract Number and the Purchase Order Number on the invoices. Failure to do so could delay payment.**

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SAMPLE CONTRACT

5. NOTICES

Any notices which may be required under this Contract shall be in writing, shall be effective when received and shall be given by personal service, or by certified or registered mail, return receipt requested, to the addresses set forth below, or to such other addresses which may be specified in writing by the parties.

District: Alameda-Contra Costa Transit District
Purchasing and Materials Manager
10626 International Boulevard
Oakland, California 94603

and

Contractor

6. ATTORNEY'S FEES

In the event that it becomes necessary for either party to bring a lawsuit to enforce any of the provisions of the Contract, the parties agree that the court having jurisdiction over such dispute shall have the authority to determine and fix reasonable attorney's fees to be paid to the prevailing party.

7. SEVERABILITY

If any provision of this Contract is declared void or unenforceable, such provisions shall be deemed severed from this agreement, which shall otherwise remain in full force and effect.

8. BINDING EFFECT

All of the terms, provisions, and conditions of the Contract hereunder, shall be binding upon and inure the parties hereto and their respective successors, assigns, and legal representatives.

HEAVY DUTY BRAKE DRUMS
FOR THE TERM JUNE 1, 2006 THROUGH MAY 31, 2008

SAMPLE CONTRACT

9. ENTIRE AGREEMENT

This Contract represents the entire agreement of the parties with respect to the subject matter hereof, and all such agreements entered into prior hereto are revoked and superseded by this Contract, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

This Contract may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this agreement shall be void and of no effect.

IN WITNESS WHEREOF, the parties have executed this CONTRACT on the dates set forth below.

ALAMEDA-CONTRA COSTA TRANSIT:

CONTRACTOR:

_____ Date _____
Rick Fernandez
General Manager

_____ Date _____
(Signature)

Approved as to form:

_____ Date _____
Kenneth C. Scheidig
General Counsel

(Print Name and Title)

SAMPLE CONTRACT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: July 14, 2006

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A TWO-MONTH CONTRACT EXTENSION WITH CABRILLO COLLEGE FOR TRANSIT SERVICE

ACTION REQUESTED AT THE JULY 14, 2006 BOARD MEETING

I. RECOMMENDED ACTION

It is recommended that the Board of Directors authorize the General Manager to execute a two month extension with Cabrillo College for Transit Service.

II. SUMMARY OF ISSUES

- In 2003, METRO entered into a contract with Cabrillo College for the provision of Transit Service.
- This contract was negotiated after the expiration of the previous contract that required a large subsidy to Cabrillo College by METRO.
- Subsequent to this contract, METRO raised its fares by 50% and also entered into a long-term contract with UCSC for Transit Service.
- The Cabrillo contract has a Cost of Living escalator in the contract, but has no mechanism to recover any of the increase due to the fare increase in 2003.

III. DISCUSSION

METRO has had a contract for Transit Service in effect with Cabrillo College. This contract was negotiated with Cabrillo College after a period of time when the contract was cancelled by METRO after a determination was made that METRO was subsidizing Cabrillo Students at a rate higher than any other rider on the system.

At the time the contract was signed, the starting rate for a ride was \$.83, and the contract contained a Cost of Living (COL) clause for adjusting the rate based upon the Consumer Price Index for San Francisco-Oakland-San Jose.

Later that year, METRO was forced to raise fares by 50%. Just after, a contract with UCSC was also renegotiated. The UCSC contract did two things; first it spread the impact of the 50% fare increase over a seven-year period. Second, it included a similar COL clause that adjusted the rates each year throughout the seven years.

As a result of this timing, the rates charged to Cabrillo and UCSC are no longer similar. Based on the UCSC contract, the rate will be \$1.010 per ride. Using just the COL adjustment in the Cabrillo Contract, they would only pay METRO \$.9119 per ride. The Cabrillo Contract is scheduled to expire on July 20, 2006. METRO staff are proposing to extend the contract through August 31, 2006 at the existing rates, while a new contract is negotiated that will bring the two contracts into parity. This change is necessary, as fares have increased since the last contract was signed, and diesel fuel prices have increased significantly in the past year. Ridership during the summer is low at Cabrillo, and the fiscal impact is not expected to adversely impact the budget.

IV. FINANCIAL CONSIDERATIONS

Changing the contract to the same rate as UCSC will have a positive impact on the budget.

V. ATTACHMENTS

Attachment A: NONE