



- 5-3. ACCEPT AND FILE DECEMBER 2004 RIDERSHIP REPORT  
Report: Attached  
**PAGE 1 OF THE RIDERSHIP REPORT IS INCLUDED IN THE JANUARY 28, 2005 BOARD PACKET**
- 5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIMS OF JACKIE LYNN MARQUEZ, CLAIM #05-0002; **JOE BLAIR, CLAIM #05-0001; DIESKAU REED, CLAIM #05-0003; AND DEBORAH GUADIAN, CLAIM #05-0004**
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JANUARY 19, 2005 AND MINUTES OF NOVEMBER 17, 2004  
Agenda/Minutes: Attached
- 5-6. **DELETED: WILL BE INCLUDED IN THE FEBRUARY BOARD PACKET**  
(ACCEPT AND FILE THE MASTF COMMITTEE MINUTES OF DECEMBER 16, 2004)
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR NOVEMBER 2004 AND APPROVAL OF BUDGET TRANSFERS  
Staff Report: Attached
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR OCTOBER 2004  
Staff Report: Attached
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR OCTOBER AND NOVEMBER 2004  
Staff Report: Attached
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE  
Staff Report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT  
Staff Report: **IS INCLUDED IN THE JANUARY 28, 2005 BOARD PACKET**
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE DECEMBER MEETING  
Staff Report: Attached
- 5-13. ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION REGARDING THE WORKERS COMPENSATION CLAIM OF GUILLERMO CHAVEZ  
Staff Report: Attached

- 5-14. REVIEW AND ACCEPT SANTA CRUZ METRO BYLAWS AS MODIFIED REGARDING SECTIONS 6.01 (ELECTION OF PRESIDING OFFICERS) AND 14.02 (APPOINTMENT OF SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION REPRESENTATIVES)  
Staff Report: Attached
- 5-15. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND MINUTES OF DECEMBER 15, 2004  
**(Moved to Consent Agenda at the January 14, 2005 Board Meeting. Retained original numbering as Item #7)**
- 5-16. CONSIDERATION OF RENEWAL OF CONTRACT FOR FINANCIAL AUDIT AND TAX SERVICES  
**(Moved to Consent Agenda at the January 14, 2005 Board Meeting. Retained original numbering as Item #11)**
- 5-17. CONSIDERATION OF AWARD OF CONTRACT FOR PURCHASE OF VEHICLES  
**(Moved to Consent Agenda at the January 14, 2005 Board Meeting. Retained original numbering as Item #12)**
- 5-18. CONSIDERATION OF AWARD OF CONTRACT FOR PURCHASE OF LUBRICATION PRODUCTS  
**(Moved to Consent Agenda at the January 14, 2005 Board Meeting. Retained original numbering as Item #13)**
- 5-19. **CONSIDERATION OF APPROVAL OF LICENSE AGREEMENT FOR BUS STOP LOCATED AT SOQUEL AND FRONT STREETS**  
Staff Report: **IS INCLUDED IN THE JANUARY 28, 2005 BOARD PACKET**

#### REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS  
Presented by: Chairperson Reilly  
Staff Report: Attached  
**THIS PRESENTATION WILL TAKE PLACE AT THE JANUARY 28, 2005 BOARD MEETING**
7. **MOVED TO CONSENT AGENDA AS ITEM #5-15**
8. CONSIDERATION OF STATUS OF REPORT ON POSSIBLE PARACRUZ REPORTING FORMATS  
Presented by: Bryant Baehr, Operations Manager  
Staff Report: **IS INCLUDED IN THE JANUARY 28, 2005 BOARD PACKET**

9. CONSIDERATION OF AWARD OF CONTRACT FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS  
Presented by: Tom Stickel, Fleet Maintenance Manager  
Staff Report: **IS INCLUDED IN THE JANUARY 28, 2005 BOARD PACKET**
10. **DELETED: ACTION TAKEN AT THE JANUARY 14, 2005 BOARD MEETING**  
(CONSIDERATION OF RENEWAL OF CONTRACT FOR HAZARDOUS WASTE REMOVAL SERVICES)
11. **MOVED TO CONSENT AGENDA AS ITEM #5-16**
12. **MOVED TO CONSENT AGENDA AS ITEM #5-17**
13. **MOVED TO CONSENT AGENDA AS ITEM #5-17**
14. CONSIDERATION OF A **RESOLUTION** AUTHORIZING AN APPLICATION TO CALTRANS FOR FY 2005 RURAL OPERATING ASSISTANCE  
Presented By: Mark Dorfman, Assistant General Manager  
Staff Report: Attached  
**RESOLUTION REQUIRES A ROLL CALL VOTE**
15. CONSIDERATION OF CALL STOP AUDIT REPORT  
Presented By: Bryant Baehr, Operations Manager  
Staff Report: Attached
16. **DELETED: ACTION TAKEN AT THE JANUARY 14, 2005 BOARD MEETING**  
(CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR 2005, AND NOMINATIONS FOR APPOINTMENTS TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005)
17. **CONSIDERATION OF AWARD OF CONTRACT TO NICA DMT, INC. FOR DEMOLITION SERVICES FOR 1122 RIVER STREET AND 120 GOLF CLUB DRIVE INCLUDING THE WAIVER OF MINOR IRREGULARITIES**  
Presented By: Frank Cheng, MetroBase Project Manager  
Staff Report: **WILL BE DISTRIBUTED AT THE JANUARY 28, 2005 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 LEGAL COUNSEL – EXISTING LITIGATION  
(Pursuant to Government Code Section 54956.9)
  - a. Name of Case: Mary Kohama v. Santa Cruz Metropolitan Transit District (Before the Workers' Compensation Appeals Board)
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Pursuant to Government Code Section 54956.9)
  - a. Number of Cases: One

## **SECTION III: RECONVENE TO OPEN SESSION**

20. REPORT OF CLOSED SESSION

## **ADJOURN**

### **NOTICE TO PUBLIC**

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

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

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

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The City Council Chambers is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting. A Spanish Language Interpreter will be available during "Oral Communications" and for any other agenda item for which these services are needed. This meeting will be broadcast live by Community Television of Santa Cruz on Channel 26.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Les White, General Manager  
**SUBJECT: MATERIAL FOR THE JANUARY 28, 2005 BOARD MEETING AGENDA**

## **SECTION I:** **OPEN SESSION:**

**ADD ITEM #1b** CONSIDERATION OF ELECTION OF DIRECTORS TO SERVE AS BOARD OFFICERS, AND ELECTION OF APPOINTEES TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005  
**(Insert Staff Report)**

**INSERT ITEM #2** ORAL AND WRITTEN COMMUNICATION  
**(Insert Written Communication)**

## **CONSENT AGENDA:**

**ADD TO ITEM #5-3** ACCEPT AND FILE DECEMBER 2004 RIDERSHIP REPORT  
**(Insert Page 1 of the Ridership Report)**

**ADD TO ITEM #5-4** CONSIDERATION OF TORT CLAIMS  
**(Insert 3 Additional Claims)**

**DELETE ITEM #5-6** ACCEPT AND FILE THE MASTF COMMITTEE MINUTES OF DECEMBER 16, 2004  
**(Minutes will be included in the February Board Packet)**

**INSERT ITEM #5-11** ACCEPT AND FILE METROBASE STATUS REPORT  
**(Insert Staff Report)**

**ADD ITEM #5-19** **CONSIDERATION OF APPROVAL OF LICENSE AGREEMENT FOR BUS STOP LOCATED AT SOQUEL AND FRONT STREETS**  
**(Insert Staff Report)**

## **REGULAR AGENDA:**

**REPLACE ITEM #6** PRESENTATION OF EMPLOYEE LONGEVITY AWARDS  
**(Insert REVISED Attachment A, Page #6.a1)**

**INSERT ITEM #8** CONSIDERATION OF STATUS REPORT ON POSSIBLE PARACRUZ REPORTING FORMATS  
**(Insert Staff Report)**

- INSERT ITEM #9**                    CONSIDERATION OF AWARD OF CONTRACT FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS  
**(Insert Staff Report)**
- DELETE ITEM #10**                CONSIDERATION OF RENEWAL OF CONTRACT FOR HAZARDOUS WASTE REMOVAL SERVICES  
**(Action taken at the January 14, 2005 Board Meeting)**
- DELETE ITEM #16**                CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR 2005, AND NOMINATIONS FOR APPOINTMENTS TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005  
**(Action taken at the January 14, 2005 Board Meeting)**
- ADD ITEM #17**                    **CONSIDERATION OF AWARD OF CONTRACT FOR DEMOLITION SERVICES FOR 1122 RIVER STREET AND 120 GOLF CLUB DRIVE INCLUDING THE WAIVER OF MINOR IRREGULARITIES**  
**(Insert Staff Report - Will be delivered to Board & Distributed at meeting)**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005

**TO:** Board of Directors

**FROM:** Leslie R. White, General Manager

**SUBJECT: CONSIDERATION OF ELECTION OF DIRECTORS TO SERVE AS BOARD OFFICERS, AND ELECTION OF APPOINTEES TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005.**

## I. RECOMMENDED ACTION

**That the Board of Directors elect members from the Board to serve in the positions of Board Chair, Vice Chair, Representative to the Highway 1 Construction Authority, and Representatives and Alternates to the Santa Cruz County Regional Transportation Commission.**

## II. SUMMARY OF ISSUES

- Article 6 of the METRO Bylaws provides that the Board of Directors shall annually elect members to serve in the positions of Chair and Vice Chair.
- It is necessary for the Board of Directors to elect members to serve as a primary member and an alternate to represent METRO on the Board of Directors of the Highway 1 Construction Authority (HCA).
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC) it is necessary that the Board of Directors elect members to serve in the three primary positions and the three alternate positions that are provided for METRO.
- On January 14, 2005 the Board of Directors nominated members to serve in the positions referenced in this Staff Report. The Bylaws provide that nominations can be made to any of the referenced positions being filled until there is a motion to close nominations at the time that the elections are held.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the January 28, 2005 Board of Directors meeting.

### **III. DISCUSSION**

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair, HCA appointee, and SCCRTC appointees expire in January 2005. The METRO Bylaws provide that the Board of Directors shall, in January, elect members to serve in the positions herein referenced.

Staff recommends that the Board of Directors elect members to serve in the positions of Chair, Vice Chair, HCA appointee and alternate, and SCCRTC appointees and alternates.

On January 14, 2005 the Board of Directors identified members for nomination to the positions herein referenced. The METRO Bylaws provide that additional nominations can be made prior to election until the Board votes to close the nominations and vote on the candidates.

The election of nominees to the referenced positions will be held January 28, 2005.

### **IV. FINANCIAL CONSIDERATIONS**

Funding support for the positions identified in this Staff Report is contained in the adopted METRO FY 2005 Operating Budget.

### **V. ATTACHMENTS**

Attachment A: List of January 14, 2005 Nominees

# **Attachment A**

## **January 14, 2005 Nominations**

**Chair**  
**Mike Keogh**

**Vice Chair**  
**Mike Rotkin**

**HCA Representative**  
**Marcela Tavantzis**

**HCA Alternate**  
**Mike Keogh**

### **SCCRTC Representatives(3)**

**Mike Keogh**  
**Emily Reilly**  
**Pat Spence**  
**Marcela Tavantzis**

### **SCCRTC Alternates (Not Prioritized)**

**Dene Bustichi**  
**Mike Keogh**  
**Emily Reilly**  
**Dale Skillicorn**

Santa Cruz METRO  
Board of Directors  
370 Encinal  
Suite 100  
Santa Cruz, CA 95060

Dan Roth  
203 Walk Cir.  
Santa Cruz, CA 95060

1/11/2004

Dear METRO Board of Directors:

I have ridden Santa Cruz METRO over the past three years, as both a UCSC student and now a member of UCSC staff, and I have been pleased by your service. However this year I have found the scheduling to be inadequate. Specifically, Route 20 (Westside) runs too infrequently at peak times while UCSC is in session, which results in many Westside residents like myself being stranded or severely inconvenienced.

Allow me to illustrate the problem:

In the mornings, the bus is very full with Westside residents that are commuting onto UCSC campus. The bus is so full that once it gets just past the stop at Mission and Western, it is usually impossible to fit any more passengers on the bus. When these people cannot board, they have no timely way to get onto campus.

In the late afternoon, the problem is reverse. By the time the bus arrives at College 9/10, there is insufficient room for more passengers to board, meaning that they are stuck without a timely way to commute home. This problem is exacerbated by students that use the Metro busses to go from one part of campus to another.

I am not alone in these sentiments. If you talk to other riders of the 20, they will have similar complaints. The residential areas along Western Drive and along Delaware Street are very populous, especially with students, faculty, and staff that need to get onto campus. Currently there is only one bus that connects these residential areas with the UCSC campus, and this route runs just once an hour. This problem is made worse because of cuts to other routes that serviced these residents. Route 2 has been eliminated and versions of Route 3 has been scaled back. Too heavy a burden falls on route 20.

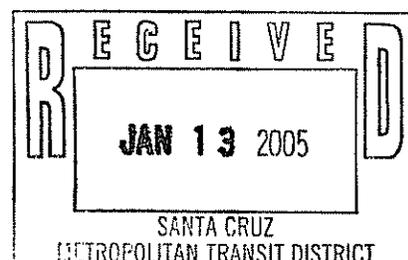
I appreciate the difficulty of balancing scheduling demands with fiscal limitations, yet at the same time, UCSC provides funding for METRO services, so METRO is obligated to ensure that its schedules meet the needs of students, faculty, and staff who live off campus.

To alleviate the problem, I recommend that while UCSC is in session, there should be more frequent METRO service to the Westside of Santa Cruz, as well as Western Drive during peak times. The easiest way to do so would be to run the 20 more frequently during peak times, but I imagine that it would also work to add another route that covers overlapping area. Very simply, we need more buses that connect the Westside with UCSC.

Sincerely,



Dan Roth



2-a.1

JAN 14 2005

January 13, 2005

I'm writing because we have had an ongoing problem with the bus stop that borders our property on Tranquility Ct. and 38<sup>th</sup> St. in Santa Cruz. Hopefully we will be able to come to a mutually agreeable solution to the problems.

Since we purchased our home in August of 2000, we've experienced continual problems with what I guess would be called privacy issues. We've seen people waiting for the bus, looking into our house through and over the fence, tossing alcohol bottles etc. into the yard, and relieving themselves in the corner. Just last week when we had a fence builder over to give us an estimate, a very scraggly individual poked through the ground cloth I'd put up over the lattice, peering in stayed until the fence guy said something to him. It's very unnerving.

A year ago or so someone came out and put a few strips of wood up over about a 10ft section, but did nothing for the above lattice area which as plants die back opens up holes. We need something better done.

Other concerns:

Not all seem to play the automated announcement but when it is used it is *very* loud and can be heard in the house with the doors and windows shut.

There is also an air quality concern, and again though not with every bus, a diesel odor somehow finds its way either down the chimney or other openings *into* our house after the bus.

Who *is* responsible for the upkeep of this area around the bus stop? It's on the opposite side of the fence, so I don't believe it's ours. Two of the trees, which though still alive, are pushed over into the fence. Down a ways the tall Cyprus (?) tree is dying and the other one is starting to turn brown as well.

I would think the easiest solution would be to move the stop closer to the donut shop near Portola Av. or else build a more substantial sound/privacy wall behind your stop.

We've been very patient. Our phone calls have done nothing to stop this ongoing problem. I hope you will address this problem immediately and get back to us.

Sincerely,

  
Bradna Mackey  
3782 Tranquility Ct.  
Santa Cruz, CA 95062

Z-b.1

3782 Tranquillity Ct.  
Santa Cruz, Ca 95062



MARY CASSATT USA37

Santa Cruz Metro  
370 Encinal  
Santa Cruz, Ca 95062

Alta Beard of Directors  
SANTA CRUZ CA 95062  
JAN 12 2005  
PM  
370 ENCINAL  
SANTA CRUZ CA 95062

95062+2173 19

2-b.2

January 23, 2005

TO: SCMTD Board of Directors

From: Pat Spence, SCMDT representative to the RTC

## **REPORT ON THE HIGHWAY 1 EIR ALTERNATIVES AT THE RTC PUBLIC HEARING ON JANUARY 20, 2005 THAT WOULD BENEFIT SCMDT**

All the alternatives recommended by Nolte & Associates were approved by the RTC. The complete agenda and recommendations can be viewed at: <http://www.sccrtc.org/packet/2005/0501/TPWagenda0501pm.htm>

### “Discussion of Four Original Alternatives

The following four alternatives were identified by the SCCRTC in the Request for Proposals for the PA/ED phase, and are included in the Scope of Work for the PA/ED consultant contract. A rough order of magnitude cost for each alternative is shown. The cost estimates include engineering design, right-of-way, construction and construction management. These estimates are approximate due to project development efforts to date and will be refined as alternatives are developed further.

**Alternative 1 – No Build Alternative** (No new project costs associated with this alternative.) The No-Build Alternative offers a basis for comparison with the build Alternatives in the future analysis year of 2030, as required by NEPA and CEQA. It assumes no major construction on Highway 1 through the project limits other than planned and programmed improvements and continued routine maintenance. Planned and programmed improvements included in the No- Build Alternative incorporate the following improvements contained in the 2004 Regional Transportation Improvement Program (RTIP):

- Continued funding for SAFE: Freeway Service Patrol and Rideshare Program
- Construction of merge lanes at the Highway 1/17 Interchange
- Installation of median barrier on Highway I from Freedom Blvd. to Rio Del Mar Blvd.
- Consolidated Bus Operations Facility (Metro Base)”

**Alternative 2 – Widen to Six Lanes with HOV and Standard Caltrans Shoulder widths**

**Alternative 4 - Widen to Six Lanes with HOV and reduced shoulder widths**

### **Additional Alternatives**

**“Option 2 – Improved Transit Access at Interchanges – (Project costs will be similar to or slightly higher \$10M to 20M than alternatives 3 and 4 above.)** Utilizing the geometry developed in Alternatives 3 and 4, this alternative would assess opportunities to provide improved transit access to/from the HOV lanes, primarily for buses. Bus accesses (stops) to be considered will generally be within the freeway right-of-way but outside of the freeway lanes and/or adjacent to ramps. (See Exhibit D.) The goal of this alternative is to increase the effectiveness of transit operators (buses) utilizing the HOV lanes by reducing the time it takes a bus to leave the freeway HOV lanes, load and unload passengers, and return to the HOV lanes.

Pedestrian access from the local road to the bus stop and park and ride lots, via ramps, stairs and/or elevators would be required to create a functional system. While buses would have to weave between the HOV lane and the ramps to get to and from the bus stops, the buses would minimize time lost at signals or on the local street operational issues on the local road created by the addition of another signal at the HOV ramp terminus, and the additional environmental impacts caused by the increased footprint render this option much less attractive than the transit options listed above.”

It was requested that Nolte contact SCMDT staff to include the possibility of considering:

- The SCMDT park and ride property on the Paul Sweet Road for the possible location of a transit access stop
- Also to study the locations of present and future park and ride lots that are presently used for carpool riders that might be used for transit access stops

**Z-C.1**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

December 10, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, December 10, 2004 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chair Keogh called the meeting to order at 9:01 a.m.

## SECTION 1: OPEN SESSION

Vice Chair Keogh introduced Director Dene Bustichi, who was appointed by the Scotts Valley City Council to replace Director Sheryl Ainsworth.

### 1. ROLL CALL:

#### DIRECTORS PRESENT

Jan Beautz (arrived after roll call)  
Dene Bustichi  
Michelle Hinkle  
Mike Keogh  
Dennis Norton  
Mike Rotkin (arrived after roll call)  
Dale Skillicorn  
Pat Spence  
Mark Stone (arrived after roll call)  
Marcela Tavantzis

#### STAFF PRESENT

Bryant Baehr, Operations Manager  
Frank Cheng, MetroBase Project Manager  
Mark Dorfman, Assistant General Manager  
Margaret Gallagher, District Counsel  
Elisabeth Ross, Finance Manager

#### DIRECTORS ABSENT

Emily Reilly  
Ex-Officio Wes Scott

Robyn Slater, Human Resources Manager  
Judy Souza, Base Superintendent  
Tom Stickel, Fleet Maintenance Manager  
Les White, General Manager

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

Dennis Bar, PG&E  
Jane Barr, Via Del Mar  
Jeff Le Blanc, MASTF

Bonnie Morr, UTU  
John Perez  
Bob Yount, MAC/MASTF/E&D TAC

S-1.1

## 2. ORAL AND WRITTEN COMMUNICATION

### Written:

- |    |                   |     |                       |
|----|-------------------|-----|-----------------------|
| a. | Pat Clarke        | Re: | Bus Operator Retiring |
| b. | Linda Wilshusen   | Re: | Thank You Card        |
| c. | Peter Katzlberger | Re: | ParaCruz Service      |

### Oral:

Director Spence reported that both Congressman Sam Farr and Assembly Member John Laird attended the December 2, 2004 SCCRTC meeting to give an update on the appropriations billed that passed and that METRO had received \$1.5 million. Director Spence also reported that this had been Linda Wilshusen's last meeting and that the Red Cross now has wheelchair accessible vehicles.

### **DIRECTOR ROTKIN ARRIVED AT THIS TIME**

Jeff Le Blanc invited everyone to MASTF's 16<sup>th</sup> anniversary meeting on Thursday, December 16<sup>th</sup> at 2:00 p.m. in the NIAC building. MASTF is going on hiatus and will meet again next November, unless there is a need to meet prior to that time. Four MASTF Appreciation Awards will be presented on the 16<sup>th</sup> to CCCIL, Sam Storey, Bryant Baehr and Sharon Barbour.

## 3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr had written communications from bus operators regarding workers compensation claims. Vice Chair Keogh directed Ms. Morr to forward these documents to the Human Resources Manager and reminded her that this was not the proper venue for this type of communication. Ms. Morr was also concerned about eliminated parking spaces in front of the Tool Shed property on River Street and was directed to forward this matter to Frank Cheng, MetroBase Project Manager.

## 4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

A Staff Report for Item #16 was distributed.

### **ITEM #15 WAS TAKEN OUT OF ORDER AT THIS TIME**

15. RE-CONSIDERATION OF GRANTING A RIGHT OF WAY TO PG&E TO LOCATE A TRANSFORMER ON THE VIA DEL MAR PROJECT SITE, LOCATE PG&E LINES UNDERNEATH THE WATSONVILLE TRANSIT CENTER SIDEWALK AND ALLOW ACCESS TO THE TRANSFORMER VIA THE TRANSIT CENTER

### **Summary:**

Margaret Gallagher reported that she had been working with Jane Barr, Via Del Mar Project Manager, and PG&E over the past week to include language in the Right of Way agreement to ensure that at the most only one lane would be blocked at the Watsonville Transit Center should PG & E need to perform work or the transformer needed to be worked on and that METRO would be given a minimum of 5-days notice for routine maintenance.

5-1.2

**ACTION: MOTION: DIRECTOR NORTON SECOND: DIRECTOR ROTKIN**

**Approve granting Right of Way to allow PG&E to locate a transformer at the Via Del Mar site, run PG&E lines to the transformer underneath the Watsonville Transit Center sidewalk and allow access to the transformer through the Watsonville Transit Center site. Agreement to include the following language: that METRO be given 5-days notice for routine maintenance, rather than 2-days notice and in no event will more than one lane of METRO Transit District's Watsonville Transit Center bus lanes be blocked to prevent bus egress and ingress so the buses will be able to move in accordance with their schedules.**

**Discussion:**

Jane Barr clarified that "Restoration required to as nearly as practicable to the condition prior to excavation" meant that there may be a line in the sidewalk where the new and old concrete meet. Bryant Baehr clarified that this project would not impact Transit Center operations.

**Motion passed unanimously with Directors Beautz and Reilly being absent.**

**CONSENT AGENDA**

**5-1. APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 12 AND NOVEMBER 19, 2004 AND THE SPECIAL MINUTES OF NOVEMBER 19, 2004**

No questions or comments.

**5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS**

No questions or comments.

**5-3. ACCEPT AND FILE SEPTEMBER 2004 RIDERSHIP REPORT**

Page 1 of the Ridership Report will be included in the December 17, 2004 Board Packet.

**5-4. CONSIDERATION OF TORT CLAIMS:**

None.

**5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR DECEMBER 15, 2004 AND MINUTES OF OCTOBER 20, 2004**

No questions or comments.

**5-6. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF DECEMBER 16, 2004 AND THE MINUTES OF THE NOVEMBER 18, 2004 MEETING**

Will be included in the December 17, 2004 Board Packet.

5-1.3

**5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR OCTOBER 2004 AND CONSIDERATION OF BUDGET TRANSFERS**

Elisabeth Ross reported that everything looks ok with nothing to be particularly concerned about. Sales tax revenue is higher than expected and fare revenue is lower due to the fare increase.

**5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR SEPTEMBER 2004**

No questions or comments.

**5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR OCTOBER 2004**

Will be included in the December 17, 2004 Board Packet.

**5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE**

No questions or comments.

**5-11. ACCEPT AND FILE METROBASE STATUS REPORT**

Will be included in the December 17, 2004 Board Packet.

**5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE NOVEMBER MEETINGS**

No questions or comments.

**5-13. CONSIDERATION OF APPOINTMENT OF DENNIS PAPADOPULO TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR SPENCE TO FILL VACANCY OF MICHAEL EDWARDS**

No questions or comments

**5-14. CONSIDERATION OF REPORT ON APPOINTEE ATTENDANCE AT METRO ADVISORY COMMITTEE (MAC) MEETINGS**

Jeff Le Blanc reported that he was present at the November MAC meeting, but the attendance sheet shows him absent<sup>1</sup>. Les White clarified that absences are calculated over a rolling 12-month period.

<sup>1</sup> File copy of the MAC Attendance Sheet has been corrected and was redistributed to the Board at their December 17, 2004 meeting.

5-1.4

**REGULAR AGENDA**

**6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

This presentation will take place at the December 17, 2004 Board Meeting.

**7. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND DRAFT MINUTES OF NOVEMBER 17, 2004**

No questions or comments.

**8. CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE**

**Summary:**

Tom Stickel reported that the District provides long-term disability insurance for its employees and that the current contract will expire at the end of December 2004. Staff and Union representatives recommend awarding the contract to Driver Alliant.

**Discussion:**

Robyn Slater clarified that there are approximately 15 total employees out on long-term and short-term disability. This insurance costs \$182,000 per year and METRO is receiving a 15% discount for staying with Driver Alliant.

**DIRECTOR BEAUTZ ARRIVED AT THIS TIME**

**Direction:** Director Norton asked for a report back to the Board in January regarding Long-Term Disability Insurance.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN**

**Authorize the General Manager to execute a contract for Long-Term Disability Insurance with Driver Alliant Insurance Services.**

**Motion passed unanimously with Director Reilly being absent.**

**9. CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT**

This presentation will take place at the December 17, 2004 Board Meeting.

**10. CONSIDERATION OF A RESOLUTION AMENDING FY 04-05 BUDGET**

5-1.5

Will be included in the December 17, 2004 Board Packet.

**11. CONSIDERATION OF A RESOLUTION OF APPRECIATION FOR THE SERVICE OF SHERYL AINSWORTH AS A MEMBER OF THE BOARD OF DIRECTORS**

This presentation will take place at the December 17, 2004 Board Meeting and Ms. Ainsworth will be in attendance.

**12. CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR 2005, MAKING AN APPOINTMENT TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND REVIEWING THE PROCESS FOR THE SELECTION OF APPOINTMENTS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005**

**Summary:**

Mark Dorfman explained that the Board elects its officers in January, with nominations being made in December and elections being held at the first January meeting. Appointments also need to be made to the Highway 1 Construction Authority and the Santa Cruz County Regional Transportation Commission (SCCRTC). The Chair recommends nominees, which can be amended by any member of the Board, and then the elections for the appointments and alternates are made.

**Discussion:**

There was a discussion regarding the timing of the nominations and elections and whether the current Chair or newly elected Chair would be making nominations. Margaret Gallagher clarified that the Bylaws say nominations for Board officers would be made at the second meeting in December, with elections being held in January. The current Board Chair makes recommendations for nominations to the SCCRTC before the first January meeting and other Board members can make nominations at the first January meeting. Ms. Gallagher recommended amending Section 6.01a of the Bylaws to clarify the nomination, election, and appointment process.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ**

**Direct District Counsel to agendize and bring back a Staff Report to the December 17, 2004 Board meeting amending District Bylaws to allow for following the current District Bylaws with the following exceptions: all voting is to happen at the second meeting in January, which is generally televised, and that all nominations remain open up until the actual vote.**

Vice Chair Keogh offered the following friendly amendment, which was accepted by the maker and second of the motion:

**Selection of the Board Chair and Vice Chair will take place prior to appointing representatives to the Santa Cruz County Regional Transportation Commission.**

5-1.6

**Motion passed unanimously with Director Reilly being absent.**

**VICE CHAIR KEOGH COMBINED ITEMS #13 & #14, STATE AND FEDERAL LEGISLATIVE PROGRAMS.**

- 13. CONSIDERATION OF APPROVAL OF 2005 STATE LEGISLATIVE PROGRAM**  
**14. CONSIDERATION OF APPROVAL OF 2005 FEDERAL LEGISLATIVE PROGRAM**

**Summary:**

Les White explained that each year a proposal is put together for both State and Federal Legislative Programs for advocacy with regard to items needing legislative assistance.

This year on the State level, METRO is going to be on a protective stance because it is likely that Prop 42 will be suspended once again, which is what the voters approved to redirect the sales tax on gasoline into the Transportation Fund rather than the General Fund. Every year since it has passed, approximately \$2.1 billion has been suspended back into the General Fund. This still leaves transportation funding obligations previously allocated from the State, but projects cannot proceed, due to lack of funding. It is absolutely critical that METRO receive earmarked funds for MetroBase in the Transportation account and State Transit Assistance, which is about \$860,000 per year for the next five years. Mr. White then went through the remainder of the State Legislative Program list.

**Discussion:**

Director Rotkin suggested directing Legal Counsel to look into filing a lawsuit against the Legislature for failure to follow through with the will of the voters.

Director Beautz stated opposition to spending much time advocating for the Yield to Bus program.

**Summary:**

Mr. White reported that on the Legislative side, METRO will continue to advocate for the High Intensity Transit Tier to be added to the Formula Program for urbanized areas under 200,000 in population, and that it be funded at \$35 million in FY2005 and increase every year of the Authorization Bill to reach a level of \$54 million in 2009. METRO would receive approximately \$1 million per year in supplemental capital funding once it begins and would escalate in the out years, which is critical because it has all been pledged to MetroBase. This funding can only come by formula. Mr. White then went through the remainder of the Legislative Program list.

**Discussion:**

Les White clarified that #7 on Federal Legislative Program list explaining that METRO is requesting \$1.5 per year earmark until a total of \$8.6 million is received for the Metro Center Pacific Station Redevelopment Project.

5-1.7

Director Tavantzis said she is preparing the city of Watsonville's legislative agenda and asked if any of these items would benefit by being included on the city level. Mr. White said #1 & #2 on both the State and Federal lists.

Director Keogh suggested contacting other public agencies to coordinate legislative agendas and added that METRO's State and Federal legislative representatives are doing a great job.

**16. CONSIDERATION OF PROVIDING ADDITIONAL SERVICE FOR FIRST NIGHT SANTA CRUZ ACTIVITIES**

**Summary:**

Bryant Baehr reported that First Night Santa Cruz has requested that METRO provide additional service on December 31, 2004 for First Night activities at a lower level than last year and at METRO's cost. There are no funds available in METRO's budget to accommodate this request.

**Discussion:**

Last year, METRO provided 54.22 hours of additional service at a cost of \$3,253.20. Based on previous experience, staff would recommend this be the minimum level of service hours based on customer demand.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR TAVANTZIS**

**Deny the request from First Night Santa Cruz for additional fixed route service on December 31, 2004 at METRO's expense. Direct Staff to send a letter to First Night explaining that there are no funds in METRO's budget to accommodate this request and that if First Night can raise funds of \$3,253.20, the minimum level of additional service the District would provide would be the same as last year.**

Vice Chair Keogh clarified that if First Night raises the funds, Staff is authorized to provide the service without having to return again to the Board.

**Motion passed unanimously with Director Reilly being absent.**

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

Margaret Gallagher reported that the Board would discuss with their Legal Counsel the cases of Soretta Chatman and Fredy Castillo; 2 cases with the Labor Negotiator; 1 case of anticipated litigation; and that there would be no discussion regarding the case of Andre Hart.

**18. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**

Bonnie Morr reported that she had received a copy of a letter to the IRS from Les White regarding the rollover of CalPERS 457 funds to purchase air time. Ms. Morr requested that the letter be faxed to Julia Philyaw at CalPERS.

Ms. Morr said that the deadline for the rollover is the end of December and requested a response as soon as possible regarding whether or not the District will allow the rollovers.

5-1.8

John Perez introduced himself as one of the employees facing the deadline and reiterated the request for a quick response.

**SECTION II: CLOSED SESSION**

Vice Chair Keogh adjourned to Closed Session at 10:21 a.m. and reconvened to Open Session at 11:15 a.m.

**SECTION III: RECONVENE TO OPEN SESSION**

**19. REPORT OF CLOSED SESSION**

Margaret Gallagher reported that the District will not allow the rollover of individual 457 funds to purchase additional air time until the IRS indicates it is legal and will not jeopardize METRO's 457 accounts.

**ADJOURN**

There being no further business, Vice Chair Keogh adjourned the meeting at 11:16 a.m.

Respectfully submitted,



CINDI THOMAS  
Administrative Services Coordinator

5-1.9

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

December 17, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, November 19, 2004 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Reilly called the meeting to order at 9:05 a.m.

## SECTION 1: OPEN SESSION

### 1. ROLL CALL:

#### DIRECTORS PRESENT

Sheryl Ainsworth  
Jan Beutz  
Michelle Hinkle  
Mike Keogh  
Dennis Norton  
Emily Reilly  
Mike Rotkin  
Pat Spence  
Mark Stone

#### DIRECTORS ABSENT

Marcela Tavantzis  
Ex-Officio Wes Scott

#### STAFF PRESENT

Bryant Baehr, Operations Manager  
Frank Cheng, MetroBase Project Manager  
Mark Dorfman, Assistant General Manager  
Margaret Gallagher, District Counsel  
David Konno, Facilities Maint. Manager

Steve Paulson, ParaCruz Administrator  
Elisabeth Ross, Finance Manager  
Robyn Slater, Human Resources Manager  
Judy Souza, Base Superintendent  
Tom Stickel, Fleet Maintenance Manager

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

Sheryl Ainsworth  
Cheryl Brondstatter, Transit Supervisor  
Joseph Florez, Bus Operator  
Gary Klemz, SEIU  
Gilberto Limas, Bus Operator  
Paul Marcelin-Sampson, Metro Riders Union  
Bonnie Morr, UTU

Peter Prince, Bus Operator  
Will Regan, VMU  
Raymond Scargill, Parts & Materials Super  
Michael Smith, Custodial Svc. Worker I  
Amy Weiss, Spanish Interpreter  
Bob Yount, MAC/MASTF/E&D TAC

5-1.10

**2. ORAL AND WRITTEN COMMUNICATION**

Written:

- |    |                   |     |                       |
|----|-------------------|-----|-----------------------|
| a. | Pat Clarke        | Re: | Bus Operator Retiring |
| b. | Linda Wilshusen   | Re: | Thank You Card        |
| c. | Peter Katzlberger | Re: | ParaCruz Service      |

Oral:

Chair Reilly introduced Director Dene Bustichi, who was appointed by the Scotts Valley City Council to replace Director Ainsworth. Chair Reilly announced that Director Tavantzis' father had passed away, which is why she is absent.

Director Rotkin announced that General Manager Les White was absent due to a health problem his wife has.

Both Director Rotkin and Chair Reilly asked to be copied on the staff response to Item #2-a.

**3. LABOR ORGANIZATION COMMUNICATIONS**

None.

**4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

No questions or comments.

**SECTION I:**  
**OPEN SESSION:**

**CONSENT AGENDA:**

- |                          |  |
|--------------------------|--|
| <b>ADD TO ITEM #5-3</b>  | <b>ACCEPT AND FILE NOVEMBER 2004 RIDERSHIP REPORT<br/>(Insert Page 1 of the Ridership Report)</b>  |
| <b>INSERT ITEM #5-6</b>  | <b>ACCEPT AND FILE THE MASTF COMMITTEE AGENDA FOR<br/>DECEMBER 16, 2004 AND THE MINUTES OF NOVEMBER 18,<br/>2004<br/>(Insert Agenda and Minutes)</b> |
| <b>DELETE ITEM #5-9</b>  | <b>ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR<br/>OCTOBER 2004<br/>(Will be included in the January 14, 2005 Board Packet)</b>                     |
| <b>INSERT ITEM #5-11</b> | <b>ACCEPT AND FILE METROBASE STATUS REPORT<br/>(Insert Staff Report)</b>   |
| <b>ADD ITEM #5-15</b>    | <b>ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN<br/>CLOSED SESSION REGARDING THE SETTLEMENT WITH<br/>BEVERLY BEAMS<br/>(Insert Staff Report)</b> |

5-1.11

**REGULAR AGENDA:**

- DELETE ITEM #8** CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE  
(Action taken at the December 10, 2004 Board Meeting)
- INSERT ITEM #10** CONSIDERATION OF A RESOLUTION AMENDING FY 04-05 BUDGET  
(Insert Staff Report)
- DELETE ITEM #15** RE-CONSIDERATION OF GRANTING A RIGHT OF WAY TO PG&E TO LOCATE A TRANSFORMER ON THE VIA DEL MAR PROJECT SITE, LOCATE PG&E LINES UNDERNEATH THE WATSONVILLE TRANSIT CENTER SIDEWALK AND ALLOW ACCESS TO THE TRANSFORMER VIA THE TRANSIT CENTER  
(Action taken at the December 10, 2004 Board Meeting)
- DELETE ITEM #16** CONSIDERATION OF PROVIDING ADDITIONAL SERVICE FOR FIRST NIGHT SANTA CRUZ ACTIVITIES  
(Action taken at the December 10, 2004 Board Meeting)
- ADD ITEM #17** CONSIDERATION OF A RESOLUTION AMENDING METRO'S BYLAWS RELATING TO THE NOMINATIONS AND ELECTIONS OF BOARD OFFICERS AND METRO REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
(Insert Staff Report)

**CONSENT AGENDA**

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 12 and NOVEMBER 19, 2004 AND SPECIAL MINUTES OF NOVEMBER 19, 2004
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
- 5-3. ACCEPT AND FILE NOVEMBER 2004 RIDERSHIP REPORT
- 5-4. CONSIDERATION OF TORT CLAIMS: NONE
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR DECEMBER 15, 2004 AND MINUTES OF OCTOBER 20, 2004
- 5-6. ACCEPT AND FILE THE MASTF COMMITTEE AGENDA FOR DECEMBER 16, 2004 AND THE MINUTES OF NOVEMBER 18, 2004
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR OCTOBER 2004 AND APPROVAL OF BUDGET TRANSFERS
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR SEPTEMBER 2004
- 5-9. DELETED: WILL BE INCLUDED IN THE JANUARY 14, 2005 BOARD PACKET
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE NOVEMBER MEETINGS
- 5-13. CONSIDERATION OF APPOINTMENT OF DENNIS PAPADOPULO TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR SPENCE TO FILL VACANCY OF MICHAEL EDWARDS
- 5-14. CONSIDERATION OF REPORT ON APPOINTEE ATTENDANCE AT METRO ADVISORY COMMITTEE (MAC) MEETINGS

5-1.12

**5-15. ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION REGARDING THE SETTLEMENT WITH BEVERLY BEAMS**

**ACTION: MOTION: DIRECTOR NORTON SECOND: DIRECTOR SKILLICORN**

Approve the Consent Agenda.

Motion passed unanimously with Director Tavantzis being absent.

**REGULAR AGENDA**

Chair Reilly announced that she would take Item #17 before Item #12.

**11. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

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

**TEN YEARS**

Michael T. Smith, Custodial Service Worker I

**TWENTY YEARS**

Gilberto Limas, Bus Operator  
Joseph A. Florez, Bus Operator  
Raymond F. Scargill, Supervisor of Parts & Materials

**TWENTY-FIVE YEARS**

Cheryl L. Brondstatter, Transit Supervisor  
Peter S. Prince, Bus Operator

**CHAIR REILLY TOOK ITEM #11 OUT OF ORDER AT THIS TIME**

**11. CONSIDERATION OF A RESOLUTION OF APPRECIATION OF THE SERVICE OF SHERYL AINSWORTH AS A MEMBER OF THE BOARD OF DIRECTORS**

Chair Reilly presented the Resolution of Appreciation to Sheryl Ainsworth

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ**

Move passage of the Resolution of Appreciation for the services of Sheryl Ainsworth as a member of the Board of Directors.

Motion passed by unanimous affirmative voice vote in lieu of a roll call with Director Tavantzis being absent.

5-1.13

**12. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND FINAL MINUTES OF NOVEMBER 17, 2004**

Director Spence reported she was unable to attend the December Task Force meeting and that she has become discouraged by the direction the PCTF has gone in the last 7 months and what seem to be personal attacks against the District. Director Spence feels the PCTF has been focusing on the transition of METRO providing ParaCruz service in-house, rather than working on the long-range goals that they were charged with.

Vice Chair Keogh stated that at its last meeting, the PCTF went over the matrix of ideas that will form the report to the RTC.

Chair Reilly stated she finds the meetings challenging with negative comments directed at District Staff, but also feels it is important for people to have the opportunity voice their opinions. She feels the PCTF has been productive and that there may be suggestions the District can say "Yes" to.

Director Beautz thanked Directors Spence, Reilly and Keogh for their time and effort representing the District at the Task Force meetings.

Director Rotkin reiterated that Supervisor Wormhoudt made it clear from the beginning that the purpose of the PCTF was to focus on long-term goals. He feels the Task Force is putting the public through another layer of beaurocracy because none of the minutes reflect any new ideas or how to reach goals. Director Rotkin feels the Task Force needs to change its focus and address the long-range issues it was charged with.

Tegan Speiser reported that the matrix mentioned earlier is made up of all the ideas the PCTF has come up with so far. There are preliminary recommendations that were developed at the November meeting. Ms. Speiser reported there would be two more meetings where the discussions will be concluded and recommendations made, which will then be finalized and forwarded to the RTC and METRO Board in the spring. Ms. Speiser offered to email the matrix to Staff to be forwarded to the Board.

Paul Marcelin-Sampson echoed what Directors Spence and Rotkin stated and also said it would be really nice for the District to be able to say "Yes" to special requests, but that the Task Force is asking for exceptions that would serve very few people.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Accept the report of the Paratransit Coordination Task Force and final minutes of the November 17, 2004 meeting.**

**Motion passed unanimously with Director Tavantzis being absent.**

5-1.14

**9. CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT**

Bryant Baehr said the Board would begin to see Staff Reports in the Board Packets next month. He and Steve Paulson gave a PowerPoint presentation and reported on what will be happening next including another face-to-face outreach with the dispatchers and the top 30 trip generators; focus on education and training; complete the eligibility facility enhancement; analyze post-trip data to optimize on-time performance, productivity and schedule efficiency. Staff will return to the Board with productivity numbers and recommendations for providing service measures.

Vice Chair Keogh stated that he would like to see future Staff Reports include answers to questions Staff ask of themselves including the speed of the Trapeze system, what the optimal speed is, etc. Mr. Baehr replied that the first report would include several items the Board can choose from to be included in future reports.

Paul Marcelin-Sampson congratulated ParaCruz employees, reported that he has heard very positive feedback from ParaCruz customers, and suggested doing the "Living the Paratransit Experience" again.

Bryant Baehr explained what "Living the Paratransit Experience" was and offered to arrange a tour and a ride-along for Director Skillicorn.

**10. CONSIDERATION OF A RESOLUTION AMENDING FY 04-05 BUDGET**

Elisabeth Ross reported that the amendment includes, among other things, a reallocation of Highway 17 revenue and a transfer of \$81,500 of the FTA operating assistance advance to the capital budget for one-time ParaCruz expenses. This reduction in operating revenues is completely offset by a reduction in ParaCruz operating expenses. The proposed revision to the staffing table for the Customer Service Department would allow the immediate callback of a laid off Customer Service Representative.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Move passage of the Resolution revising the FY 04-05 budget in accordance with Exhibit A, and authorize the revision to the staffing table in the Customer Service Department to reflect combining three (3) positions for Senior Customer Service Representative/Customer Service Representative.**

**Motion passed by affirmative roll call vote with Director Bustichi abstaining and Director Tavantzis being absent.**

**17. CONSIDERATION OF A RESOLUTION AMENDING METRO'S BYLAWS RELATING TO THE NOMINATIONS AND ELECTIONS OF BOARD OFFICERS AND METRO REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**

5-1.15

**Summary:**

Margaret Gallagher reported that the recommended amendments include the language that the Board is considering changing relating to nominations and elections of Board Officers and METRO representatives to the SCCRTC. Ms. Gallagher explained this would allow nominations to remain open up until the actual vote at the 2<sup>nd</sup> January meeting and that new officers would take over the 2<sup>nd</sup> January meeting immediately after the vote, which would be right after roll call.

Director Beautz suggested the following motion:

**ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR ROTKIN**

**Move passage of the Resolution amending METRO's Bylaws as specified in the attachment relating to nominations and elections of Board Officers and METRO Representatives to the Santa Cruz County Regional transportation Commission with the following language:**

1. Add to the beginning of section 6.01(a) "The Directors shall at its 1<sup>st</sup> meeting in January nominate members.." and,
2. Adding to section 14.02(a) nominations may be received until final selection occur to match the language in section 6.01(a).

**Discussion:**

Director Rotkin proposed and Director Beautz did not accept amending the motion to include the language to say following January 1<sup>st</sup> rather than "at it's 1<sup>st</sup> meeting in January".

Director Stone suggested having parallel procedures for both the Board Officer and RTC elections and removing the last sentence of section 14.02 (a).

There was a discussion about the nomination process of the RTC representatives.

Vice Chair Keogh suggested the following additional motion separately:

**Clarify section 6.01(b) with the following language: In the permanent absence of the Chair, the Vice Chair shall assume that position for the remainder of the term and the Board of Directors shall replace the Vice Chair position.**

Director Beautz asked that the motions be voted on separately and restated her original motion:

**ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR ROTKIN**

**Move passage of the Resolution amending METRO's Bylaws as specified in the attachment relating to nominations and elections of Board Officers and METRO Representatives to the Santa Cruz County Regional transportation Commission with the following language:**

1. Add to the beginning of section 6.01(a) where "in December" is crossed out, "The Directors shall at its 1<sup>st</sup> meeting in January nominate members.." and,

5-1.16

2. Adding to section 14.02(a) after the sentence “At that first meeting in January, the Chair shall entertain other motions for SCCRTC representatives and alternates from the Directors.” Add “Nominations may be received until final selections occur” to match the language in section 6.01(a), and,
3. Remove the last sentence of section 14.02(a).

Director Norton requested separating section 14.02 and section 6.01 into two separate motions. Chair Reilly agreed and asked for a vote on only the 1<sup>st</sup> part of the motion.

**Part 1 of the motion regarding section 6.01 passed by unanimous affirmative voice vote in lieu of a roll call vote with Director Tavantzis being absent.**

Chair Reilly asked for a vote on part 2 and 3 of the motion regarding section 14.02.

Director Norton stated that Directors on the METRO Board represent approximately 5% of the population of people who use METRO and when a Director is a METRO representative on the SCCRTC, they represent 100% of the community and all forms of transportation, not just the Transit District. Director Norton voiced his opinion that the Bylaws should reflect that at least 2 of the 3 METRO representatives appointed to the RTC be elected people.

Director Beautz disagreed and stated it is very discriminatory and should not be included in the Bylaws that someone should have to be an elected person to be appointed to the RTC. She added that citizen representatives make excellent RTC members and should have the opportunity to be appointed.

Director Rotkin asked that this issue be tabled and does not want the vote to reflect that he supports the concept of double appointments as insulation from public recall.

Director Spence stated that she feels the 3 at-large appointments from the Board of Supervisors on the District Board represent the whole county including the cities and feel a great responsibility to the whole community and do not have the same pressures elected officials have.

**Parts 2 and 3 of the motion regarding section 14.02 passed by unanimous affirmative voice vote in lieu of a roll call vote with Director Tavantzis being absent.**

Vice Chair Keogh restated his motion:

**ACTION: MOTION: DIRECTOR KEOGH SECOND: DIRECTOR ROTKIN**

**Move passage of the Resolution amending METRO’s Bylaws as specified in the attachment relating to nominations and elections of Board Officers and METRO Representatives to the Santa Cruz County Regional transportation Commission with the following clarifying language amending section 6.01(b): Should the office of the Chair become vacant during the calendar year, the Vice Chair shall assume the office of the Chair. Should the office of the Vice Chair become vacant, the nomination and selection of Vice Chair shall be agendized and acted upon by the Board of Directors.**

5-1.17

**Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Director Tavantzis being absent.**

**12. CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR 2005, MAKING AN APPOINTMENT TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY AND REVIEWING THE PROCESS FOR THE SELECTION OF APPOINTMENTS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2005**

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEUATZ**

**Table this item until next month.**

**Motion passed unanimously with Director Tavantzis being absent.**

**13. CONSIDERATION OF APPROVAL OF 2005 STATE LEGISLATIVE PROGRAM**

Mark Dorfman reported that the goals on page 13.a1 are what staff is proposing to put forward for the State Legislative Program. The first item, protecting existing funding sources and funding levels for transit operating assistance and capital assistance is the most critical. Mr. Dorfman distributed a Prop 42 brochure developed by the CTC, which is attached to these minutes. Mr. Dorfman pointed out that on page 6 of the brochure it states that the Highway 17 / Route 1 Merge Lanes and the MetroBase Project are 2 key projects that would be impacted if Prop 42 funds are again diverted. Mr. Dorfman then went over the remainder of the list.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Adopt the proposed METRO 2005 State Legislative Program as submitted by Staff.**

**Discussion:**

Director Rotkin pointed out that this could educate the public on METRO's relationship with the state. He stated that every local public survey in the past 10 years showed that traffic congestion is the biggest complaint. In 2002, California voters approved Prop 42 by almost 70%, redirecting the state's portion sales tax on gasoline from the General Fund to transportation programs. Since then, the state has diverted 90% of these funds expected to go towards transportation completely inappropriately. Director Rotkin wants to send a very strong message to our legislators that the state is stealing money from Prop 42 funds, which is not acceptable, and that these funds need to go towards transportation as the voters intended.

Director Beutz warned that voters need to watch emergency escape clauses, as Prop 42 has, that allows the state to divert funds. Director Beutz believes it should say in the proposition that these funds cannot be diverted for any reason.

**Direction from Chair Reilly:** Staff to contact local cities and the county and support any transit related issues included in their legislative programs.

**5-1.18**

Mark Dorfman clarified for Director Spence that the purpose of the Legislative program is to give marching orders to our lobbyist so that when things come up, we can react as opposed to bringing them back for revision. By having item #2 in there, if any funding program or legislation that comes onto the horizon, our legislative representative in Sacramento can quickly throw in a letter of support or sign on for us to a bill that meets these requirements.

**Motion passed unanimously with Director Tavantzis being absent.**

**14. CONSIDERATION OF APPROVAL OF 2005 FEDERAL LEGISLATIVE PROGRAM**

Mark Dorfman reported that the goals on page 14.a1 are what staff is proposing to put forward for the Federal Legislative Program. The first item is to protect funding we have in the TEA-21 Act and to resist efforts by states trying to reduce those funds based on equity consideration. Mr. Dorfman said the inclusion of the Incentive Tier in the Federal Transit Formula Program in the Reauthorization of TEA-21 is critical and then went over the remainder of the list.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Adopt the proposed METRO 2005 Federal Legislative Program as submitted by Staff.**

**Motion passed unanimously with Director Tavantzis being absent.**

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

Margaret Gallagher reported that Board will be discussing 3 potential litigation cases and that the Board is being asked to add the case of SCMTD v. Yvonne Aiassa Humphrey; Surf City Produce Company, Inc. et seq, and the claim of Kathy Biondi to today's Closed Session agenda because they came to the attention of Staff after the posting of the regular agenda and there is a need to take immediate action before to the next regular Board meeting.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ**

**Make the necessary findings to add the case of SCMTD v. Yvonne Humphrey and the Worker's Compensation claim of Kathy Biondi to today's Closed Session agenda.**

**Motion passed unanimously with Director Tavantzis being absent.**

**SECTION II: CLOSED SESSION**

Chair Reilly adjourned to Closed Session at 10:57 a.m. and reconvened to Open Session at 12:00 p.m.

5-1.19

**SECTION III: RECONVENE TO OPEN SESSION**

**13. REPORT OF CLOSED SESSION**

Margaret Gallagher had nothing to report at this time.

**ADJOURN**

There being no further business, Chair Reilly adjourned the meeting at 12:00 p.m.

Respectfully submitted,



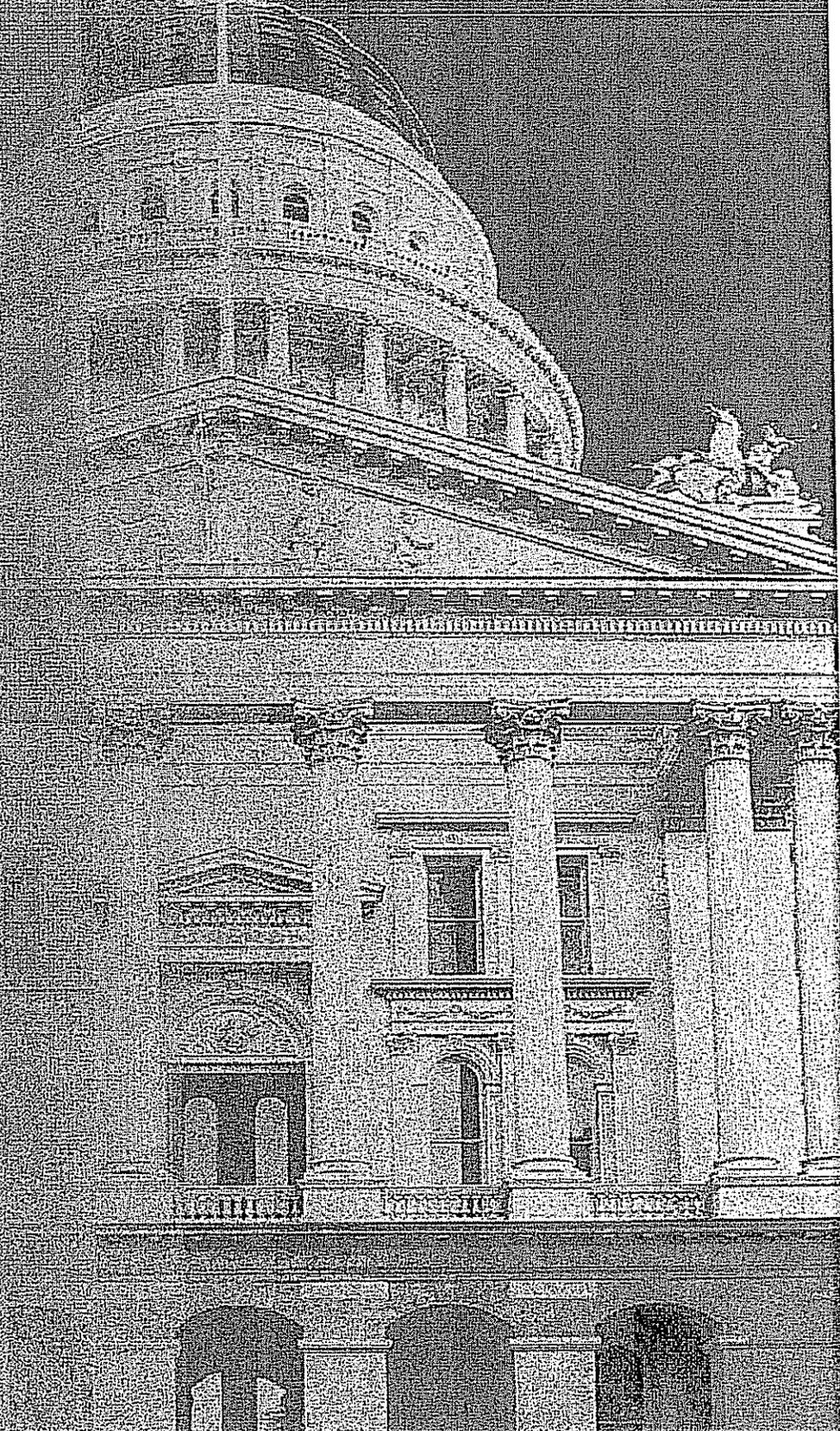
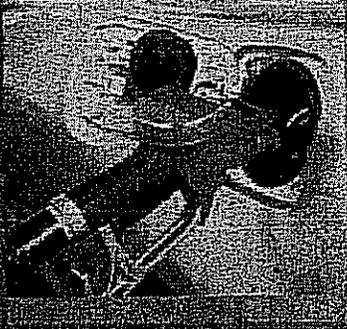
CINDI THOMAS  
Administrative Services Coordinator

DRAFT

5-1.20

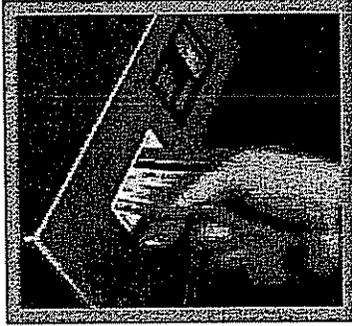
# RUNNING ON EMPTY:

The Importance of Proposition 42 to California's Transportation Infrastructure



5-1-21

## BRIEF HISTORY OF LOST TRANSPORTATION FUNDS



Once again the State of California is facing tremendous fiscal difficulties with a projected \$8-\$10 billion deficit in FY 05-06. The challenges associated with fixing the deficit are both near-term-- with actions needed in the current and upcoming budget years--and long-term, with ongoing structural causes that need permanent solutions.

As lawmakers once again consider balancing the state budget with diversions of transportation revenues and cuts to transportation programs, the Save Proposition 42 Coalition, a public-private partnership of transportation stakeholders, has come together to inform decision makers of the critical contributions the transportation industry makes to the state's competitive advantage. Funding critical transportation infrastructure projects stimulates the economy, creates jobs, moves goods, improves air quality and enhances our quality of life for all Californians. The Save Proposition 42 Coalition-- comprised of representatives from business, labor and transportation agencies--is seeking permanent protection of Proposition 42 funds.

With Proposition 42 funds expected to account for about 75% of funding for the State Transportation Improvement Program in future years, on-going raids will likely play an increasing role in slowing the state's recovery.

## THE FACTS

### BRIEF HISTORY OF LOST PROPOSITION 42 TRANSPORTATION FUNDS

In 2002, California voters approved Proposition 42 by almost a 70% margin, redirecting the state's portion sales tax on gasoline from the General Fund to transportation programs. Approximately \$1.1 billion in Proposition 42 funds annually were supposed to start flowing in FY 2003-04. **Out of the \$2.4 billion expected from Proposition 42 for FY 2003-04 and FY 2004-05, only \$295 million has flowed to transportation projects.** The Governor has made it clear that due to the FY 2005-06 deficit, channeling Proposition 42 funds from transportation to the General Fund is once again a distinct possibility.

PROPOSITION 42 SUSPENSIONS, TRANSFERS AND LOANS TO THE GENERAL FUND			
Year	Amount Expected	Amount Received	Amount Loaned to General Fund
2003-2004	\$1.157 billion	\$295 million	\$862 million
2004-2005	\$1.207 billion	\$0	\$1.207 billion

Source: Legislative Analyst's Office

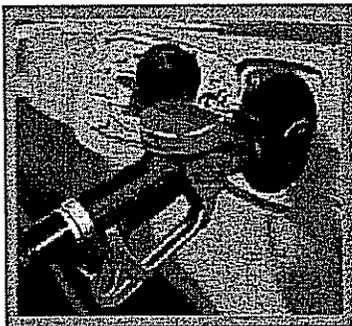
5-1.22

In addition to the \$2.4 billion, another \$3.1 billion has been diverted from transportation to the General Fund in the same time period as shown in the table below:

AVAILABLE TRANSPORTATION FUNDS V. ACTUALLY AUTHORIZED TRANSPORTATION FUNDS						
	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	SUM
ANNUALIZED UNFUNDED NEED	\$11.3	\$11.5	\$11.7	\$12.0	\$12.5	\$59
TOTAL TRANSPORTATION FUNDS AS AVAILABLE (PRIOR TO TRANSFERS, LOANS OR DIVERSIONS)*	\$3.8	\$3.8	\$4.5	\$4.6	\$4.6	\$21.3
TOTAL TRANSPORTATION FUNDS AS ACTUALLY AUTHORIZED**	\$3.5	\$4.1	\$3.3	\$2.8	\$2.1	\$15.8
TOTAL TRANSPORTATION FUNDS LOST	\$0.3	-\$0.3	\$1.2	-\$1.8	-\$2.5	\$5.5

\*INCLUDES \$1.1 BIL. IN PROPOSITION 42 FUNDS ANNUALLY STARTING IN FY 03-04 \*\* FY 03-04 AND FY 04-05 ESTIMATED (SOURCE: CTC TRANSPORTATION REPORT DATED JULY 26, 2004)

## DIRE STRAITS FOR CURRENT TRANSPORTATION FUNDING FLOW



The combination of eliminated Proposition 42 funds and slower than expected federal transportation funds coming to California has resulted in such a severe cash flow crunch that **no new project allocations have been approved since December 2002**. Only priority emergency and rehabilitation programs have been funded. With barely enough cash to sustain \$500 million in projects through December 2004, the California Transportation Commission expects to continue its moratorium on new project allocations from the State Transportation Improvement Program and the Traffic Congestion Relief Program. Additionally, the Commission will not be able to issue any new GARVEE bonds, which have proved to be an innovative way to advance funding.

Transportation funding has been cut to the quick. Now, even the quick may have to be cut. Without an infusion, the Commission may be forced to stop state highway rehabilitation project allocations. With more than 50% of California roads already in fair or poor condition, more deferrals of Proposition 42 funds for General Fund purposes continue to put Californians--especially emergency personnel--in harm's way as they attempt to navigate through a congested and deteriorating road system.

## PROMISED RELIEF IN PRECARIOUS POSITION



Even though some funds earmarked for transportation could flow as a result of the Governor's negotiated gaming compact, federal ethanol funds returning to California and the passage of a federal transportation reauthorization bill expected next year, **all of these sources are now expected to provide less funding than anticipated** during enactment of the FY 04-05 budget. Specifically, the \$1.2 billion from tribal gaming bonds is now estimated to generate only \$850 million. The ethanol fix, which will return \$300 million to California annually through 2010 won't begin to flow for two more years. Finally, the much anticipated increase in federal transportation funding remains on hold pending approval of a new federal transportation

Indian gaming compacts are now expected to generate only \$850 million -- a loss of 30% of expected transportation revenues.

program to replace the Transportation Equity Act for the 21st Century (TEA 21), which expired more than a year ago. As a consequence, the transportation funding hole continues to deepen.

# THE CONSEQUENCES

Failure to increase investment in transportation will further delay the state's economic recovery, reduce employment growth, and limit access to employment, education, recreation, and social services. Consider the following:

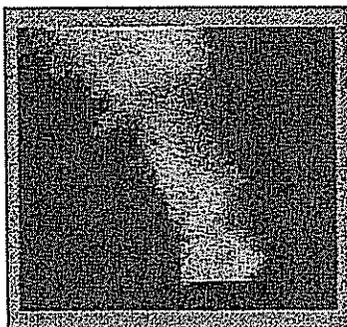
42,000 jobs could have been created if Proposition 42 funds had not been raided over the past two years.

The so-called Golden State's chronic underinvestment in infrastructure is documented in the table below. California currently ranks 47th of 50 states in both per-capita and income-based spending on highways. In fact, our poor investment in highways today indicates we are essentially no better off than we were in 1998. Worse yet, of all major categories of infrastructure in California, transportation ranks lowest on average. This neglect only detracts from our competitiveness, which is particularly troubling at a time when the Governor is traveling abroad to attract foreign investment to our state.

California's Public Investment Priorities in a National Context				
	California's 50 State Ranking			
	Per Capita Basis		Personal Income Basis	
	2004	1998	2004	1998
Highways	47th	48th	47th	48th
Higher Education	49th	37th	49th	41st
Public Schools	10th	31st	17th	38th
Solid Waste Management	25th	14th	29th	19th
Corrections	21st	8th	24th	8th
Sewage	25th	3rd	27th	3rd
<b>Overall Infrastructure Investment</b>	<b>40th</b>	<b>26th</b>	<b>44th</b>	<b>40th</b>

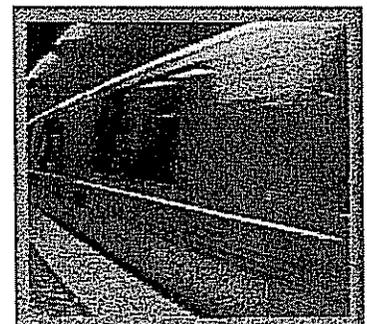
The Saer Group Source: US Census for population data; US Bureau of Economic Analysis for investment data

## EMPLOYMENT GROWTH AND WORLD TRADE IMPERILED



According to the California Business Roundtable, every \$1 billion of investment in transportation in California creates approximately 20,000 jobs. Many of these jobs are high-paying, especially in the growing logistics industry which offers better salaries than the shrinking manufacturing industry. Diversion of \$2.1 billion in Proposition 42 funds caused the state to forego approximately 42,000 jobs that would have contributed tax revenue to the State's General Fund. Given the total \$5.5 billion in diverted transportation funds to date, the state has lost the opportunity to create approximately 110,000 new jobs.

Investing in transportation helps move goods more efficiently. California is the world's sixth largest economy which is largely due to our international trade activity. In fact, the value of international goods coming through our air and water ports is estimated to be \$350 billion this year – an increase of 17% over last year. To maintain this competitive position, we must invest in infrastructure to avoid losing jobs and increasing congestion. The following alarming statistic underscores this point: starting in 2006, 28,000 good paying trade jobs will be at risk annually as a result of gridlock caused by Los Angeles area trade activity, centered at ports and on rail corridors.



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## BUDGET CUTS WORSEN AIR QUALITY AND RISK HUMAN HEALTH

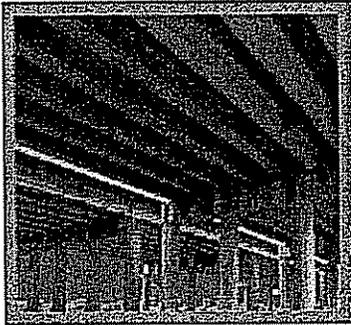


Transportation funding and air quality conformity go hand-in-hand, especially in large metropolitan areas including the Bay Area, Sacramento and Southern California. While air pollution has noticeably improved in the last 20 years, these regions are still classified as a “non-attainment” areas, meaning that levels of certain air pollutants still exceed federal standards. The Journal of the American Medical Association recently published a landmark new study linking exposure to ozone (a precursor to smog) to a significant increase in premature death in cities across the nation. The study found that increasing levels of this air pollutant could be linked to thousands of premature deaths annually.

More than 50% of California roads are in fair or poor condition. Investing in repaving is critical since reconstructing roads costs approximately 5 times more than resurfacing a road.

Reducing or eliminating Proposition 42 funding jeopardizes metropolitan regions’ ability to institute federally mandated Transportation Control Measures within required timeframes. As a result, traffic could slow to a halt, vehicle emissions will increase, and our major metropolitan areas may experience a conformity lapse within the next two years. The penalty for such a lapse could limit these regions’ ability to implement transportation projects programmed in the currently approved Regional Transportation Improvement Program (RTIP), valued at approximately \$30.5 billion in combined federal, state and local funding.

## BUDGET CUTS THREATEN FUTURE FEDERAL FUNDS



Next year is a critical year for the surface transportation community because this likely is the year that Congress will finally reauthorize TEA-21. The next reauthorization bill will determine the programs, policies, and funding for the nation’s transportation systems for the next six years. With the new act comes new matching requirements for state and local regions. TEA-21 legislation, which Congress is expected to adopt by mid-2005 includes higher local matching shares than previously approved federal transportation programs - up to 50 percent for some programs.

The Journal of the American Medical Association recently published a landmark new study linking exposure to ozone (a precursor to smog) to a significant increase in premature death in cities across the nation.

Local and regional transportation entities cannot carry the full weight of matching federal transportation funds. Voters in many communities have already increased funding for local surface transportation projects to supplement state and federal funding. California must position itself to commit its full state match, carry its financial share by dedicating to transportation all existing revenue sources (both gas taxes and sales taxes on gasoline) in order to best leverage more federal funds for surface transportation projects.

## RECOMMENDATIONS

California’s budget crisis will not be resolved without some sacrifice in programs across the state and/or an increase in revenue. However, transportation has already made deep sacrifices for the past two years when Proposition 42 suspensions, transfers and loans to the General Fund programs have provided a safety valve for other state priorities. Further cuts in transportation programs will harm California economy’s growth and resultant growth in general fund revenues. As the Governor develops his FY 05-06 Budget scheduled for release in early January, we urge the Administration and Legislature to resist further suspensions or loans of Proposition 42 funds or any other transportation money to the General Fund for a third consecutive year. Immediate transportation infrastructure investments are necessary to ensure we not only reclaim our moniker as the Golden State, but that we elevate that nickname to “the Golden Dream by the Sea” as proffered by Governor Schwarzenegger.

# APPENDIX OF PROJECTS AT RISK FOR DELAY AND ADDITIONAL COST OR ELIMINATION

Special Note: Transportation projects by their very nature tend to take longer than the one year fiscal year (FY 05-06) discussed in this document. Nonetheless, the Governor's proposed cuts to transportation put at risk major short and long-term projects included in the current State Transportation Implementation Program (STIP) and Traffic Congestion Relief Program (TCRP). Proposition 42 funds are used support these programs. Attached is a partial list of STIP projects at risk. The current STIP is scheduled to expire in FY 06-07. The TCRP is currently scheduled to expire in FY 07-08.

## PRIORITY PROJECTS AT RISK FOR LOSING STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDING (PARTIAL LIST) IN MILLIONS

County	Project Name	STIP Dollars at Risk	Total Project Cost	Senator	Assemblymember
<b>Alameda</b>	BART Oakland Airport Connector	\$33.0	\$233.0	Perata	Chan
	I 880 Mission HOV Lane	\$36.8	\$134.5	Figueroa	Torrico
	I 238 Widening	\$28.2	\$125.1	Figueroa	Kiehs
<b>Alameda/Santa Clara</b>	I 680 Signal Grade HOV Lane - Milpitas to SR 84	\$62.4	\$166.8	Figueroa	Kiehs and Torrico
<b>Alpine, Amador, Calaveras</b>	SR 88 Pine Grove Passing Lane	\$6.4	\$6.4	Cox	Hakanishi and Cogdill
	SR 4 Angels Camp Bypass	\$7.6	\$31.4	Cox	Hakanishi and Cogdill
<b>Butte</b>	SR 149 Widening - SR 99 to SR 70	\$64.6	\$64.6	Amestod	Keene
	SR 70 Orphir Rd Widening	\$25.7	\$25.7	Amestod	Keene
	SR 99 Auxiliary Lane	\$24.7	\$24.7	Amestod	Keene
<b>Contra Costa</b>	I 80 West Bound HOV - Rt 4 to Carquinez	\$28.9	\$29.8	Torlatson	Condamilla
	I 680 Bollinger Cyn and Sycamore Aux Lane	\$ 8.9	\$23.0	Torlatson	Houston
	Richmond Intermodal Station Parking Structure	\$ 2.0	\$16.2	Perata	Hancock
	SR 4 Liveridge to Somersville	\$30.0	\$75.0	Torlatson	Condamilla
<b>Del Norte</b>	Fred Haight Drive Reconstruction	\$0.6	\$0.6	Amestod	Berg
	A Street Rehabilitation	\$0.2	\$0.2	Amestod	Berg
<b>Kern</b>	Westside Pkwy Widening - in Bakersfield	\$170.0	\$170.0	Ashburn	McCarthy
	Rt 46 Widening - SLO County Line to Kocks Corner	\$18.0	\$18.0	Florez	Parra and Blakeslee
	Rt 14 Widening near Mojave	\$60.0	\$60.0	Ashburn	Maze
<b>Kings</b>	SR 198 Improvements - Hanford to Visalia	\$17.5	\$77.0	Florez	Parra
	KART Transfer Facility Construction	\$0.4	\$0.4	Florez	Parra
	Overlay and Reconstruction Projects (various)	\$7.0	\$7.6	Florez	Parra
<b>Lake</b>	Soda Bay Rd Rehabilitation	\$1.8	\$1.9	Chesbro	Berg
	South Main St Rehabilitation	\$1.5	\$1.6	Chesbro	Berg
<b>Lassen</b>	Susanville Town Hill Safety and Ops Improvement	\$5.3	\$5.3	Cox	Keene
<b>Los Angeles</b>	Expo L1 Rail to Santa Monica	\$332 million in Special Note: \$332 million in Los Angeles County funding will be delayed if Prop 42 transfer is suspended. Local MTA funding can be made available to assist in meeting funding priorities of key projects.	\$597.7		
	Gresham Corridor Transitway	\$346.1	\$346.1		
	San Fernando Valley N-S (Phases II-IV)	\$789.3	\$789.3		
	I 405 Northbound Carpool Lanes from I 10 to US 101	\$1497.0	\$1497.0		
	I 10 Carpool Lanes from Puente to Ultras Aves	\$112.9	\$112.9		
	I 5 Carpool and Mixed Flow Lanes from I 605-I 710	\$1415.0	\$1415.0		
	I 10 Carpool Lanes from Citrus Av to SR 57	\$112.4	\$112.4		
	I 405/US 101 (North and Southbound) Connector	\$118.0	\$118.0		
	SR 71 Carpool Lanes and Upgrade from I 10 to Mission Bl.	\$179.8	\$179.8		
	Additional Call for Project Grants Countywide	\$400.0	\$400.0		
<b>Madera</b>	SR 99-SR 145/Gateway Drive Interchange and Overcrossing Improvements	\$5.1	\$8.5	Denham	Cogdill
<b>Marin</b>	US 101 HOV Gap Closure	\$37.2	\$62.2	Migden	Notion
<b>Mendocino</b>	Willits Bypass	\$56.5	\$139.4	Chesbro	Berg
<b>Merced</b>	Asphalt Rd Rehabilitation (Various)	\$3.6	\$3.7		
	Mission Interchange	\$47.3	\$66.7	Denham	Matthews
<b>Modoc</b>	SR 140 Bradley Overhead Widening	\$19.8	\$45.9	Denham	Matthews
<b>Mono</b>	Warner Street from Park St to 12th St Improvement	\$2.0	\$2.0	Cox	Lo Mollo
	Bth St from W. C. St to East St. Improvement	\$1.9	\$1.9	Cox	Lo Mollo
<b>Mono</b>	Lundy Lake Rd Improvements	\$1.3	\$1.4	Cox	Cogdill
	Meridian Reconstruction	\$2.5	\$2.5	Cox	Cogdill
	Independence SR 395 Improvements	\$1.5	\$1.5	Ashburn	Maze
<b>Monterey</b>	US 101 Prunedale Improvement	\$66.0	\$224.6	Maldonado	Laird
	SR 68 Safety and Operational Improvements	\$4.6	\$6.8	Maldonado	Laird
	Carmel Rt 1 Truck Climbing Lane Extension	\$3.1	\$3.1	Maldonado	Laird
<b>Napa</b>	SR 12 Jameson Cyn Rd Widening	\$4.0	\$9.4	Chesbro	Evans
<b>Nevada</b>	SR 20 Dorsey Dr Interchange Improvements	\$16.9	\$18.4	Amestod	Keene
	SR 49 Widening from Wolf/Camie Rd to Grass Valley	\$18.2	\$18.2	Amestod	Keene
<b>Placer</b>	Rt 49 Capacity and Op Improvements/Auburn New Local Rd	\$8.4	\$14.6	Cox	Leslie
	I 80/Sierra College Blvd Interchange Improvements	\$18.4	\$27.3	Cox	Leslie
<b>Plumas</b>	A23 Road Rehabilitation	\$1.6	\$1.6	Cox	Keene
<b>Orange</b>	A15 Road Reconstruction	\$1.3	\$1.3	Cox	Keene
	I 5 - Far North HOV and Widening	\$59.5	\$205.0	Dunn	Bermudez and Daucher
	Imperial Hwy Grade Separation	\$57.0	\$58.8	Margett	Huff and Daucher
	On/Trac/Plorentia Grade Separations	\$3.3	\$15.1	Margett	Daucher
<b>Riverside</b>	SR 60 HOV/Mixed Flow	\$13.0	\$42.0	Dutton	Haynes and Spitzer
	SR 91 Green River Interchange	\$19.5	\$25.5	Battin	Spitzer
	SR 91 HOV - Adams to SR 6/SR 91/SR 215	\$13.1	\$197.1	Dutton	Benoit
<b>Sacramento</b>	Greenback Lane Improvements - Auburn to Dewey	\$9.1	\$9.1	Ortiz	Milla
	Light Rail Extension	\$74.3	\$185.5	Ortiz	Jones
<b>San Bernardino</b>	Interstate 215 Widening (North of I-10)	\$140.0	\$382.0	Solo	Roca
	Interstate 10 Widening	\$15.3	\$35.0	Dutton	Emmerson
<b>San Diego</b>	I 15 Managed Lanes and Bus Rapid Transit System	\$238.0	\$375.0	Hollingsworth, Morrow and Kehoe	Wyland, Plescio, La Seur
	Mid-Coast Light Rail Oldmans to Balboa	\$9.3	\$131.6	Kehoe	Saldana
	SR 52	\$170.4	\$350.0	Hollingsworth	La Seur
<b>San Francisco</b>	SF Muni 3rd Street Light Rail	\$2.6	\$117.6	Migden and Speier	Yee, Leno, Mullin
<b>San Joaquin</b>	I 205 Improvements	\$67.0	\$92.0	Niello and Hancock	Houston and Matthews
	SR 99 Improvements	\$35.2	\$74.0	Niello	Aghazarian
<b>San Luis Obispo</b>	Highway 101/Price Street Extension in Pismo Beach	\$15.2	\$18.0	Maldonado	Houston
	Highway 101/41 Interchange Improvement in Alexander	\$17.0	\$17.2	Maldonado	Houston
<b>San Mateo</b>	Caltrain Grade Separation - Tilton & Poplar	\$9.1	\$36.0	Speier	Mullin
	US 101 Aux Lanes - 3rd to Millbrae	\$42.9	\$159.9	Speier	Mullin
<b>Santa Clara</b>	SR 152/156 Interchange Improvements	\$9.2	\$25.4	Alquist	Solinas

# APPENDIX OF DEFERRED ROAD PAVEMENT AND MAINTENANCE PROGRAMS

**DUE TO FUNDING SHORTFALLS** Special Note: The following table contains information collected in November 2004, which provides a snapshot of the condition and existing shortfall of the county (unincorporated area only) road system.

It should be noted that this spreadsheet reflects pavement rehabilitation and maintenance needs only. This does not include safety, operations, drainage, NPDES, sidewalks or non-pavement needs. This does not include any traffic enhancement or capacity needs with the exception of Los Angeles County needs, which includes their traffic congestion needs.

The results show that with 38 counties reporting on repaving cycles (that should occur every 18 to 20 years) only 2 are within that range.

## SUMMARY SNAPSHOT OF COUNTY REPAVING AND MAINTENANCE NEEDS AT LEAST \$1 BILLION IN DEFERRED NEED\*

County	Current Repaving Cycle (Cycle should be 18-20 years)	Percentage of Roads in Fair to Very Poor Condition	Annual Revenues available for Pavement Management (In Millions)	Annual Need (In Millions)	Gap or Shortfall (In Millions)	Existing Backlog (In Millions)
Alameda	50 years		\$5.6	\$6.3	\$0.7	\$28.6
Amador	51 years		\$0.6	\$2.5	\$2.0	\$30.0
Butte	100 years	60%	\$10.2	\$15.4	\$5.2	\$80.0
Calaveras	100 years		\$0.5	\$2.0	\$1.5	\$65.0
Contra Costa		22%	\$6.8	\$15.2	\$8.9	\$21.0
Fresno	20 years	18%	\$17.3	\$27.3	\$10.0	\$135.0
Humboldt	Infinite					
Imperial	50 years					
Kern			\$10.0	\$35.0	\$25.0	\$300.0
*Kings	125 years	75%	\$3.6	\$6.0	\$2.4	\$100.0
Lake	Infinite	81%	\$3.4	\$7.0	\$3.6	\$80.0
Lassen	100 years	50%	\$0.4	\$4.0	\$3.6	
*Los Angeles	30 years	64%	\$130.0	\$200.0	\$70.0	\$500.0
Marin	50 years	76%	\$2.1	\$7.4	\$5.3	\$56.1
Mendocino		81%	\$14.2	\$14.8	\$0.6	\$90.0
Merced	100 years	65%	\$1.5	\$5.5	\$4.0	\$500.0
Modoc	Infinite	76%	\$3.3	\$13.0	\$9.7	\$45.0
Napa	41 years		\$2.7	\$8.0	\$5.3	\$98.0
Nevada	50 years	45%	\$10.5	\$14.5	\$4.0	\$26.0
Orange	75 years		\$1.5	\$3.5	\$2.0	
Placer	35 years	25%	\$15.0	\$27.0	\$12.0	\$100.0
Plumas	30 years	80%	\$4.0	\$7.0	\$3.0	\$45.0
Riverside	43 year	60%	\$15.0	\$38.0	\$23.0	\$100.0
Sacramento	84 years	36%	\$44.0	\$106.5	\$62.5	\$150.0
San Bernardino	20 years	35%	\$27.0	\$152.0	\$125.0	\$88.0
San Diego	104 years		\$5.0	\$5.0	\$5.0	
San Francisco	50 years		\$15.9	\$51.1	\$35.2	\$318.2
San Joaquin	55 years	44%	\$8.5	\$21.5	\$13.0	\$223.0
San Luis Obispo	Infinite	48%		\$9.0	\$9.0	\$80.0
San Mateo	Infinite	35%				\$100.0
Santa Barbara	30 years	47%	\$5.3	\$18.1	\$12.8	\$170.0
Santa Clara	45 years		\$3.4	\$11.2	\$7.8	\$72.5
Santa Cruz	60 years	39%		\$3.5	\$3.5	\$80.0
Shasta	100 years		\$12.0	\$24.0	\$12.0	
Solano	80 years		\$4.0	\$5.1	\$1.2	\$41.5
Sonoma	100 years	50%	\$4.2	\$22.8	\$18.7	\$262.8
Tehama			\$2.6	\$7.5	\$4.9	
Trinity	50 years		\$1.5	\$3.0	\$1.5	
Tulare	36 years	60%	\$8.8	\$26.8	\$18.1	\$254.0
Tuolumne	Infinite	56%	\$7.0	\$12.0	\$5.0	\$82.0
*Ventura	84 years	30%	\$11.5	\$14.1	\$2.6	\$52.0
Yolo	100 years		\$1.0	\$10.0	\$9.0	\$32.0
<b>TOTALS</b>			<b>\$419.9</b>	<b>\$957.6</b>	<b>\$548.6</b>	<b>\$4,405.7</b>

Survey conducted by California State Association of Counties in November 2004  
Of the 58 counties, 42 responded as shown above.

- \* Figures for Los Angeles County include traffic congestion needs.
- \* Ventura County uses a Pavement Condition Index of 5.5 as acceptable, the backlog identified is pavement overlay or rehabilitation only. It does not include sidewalk repair backlog, annual sidewalk repair needs, drainage improvements, slope hardening or improvements, or storm damage repairs.
- \* For Kings County repaving cycle is 125 years for 250 miles of major roads and infinite for 710 miles of minor roads.

5-1.27

**PRIORITY PROJECTS LIST FOR LOSING STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDING (PARALLEL LIST) IN MILLIONS (COPED)**

<b>Santa Barbara</b>	US 101 Widening near Santa Maria	\$20.6	\$20.6	Maldonado	Blakelee
	US 101 Mijas/Cabrillo Hot Springs Improvement	\$37.5	\$45.5	McClintock	Nava
<b>Santa Cruz</b>	SR 17/Rte 1 Merge Lanes	\$48.0	\$52.0	Similan	Laird
	MetroBase Consolidated Bus Ops Facility	\$14.2	\$39.5	Similan and Maldonado	Laird and Satina
<b>Shasta</b>	Redding Downtown Street Alignments	\$4.8	\$4.8	Amestad	La Malfa
	Liberty Street to I-5 Lane and Bridge Widening	\$10.1	\$10.1	Amestad	La Malfa
	Dana Ramp Lane and Bridge Widening	\$30.0	\$30.0	Amestad	La Malfa
<b>Sierra</b>	Gold Lake Hwy Bridge Rehabilitation	\$0.1	\$0.6	Cox	Keene
	Goodyears Creek Bridge Rehabilitation	\$0.1	\$0.7	Cox	Keene
	Sierra Buttes Rd at Reis Ravine	\$0.09	\$0.5	Cox	Keene
<b>Solano</b>	Vallejo Ferry Terminal Intermodal Station	\$7.3	\$19.3	Aligden	Berg
<b>Sonoma</b>	US 101 HOV -Steele Lane to Rt 12	\$48.9	\$60.0	Chesbo	Berg, Notten and Evans
	US 101 -Steele Lane Interchange Modification	\$13.4	\$13.4	Chesbo	
<b>Sutter</b>	SR 99 Widening	\$60.5	\$60.5	Amestad	La Malfa
	SR 70 Expressway	\$103.7	\$103.7	Amestad	La Malfa
<b>Tehama</b>	Rawson Rd at Red Bank Creek Bridge Replacement	\$0.1	\$2.7	Amestad	La Malfa
	Flores Rd Access	\$3.9	\$4.1	Amestad	La Malfa
<b>Tulare</b>	SR 63 Widening	\$25.0	\$25.0	Flores and Ashburn	Matz
	Rd 80 Widening	\$32.0	\$65.0	Flores and Ashburn	Parra and Matz
	Rd 108 Widening	\$12.0	\$18.0	Flores and Ashburn	Matz
<b>Tuolumne</b>	SR 108/East Sonora Bypass	\$28.0	\$28.0	Poochigian	Coghill
	Road Pavement (various)	\$2.8	\$3.5		
<b>Ventura</b>	Rt 23 Widening - Rt 118 to Rt 101	\$40.0	\$50.7	McClintock	Strickland
	Rt 118- LA County Line to Topo Cyn Rd	\$45.7	\$45.7	McClintock	Richman
	Lewis Rd Widening - Rt 101/CSUC	\$18.2	\$25.8	McClintock	Favley
<b>Yuba</b>	Highway 70/Algodan Road	\$11.2	\$21.0	Cox	Keene
<b>Total</b>		\$2,423.0	\$10,375.7		

This list is based on a survey of Regional Transportation Planning Agencies (RTPAs) conducted in November 2004 by RTPA Chair Celia McAdam. Of the 58 counties, 44 were included in the RTPAs' responses.

# APPENDIX OF DEFERRED ROAD PAVEMENT AND MAINTENANCE PROGRAMS

## DUE TO FUNDING SHORTFALLS

Special Note: The following table contains information collected in November 2004, which provides a snapshot of the condition and existing shortfall of the county (unincorporated area only) road system.

It should be noted that this spreadsheet reflects pavement rehabilitation and maintenance needs only. This does not include safety, operations, drainage, NPDES, sidewalks or non-pavement needs. This does not include any traffic enhancement or capacity needs with the exception of Los Angeles County needs, which includes their traffic congestion needs.

The results show that with 38 counties reporting on repaving cycles (that should occur every 18 to 20 years) only 2 are within that range.

### SUMMARY SNAPSHOT OF COUNTY REPAVING AND MAINTENANCE NEEDS (AT LEAST A BILLION IN DEFERRED NEED)

County	Current Repaving Cycle (Cycle should be 18-20 years)	Percentage of Roads in Fair to Very Poor Condition	Annual Revenues available for Pavement Management (In Millions)	Annual Need (In Millions)	Gap or Shortfall (In Millions)	Existing Backlog (In Millions)
Alameda	50 years		\$5.6	\$6.3	\$0.7	\$28.6
Amador	51 years		\$0.6	\$2.5	\$2.0	\$30.0
Butte	100 years	60%	\$10.2	\$15.4	\$5.2	\$80.0
Calaveras	100 years		\$0.5	\$2.0	\$1.5	\$65.0
Contra Costa		22%	\$6.8	\$15.2	\$8.9	\$21.0
Fresno	20 years	18%	\$17.3	\$27.3	\$10.0	\$135.0
Humboldt	Infinite					
Imperial	50 years					
Kern			\$10.0	\$35.0	\$25.0	\$300.0
*Kings	125 years	75%	\$3.6	\$6.0	\$2.4	\$100.0
Lake	Infinite	81%	\$3.4	\$7.0	\$3.6	\$80.0
Lassen	100 years	50%	\$0.4	\$4.0	\$3.6	
*Los Angeles	30 years	64%	\$130.0	\$200.0	\$70.0	\$500.0
Marin	50 years	76%	\$2.1	\$7.4	\$5.3	\$56.1
Mendocino		81%	\$14.2	\$14.8	\$0.6	\$90.0
Merced	100 years	65%	\$1.5	\$5.5	\$4.0	\$500.0
Modoc	Infinite	76%	\$3.3	\$13.0	\$9.7	\$45.0
Napa	41 years		\$2.7	\$8.0	\$5.3	\$98.0
Nevada	50 years	45%	\$10.5	\$14.5	\$4.0	\$26.0
Orange	75 years		\$1.5	\$3.5	\$2.0	
Placer	35 years	25%	\$15.0	\$27.0	\$12.0	\$100.0
Plumas	30 years	80%	\$4.0	\$7.0	\$3.0	\$45.0
Riverside	43 years	60%	\$15.0	\$38.0	\$23.0	\$100.0
Sacramento	84 years	36%	\$44.0	\$106.5	\$62.5	\$150.0
San Bernardino	20 years	35%	\$27.0	\$152.0	\$125.0	\$88.0
San Diego	104 years		\$5.0		\$5.0	
San Francisco	50 years		\$15.9	\$51.1	\$35.2	\$318.2
San Joaquin	55 years	44%	\$8.5	\$21.5	\$13.0	\$223.0
San Luis Obispo	Infinite	48%		\$9.0	\$9.0	\$80.0
San Mateo	Infinite	35%				\$100.0
Santa Barbara	30 years	47%	\$5.3	\$18.1	\$12.8	\$170.0
Santa Clara	45 years		\$3.4	\$11.2	\$7.8	\$72.5
Santa Cruz	60 years	39%		\$3.5	\$3.5	\$80.0
Shasta	100 years		\$12.0	\$24.0	\$12.0	
Solano	80 years		\$4.0	\$5.1	\$1.2	\$41.5
Sonoma	100 years	50%	\$4.2	\$22.8	\$18.7	\$262.8
Tehama			\$2.6	\$7.5	\$4.9	
Trinity	50 years		\$1.5	\$3.0	\$1.5	
Tulare	36 years	60%	\$8.8	\$26.8	\$18.1	\$254.0
Tuolumne	Infinite	56%	\$7.0	\$12.0	\$5.0	\$82.0
*Ventura	84 years	30%	\$11.5	\$14.1	\$2.6	\$52.0
Yolo	100 years		\$1.0	\$10.0	\$9.0	\$32.0
<b>TOTALS</b>			<b>\$419.9</b>	<b>\$957.6</b>	<b>\$548.6</b>	<b>\$4,405.7</b>

Survey conducted by California State Association of Counties in November 2004  
Of the 58 counties, 42 responded as shown above.

\* Figures for Los Angeles County include traffic congestion needs.

\* Ventura County uses a Pavement Condition Index of 5.5 as acceptable, the backlog identified is pavement overlay or rehabilitation only. It does not include sidewalk repair backlog, annual sidewalk repair needs, drainage improvements, slope hardening or improvements, or storm damage repairs.

\* For Kings County repaving cycle is 125 years for 250 miles of major roads and infinite for 710 miles of minor roads.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13914	12/03/04	86.51	001	SBC	3079	NOV PHONE LINES	86.51	
13915	12/03/04	461,549.64	001015	A-Z BUS SALES, INC.	3059	PARA BUSES/DIAL RIDE	192,622.35	
					3060	PARA BUSES/FIXED RT	268,927.29	
13916	12/03/04	508.00	001042	EMPLOYER'S HEALTH SVCS, LLC	3080	OCT DRUG TESTING	234.00	
					3081	OCT DRUG TESTING	274.00	
13917	12/03/04	2,050.00	001046	DESMOND, MARCELLO & AMSTER	3082	PROF SVCS THRU 10/31	756.25	
					3083	PROF SVCS THRU 10/31	712.50	
					3084	PROF SVCS THRU 10/31	581.25	
13918	12/03/04	1,283.88	001048	CRUZ CAR WASH	3085	REV VEH FUEL/PT	1,046.05	
					3086	VEH WASH SVCS/PT	237.83	
13919	12/03/04	5,617.10	001063	NEW FLYER INDUSTRIES LIMITED	3061	REV VEH PARTS 3087	3,086.66	
					3062	REV VEH PARTS 241	240.92	
					3063	REV VEH PARTS 2290	2,289.52	
13920	12/03/04	30.00	001271	DEPARTMENT OF MOTOR VEHICLES	3087	EMPLOYER TESTING/OPS	30.00	
13921	12/03/04	138.83	001296	LEXISNEXIS MATTHEW BENDER	3088	EMP LAW DSKBK REL#16	138.83	
13922	12/03/04	330.87	001315	WASTE MANAGEMENT	3089	NOV MT HERMON/KINGS	43.27	
					3090	NOV KINGS VILLAGE	145.23	
					3091	NOV RESEARCH PARK	142.37	
13923	12/03/04	115,525.41	001316	DEVCO OIL	3092	NOV FUEL	115,525.41	
13924	12/03/04	2,840.00	001492	EVERGREEN OIL INC.	3093	HAZ WASTE DISPOSAL	2,605.00	
					3094	HAZ WASTE DISPOSAL	235.00	
13925	12/03/04	566.58	001733	STODLEY'S SMALL ENGINE SERVIC 7	3095	REPAIRS/MAINTENANCE	566.58	
13926	12/03/04	57,067.32	001762	COMMUNITY BRIDGES	3096	OCT ADA PT/BAL DUE	57,067.32	
13927	12/03/04	106.18	001996	JAMES PUBLISHING, INC.	3097	LITIGATN FORMS & CD	106.18	
13928	12/03/04	91.70	002063	COSTCO	3098	PHOTO PROCESS/OPS	36.16	
					3099	LOCAL MEETING EXP	55.54	
13929	12/03/04	208.45	002069	A TOOL SHED, INC.	3100	EQUIPMENT RENTAL	208.45	
13930	12/03/04	370.00	002106	AMERICAN SUPPLY COMPANY	3101	CLEANING SUPPLIES/PT	370.00	
13931	12/03/04	2,428.88	002117	IULIANO, NICK	7 3102	04/05 PROP TAXES #1	2,428.88	
13932	12/03/04	201.68	002161	APPLIED INDUSTRIAL TECH	3103	IDLERS/TENSIONERS	146.72	
					3104	CNG CMPSR BEARINGS	54.96	
13933	12/03/04	744.91	002189	BUS & EQUIPMENT	3105	REV VEH PARTS/PT 214	232.04	
					3106	REV VEH PARTS/PT 453	512.87	
13934	12/03/04	2,000.00	002267	SHAW & YODER, INC.	3107	OCT LEGISLATIVE SVCS	2,000.00	
13935	12/03/04	3,750.00	002346	CHANEY, CAROLYN & ASSOC., INC.	3108	DEC LEGISLATIVE SVCS	3,750.00	
13936	12/03/04	1,416.90	002412	BORDEN DECAL	3064	REV VEH PARTS	1,416.90	
13937	12/03/04	160.00	002567	DEPARTMENT OF JUSTICE	3109	OCT FINGERPRINTS	160.00	
13938	12/03/04	290.00	002700	SANTA CRUZ COUNTY	3110	HEALTH PERMIT	290.00	
13939	12/03/04	3,759.34	002721	NEXTEL COMMUNICATIONS	3111	10/6-11/3 PHONES/PT	1,375.44	
					3112	EQUIPMENT/PT	2,383.90	
13940	12/03/04	987.03	009	PACIFIC GAS & ELECTRIC	3113	10/13-11/13 RESEARCH	59.85	
					3114	10/13-11/13 RESEARCH	927.18	
13941	12/03/04	120.00	014	CABRILLO COLLEGE	3115	FINGERPRINTING	120.00	
13942	12/03/04	387.87	020	ADT SECURITY SERVICES INC.	3116	DEC ALARMS	387.87	
13943	12/03/04	146.66	039	KINKO'S INC.	3117	OCT PRINTING	146.66	
13944	12/03/04	1,050.33	059	BATTERIES USA, INC.	3065	REV VEH PARTS	1,050.33	
13945	12/03/04	113.36	061A	REGISTER PAJARONIAN	3118	CLASSIFIED AD	113.36	
13946	12/03/04	1,889.74	130	CITY OF WATSONVILLE UTILITIES	3119	CONTAINER RODRIGUEZ	1,289.04	
					3120	9/2-11/2 RODRIGUEZ	477.68	
					3121	9/2-11/2 RODRIGUEZ	60.31	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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						3122	9/2-11/2 RODRIGUEZ	62.71	
13947	12/03/04	118.18	135	SANTA CRUZ AUTO PARTS, INC.		3123	REV VEH PARTS/PT	118.18	
13948	12/03/04	270.79	147	ZEE MEDICAL SERVICE CO.		3124	SAFETY SUPPLIES	270.79	
13949	12/03/04	36.99	152	BALDWIN COOKE		3125	EXEC PLANNER 27	36.99	
13950	12/03/04	974.56	161	OCEAN CHEVROLET INC		3126	REV VEH PARTS/PT	56.64	
						3127	OUT REPAIR/#208 PT	917.92	
13951	12/03/04	7.00	172	CENTRAL WELDER'S SUPPLY, INC.		3066	PARTS & SUPPLIES	7.00	
13952	12/03/04	3,072.00	180	MANPOWER		3128	TEMP/IT W/E 11/7	1,536.00	
						3129	TEMP/IT W/E 11/14	1,536.00	
13953	12/03/04	4,792.25	221	VEHICLE MAINTENANCE PROGRAM		3067	REV VEH PARTS 331	330.80	
						3068	REV VEH PARTS 4461	4,461.45	
13954	12/03/04	44.92	282	GRAINGER		3130	REPAIRS/MAINTENANCE	44.92	
13955	12/03/04	2,039.93	378	STEWART & STEVENSON		3069	REV VEH PARTS	2,039.93	
13956	12/03/04	558.32	395	APPLIED GRAPHICS, INC.		3174	GOLF UMBRELLAS/PT	558.32	
13957	12/03/04	138.29	436	WEST PAYMENT CENTER		3131	OCT ACCESS CHGS	138.29	
13958	12/03/04	100.00	465	STATE BAR OF CALIFORNIA		3132	PROGRAM MAT'L/LEGAL	100.00	
13959	12/03/04	5,102.13	475	TRAPEZE SOFTWARE GROUP, INC.		3133	MAINT/PT 9/04-8/05	5,102.13	
13960	12/03/04	275,222.18	502	CA PUBLIC EMPLOYEES'		3134	DEC MEDICAL INS	275,222.18	
13961	12/03/04	808.71	504	CUMMINS WEST, INC.		3070	REV VEH PARTS	42.67	
						3071	REV VEH PARTS/SUPPLY	20.53	
						3072	REV VEH PARTS	745.51	
13962	12/03/04	177.90	579	LAB SAFETY SUPPLY, INC.		3135	DRUM GAUGE 166	177.90	
13963	12/03/04	962.00	639	72 DEGREES		3136	RPR FANS/SENSORS WTC	962.00	
13964	12/03/04	782.83	647	GFI GENFARE		3073	REV VEH PARTS	782.83	
13965	12/03/04	4,901.17	664	BAY COUNTIES PITCOCK PETROLEUM		3074	ENGINE OIL/DUB	4,901.17	
13966	12/03/04	11,732.94	667	CITY OF SCOTTS VALLEY		3137	ZONE 1/BLUEBONNET	7,865.54	
						3138	ZONE 12/WASTEWATER	3,867.40	
13967	12/03/04	26.48	669	COMPUTER BOOK DIRECT		3139	BOOK/IT 20	26.48	
13968	12/03/04	10,993.27	676	WEBER, HAYES & ASSOCIATES		3140	ENV ASSESS BUS PARKG	10,993.27	
13969	12/03/04	70.00	682	WEISS, AMY L.	7	3141	PROF SVCS 11/19	70.00	
13970	12/03/04	9,056.25	683	TRISTAR RISK MANANGEMENT		3142	DEC WC SVC FEE	9,056.25	
13971	12/03/04	139.66	699	SALINAS CASH REGISTER CO INC		3143	TIMECLK RIBBONS/OPS	139.66	
13972	12/03/04	283.30	711	GLASS DOCTOR	7	3075	OUT REPAIR OTHER VEH	283.30	
13973	12/03/04	925.10	733	CLAREMONT BEHAVIORAL SERVICES		3144	DEC EAP PREMIUM	925.10	
13974	12/03/04	295.66	788	SCMTD PETTY CASH - FINANCE		3145	PETTY CASH/FINANCE	295.66	
13975	12/03/04	2,920.00	804	ORTHOPAEDIC HOSPITAL	7	3146	OCT PROF/TECH SVCS	2,920.00	
13976	12/03/04	3,034.35	816	MISSION VALLEY FORD		3076	OUT REPAIR OTHER VEH	3,034.35	
13977	12/03/04	297.50	819	MONEY SYSTEMS TECHNOLOGY, INC.		3147	MAINT/COIN SORTER	297.50	
13978	12/03/04	1,574.90	852	LAW OFFICES OF MARIE F. SANG	7	3148	WORKERS COMP CLAIMS	1,574.90	
13979	12/03/04	6,199.60	909	CLASSIC GRAPHICS		3077	OUT REPAIR REV VEH	6,199.60	
13980	12/03/04	195.00	915	WORKIN.COM, INC.		3149	11/5-12/4 JOB POST	195.00	
13981	12/03/04	303.07	932	A.L. LEASE COMPANY, INC.		3150	REPAIRS/MAINTENANCE	303.07	
13982	12/03/04	2,000.00	936	ENVIRO SCIENCE, INC.		3151	HAZ MATL SURVEY/MB	2,000.00	
13983	12/03/04	93.24	940	HISTORIC MISSION INN		3152	CONFIRM #277349	93.24	
13984	12/03/04	4,941.00	949A	NATIONAL FLOOD SERVICES		3153	FLOOD INSURANCE	4,941.00	
13985	12/03/04	67,642.88	975	TRISTAR RISK MANAGEMENT NO. 2		3154	NOV TRUST ACCOUNT	67,642.88	
13986	12/03/04	100.00	B001	AINSWORTH, SHERYL	7	3163	NOV BOARD MEETING	100.00	
13987	12/03/04	100.00	B003	BEAUTZ, JAN	7	3164	NOV BOARD MEETING	100.00	
13988	12/03/04	50.00	B006	HINKLE, MICHELLE	7	3165	NOV BOARD MEETING	50.00	
13989	12/03/04	100.00	B007	KEOGH, MICHAEL	7	3166	NOV BOARD MEETING	100.00	

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13990	12/03/04	100.00	B010	NORTON, DENNIS	7	3167	NOV BOARD MEETING	100.00	
13991	12/03/04	100.00	B011	REILLY, EMILY	7	3168	NOV BOARD MEETING	100.00	
13992	12/03/04	100.00	B012	SPENCE, PAT	7	3171	NOV BOARD MEETING	100.00	
13993	12/03/04	100.00	B014	CITY OF WATSONVILLE		3173	NOV BOARD MEETING	100.00	
13994	12/03/04	50.00	B015	ROTKIN, MIKE	7	3169	NOV BOARD MEETING	50.00	
13995	12/03/04	100.00	B016	SKILLICORN, DALE	7	3170	NOV BOARD MEETING	100.00	
13996	12/03/04	100.00	B017	STONE, MARK	7	3172	NOV BOARD MEETING	100.00	
13997	12/03/04	34.00	E059	LEE, HENRY		3078	DRIVER LICENSE	34.00	
13998	12/03/04	34.00	E315	DEMERS, JANET		3155	DMV FEES	34.00	
13999	12/03/04	64.00	E316	GAGNIER, JEAN		3156	DMV FEES	64.00	
14000	12/03/04	34.00	E319	HERNANDEZ, ALICIA		3157	DMV FEES	34.00	
14000P12/03/04		-34.00	E319	HERNANDEZ, ALICIA		3328	VOID CHECK	-34.00	PRE-PAID
				VOID CHECK					
14001	12/03/04	64.00	E322	HICKEY, MARK		3158	DMV FEES	64.00	
14002	12/03/04	64.00	E325	MALDONADO, ROBERT		3159	DMV FEES	64.00	
14003	12/03/04	35.00	E327	YEPEZ, RICARDO		3160	DMV FEES	35.00	
14004	12/03/04	64.00	E329	ZARAGOZA, DANIEL		3161	DMV FEES	64.00	
14005	12/03/04	44.00	E368	MORR, BONNIE		3162	DMV/VTT FEES	44.00	
14006	12/03/04	72.14	M001	HORTON, JOSEPH		9000238	MED INS PREMIUM REIM	72.14	
14007	12/03/04	41.14	M002	RACKLEY, EARL		9000239	MED INS PREMIUM REIM	41.14	
14008	12/03/04	228.77	M003	WYANT, JUDI		9000240	MED INS PREMIUM REIM	228.77	
14009	12/03/04	228.77	M005	ROSS, EMERY		9000241	MED INS PREM REIMB	228.77	
14010	12/03/04	596.40	M006	VAN DER ZANDE, ED		9000242	MED INS PREM REIMB	596.40	
14011	12/03/04	489.54	M007	BLAIR-ALWARD, GREGORY		9000243	MED INS PREM REIMB	489.54	
14012	12/03/04	72.14	M008	CAMPOS, ARVILLA		9000244	MED INS PREM REIMB	72.14	
14013	12/03/04	816.40	M009	FREEMAN, MARY		9000245	MED INS PREM REIMB	816.40	
14014	12/03/04	280.84	M010	SHORT, SLOAN		9000246	MED INS PREM REIMB	280.84	
14015	12/03/04	41.14	M011	LAWSON, LOIS		9000247	MED INS PREM REIMB	41.14	
14016	12/03/04	41.14	M012	ROSE, JACK		9000248	MED INS PREM REIMB	41.14	
14017	12/03/04	72.14	M013	JAHNKE, EILEEN		9000249	MED INS PREM REIMB	72.14	
14018	12/03/04	41.14	M015	HETH, KATHRYN		9000250	MED INS PREM REIMB	41.14	
14019	12/03/04	249.84	M016	HICKLIN, DONALD KENT		9000251	MED INS PREM REIMB	249.84	
14020	12/03/04	20.07	M017	PORTILLA, EARLENE		9000252	MED INS PREM REIMB	20.07	
14021	12/03/04	219.57	M022	CAPELLA, KATHLEEN		9000253	MED INS PREM REIMB	219.57	
14022	12/03/04	8.94	M023	CARLSON, WILLIAM		9000254	MED INS PREM REIMB	8.94	
14023	12/03/04	30.44	M024	DOBBS, GLENN		9000255	MED INS PREM REIMB	30.44	
14024	12/03/04	35.19	M025	ELIA, LARRY		9000256	MED INS PREM REIMB	35.19	
14025	12/03/04	30.44	M028	ORTEGA, MANUELA		9000257	MED INS PREM REIMB	30.44	
14026	12/03/04	39.94	M029	REESE, CHARLES		9000258	MED INS PREM REIMB	39.94	
14027	12/03/04	11.34	M032	TOWE, JANIE		9000259	MED INS PREM REIMB	11.34	
14028M12/06/04		6,927.37	001044	PACKET FUSION, INC.		3182	SYSTEM/PT BAL DUE	6,927.37	MANUAL
				SYSTEM/PT BAL DUE					
14029M12/08/04		30,360.00	001076	BROUGHTON LAND, LLC		3180	LEASE PMT/DEPOSIT	30,360.00	MANUAL
				LEASE PMT/DEPOSIT					
14030	12/10/04	487.00	002550	COASTAL BUSINESS MACHINES INC.		3177	REFURBISH APC UPS/IT	487.00	
14031	12/10/04	62,005.54	975	TRISTAR RISK MANAGEMENT NO. 2		3178	SPCL REPLENISHMENT	38,370.00	
						3179	SPCL REPLENISHMENT	23,635.54	
14032	12/17/04	595.52	001	SBC		3236	DEC PHONE/IT	595.52	
14033	12/17/04	192.50	001027	OVERLAND PACIFIC & CUTLER, INC		3237	MB PROF SVCS OCT04	192.50	
14034	12/17/04	675.20	001029	GOLDEN GATE SYSTEMS		3238	COMPUTER SUPPLIES/IT	675.20	

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14035	12/17/04	444.00	001042	EMPLOYER'S HEALTH SVCS, LLC		3239	NOV DRUG TESTING	444.00	
14036	12/17/04	11,335.46	001043	VISION SERVICE PLAN		3240	DEC VISION INSURANCE	11,335.46	
14037	12/17/04	145.00	001044	PACKET FUSION, INC.		3241	OUT REPAIR PHONES/PT	145.00	
14038	12/17/04	7,945.13	001063	NEW FLYER INDUSTRIES LIMITED		3183	REV VEH PARTS 5238	5,238.38	
						3184	REV VEH PARTS 1191	1,190.81	
						3185	REV VEH PARTS 371	371.02	
						3186	REV VEH PARTS 1145	1,144.92	
						3187	RECON RADIATOR #9821	996.73	
14039	12/17/04	996.73	001263	ABBOTT STREET RADIATOR, INC.		3242	HAZ WASTE DISPOSAL	814.47	
14040	12/17/04	814.47	001379	SAFETY-KLEEN SYSTEMS, INC.		3243	12/1-2/28 COPIER/ADM	154.34	
14041	12/17/04	154.34	001454	MONTEREY BAY OFFICE PRODUCTS		3244	OUT REPAIR BLDGS/IMP	285.00	
14042	12/17/04	285.00	001491	TRI-COUNTY FIRE PROTECTION INC		3245	HAZ WASTE DISPOSAL	30.00	
14043	12/17/04	30.00	001492	EVERGREEN OIL INC.		3247	OCT MEDICAL EXAMS	1,056.00	
14044	12/17/04	1,056.00	001523	SANTA CRUZ MEDICAL CLINIC	7	3248	DEC LTD INSURANCE	16,753.32	
14045	12/17/04	16,753.32	001616	UNUM		3188	NOV FUEL	20.53	
14046	12/17/04	20.53	001648	STEVE'S UNION SERVICE		3189	REV VEH PARTS	204.61	
14047	12/17/04	204.61	001800	THERMO KING OF SALINAS, INC		3249	OUT REPAIR PHONES	37.50	
14048	12/17/04	158.70	001856	BAY COMMUNICATIONS	7	3250	OUT REPAIR PHONES	121.20	
14049	12/17/04	289.00	001896	NATIONAL BUSINESS INSTITUTE		3251	1/13/05 SEMINAR	289.00	
14050	12/17/04	455.00	001930	STATE BAR OF CALIFORNIA		3252	2005 MEMBERSHIP	455.00	
14051	12/17/04	135.00	001945	SANTA CRUZ COUNTY BAR ASSN		3253	2005 MEMBER DUES	135.00	
14052	12/17/04	4,901.18	001A	SBC/MCI		3254	NOV PHONE/IT	92.08	
						3255	NOV PHONE/IT	176.87	
						3256	NOV PHONE/IT	176.87	
						3257	NOV PHONES	2,089.25	
						3258	NOV PHONES/PT	254.91	
						3259	NOV PHONES/PT	1,593.21	
						3260	NOV PHONES/PT	517.99	
14053	12/17/04	449.86	002012	CARTER, H.V. CO. INC.		3261	REPAIRS/MAINTENANCE	449.86	
14054	12/17/04	58.70	002063	COSTCO		3262	PHOTO PROCESS/OPS	58.70	
14055	12/17/04	2,550.00	002287	CALIFORNIA SERVICE EMPLOYEES		3263	DEC MEDICAL	2,550.00	
14056	12/17/04	748.11	002504	TIFCO INDUSTRIES		3190	PARTS & SUPPLIES	748.11	
14057	12/17/04	35.72	002514	APEX WELDING SUPPLIES INC.		3264	REPAIRS/MAINTENANCE	35.72	
14058	12/17/04	450.00	002542	WILDPACKETS		3265	ETHERPEEK MAINT 2YR	450.00	
14059	12/17/04	350.00	002624	DIGITAL RECORDERS		3191	REV VEH PARTS 350	350.00	
14060	12/17/04	193.38	002639	NEXTEL COMMUNICATIONS		3192	10/26-11/25 PHONES	193.38	
14061	12/17/04	229.00	002675	THOMSON-WEST BARCLAYS		3193	MOTOR VEHICLE US	229.00	
14062	12/17/04	3,168.08	002713	SANTA CRUZ AUTO TECH, INC.		3194	OUT REPAIR #202	1,401.38	
						3195	OUT REPAIR #8020	1,211.84	
						3196	OUT REPAIR #202	554.86	
						3197	REV VEH PARTS	184.41	
14063	12/17/04	184.41	004	NORTH BAY FORD LINC-MERCURY		3198	10/31-11/30 CNG/G RV	11,072.27	
14065	12/17/04	26,281.38	009	PACIFIC GAS & ELECTRIC		3235	10/30-12/1 CNG/E RVR	1,545.30	
						3266	10/29-11/30 RDRIGUEZ	1,237.47	
						3267	10/29-11/30 RDRIGUEZ	68.12	
						3268	10/30-12/1 GOLF CLUB	1,202.61	
						3269	10/30-12/1 GOLF CLUB	1,657.00	
						3270	10/30-12/1 RIVER ST	1,694.68	
						3271	10/30-12/1 111 DUB	702.03	
						3272	10/30-12/1 111 DUB	1,381.50	

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					3273	10/30-12/1 RIVER ST	496.69	
					3274	10/30-12/1 370 ENC	2,042.22	
					3275	10/30-12/1 370 ENC	894.10	
					3276	11/4-12/3 PACIFIC	1,035.77	
					3277	11/4-12/3 PACIFIC	470.87	
					3278	11/4-12/3 PACIFIC	289.21	
					3279	11/9-12/9 KINGS VLG	467.69	
					3280	11/9-12/9 KINGS VLG	23.85	
14066	12/17/04	2,025.78	018 SALINAS VALLEY FORD SALES		3199	REV VEH PARTS	1,191.37	
					3200	REV VEH PARTS	487.13	
					3201	REV VEH PARTS	347.28	
14067	12/17/04	26.37	036 KELLY-MOORE PAINT CO., INC.		3281	PAINT/METRO	26.37	
14068	12/17/04	539.06	039 KINKO'S INC.		3282	NOV PRINTING	539.06	
14069	12/17/04	2,435.57	041 MISSION UNIFORM		3202	NOV UNIFORMS/LAUNDRY	1,872.81	
					3283	OCT/NOV UNIF/LAUNDRY	562.76	
14070	12/17/04	340.91	042 ORCHARD SUPPLY HARDWARE		3284	REPAIRS/MAINTENANCE	340.91	
14071	12/17/04	22.63	045 ROYAL WHOLESALE ELECTRIC		3285	REPAIRS/MAINTENANCE	22.63	
14072	12/17/04	1,050.33	059 BATTERIES USA, INC.		3203	REV VEH PARTS	1,050.33	
14073	12/17/04	944.13	068 UNITED LABORATORIES		3286	CLEANING SUPPLIES	944.13	
14074	12/17/04	80.36	074 KENVILLE LOCKSMITHS	7	3287	NOV LOCKS/KEYS	80.36	
14075	12/17/04	304.00	079 SANTA CRUZ MUNICIPAL UTILITIES		3288	9/28-11/29 RESEARCH	304.00	
14076	12/17/04	13,875.97	085 DIXON & SON TIRE, INC.		3204	NOV TIRES/TUBES	13,875.97	
14077	12/17/04	156.46	087 RECOGNITION SERVICES		3289	EMP INCENTIVE 140	156.46	
14078	12/17/04	275.94	104 STATE STEEL COMPANY		3205	PARTS & SUPPLIES	275.94	
14079	12/17/04	49.71	105 SHIELDS, HARPER & CO., INC.		3206	PRINTER PAPER FLEET	49.71	
14080	12/17/04	247.48	107 SAN LORENZO LUMBER		3290	REPAIRS/MAINTENANCE	247.48	
14081	12/17/04	2,793.23	115 SNAP-ON INDUSTRIAL		3207	COMPLETE SOLUS ASSY	2,793.23	
14082	12/17/04	3,025.24	117 GILLIG CORPORATION		3208	REV VEH PARTS	2,751.55	
					3209	REV VEH PARTS	273.69	
14083	12/17/04	95.10	130 CITY OF WATSONVILLE UTILITIES		3291	10/12-12/1 SAKATA	13.45	
					3292	10/12-12/1 RODRIGUEZ	9.50	
					3293	11/1-12/1 SAKATA	72.15	
14084	12/17/04	4,507.00	134 DAY WIRELESS SYSTEMS		3210	NOV/DEC OUT RPR EQP	4,507.00	
14085	12/17/04	1,365.75	135 SANTA CRUZ AUTO PARTS, INC.		3211	REV VEHPARTS/SUPPLY	1,365.75	
14086	12/17/04	898.69	145 SAN JOSE MERCURY NEWS		3294	CLASSIFIED AD	898.69	
14087	12/17/04	375.03	147 ZEE MEDICAL SERVICE CO.		3295	SAFETY SUPPLIES	375.03	
14088	12/17/04	169.02	149 SANTA CRUZ SENTINEL		3296	NOV ADVERTISING	169.02	
14089	12/17/04	641.14	161 OCEAN CHEVROLET INC		3212	REV VEH PARTS	641.14	
14090	12/17/04	793.87	166 HOSE SHOP, THE		3213	PARTS & SUPPLIES	793.87	
14091	12/17/04	343.13	167 KEYSTON BROTHERS		3214	OTHER MOBILE SUPPLY	343.13	
14092	12/17/04	577.06	170 TOWNSEND'S AUTO PARTS		3215	REV VEH PARTS/SUPPLY	577.06	
14093	12/17/04	7.00	172 CENTRAL WELDER'S SUPPLY, INC.		3216	PARTS & SUPPLIES	7.00	
14094	12/17/04	1,536.00	180 MANPOWER		3297	TEMP/IT W/E 11/21	1,536.00	
14095	12/17/04	1,432.24	191 GOLDEN GATE PETROLEUM		3217	OCT FUEL FLEET	1,432.24	
14096	12/17/04	2,641.83	192 ALWAYS UNDER PRESSURE		3298	REPAIRS/MAINTENANCE	2,641.83	
14097	12/17/04	10,182.99	215 IKON OFFICE SOLUTIONS		3299	COPIER/OPS 11/9-12/9	192.99	
					3300	COPIER/PARACRUZ	9,990.00	
14098	12/17/04	1,397.37	282 GRAINGER		3218	SMALL TOOLS	65.17	
					3219	CLEANING SUPPLY FLT	107.58	
					3220	PARTS & SUPPLIES	389.31	

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						3221	CLEANING SUPPLY FLT	785.63	
						3301	REPAIRS/MAINTENANCE	49.68	
14099	12/17/04	359.66	288	MUNCIE TRANSIT SUPPLY		3222	REV VEH PARTS	359.66	
14100	12/17/04	520.50	294	ANDY'S AUTO SUPPLY		3223	REV VEH PARTS/SUPPLY	520.50	
14101	12/17/04	153.00	367	COMMUNITY TELEVISION OF		3302	TV COVERAG 11/19 MTG	153.00	
14102	12/17/04	102.35	378	STEWART & STEVENSON		3224	REV VEH PARTS	102.35	
14103	12/17/04	378.11	395	APPLIED GRAPHICS, INC.		3303	LETTERHEAD/ADM	378.11	
14104	12/17/04	15.64	418	COUNTY OF SANTA CRUZ		3225	CNG FUEL	7.62	
						3226	CNG FUEL	8.02	
14105	12/17/04	164.03	434	VERIZON WIRELESS-PAGERS		3304	DEC PAGERS	164.03	
14106	12/17/04	53.29	434B	VERIZON CALIFORNIA		3227	MT BIEWLASKI	53.29	
14107	12/17/04	129.54	436	WEST PAYMENT CENTER		3305	NOV ACCESS CHGS	129.54	
14108	12/17/04	2,628.45	447	FERRIS HOIST & REPAIR, INC.		3228	OUT REPAIR HOIST	2,628.45	
14109	12/17/04	19,288.00	475	TRAPEZE SOFTWARE GROUP, INC.		3306	TRAPEZE FOR PT	19,288.00	
14110	12/17/04	2,363.64	480	DIESEL MARINE ELECTRIC, INC.		3229	REV VEH PARTS	2,363.64	
14111	12/17/04	321.00	481	PIED PIPER EXTERMINATORS, INC.		3307	NOV PEST CONTROL/	225.50	
						3308	STORTIES/CHINA EXP	95.50	
14112	12/17/04	163.19	504	CUMMINS WEST, INC.		3230	REV VEH PARTS	163.19	
14113	12/17/04	94.00	507	LORMAN EDUCATION SERVICES		3309	EMP ADA/FMLA 89	94.00	
14114	12/17/04	510.00	571	MONTEREY INFORMATION TECH.		3310	PROF/TECH SVCS IT	150.00	
						3311	PROF/TECH SVCS IT	360.00	
14115	12/17/04	256.01	582	TOYOTA OF SANTA CRUZ		3231	REV VEH PARTS	256.01	
14116	12/17/04	90.35	667	CITY OF SCOTTS VALLEY		3312	9/15-11/15 KINGS VLG	90.35	
14117	12/17/04	357.26	711	GLASS DOCTOR	7	3232	OUT REPAIR VEH #908	357.26	
14118	12/17/04	200.00	760	SCMTD PETTY CASH - PARACRUZ		3313	PETTY CASH FUND	200.00	
14119	12/17/04	964.59	845A	BLUE SHIELD OF CALIFORNIA		3314	COBRA PREMIUMS	964.59	
14120	12/17/04	4,275.22	851	I.M.P.A.C. GOVERNMENT SERVICES		3315	4055019201231122	4,275.22	
14121	12/17/04	1,694.00	852	LAW OFFICES OF MARIE F. SANG	7	3316	WORKERS COMP CLAIMS	1,176.00	
						3317	WORKERS COMP CLAIMS	518.00	
14122	12/17/04	46,276.74	875	PACIFICARE DENTAL		3318	DEC DENTAL	46,276.74	
14123	12/17/04	8,199.31	909	CLASSIC GRAPHICS		3233	OUT REPAIR REV VEH	8,199.31	
14124	12/17/04	627.00	950	PARADISE LANDSCAPE	7	3319	DEC MAINTENANCE	627.00	
14125	12/17/04	33.86	973	SANTA CRUZ DODGE		3234	REV VEH PARTS	33.86	
14126	12/17/04	11,473.88	975	TRISTAR RISK MANAGEMENT NO. 2		3320	NOV TRUST ACCOUNT	11,473.88	
14127	12/17/04	41,625.31	977	SANTA CRUZ TRANSPORTATION, LLC		3321	NOV 04 PT SVCS	41,625.31	
14128	12/17/04	44.00	E136	STEBER, MIKE		3322	DMV/VTT FEES	44.00	
14129	12/17/04	34.00	E330	BARNI, FRANK		3323	DMV FEES	34.00	
14130	12/17/04	10.00	E370	HART, JUSTIN		3324	VTT FEES	10.00	
14131	12/17/04	44.00	E380	DEMPSEY, FREDERICK		3325	DMV/VTT FEES	44.00	
14132	12/17/04	44.00	E458	NELSON, EDWARD		3326	DMV/VTT FEES	44.00	
14133	12/17/04	310.00	R430	RADIOLOGY MEDICAL GROUP		3327	MEDICAL PAYMENT	310.00	
14134	12/23/04	1,064.48	009	PACIFIC GAS & ELECTRIC		3329	10/26-11/24 SAKATA	10.40	
						3331	11/11-12/13 PAUL SWT	84.18	
						3332	11/14-12/14 RESEARCH	200.04	
						3333	11/14-12/14 RESEARCH	769.86	
14135	12/23/04	1,732.00	080	STATE BOARD OF EQUALIZATION		3334	NOV USE TAX PREPAY	1,732.00	
14136	12/23/04	100.00	B003	BEAUTZ, JAN	7	3335	DEC BOARD MTG	100.00	
14137	12/23/04	50.00	B006	HINKLE, MICHELLE	7	3337	DEC BOARD MTG	50.00	
14138	12/23/04	100.00	B007	KEOGH, MICHAEL	7	3338	DEC BOARD MTG	100.00	
14139	12/23/04	100.00	B010	NORTON, DENNIS	7	3339	DEC BOARD MTG	100.00	

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14140	12/23/04	50.00	B011	REILLY, EMILY	7	3340	DEC BOARD MTG	50.00	
14141	12/23/04	100.00	B012	SPENCE, PAT	7	3343	DEC BOARD MTG	100.00	
14142	12/23/04	50.00	B014	CITY OF WATSONVILLE		3345	DEC BOARD MTG	50.00	
14143	12/23/04	100.00	B015	ROTKIN, MIKE	7	3341	DEC BOARD MTG	100.00	
14144	12/23/04	100.00	B016	SKILLICORN, DALE	7	3342	DEC BOARD MTG	100.00	
14145	12/23/04	100.00	B017	STONE, MARK	7	3344	DEC BOARD MTG	100.00	
14146	12/23/04	100.00	B018	BUSTICHI, DENE	7	3336	DEC BOARD MTG	100.00	
14147M1	12/27/04	9,079.52	941	FORTIS BENEFITS INSURANCE CO. JAN LTD INSURANCE		3363	JAN LTD INSURANCE	9,079.52	MANUAL
14148	12/30/04	482.43	001	SBC		3346	DEC PHONE LINES	86.51	
						3347	DEC PHONES	395.92	
14149	12/30/04	10,808.88	001075	SOQUEL III ASSOCIATES	7	9000260	RESEARCH PARK RENT	10,808.88	
14150	12/30/04	1,125.00	001090	BLUE DOLPHIN CAFE	7	3348	DEC CUSTODIAL SVCS	1,125.00	
14151	12/30/04	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000261	CAPITOLA MALL RENT	1,407.05	
14152	12/30/04	264.00	001523	SANTA CRUZ MEDICAL CLINIC	7	3349	NOV MEDICAL EXAMS	264.00	
14153	12/30/04	31,581.00	002116	HINSHAW, EDWARD & BARBARA	7	9000262	120 DUBOIS RENT	6,435.77	
						9000263	370 ENCINAL RENT	25,145.23	
14154	12/30/04	10,794.22	002117	IULIANO, NICK	7	9000264	111 DUBOIS RENT	10,794.22	
14155	12/30/04	56.40	002161	APPLIED INDUSTRIAL TECH		3350	CNG PULLEY BEARINGS	56.40	
14156	12/30/04	10,617.35	043	PALACE ART & OFFICE SUPPLY		3351	OFFICE SUPP/FILE CAB	10,617.35	
14157	12/30/04	35.28	079	SANTA CRUZ MUNICIPAL UTILITIES		3352	NOV LANDFILL	35.28	
14158	12/30/04	2,446.19	110	JESSICA GROCERY STORE, INC.		3353	DEC CUSTODIAN SCVS	2,446.19	
14159	12/30/04	12.71	372	FEDERAL EXPRESS		3355	DEC MAILING/FIN	12.71	
14160	12/30/04	191.92	510	ASCOM HASLER LEASING		3356	JAN EQUIP RENTAL	191.92	
14161	12/30/04	900.00	840	BOUCHARD, BRENT	7	9000265	VERNON ST RENT	900.00	
14162	12/30/04	51.24	856	ANGI INTERNATIONAL LLC		3357	BUSH IDLER/SHEAVE	384.07	
						3358	2 ELEMENTS/CREDIT	-502.52	
						3359	CNG VALVE RELIEF	169.69	
14163	12/30/04	87.00	893	MELLO, CATHY		3360	REFUND PT COUPONS	87.00	
14164	12/30/04	48.59	E016	MANGINI, LAURA		3361	HEATER/FINANCE	48.59	
14165	12/30/04	44.24	E155	SCARGILL, RAYMOND		3362	MED DEDUCT PP25	44.24	
14166	12/30/04	44.00	E180	FELDER, GEORGE		3354	DMV/VTT FEES	44.00	
14167	12/30/04	229.97	M003	WYANT, JUDI		3364	JAN MEDICAL PREMIUM	229.97	
14168	12/30/04	254.52	M005	ROSS, EMERY		3365	JAN MEDICAL PREMIUM	254.52	
14169	12/30/04	597.92	M006	VAN DER ZANDE, ED		3366	JAN MEDICAL PREMIUM	597.92	
14170	12/30/04	750.34	M007	BLAIR-ALWARD, GREGORY		3367	JAN MEDICAL PREMIUM	750.34	
14171	12/30/04	1,075.65	M009	FREEMAN, MARY		3368	JAN MEDICAL PREMIUM	1,075.65	
14172	12/30/04	364.49	M010	SHORT, SLOAN		3369	JAN MEDICAL PREMIUM	364.49	
14173	12/30/04	184.57	M016	HICKLIN, DONALD KENT		3370	JAN MEDICAL PREMIUM	184.57	
14174	12/30/04	413.09	M022	CAPELLA, KATHLEEN		3371	JAN MEDICAL PREMIUM	413.09	
14175	12/30/04	179.92	M024	DOBBS, GLENN		3372	JAN MEDICAL PREMIUM	179.92	
14176	12/30/04	204.98	M025	ELIA, LARRY		3373	JAN MEDICAL PREMIUM	204.98	
TOTAL		1,564,826.50		COAST COMMERCIAL BANK			TOTAL CHECKS	263	1,564,826.50

5-2-7

**Santa Cruz METRO  
December 2004 Ridership Report**

FAREBOX REVENUE AND RIDERSHIP SUMMARY BY ROUTE

ROUTE	REVENUE	RIDERSHIP	UC		UC Staff		S/D		S/D		Cabrillo	Bike	Passes/ Free Rides
			Student		Faculty	Day Pass	Riders	W/C	Day Pass				
10	\$ 1,181.51	13,144	9,474		1,894	8	34	18	9	94	360	924	
13	\$ 188.43	3,969	3,410		294	1	3	2	1	22	86	119	
15	\$ 694.23	13,363	11,609		808	9	23	8	3	127	213	382	
16	\$ 3,595.16	36,196	27,656		3,295	46	102	22	21	424	907	2,584	
19	\$ 1,084.54	11,056	8,291		978	9	65	8	17	132	292	944	
3B	\$ 1,586.48	3,246	205		137	43	117	35	20	139	83	1,672	
4	\$ 1,114.10	4,619	140		57	10	174	31	56	92	62	3,168	
7	\$ 406.62	1,110	77		53	11	71	6	22	55	6	645	
7N	\$ 1,284.42	1,973	194		75	-	42	2	-	88	113	763	
9	\$ 332.24	564	18		11	3	5	-	-	31	18	284	
12A	\$ 83.30	1,407	1,208		92	1	2	2	-	9	34	42	
12B	\$ 58.06	1,449	1,268		92	1	2	-	-	5	15	45	
20	\$ 1,476.34	8,763	5,659		709	16	75	7	7	161	185	1,196	
31	\$ 1,198.63	1,767	54		47	25	25	15	3	83	64	846	
32	\$ 550.51	861	17		6	4	15	13	-	23	18	459	
33	\$ 172.04	402	1		-	1	-	-	-	1	7	285	
34	\$ 140.31	156	-		-	-	-	-	-	-	-	65	
35	\$ 23,435.38	35,710	542		397	315	772	93	162	994	1,299	18,956	
40	\$ 1,901.15	1,802	20		22	99	28	3	10	27	33	712	
41	\$ 910.38	1,423	175		107	11	19	-	5	34	126	516	
42	\$ 1,060.20	1,256	70		45	6	24	-	1	38	122	415	
53	\$ 516.18	1,043	14		13	6	98	28	24	44	17	618	
54	\$ 412.22	804	1		4	6	21	15	5	105	41	441	
55	\$ 1,373.81	3,120	11		30	34	107	31	32	771	59	1,462	
56	\$ 381.06	984	3		7	7	17	9	7	169	56	560	
66	\$ 10,437.79	15,916	736		418	123	546	120	84	498	469	7,376	
68	\$ 5,963.97	9,785	644		332	127	232	79	41	329	234	4,716	
69	\$ 6,716.30	11,740	1,018		452	54	403	87	55	356	337	5,418	
69A	\$ 16,935.37	22,267	781		491	180	815	200	112	533	589	9,220	
69N	\$ 1,550.55	2,643	301		95	3	56	13	-	208	114	1,003	
69W	\$ 18,489.56	25,255	927		523	166	747	173	133	1,985	681	9,695	
70	\$ 1,890.61	4,283	115		53	23	93	36	27	1,361	110	1,531	
71	\$ 50,027.44	66,553	1,423		1,073	400	2,296	316	328	5,846	1,948	25,173	
72	\$ 3,546.30	4,033	6		15	58	168	14	31	177	33	1,558	
74	\$ 2,383.22	2,684	6		19	14	133	12	16	42	29	1,026	
75	\$ 6,649.00	7,380	9		9	88	355	21	50	194	125	2,852	
76	\$ 591.39	650	3		4	11	38	5	5	10	3	255	
79	\$ 1,022.06	1,435	13		15	6	135	82	39	64	5	662	
88	\$ 21.20	3,501	3		1	-	2	-	1	1	-	165	
91	\$ 3,396.85	4,569	72		106	67	70	9	21	571	154	1,571	
Unknown	\$ 195.52	532	-		226	25	1	7	-	-	6	15	
<b>TOTAL</b>	<b>\$ 176,657.12</b>	<b>337,072</b>	<b>76,564</b>		<b>13,164</b>	<b>2,061</b>	<b>8,053</b>	<b>1,557</b>	<b>1,368</b>	<b>15,985</b>	<b>9,150</b>	<b>112,138</b>	

ROUTE	REVENUE	RIDERSHIP	VTA/SC	17		S/D	ECO		Monthly Pass		
			Day Pass	CalTrain	Day Pass	Riders	W/C	METRO Pass			
17	\$ 27,205.47	13,590	24	84	144	913	20	3,292	131	719	6,505

RIDERSHIP	
Night Owl	758
-	-
-	-
<b>TOTAL</b>	<b>758</b>

<b>December Ridership</b>	351,420
<b>December Revenue</b>	\$ 203,930.01

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	0	7	0	100%
FLYER/LOW FLOOR - 40'	12	1	11	9	2	9	100%
FLYER/LOW FLOOR - 35'	18	2	16	12	4	12	100%
FLYER/HIGH FLOOR - 35'	15	2	13	4	9	4	100%
GILLIG/SAM TRANS - 40'	10	0	10	2	8	2	100%
DIESEL CONVERSION - 35'	15	2	13	11	2	11	100%
DIESEL CONVERSION - 40'	14	3	11	8	3	8	100%
ORION/HIGHWAY 17 - 40'	11	2	9	7	2	7	100%
GOSHEN	3	1	2	0	2	0	100%
TROLLEY	1	0	1	0	1	0	100%
CNG NEW FLYER - 40'	8	1	7	5	2	5	100%

5-3.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF DECEMBER 2004

BUS #	DATE	DAY	REASON
8075F	27-Dec	MONDAY	It took 30 mins for bus to come out of kneel
8082F	23-Dec	THURSDAY	Lift needs adjustment or repair
8105F	20-Dec	MONDAY	Kneel working intermittently
8105F	23-Dec	THURSDAY	Kneeling system not working
9809LF	7-Dec	TUESDAY	Ramp won't deploy with switch, must be lifted by hand
9839G	9-Dec	THURSDAY	Kneel not working

- 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.

5-3.3

Service Interruption Summary Report  
Lift Problems  
12/01/2004 to 12/31/2004

AM Peak Hour/Mile	Midday Hour/Mile	PM Peak Hour/Mile	Other Hour/Mile	Weekday Hour/Mile	Saturday Hour/Mile	Sunday Hour/Mile
00:00/0	00:00/00.00	00:00/00.00	0:00	00:00/00.00	00:00/0	00:00/0

5-3.4

**GOVERNMENT TORT CLAIM**

**RECOMMENDED ACTION**

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Marquez, Jackie Lynn Received: 01/06/05 Claim #: 05-0002  
Date of Incident: 01/05/05 Occurrence Report No.: SC 01-05-04

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: \_\_\_\_\_

---

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 January 28, 2005.

By \_\_\_\_\_  
Cindi Thomas  
RECORDING SECRETARY

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

MG/lg  
Attachment(s)

5-4.1

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

Claim # ~~5001-05-04~~ 05-0002

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: Jackie Lynn Marquez  
115 Coral Street Santa Cruz 95060  
Claimant's Address/Post Office Box: \_\_\_\_\_

Mailroom same as above Riverstreet Shelter  
Claimant's Phone Number: message 458-6030 469-4673

2. Address to which notices are to be sent: c/o Mary Ann Balkcom  
15830 Greenwood Surprise, Arizona 85374

3. Occurrence: \_\_\_\_\_

Date: 1-5-05 Time: 11:00 Place: Emiline

Circumstances of occurrence or transaction giving rise to claim: Bus on highway  
1 Driver slammed brakes I went left to right  
hit metal support was hurt on lower back &  
cervical & tail bone slight middle fingers.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: Bus trip from Arizona bill unpaid  
of 1,500 in home injury food shelter  
phone bills. clothing.

5. Name or names of public employees or employees causing injury, damage, or loss, if known: Metro shelter, emiline,

6. Amount claimed now ..... \$ 2,500  
Estimated amount of future loss, if known ..... \$ 2,500  
TOTAL ..... \$ 5,000

7. Basis of above computations: \_\_\_\_\_

J Marquez  
CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

1-6-05  
DATE

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District  
Supervisor & Bus driver told us to write that we didn't need an ambulance. at

5-4-2

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Blair, Joe  
Date of Incident: 12/15/04

Received: 01/04/05 Claim #: 05-0001  
Occurrence Report No.: PC 12-04-01

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: 1-14-05

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 [date Board took action].

By \_\_\_\_\_  
Cindi Thomas  
RECORDING SECRETARY

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

MG/lg  
Attachment(s)

5-4.3

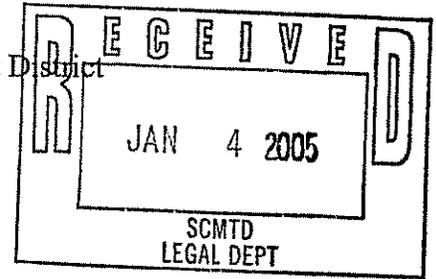
CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

Claim # 05-0001

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: Joe Blair

Claimant's Address/Post Office Box: 1430 JOSE AVE #101
Santa Cruz CA 95062

Claimant's Phone Number: 831-465-0602

2. Address to which notices are to be sent: above

3. Occurrence: Metro Paracos driver drove over parking lot divider with passenger inadequately secured

Date: 12/15/04 Time: 1:30 pm Place: above address

Circumstances of occurrence or transaction giving rise to claim: driver had pulled up in front of my apartment and drove over divider (curb height approx. 3 1/2 inches) with both right wheels. front straps securing my wheelchair had several inches of play in them.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: Extreme pain in lumbar & thoracic back & left inner thigh. I have massage practitioner & Rolfer and am due to see a chiroprator. (the above have been able to see me at home. I have been unable go out due to ill health.

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

6. Amount claimed now \$200.00
Estimated amount of future loss, if known \$1500.00
TOTAL \$1,700.00

7. Basis of above computations: current outlay and estimate cost of chiropratic treatment.

Joe Blair
CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

12/27/04
DATE

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

5-4.4

**GOVERNMENT TORT CLAIM**

**RECOMMENDED ACTION**

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Reed, Dieskau  
Date of Incident: 11/02/04

Received: 01/12/05 Claim #: 05-0003  
Occurrence Report No.: SC 11-04-02

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: 1/19/05

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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 January 28, 2005.

By \_\_\_\_\_  
Cindi Thomas  
RECORDING SECRETARY

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

MG/lg  
Attachment(s)

5-4.5

**CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

Claim # SC 11-0402  
05-0003

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: Diestkau E. Reed, III

Claimant's Address/Post Office-Box: 225 East Lake Ave, Apt C  
Watsonville CA 95076

Claimant's Phone Number: 831-340-2128

2. Address to which notices are to be sent: Same as above

3. Occurrence: DRIVER CLOSED DOORS ON ME AS I WAS BOARDING CAUSING  
INJURY TO ME. SEE ATTACHED STATEMENT... 3 PAGES

Date: NOV 2, 04 Time: 1630 Place: JEEAN & WATER STS, SC #91 BUS

Circumstances of occurrence or transaction giving rise to claim: See attached statement - 3 pages

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: See attached statement - 3 pages

5. Name or names of public employees or employees causing injury, damage, or loss, if known: BUS DRIVER RICHARD PRUDDEN, # 356

6. Amount claimed now ..... \$ exceeds \$10,000

Estimated amount of future loss, if known ..... \$ \_\_\_\_\_

TOTAL ..... \$ Not a limited civil case

7. Basis of above computations: Loss of property, medical expenses,  
Loss of wages.

Diestkau E Reed III  
CLAIMANT'S SIGNATURE (or Company  
Representative or Parent of Minor Claimant)

Jan 11, 2005  
DATE

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

**5-4.6**

Dieskau E. Reed III  
225 C, East Lake Ave  
Watsonville CA 95076

January 11, 2005

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

Re: Claim # SC 11-04-02,

Dear Board:

On Tuesday, November 2, 2004 at ~1630 I attempted to board the outbound #91 bus (# 8081) at the corners of Ocean & Water Sts, Santa Cruz CA. I was the third person in line; the two passengers in front of me boarded without incident. There were several boarding passengers behind me as well. As I attempted to board, the driver closed the doors on my person as I was stepping onto the bus. The doors caught me on the right side of my face around the temple and cheek bone areas, neck, shoulders and arms. The doors opened momentarily, then again closed on me. The force and abruptness of the blows knocked me off of the bus backwards onto the concrete sidewalk, causing me to strike the concrete with my whole body and hitting the back of my bare head on the concrete. As a result, I sustained a concussion, broke my cell phone which was in my pocket, and damaged several items in my backpack, including my laptop pc and several software disks.

When I rose from the sidewalk, I was hurt, a bit dazed, in shock and upset. The driver, Richard Prudden, #356 disembarked from the bus in an attempt to help me from the ground. He asked me if I was ok. I boarded the bus, and advised him that I was not ok. He said that the door malfunctioned and closed on its own. As I was seating myself, he told that me since I was hurt, he was unable to move the bus and I would need to fill out an incident/accident report. I did so. He asked if I required medical attention. I advised that I did require attention; however I did not want to go to Dominican Hospital in Santa Cruz, since I live in Watsonville. Going there would leave me having to get on a different bus at a much later time in order to get home. I advised that I would seek medical treatment upon my arrival in Watsonville.

A supervisor was dispatched to the scene. He briefly interviewed both the driver and me. The driver again said the door malfunctioned. The fact that the driver was reporting a malfunctioning door seemed to be of little importance to the supervisor. I say this because he did nothing. If your driver reports a door malfunctioning and you have a passenger that has just been injured by said malfunctioning door it is the civil duty of the supervisor to either remove the bus from service, or at the very least perform some sort of on-site inspection of the door control system prior to the bus being deemed safe for public service.

5-4.7

Neither happened, the bus was allowed to continue on to Watsonville, for our sake without incident.

Since the driver on at least two occasions stated that the door control system had malfunctioned and probably stated the same when he radioed in, is it not it negligence on behalf of the driver, supervisor and SCMTD for allowing the bus to continue without being mechanically checked out? Not only was I put at risk again of being injured by a said malfunctioning door, but so were all of the passengers on board and any potentially boarding passengers. Perhaps the bus was allowed to continue on because it was known by the driver that there was no malfunction, I don't know. Personally however, I do not feel the door malfunctioned at all. I saw the driver's hand on the control. It is my opinion that via operator error/negligence on the part of the driver, the driver closed the doors on me. Again I ask, is it not negligent of the supervisor and SCMTD for allowing the driver to continue? Here is a situation where one passenger has already been injured and there exists not only a reported malfunctioning door, but also the possibility of operator error/negligence on the part of the driver. The driver was not replaced or even evaluated for competency of operation at the time of the incident. In this situation where it is unsure whether there exists a true mechanical malfunction/operator error, both should have been replaced or at the very least evaluated prior to being deemed safe for public service. Neither occurred; instead, both were allowed to continue in service without regard for either my safety or that of the other passengers or general public. Were the driver's actions subjected to review for this incident? Was the bus ever inspected for mechanical soundness after this incident? If so, what were the results?

When the bus finally arrived in Watsonville I asked the driver to call an ambulance. During the ride from Santa Cruz, my face, neck and shoulder had become inflamed accompanied by significant face pain and a major throbbing headache. I was considerably dizzy as well as nauseas. I had also begun to experience shooting nerve tingling and pain in my neck, shoulders, arms and fingers.

I was transported to Watsonville Community Hospital via ambulance. I was seen in the ER. I was placed in a cervical collar and diagnosed as having a concussion and contusion on my face. It was conveyed to me by the ER physician Michael McGannon that it was likely that I would continue to experience the above symptoms as well as others for several days and possibly several weeks. I was referred to a neurological specialist for evaluation and treatment of my neurological symptoms and possibly rehabilitative services.

Since the onset of the injury I have not been able to return to work on a full time basis due to medical issues arising from this incident. There have been a few days where I did work, and it was quite apparent that it was not safe for me to be on the job site. During the 4 weeks after the incident I experienced daily dizziness, disorientation, nausea, severe headaches as well as facial trauma and continued nerve issues. I have what appears to be a small permanent discoloration on my face where the doors hit. I have daily and night inflammation of my right arm and hands which causes limited range of motion issues, accompanied by extreme nerve

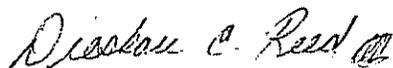
5-4.8

sensations from my neck to fingers, mostly on the right side. The dizziness and disorientation have since subsided but I still encounter, severe headaches and face pain daily. The face pain is most prominent on days when it is cold. I am left with not only the above mentioned, but a host of other medical symptomology as a result of this incident.

As a result of the physical trauma incurred, I also suffered psychological trauma. I am a commuter via public transportation. It is my primary mode of transportation. I continue to use SCMTD. Now however, I have a moment of apprehension and gut wrenching whenever I board a bus. I have a fear of a repeat occurrence. I stand way back from the bus and ensure the doors are not moving. Then I make sure to stick my hand out as a precaution and protection from the doors closing on me again as I board the bus. Might sound weird, but I don't want to be knocked around like that ever again.

Currently I have medical expenses in the amount of ~\$2,500, loss of wages of ~\$7,500, loss of property ~\$2,200. I feel that the liability is that of the SCMTD and that the incident was caused entirely by the driver. With regard to compensation for my losses (current medical expenses, cost of future medical treatment, current loss of wages, future loss of wages, psychological & physical traumas, loss of property and my pain & suffering) incurred as a result of the above incident, I suggest a financial settlement in the amount of \$65,000. I anticipate a dramatic increase of my medical expenses and possibly more loss of wages due to the fact that I still require significant future diagnostic, treatment and rehabilitative services in regards to my lingering medical issues. I have not yet been able to fully procure the proper treatment due to the exorbitant out of pocket expense that would be incurred by me.

Sincerely,



Dieskau E. Reed III

5-4.9

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Guadian, Deborah  
Date of Incident: 11/19/04

Received: 01/13/05 Claim #: 05-0004  
Occurrence Report No.: SC 11-04-17

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: 1/19/05

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 [date Board took action].

By \_\_\_\_\_  
Cindi Thomas  
RECORDING SECRETARY

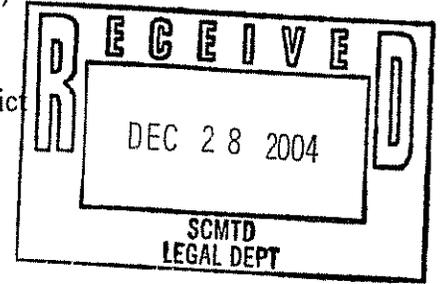
Date: \_\_\_\_\_

MG/lg  
Attachment(s)

5-4.10

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
(Pursuant to Section 910 et Seq., Government Code)

Claim # 05-0004



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: Deborah Guadian

Claimant's Address/Post Office Box: 1410 30th ave S.C  
Calif 95062

Claimant's Phone Number: (831) 476 4069

2. Address to which notices are to be sent: \_\_\_\_\_

3. Occurrence: \_\_\_\_\_

Date: Nov 17, 04 Time: 6:30 Place: Capitola Rd.

Circumstances of occurrence or transaction giving rise to claim:

BUS driver HIT Awning of BUS Bench causing  
shake of BUS and hit tree.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: Stiffness up in neck, ~~detached shoulders~~ Shortness in  
breathing, neurological

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

Metro BUS

6. Amount claimed now ..... \$ 1,000.00

Estimated amount of future loss, if known ..... \$ 7500-

TOTAL ..... \$ 8500-

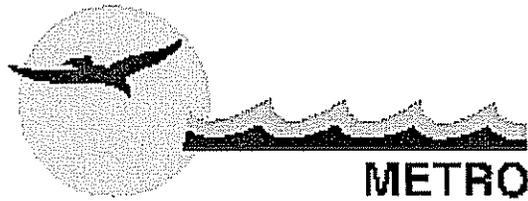
7. Basis of above computations: crayp- chiropractic consultation  
acupuncture treatment, on going ailment to neck  
and back

Deborah Guadian  
CLAIMANT'S SIGNATURE OR  
COMPANY REPRESENTATIVE'S SIGNATURE OR  
PARENT OF MINOR CLAIMANT'S SIGNATURE

12/9/04  
DATE

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

5-4.11



## **Agenda**

### **Metro Advisory Committee**

6:00 pm  
January 19, 2005  
920 Pacific Avenue  
Santa Cruz, California

- I. Roll Call
- II. Agenda Additions/ Deletions
- III. Oral/Written Communication
- IV. Consideration of Minutes of December 15, 2004 MAC Meeting
- V. Discussion of UCSC and Cabrillo College Student Orientation to METRO
- V. Fold-Up Bikes on Buses
- VI. Discussion of MAC Meeting Times
- VII. Discussion of Recruitment to MAC
- VIII. MAC Member Outreach to METRO Board of Directors
- IX. Feasibility of Reduced Fares for METRO Service
- X. Communications to METRO General Manager
- XI. Communications to METRO Board of Directors
- XII. Items for Next Meeting Agenda

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XIII. Adjournment

Next Meeting: Wednesday February 16, 2005 @ 6:00 pm  
Santa Cruz Metro Center Conference Room  
Santa Cruz Metro Center

5-5.2

**REVISED**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**Minutes- METRO Advisory Committee (MAC)**

**November 17, 2004**

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, November 17, 2004 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

At 6:05p.m. METRO Assistant General Manager, Mark Dorfman, announced that since MAC Chair Kanoa Dynek was absent and there was a quorum, the committee could proceed with their meeting. Vice-Chair Marcelin-Sampson called the meeting to order and asked for the roll call.

**1. ROLL CALL:**

**MEMBERS PRESENT**

Dan Alper (arrived after roll call)  
Norm Hagen  
Jeff Le Blanc  
Paul Marcelin-Sampson, Vice-Chair  
Matthew Melzer  
Stuart Rosenstein  
Leslie Lesley Wright (arrived after roll call)  
Robert Yount

**MEMBERS ABSENT**

Kanoa Dynek  
James Sheldon

**VISITORS PRESENT**

Jeff North, UTU

**STAFF PRESENT**

Bryant Baehr, Operations Manager  
Mark Dorfman, Assistant General Manager  
Margaret Gallagher, District Counsel

**2. AGENDA ADDITIONS/DELETIONS**

None.

**3. ORAL/WRITTEN COMMUNICATIONS**

Oral: Stuart Rosenstein inquired as to the status of the Measure J survey. Mark Dorfman advised that a survey would have been performed if Measure J failed but received 55% of the vote. To his knowledge a survey was not performed.

**4. CONSIDERATION OF MINUTES OF OCTOBER 20, 2004 MAC MEETING**

Stuart Rosenstein advised MAC that relative to Item 14, "Discussion of Surfboards on Buses," his comments were directed toward all bus passengers.

**ACTION: MOTION: NORM HAGEN SECOND: ROBERT YOUNT**

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REVISED

Minutes– METRO Advisory Committee  
November 17, 2004  
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**ACCEPT AND FILE MINUTES OF OCTOBER 20, 2004 MAC MEETING WITH THE CORRECTION TO STUART ROSENSTEIN'S COMMENTS RELATIVE TO ITEM 14.<sup>1</sup>**

**Motion passed with Norm Hagen, Jeff Le Blanc, Paul Marcelin-Sampson, Matthew Melzer, Stuart Rosenstein and Robert Yount voting for; and Dan Alper, Kanoa Dynek, James Sheldon and Lesley Wright being absent.**

In the interest of time, Vice-Chair Marcelin-Sampson deferred Item #13 to a later date and limited all remaining items to 11 minutes.

**5. PARATRANSIT TASK FORCE UPDATE**

Stuart Rosenstein shared the Paratransit Task Force agenda and minutes and he advised MAC of what he learned when he attended the recent meeting. He provided statistics as to the amount of calls that were received and the amount of rides that were given during METRO's first week of operating ParaCruz. He reported other items of interest including information relative to ride payment procedures as well as the goals of the Task Force. He asked that MAC contact him with any comments or questions regarding the Task Force. Norm Hagen stated that Paratransit Task Force agendas are available through the RTC website.

**DAN ALPER ARRIVED AT THIS TIME**

**LESLEY WRIGHT ARRIVED AT THIS TIME**

**6. CONSIDERATION OF METRO'S NO SMOKING POLICY**

Paul Marcelin-Sampson suggested that MAC discuss Robert Yount's draft no smoking policy. Robert Yount recounted his experience with second hand smoke. He asked Margaret Gallagher for her legal opinion as to how bus operators should manage people who smoke at bus stops. Ms. Gallagher said that METRO rules state that bus operators should facilitate transportation. She said METRO rules state that a bus operator's involvement with smoking policy violators is limited to placing a telephone call to their supervisor to report the violation. Stuart Rosenstein suggested that METRO look at ways to publicize the no smoking policy. Stuart Rosenstein suggested that it would be a good idea to verify when METRO's no smoking policy was enacted and then use that anniversary as a method of publicizing it. Discussion ensued as to various avenues to publicize METRO'S no smoking policy. Robert Yount inquired as to whether or not he could place no smoking posters on METRO buses. Margaret Gallagher said she would look into METRO's advertising policy. Vice-Chair Paul Marcelin-Sampson advised that METRO's no smoking policy will be discussed again at the next MAC meeting.

**ACTION: MOTION: MATHEW MELZER SECOND: ROBERT YOUNT**

**MAC RECOMMENDS THAT METRO PREPARE SIGNAGE WITH RESPECT TO METRO'S NO SMOKING POLICY.**

**Motion passed with Dan Alper, Norm Hagen, Jeff Le Blanc, Paul Marcelin-Sampson, Matthew Melzer, Stuart Rosenstein, Robert Yount , and Lesley Wright voting for; and with Kanoa Dynek and James Sheldon being absent.**

<sup>1</sup> This correction was made at Page 4 of the October Minutes

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**7. DISCUSSION OF BIKES AND SURFBOARDS ON BUSES**

Dan Alper stated that he is waiting for additional information regarding bikes on buses.

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

**TABLE THIS MATTER UNTIL NEXT MONTH.**

**Motion passed with Dan Alper, Norm Hagen, Jeff Le Blanc, Matthew Melzer, Paul Marcelin-Sampson, Stuart Rosenstein, Robert Yount, and Lesley Wright voting for; and with Kanoa Dynek and James Sheldon being absent.**

**8. Discussion of Attendance at MAC Meetings**

Discussion ensued regarding attendance at meetings by MAC members. Also discussed were the demographics as well as diversity of MAC membership. Mark Dorfman presented an oral history of MAC. Matthew Melzer suggested posting signs at METRO bus shelters to publicize MAC membership. Margaret Gallagher read from METRO'S by-laws relative to MAC appointments. Jeff Le Blanc suggested that each MAC member discuss broader representation with their respective Board member. Mark Dorfman suggested that MAC members suggest potential MAC members to the METRO board.

Jeff North stated that he needed to leave the meeting, but he would like to discuss UCSC student orientation at the next MAC meeting.

**9. Deployment of Bus Shelters**

Jeff Le Blanc updated MAC on MASTF's current involvement in bus shelter deployment. He suggested that MAC members contact MASTF with specific bus shelter issues. As an alternative, he suggested that MAC present their concerns to him in writing and he can in turn present them to MASTF. Mark Dorfman updated MAC on current issues relating to bus shelters.

**10. Discussion of Size of Buses Used on Route 20**

Matthew Melzer relayed his experience as a METRO passenger at the UCSC campus. MAC discussed ways METRO could provide optimal service to UCSC students. Mark Dorfman stated that he would look into using 40' buses on campus routes as opposed to 35' buses. Stuart Rosenstein suggested METRO embark on outreach to foster communication with UCSC students. Matthew Melzer stated that he could be a liaison with UCSC through their group "TAPTALK." Mark Dorfman provided information as to how USCS's shuttle bus system operates. He stated that UCSC's student ridership is among the highest in the US. He stated that he is aware that the students who use the UCSC shuttle bus service are very satisfied with the TAPS operation. Mr. Dorfman stated that he would be willing to speak with Larry Pageler at TAPS to invite him to attend MAC's January meeting.

**11. Discusssion of Talking Bus External Volume Issues**

Bryant Baehr provided information with regard to ADA statutes and the talking bus. He also discussed the technical aspect of the talking bus. He advised that several people who live near bus stops are annoyed by the sounds of the talking bus. He advised that METRO adjusted the volume on the talking buses as recommendation of an audiometric expert; but the

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REVISED

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recommended volume levels were not appropriate at all the stops. METRO is now exploring what can be done to create the best possible solution.

**12. Discussion of Helping People to Find Their Bus at METRO Center**

Paul Marcelin-Sampson suggested that buses be assigned to specific lanes at specific times at METRO Center. Mark Dorfman commented that although lane assignments are a good idea in theory, the idea would not be practical at the present time. Mr. Dorfman offered several suggestions as to how various systems could work in the future, including GPS systems and movable electronic signs. Paul Marcelin-Sampson relayed his experience at DMV and how they manage their customers with television monitors. He suggested the use of an FM radio broadcast to allow passengers to listen to where to catch the bus. Jeff Le Blanc discussed the use of infrared signals to assist vision-impaired people to find their bus. Bryant Baehr said he would look into this matter further.

**15. COMMUNICATIONS TO METRO GENERAL MANAGER**

None.

**16. COMMUNICATIONS TO THE METRO BOARD OF DIRECTORS**

Matthew Melzer stated that he will not be able to attend next month's meeting, but will be present at the January MAC meeting.

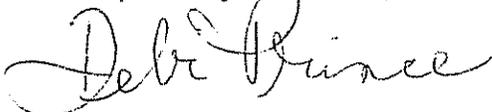
**17. ITEMS FOR NEXT MEETING AGENDA**

- Discussion of Size of Buses Used on Route 20
- Consideration of METRO's No Smoking Policy
- Discussion of Bicycles and Surfboards on Buses
- Receive Information Regarding Comparability of Labor Costs to Other Bay Area Transit Systems
- UCSC and Cabrillo College Student Orientation to METRO

**ADJOURN**

There being no further business, Vice-Chair Marcelin-Sampson thanked everyone for their participation and he adjourned the meeting at 7:59 p.m.

Respectfully submitted,



Debi Prince  
Administrative Secretary

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# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Elisabeth Ross, Finance Manager  
**SUBJECT:** MONTHLY BUDGET STATUS REPORT FOR NOVEMBER 2004, AND APPROVAL OF BUDGET TRANSFERS

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors approve the budget transfers for the period of December 1 – 31, 2004.**

## II. SUMMARY OF ISSUES

- Operating revenue for the year to date totals \$14,627,567 or \$252,634 over the amount of revenue expected to be received during the first five months of the fiscal year, based on the budget revised in December.
- Total operating expenses for the year to date, in the amount of \$12,561,536, are at 37.9% of the revised budget.
- A total of \$2,623,308 has been expended through November 30<sup>th</sup> for the FY 04-05 Capital Improvement Program.

## III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 04-05 budget as of November 30, 2004. The fiscal year is 41.7% elapsed.

### A. Operating Revenues

Revenues are \$252,634 over the amount projected to be received for the period. Total passenger revenue is \$15,087 under budget projections. Sales tax revenue is over budget since the September wrap-up payment was higher than expected. Variances are explained in the notes following the report.

### B. Operating Expenses

Operating expenses for the year to date total \$12,561,536 or 37.9% of the revised budget, with 41.7% of the year elapsed. Variances are explained in the notes following the report.

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**C. Capital Improvement Program**

For the year to date, a total of \$2,623,308 has been expended on the Capital Improvement Program. The largest expenditure was for the MetroBase project in the amount of \$1,963,856.

**IV. FINANCIAL CONSIDERATIONS**

Approval of the budget transfers will increase some line item expenses and decrease others. Overall, the changes are expense-neutral.

**V. ATTACHMENTS**

**Attachment A:** Revenue and Expense Report for November 2004, and Budget Transfers

MONTHLY REVENUE AND EXPENSE REPORT  
OPERATING REVENUE - NOVEMBER 2004

Attachment **A**

Operating Revenue	FY 04-05 Budgeted for Month	FY 04-05 Actual for Month	FY 04-05 Budgeted YTD	FY 03-04 Actual YTD	FY 04-05 Actual YTD	YTD Variance from Budgeted	
Passenger Fares	\$ 289,491	\$ 289,599	\$ 1,686,363	\$ 1,639,952	\$ 1,505,610	\$ (180,753)	
Paratransit Fares	\$ 25,663	\$ 15,783	\$ 108,240	\$ 100,757	\$ 105,285	\$ (2,955)	
Special Transit Fares	\$ 214,155	\$ 240,484	\$ 728,295	\$ 701,976	\$ 850,470	\$ 122,175	
Highway 17 Revenue	\$ 72,437	\$ 91,129	\$ 394,566	\$ 276,299	\$ 441,012	\$ 46,446	
<i>Subtotal Passenger Rev</i>	\$ 601,746	\$ 636,995	\$ 2,917,464	\$ 2,718,984	\$ 2,902,377	\$ (15,087)	See Note 1
Advertising Income	\$ -	\$ 7,865	\$ -	\$ 17,509	\$ 29,345	\$ 29,345	See Note 2
Commissions	\$ 617	\$ 559	\$ 3,083	\$ 3,287	\$ 3,113	\$ 30	
Rent Income	\$ 13,545	\$ 22,272	\$ 67,277	\$ 60,617	\$ 117,179	\$ 49,902	See Note 3
Interest - General Fund	\$ 23,014	\$ 34,341	\$ 121,550	\$ 121,205	\$ 151,394	\$ 29,844	See Note 4
Non-Transportation Rev	\$ 500	\$ 297	\$ 2,500	\$ 806	\$ 1,317	\$ (1,183)	
Sales Tax Income	\$ 1,464,200	\$ 1,464,200	\$ 6,431,587	\$ 6,373,544	\$ 6,591,370	\$ 159,783	See Note 5
TDA Funds	\$ -	\$ -	\$ 1,438,313	\$ 1,348,222	\$ 1,438,313	\$ -	
FTA Op Asst - Sec 5307	\$ -	\$ -	\$ 2,950,231	\$ 2,804,435	\$ 2,950,231	\$ -	
FTA Op Asst - Sec 5311	\$ -	\$ -	\$ 92,928	\$ 65,704	\$ 92,928	\$ -	
FTA Op Asst Advance	\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000	\$ -	
FY 03-04 Carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer - Proj Mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Operating Revenue</b>	<b>\$ 2,103,622</b>	<b>\$ 2,166,529</b>	<b>\$ 14,374,933</b>	<b>\$ 13,514,313</b>	<b>\$ 14,627,567</b>	<b>\$ 252,634</b>	

**MONTHLY REVENUE AND EXPENSE REPORT  
OPERATING EXPENSE SUMMARY - NOVEMBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	Percent Expended of Budget	
<b>PERSONNEL ACCOUNTS</b>						
Administration	\$ 917,905	\$ 899,262	\$ 308,860	\$ 404,972	45.0%	See Note 6
Finance	\$ 552,664	\$ 558,989	\$ 200,893	\$ 212,623	38.0%	
Customer Service	\$ 490,027	\$ 490,238	\$ 185,411	\$ 175,432	35.8%	
Human Resources	\$ 353,462	\$ 342,662	\$ 134,386	\$ 93,858	27.4%	See Note 7
Information Technology	\$ 438,670	\$ 408,613	\$ 174,453	\$ 154,433	37.8%	
District Counsel	\$ 376,655	\$ 376,795	\$ 126,481	\$ 134,506	35.7%	
Facilities Maintenance	\$ 1,050,695	\$ 1,051,186	\$ 398,577	\$ 406,254	38.6%	
Paratransit Program	\$ 236,906	\$ 1,723,364	\$ 82,906	\$ 283,471	16.4%	See Note 8
Operations	\$ 1,921,272	\$ 1,907,907	\$ 746,492	\$ 780,282	40.9%	
Bus Operators	\$ 12,661,130	\$ 12,666,742	\$ 4,736,146	\$ 4,989,874	39.4%	
Fleet Maintenance	\$ 4,046,043	\$ 3,993,125	\$ 1,426,277	\$ 1,474,218	36.9%	
Retired Employees/COBRA	\$ 955,033	\$ 1,020,679	\$ 305,575	\$ 325,967	31.9%	
<b>Total Personnel</b>	<b>\$ 24,000,462</b>	<b>\$ 25,439,562</b>	<b>\$ 8,826,456</b>	<b>\$ 9,435,891</b>	<b>37.1%</b>	
<b>NON-PERSONNEL ACCOUNTS</b>						
Administration	\$ 568,070	\$ 568,070	\$ 207,699	\$ 229,514	40.4%	
Finance	\$ 899,457	\$ 899,413	\$ 330,736	\$ 335,747	37.3%	
Customer Service	\$ 92,060	\$ 96,060	\$ 45,217	\$ 52,632	54.8%	See Note 9
Human Resources	\$ 31,603	\$ 34,303	\$ 8,965	\$ 16,876	49.2%	See Note 10
Information Technology	\$ 92,235	\$ 128,235	\$ 25,107	\$ 34,203	26.7%	
District Counsel	\$ 11,340	\$ 11,340	\$ 5,181	\$ 2,736	24.1%	
Risk Management	\$ 254,870	\$ 254,870	\$ 43,887	\$ 24,537	9.6%	
Facilities Maintenance	\$ 449,100	\$ 461,100	\$ 155,941	\$ 140,816	30.5%	
Paratransit Program	\$ 2,743,186	\$ 1,545,986	\$ 908,243	\$ 914,267	59.1%	See Note 11
Operations	\$ 578,730	\$ 578,774	\$ 130,613	\$ 172,014	29.7%	
Bus Operators	\$ 7,000	\$ 7,000	\$ 2,619	\$ 67	1.0%	
Fleet Maintenance	\$ 2,868,265	\$ 2,871,665	\$ 963,202	\$ 1,202,206	41.9%	
Op Prog/SCCIC	\$ 300	\$ 300	\$ 10	\$ 30	10.0%	
Prepaid Expense	\$ -	\$ -	\$ 2,354	\$ -	0.0%	
<b>Total Non-Personnel</b>	<b>\$ 8,596,216</b>	<b>\$ 7,457,116</b>	<b>\$ 2,829,773</b>	<b>\$ 3,125,644</b>	<b>41.9%</b>	
<b>Subtotal Operating Expense</b>	<b>\$ 32,596,678</b>	<b>\$ 32,896,678</b>	<b>\$ 11,656,229</b>	<b>\$ 12,561,536</b>	<b>38.2%</b>	
One-Time Paratransit Expenses	\$ 350,000	\$ 268,500	\$ -	\$ -	0.0%	
Contingency Fund	\$ 300,000	\$ -	\$ -	\$ -	0.0%	
<b>Total Operating Expense</b>	<b>\$ 33,246,678</b>	<b>\$ 33,165,178</b>	<b>\$ 11,656,229</b>	<b>\$ 12,561,536</b>	<b>37.9%</b>	
<b>YTD Operating Revenue Over YTD Expense</b>				<b>\$ 2,066,031</b>		

**CONSOLIDATED OPERATING EXPENSE  
NOVEMBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	% Exp YTD of Budget	
<b>LABOR</b>						
Operators Wages	\$ 6,753,430	\$ 7,400,402	\$ 2,381,326	\$ 2,657,735	35.9%	
Operators Overtime	\$ 1,020,350	\$ 1,060,350	\$ 470,754	\$ 413,535	39.0%	
Other Salaries & Wages	\$ 6,173,059	\$ 6,127,448	\$ 2,214,234	\$ 2,342,247	38.2%	
Other Overtime	\$ 165,700	\$ 165,908	\$ 114,093	\$ 67,868	40.9%	
	\$ 14,112,539	\$ 14,754,108	\$ 5,180,407	\$ 5,481,384	37.2%	
<b>FRINGE BENEFITS</b>						
Medicare/Soc Sec	\$ 161,240	\$ 176,478	\$ 57,965	\$ 62,040	35.2%	
PERS Retirement	\$ 1,510,704	\$ 1,600,993	\$ 417,651	\$ 579,338	36.2%	
Medical Insurance	\$ 2,908,041	\$ 3,288,358	\$ 1,016,017	\$ 1,171,500	35.6%	
Dental Plan	\$ 460,743	\$ 520,945	\$ 158,524	\$ 169,840	32.6%	
Vision Insurance	\$ 125,100	\$ 140,610	\$ 47,974	\$ 52,792	37.5%	
Life Insurance	\$ 61,065	\$ 68,330	\$ 17,324	\$ 8,962	13.1%	
State Disability Ins	\$ 217,937	\$ 260,616	\$ 51,621	\$ 75,968	29.1%	
Long Term Disability Ins	\$ 237,221	\$ 250,467	\$ 83,327	\$ 92,673	37.0%	
Unemployment Insurance	\$ 71,243	\$ 91,750	\$ 271	\$ 4,646	5.1%	See Note 12
Workers Comp	\$ 1,473,634	\$ 1,489,828	\$ 747,249	\$ 602,300	40.4%	
Absence w/ Pay	\$ 2,628,861	\$ 2,761,799	\$ 1,038,374	\$ 1,123,186	40.7%	
Other Fringe Benefits	\$ 32,135	\$ 35,281	\$ 9,753	\$ 11,259	31.9%	
	\$ 9,887,923	\$ 10,685,455	\$ 3,646,049	\$ 3,954,507	37.0%	
<b>SERVICES</b>						
Acctng/Admin/Bank Fees	\$ 311,700	\$ 311,700	\$ 74,656	\$ 93,390	30.0%	
Prof/Legis/Legal Services	\$ 389,680	\$ 319,280	\$ 124,621	\$ 99,644	31.2%	
Temporary Help	\$ -	\$ 37,800	\$ -	\$ 13,947	36.9%	
Custodial Services	\$ 83,800	\$ 95,800	\$ 31,037	\$ 30,399	31.7%	
Uniforms & Laundry	\$ 37,500	\$ 39,000	\$ 10,824	\$ 26,300	67.4%	See Note 13
Security Services	\$ 392,555	\$ 392,555	\$ 69,853	\$ 106,975	27.3%	
Outside Repair - Bldgs/Eqmt	\$ 186,546	\$ 191,796	\$ 56,349	\$ 49,112	25.6%	
Outside Repair - Vehicles	\$ 274,563	\$ 344,383	\$ 130,356	\$ 124,125	36.0%	
Waste Disp/Ads/Other	\$ 86,159	\$ 89,559	\$ 16,627	\$ 47,869	53.4%	See Note 14
	\$ 1,762,503	\$ 1,821,873	\$ 514,324	\$ 591,760	32.5%	
<b>CONTRACT TRANSPORTATION</b>						
Contract Transportation	\$ 100	\$ 100	\$ -	\$ -	0.0%	
Paratransit Service	\$ 2,606,136	\$ 1,150,000	\$ 849,979	\$ 805,902	70.1%	See Note 15
	\$ 2,606,236	\$ 1,150,100	\$ 849,979	\$ 805,902	70.1%	
<b>MOBILE MATERIALS</b>						
Fuels & Lubricants	\$ 1,560,314	\$ 1,673,754	\$ 461,402	\$ 662,954	39.6%	
Tires & Tubes	\$ 164,000	\$ 165,000	\$ 30,188	\$ 68,949	41.8%	
Other Mobile Supplies	\$ 6,000	\$ 7,500	\$ 2,040	\$ 3,182	42.4%	See Note 16
Revenue Vehicle Parts	\$ 344,000	\$ 349,000	\$ 165,660	\$ 174,199	49.9%	See Note 17
	\$ 2,074,314	\$ 2,195,254	\$ 659,289	\$ 909,284	41.4%	

**CONSOLIDATED OPERATING EXPENSE  
NOVEMBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	% Exp YTD of Budget	
<b>OTHER MATERIALS</b>						
Postage & Mailing/Freight	\$ 23,174	\$ 29,824	\$ 6,175	\$ 11,410	38.3%	
Printing	\$ 68,925	\$ 73,720	\$ 33,078	\$ 32,026	43.4%	See Note 18
Office/Computer Supplies	\$ 51,284	\$ 59,884	\$ 19,113	\$ 36,406	60.8%	See Note 19
Safety Supplies	\$ 18,375	\$ 18,875	\$ 7,265	\$ 4,151	22.0%	
Cleaning Supplies	\$ 56,100	\$ 56,350	\$ 10,688	\$ 12,886	22.9%	
Repair/Maint Supplies	\$ 65,000	\$ 65,000	\$ 20,335	\$ 21,696	33.4%	
Parts, Non-Inventory	\$ 42,000	\$ 43,000	\$ 9,173	\$ 16,591	38.6%	
Tools/Tool Allowance	\$ 9,600	\$ 10,000	\$ 2,130	\$ 4,080	40.8%	
Promo/Photo Supplies	\$ 11,645	\$ 11,945	\$ 646	\$ 2,373	19.9%	
	\$ 346,103	\$ 368,598	\$ 108,604	\$ 141,620	38.4%	
<b>UTILITIES</b>	\$ 310,305	\$ 340,105	\$ 111,271	\$ 107,948	31.7%	
<b>CASUALTY &amp; LIABILITY</b>						
Insurance - Prop/PL & PD	\$ 582,000	\$ 582,000	\$ 254,240	\$ 240,329	41.3%	
Settlement Costs	\$ 150,000	\$ 150,000	\$ 31,282	\$ 18,273	12.2%	
Repairs to Prop	\$ -	\$ -	\$ (5,908)	\$ (13,800)	0.0%	See Note 20
Prof/Other Services	\$ -	\$ -	\$ -	\$ -	0.0%	
	\$ 732,000	\$ 732,000	\$ 279,614	\$ 244,802	33.4%	
<b>TAXES</b>	\$ 48,594	\$ 49,194	\$ 20,578	\$ 22,581	45.9%	See Note 21
<b>MISC EXPENSES</b>						
Dues & Subscriptions	\$ 51,176	\$ 51,176	\$ 17,690	\$ 17,417	34.0%	
Media Advertising	\$ -	\$ -	\$ 40	\$ 9,891	0.0%	
Employee Incentive Program	\$ 7,820	\$ 7,820	\$ 4,480	\$ 1,649	21.1%	
Training	\$ 5,900	\$ 6,200	\$ 4,434	\$ 495	8.0%	
Travel	\$ 19,915	\$ 20,015	\$ 7,147	\$ 1,569	7.8%	
Other Misc Expenses	\$ 17,900	\$ 18,100	\$ 6,783	\$ 6,087	33.6%	
	\$ 102,711	\$ 103,311	\$ 40,574	\$ 37,109	35.9%	
<b>OTHER EXPENSES</b>						
Leases & Rentals	\$ 613,450	\$ 696,681	\$ 245,540	\$ 264,638	38.0%	
	\$ 613,450	\$ 696,681	\$ 245,540	\$ 264,638	38.0%	
One-Time Paratransit Exp	\$ 350,000	\$ 268,500	\$ -	\$ -		
Contingency Fund	\$ 300,000	\$ -	\$ -	\$ -		
<b>Total Operating Expense</b>	<b>\$ 33,246,678</b>	<b>\$ 33,165,178</b>	<b>\$ 11,656,229</b>	<b>\$ 12,561,535</b>	<b>37.9%</b>	

**MONTHLY REVENUE AND EXPENSE REPORT  
FY 04-05 CAPITAL IMPROVEMENT PROGRAM**

<b>CAPITAL PROJECTS</b>	<b>Program Budget</b>	<b>Expended in November</b>	<b>YTD Expended</b>
<b>Grant Funded Projects</b>			
MetroBase	\$ 16,000,000	\$ 15,335	\$ 1,963,856
Urban Bus Replacement	\$ 1,675,432	\$ 461,550	\$ 473,502
Short Range Transit Plan	\$ 100,000		
	\$ 17,775,432		
<b>District Funded Projects</b>			
Bus Stop Imprvmnts/Bus Shelter Projects	\$ 49,200		\$ 5,515
IT Projects including GIRO carryover	\$ 15,200	\$ (200)	\$ 11,990
Facilities Repairs & Improvements	\$ 26,500		
Non-Revenue Vehicle Replacement	\$ 195,000		
Office Equipment	\$ 33,900		\$ 20,081
Diagnostic Scanner	\$ 3,000	\$ 2,793	\$ 15,648
ParaCruz Equipment	\$ 81,500	\$ 31,662	\$ 132,716
	\$ 404,300		
<b>TOTAL CAPITAL PROJECTS</b>	\$ 18,179,732	\$ 511,140	\$ 2,623,308
<b>CAPITAL FUNDING SOURCES</b>			
	<b>Budget</b>	<b>Received in November</b>	<b>YTD Received</b>
Federal Capital Grants	\$ 14,200,345	\$ -	\$ 1,241,214
State/Local Capital Grants	\$ -	\$ -	\$ -
STA Funding	\$ 982,569	\$ -	\$ 215,249
Transfer from Operating Budget	\$ 81,500	\$ -	\$ -
Bus Stop Improvement Reserves	\$ 39,200	\$ -	\$ -
District Reserves	\$ 2,876,118	\$ 511,140	\$ 1,166,846
<b>TOTAL CAPITAL FUNDING</b>	\$ 18,179,732	\$ 511,140	\$ 2,623,308

5-7.25

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO REVENUE AND EXPENSE REPORT**

1. Passenger fares (farebox and pass sales) are \$180,753 or 11% under the final budget amount for the year to date. Paratransit fares are \$2,955 or 3% under budget due to fewer riders for the year to date than projected. Special transit fares (contracts) are \$122,175 or 17% over the budgeted amount. Highway 17 Express revenue is \$46,446 or 12% over the year to date budgeted amount. Together, all four passenger revenue accounts are under the budgeted amount for the first five months of the fiscal year by a net \$15,087 or 0.5%.
2. Advertising income is \$29,345 over budget due to sales of exterior ads on buses. Sales had been projected to begin in January 2005. The revenue will be used to offset program start-up costs.
3. Rent income is \$49,902 over budget due to payment of temporary rent by A Tool Shed pending relocation.
4. Interest income is \$29,844 over budget due to higher interest rates, and a slightly higher treasury balance than projected for the period.
5. Sales tax income is \$159,783 over budget for the first five months since the September wrap-up payment was higher than anticipated. For the April-June 2004 sales period, sales tax revenue for the District was up 6.3% over the previous year, while the budget projected a 2.0% increase.
6. Administration personnel expense is at 45.0% of the budget due to high workers' comp expenses during the period.
7. Human Resources personnel expense is only at 27.4% of the budget due to a \$28,478 workers' comp credit in July.
8. Paratransit program personnel expense is only at 16.4% of the budget since hiring of additional ParaCruz staff occurred in the third month of the fiscal year.
9. Customer Service non-personnel expense is at 54.8% of the budget due to higher printing and graphics expenses than anticipated for the fall schedule.
10. Human Resources non-personnel expense is at 49.2% of the budget due to recruitment and hiring costs for the ParaCruz department.
11. Paratransit program non-personnel expense is at 59.1% of the budget due to payment to Community Bridges for contract services from July to October 2004. As of November 1, 2004, the major costs shifted to personnel expenses (see Note 8.)
12. Unemployment insurance is only at 5.1% of the budget because the tax is paid on wages beginning in January and the cap has been reached for most employees by this point in the calendar year.
13. Uniforms and laundry expense is at 67.4% of the budget due to start-up ParaCruz expenses.

5-7.a6

14. Waste disposal/ads/other is at 53.4% of the budget due to expenses associated with the sale of the Sakata property.
15. Contract paratransit service is at 70.1% of the budget since most of this account covers the Community Bridges billings for July to October 2004. The balance will be used to pay for contract taxicab services.
16. Other mobile supplies expense is at 42.4% of the budget due to volume purchases.
17. Revenue vehicle parts are at 49.9% of the budget since this account fluctuates from month to month depending on the parts needed for repairs.
18. Printing is at 43.4% of the budget due to printing of route stickers for the fall schedule, and higher costs for printing Headways.
19. Office/computer supplies are at 60.8% of the budget due to volume purchase of IT supplies and ParaCruz start-up costs.
20. Repairs to property is a casualty and liability account to which repairs to District vehicles and property are charged when another party is liable for the damage. All collections made from other parties for property repair are applied to this account to offset the District's repair costs.
21. Taxes are at 45.9% of the budget due to payment of annual tax assessments for the Scotts Valley Transit Center.

5-7.27

**FY 04-05 BUDGET TRANSFERS**  
**12/1/04-12/31/04**

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
<b>TRANSFER # 05-008</b>			
TRANSFER FROM:	501021-1400	Other Salaries	\$ (208)
TRANSFER TO:	501023-1400	Other Overtime	\$ 208
REASON:	To cover overtime expenses in the Human Resources Department.		
<b>TRANSFER # 05-009</b>			
TRANSFER FROM:	501021-1500	Other Salaries	\$ (33,000)
TRANSFER TO:	503041-1500	Temporary Help	\$ 33,000
REASON:	To cover temporary help in the IT Department during recruitment process.		
<b>TRANSFER # 05-010</b>			
TRANSFER FROM:	50299-1400	Other Fringe Benefits	\$ (10,800)
TRANSFER TO:	502999-1100	Other Fringe Benefits	\$ 316
	502999-1200	Other Fringe Benefits	\$ 211
	502999-1300	Other Fringe Benefits	\$ 211
	502999-1500	Other Fringe Benefits	\$ 140
	502999-1700	Other Fringe Benefits	\$ 140
	502999-2200	Other Fringe Benefits	\$ 491
	502999-3100	Other Fringe Benefits	\$ 1,258
	502999-3200	Other Fringe Benefits	\$ 702
	502999-3300	Other Fringe Benefits	\$ 5,612
	502999-4100	Other Fringe Benefits	\$ 1,719
			\$ 10,800
REASON:	To allocate EAP costs by department.		

5-7.a8

**FY 04-05 BUDGET TRANSFERS**

**12/1/04-12/31/04**

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
<b>TRANSFER # 05-011</b>			
TRANSFER FROM:	503406-3100	Contract Transportation	\$ (1,456,136)
	503031-3100	Professional/Technical	\$ (70,400)
		Contingency Fund	\$ (300,000)
			<u>\$ (1,826,536)</u>
TRANSFER TO:	501011-3100	Bus Operator Pay	\$ 646,972
	501013-3100	Bus Operator OT	\$ 40,000
	501021-3100	Other Salaries	\$ 55,486
	502011-3100	Medicare/SS	\$ 15,237
	502021-3100	Retirement	\$ 90,291
	502031-3100	Medical Ins.	\$ 336,824
	502041-3100	Dental Ins.	\$ 52,819
	502045-3100	Vision Ins.	\$ 12,990
	502051-3100	Life Ins.	\$ 5,872
	502060-3100	SDI	\$ 42,678
	502061-3100	LTD Ins.	\$ 13,247
	502071-3100	SUI	\$ 20,506
	502081-3100	Workers' Comp	\$ 16,194
	502101-3100	Holiday Pay	\$ 15,427
	502103-3100	Floating Holiday	\$ 2,700
	502109-3100	Sick Leave	\$ 44,254
	502111-3100	Vacation	\$ 66,057
	502121-3100	Other Paid Absence	\$ 4,500
	502251-3100	Phys Exam Renewal	\$ 1,650
	502253-3100	Driver License Renewal	\$ 1,100
	502999-3100	Other Fringe Benefits	\$ 396
	503162-3100	Uniforms/Laundry	\$ 1,500
	503352-3100	Equip Repair - Out	\$ 4,150
	503353-3100	Rev Veh Repair - Out	\$ 69,820
	504011-3100	Fuels & Lubricants	\$ 17,500
	504012-3100	Rev Veh Fuel	\$ 95,940
	504021-3100	Tires & Tubes	\$ 1,000
	504161-3100	Other Mobile Supplies	\$ 1,500
	504191-3100	Rev Veh Parts	\$ 5,000
	504205-3100	Freight Out	\$ 150
	504211-3100	Postage & Mailing	\$ 6,500
	504215-3100	Printing	\$ 1,295
	504311-3100	Office Supplies	\$ 9,000
	504315-3100	Safety Supplies	\$ 500
	504317-3100	Cleaning Supplies	\$ 250
	504421-3100	Parts & Supplies	\$ 1,000
	504511-3100	Small Tools	\$ 100
	504515-3100	Employee Tools	\$ 300
	505011-3100	Gas & Electric	\$ 10,000
	505021-3100	Water/Sewer/Garbage	\$ 3,000
	505031-3100	Telecommunications	\$ 16,800
	507201-3100	Licenses & Permits	\$ 600
	509125-3100	Other Misc. Expense	\$ 200
	512011-3100	Facility Lease	\$ 82,931
	512061-3100	Equipment Rental	\$ 300
	503161-2200	Custodial Services	\$ 12,000
			<u>\$ 1,826,536</u>

REASON: To allocate funds to the appropriate account number in the ParaCruz Department.

5-7.a9

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005

**TO:** Board of Directors

**FROM:** Steve Paulson, Paratransit Administrator

**SUBJECT: METRO PARACRUZ PROGRAM STATUS MONTHLY UPDATE**

## I. RECOMMENDED ACTION

**This report is for information only- no action requested**

## II. SUMMARY OF ISSUES

- The Board receives monthly reports on the status of the federally mandated ADA complementary paratransit program
- Operating Statistics reported are for the month of October 2004
- These statistics are for the final month of ParaCruz service provided by Lift Line
- Cost reflects hourly rate increased by 4% effective July 2004.
- Eligibility/certification statistics reported are through December 31, 2004

## III. DISCUSSION

### Operating Statistics for October 2004

	<b>This Oct</b>	<b>Last Oct</b>	<b>% Change</b>	<b>FYTD</b>	<b>Last FYTD</b>	<b>% Change</b>
Cost	\$205,866.32	\$224,002.13	-8.10%	\$806,252.48	\$849,979.05	-5.14%
Revenue	\$22,485	\$25,701	-12.51%	\$87,678.00	\$94,464.00	-7.18%
Subsidy	\$183,381.32	\$198,301.13	-7.52%	\$718,574.48	\$755,515.05	-4.89%
Rides performed	7521	8709	-13.64%	28,802	32,155	-10.43%
Cost/ Ride	\$27.37	\$25.72	6.42%	\$27.99	\$26.43	5.90%
Productivity	2.02	2.05	-1.51%	2.00	1.99	.50%

\* Revenue does not equal \$3.00/ride because no revenue is generated by rides to and from certification interviews or appeals.

5-8.1

**Performance Measures**  
**Calendar year figures**

	July	Aug	Sept	Oct	FYTD
Rides performed	7,025	6,684	7,572	7,521	28,802
late pick ups (more than 20 minutes)	324	236	379	389	1,328
% late	4.61%	3.5%	5.0%	5.17%	4.61%
Picked up too early (more than 10 minutes)	86	73	110	76	345
Total rides not "on time"	410	309	489	465	1,673
% "on time"	94.2%	95.4%	93.5%	93.82%	94.19%
missed trips	0	0	1	2	3
Excessively late scheduled (more than 60 minutes)	2	4	9	14	29
Excessively late will call (more than 100 minutes)	5	3	4	12	24
total violation w/ \$50 penalty	7	7	14	28	56
Total violation w/\$100 penalty	0	0	0	0	0
Liquidated damages	\$350	\$350	\$700	\$1,400	\$2,800

**Eligibility Certification/ Recertification**

During the month of December 2004, there were 52 applicants for eligibility. 94.2% were found eligible for some level of service. The total number of eligible riders is effected by expiration of temporary eligibility and other factors. ParaCruz experienced a in a net increase of 17 riders eligible for service during December.

There are no eligibility appeals currently pending.

**IV. FINANCIAL CONSIDERATIONS**

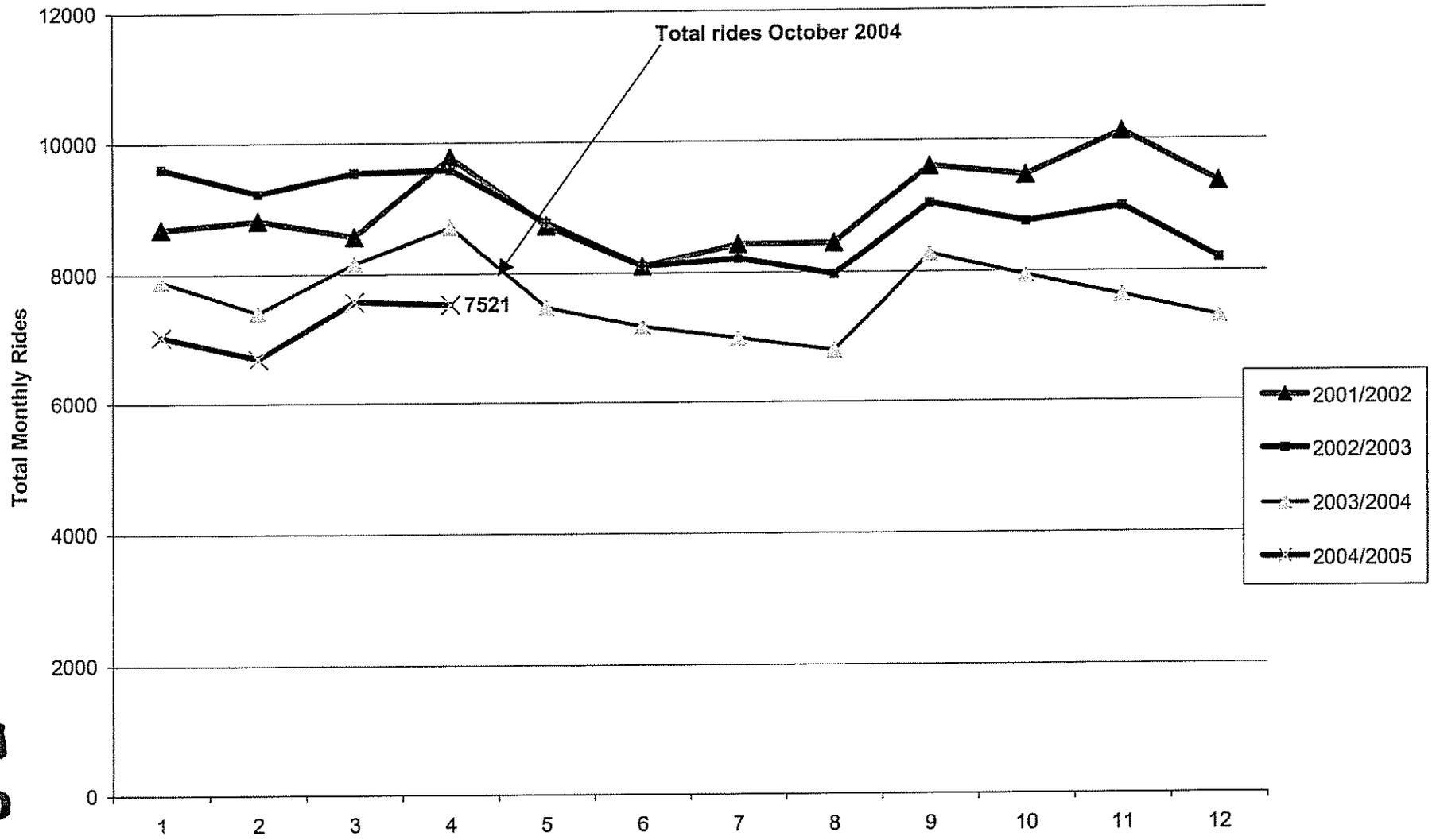
None at this time

**V. ATTACHMENTS**

- Attachment A:** METRO ParaCruz Rides by Month
- Attachment B:** METRO ParaCruz Cost by Month
- Attachment C:** Recertification and New Applicant Eligibility Determinations
- Attachment D:** METRO ParaCruz Registrants by Month

5-8.2

### METRO ParaCruz Rides by Month

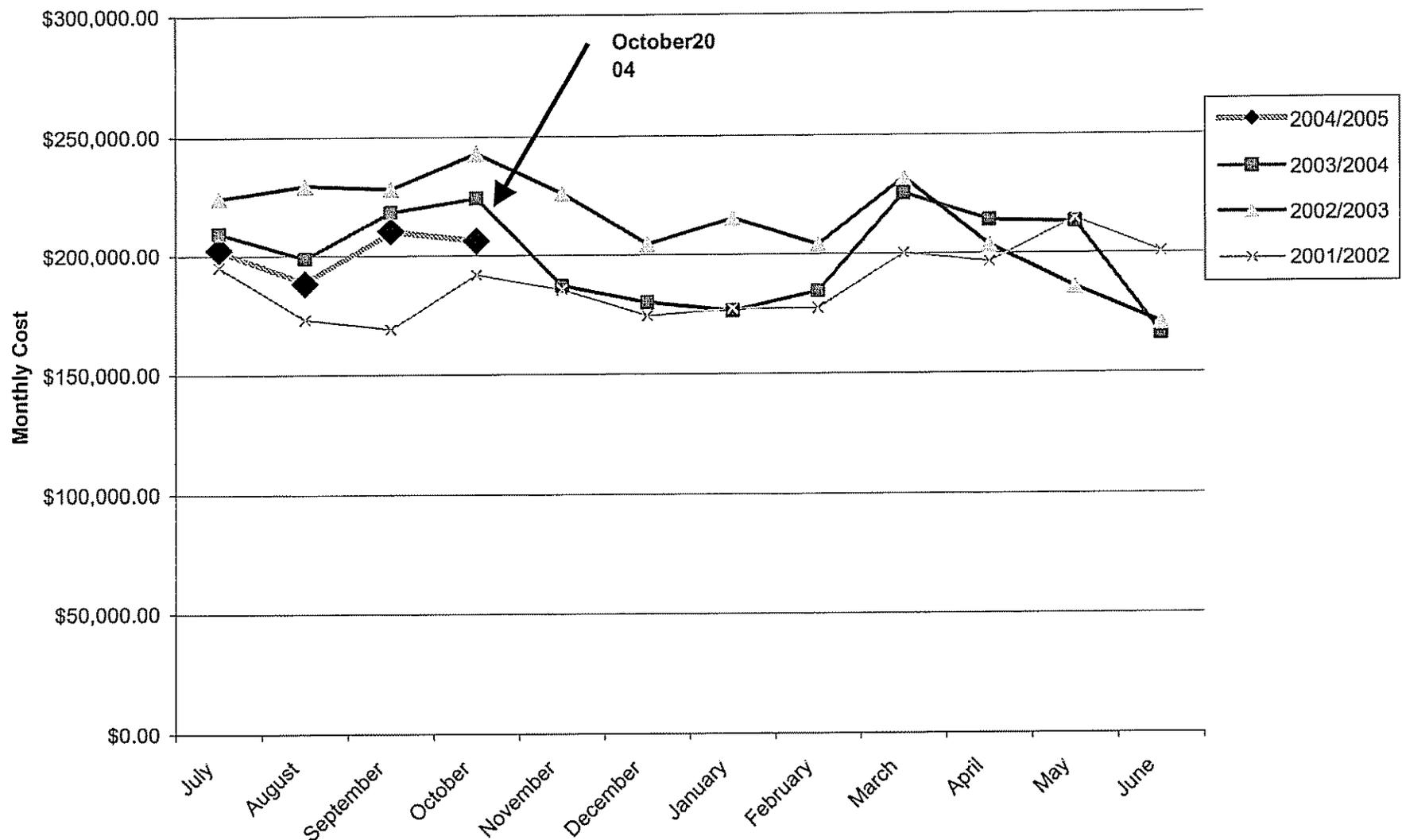


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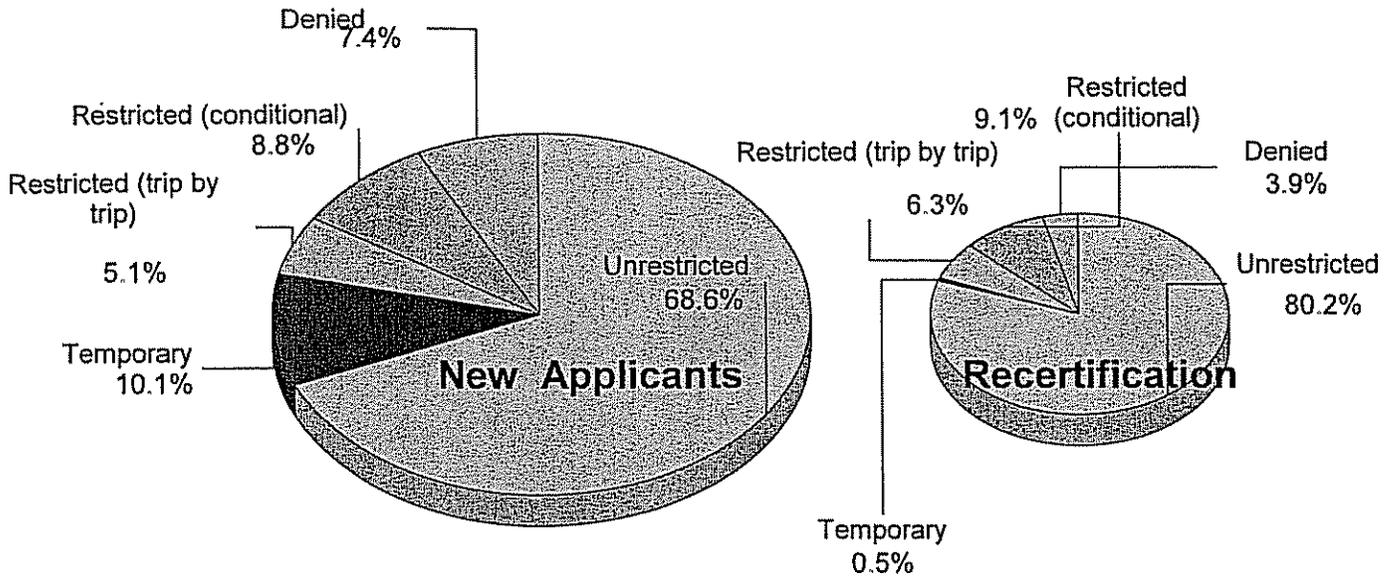
Attachment A

5-8.b1

### METRO ParaCruz Cost By Month



## METRO ParaCruz Eligibility Determinations - Aug 1 02 through Dec 31 04



### New Applicants

Unrestricted	1598
Temporary	235
Restricted (trip by trip)	119
Restricted (conditional)	206
Denied	172
<b>Group Total:</b>	<b>2330</b>

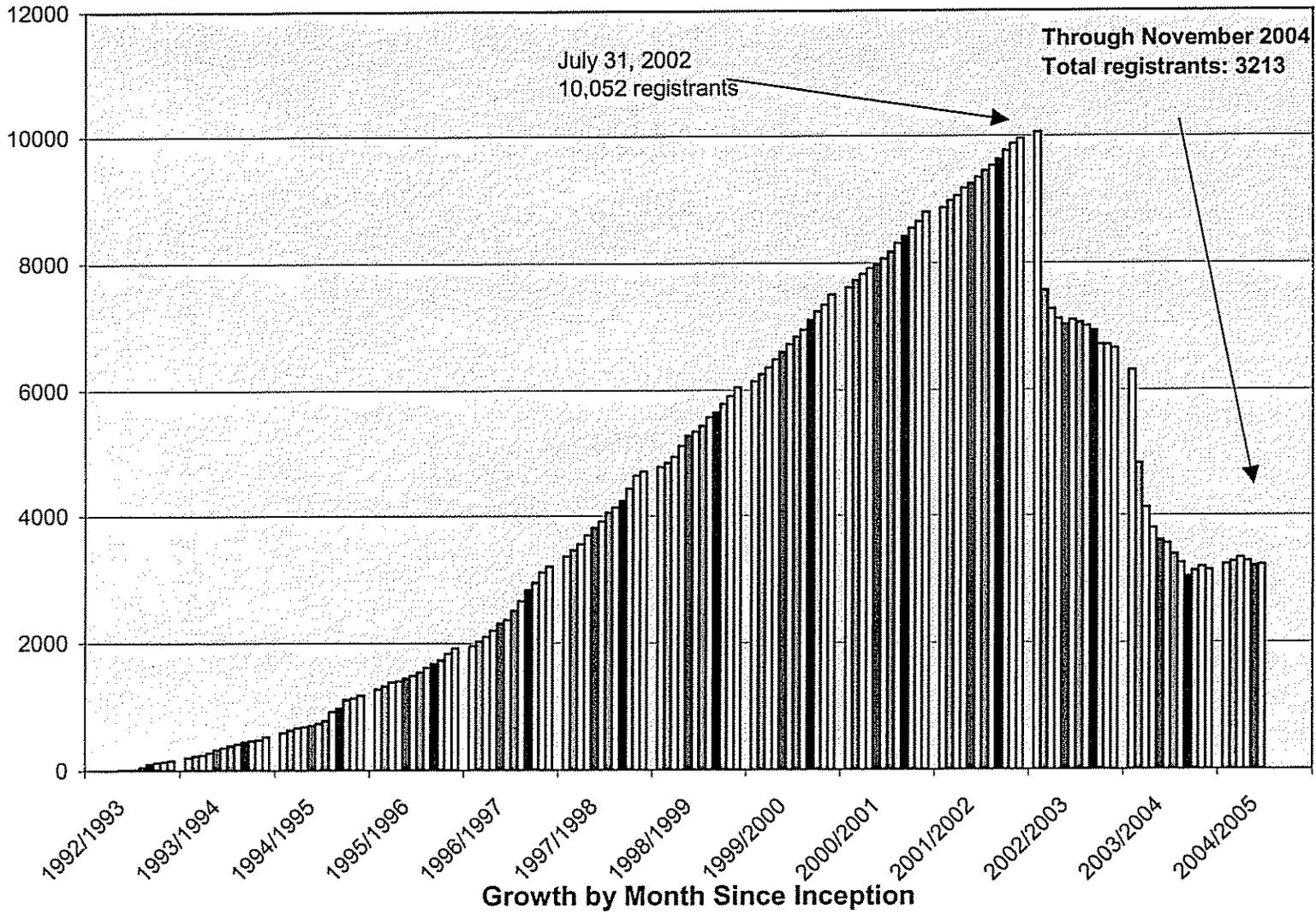
### Recertification

Unrestricted	1036
Temporary	7
Restricted (trip by trip)	81
Restricted (conditional)	118
Denied	50
<b>Group Total:</b>	<b>1292</b>

**Grand Total:** **3621**

5-8.c1

# METRO ParaCruz Registrants

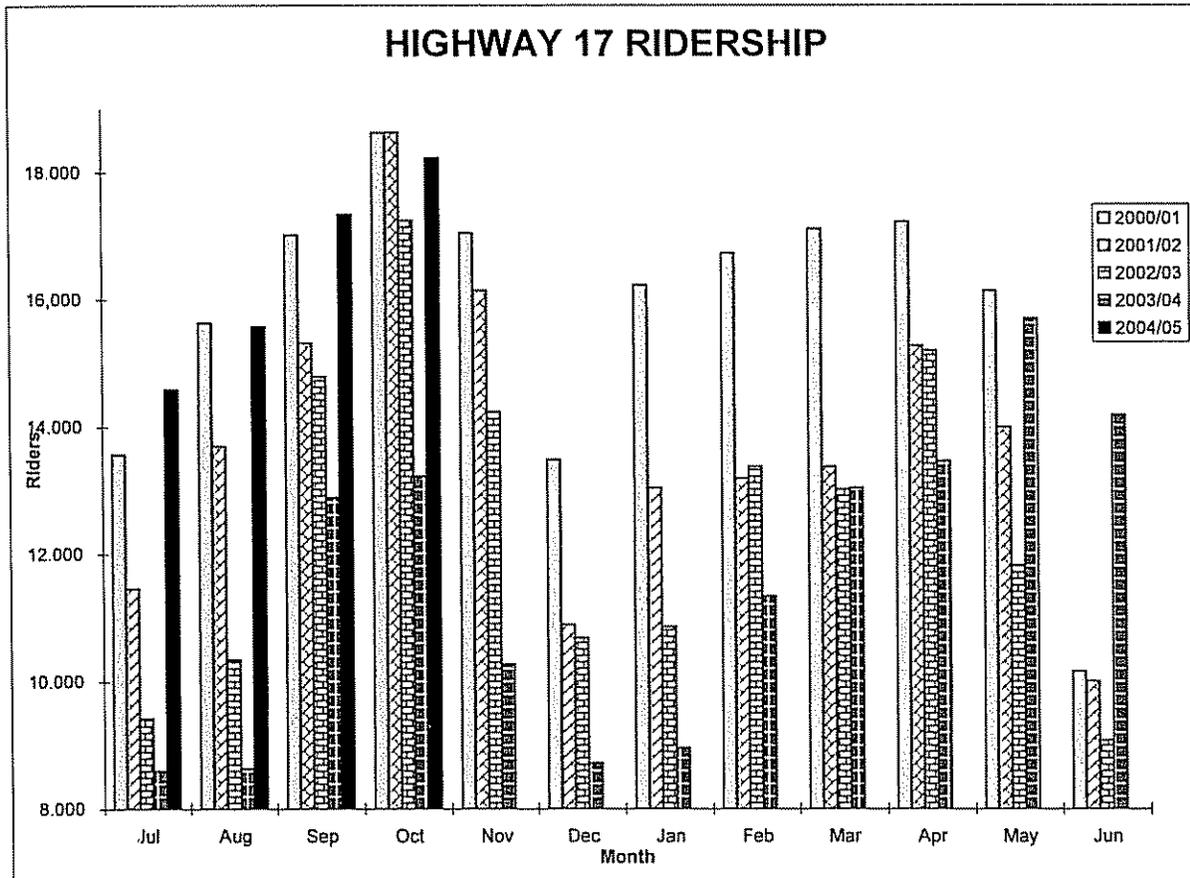


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# HIGHWAY 17 - OCTOBER 2004

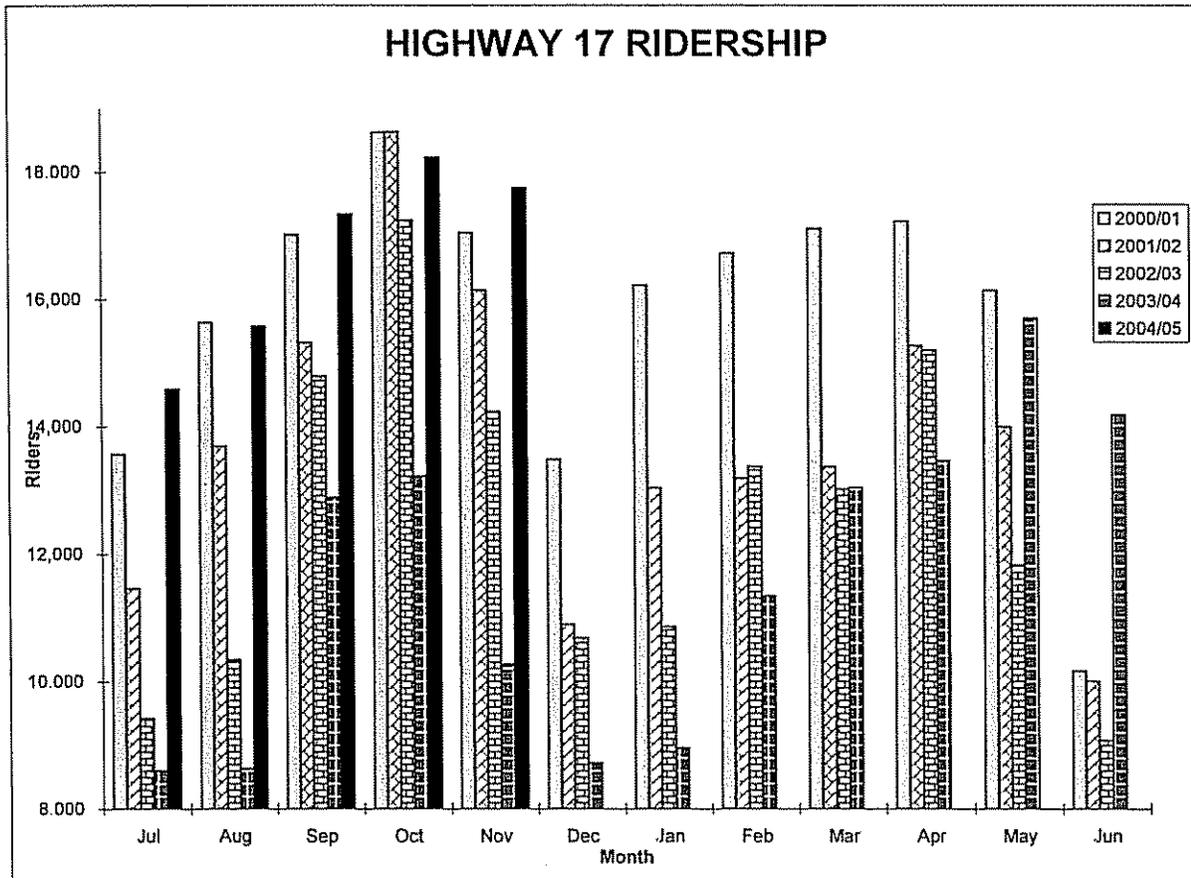
	October			YTD		
	This Year	Last Year	%	This Year	Last Year	%
<b>FINANCIAL</b>						
Cost	\$ 114,376	\$ 89,224	28.2%	\$ 459,442	\$ 337,500	36.1%
Farebox	\$ 58,725	\$ 32,021	83.4%	\$ 203,541	\$ 108,596	87.4%
Operating Deficit	\$ 48,152	\$ 54,604	(11.8%)	\$ 217,124	\$ 224,278	(3.2%)
Santa Clara Subsidy	\$ 24,076	\$ 27,302	(11.8%)	\$ 108,562	\$ 112,139	(3.2%)
METRO Subsidy	\$ 24,076	\$ 27,302	(11.8%)	\$ 108,562	\$ 112,139	(3.2%)
San Jose State Subsidy	\$ 2,478	\$ 2,599	(4.6%)	\$ 5,759	\$ 4,626	24.5%
AMTRAK Subsidy	\$ 5,021	\$ -		\$ 33,019	\$ -	
<b>STATISTICS</b>						
Passengers	18,233	13,224	37.9%	65,743	43,361	51.6%
Revenue Miles	41,271	31,037	33.0%	165,551	117,495	40.9%
Revenue Hours	1,548	1,094	41.5%	6,208	4,141	49.9%
Passengers/Day	588	575	2.3%	534	498	7.2%
Passengers/Weekday	741	-		667	-	
Passengers/Weekend	268	-		238	-	
<b>PRODUCTIVITY</b>						
Cost/Passenger	\$ 6.27	\$ 6.75	(7.0%)	\$ 6.99	\$ 7.78	(10.2%)
Revenue/Passenger	\$ 3.22	\$ 2.42	33.0%	\$ 3.10	\$ 2.50	23.6%
Subsidy/Passenger	\$ 2.78	\$ 4.33	(35.8%)	\$ 3.39	\$ 5.28	(35.8%)
Passengers/Mile	0.44	0.42	5.7%	0.40	0.37	7.6%
Passengers/Hour	11.78	10.26	14.8%	10.59	10.47	1.1%
Recovery Ratio	51.3%	35.9%	43.1%	44.3%	32.2%	37.7%



5-9.1

# HIGHWAY 17 - NOVEMBER 2004

	November			YTD		
	This Year	Last Year	%	This Year	Last Year	%
<b>FINANCIAL</b>						
Cost	\$ 115,057	\$ 69,828	64.8%	\$ 574,499	\$ 407,327	41.0%
Farebox	\$ 59,229	\$ 28,703	106.4%	\$ 262,769	\$ 137,299	91.4%
Operating Deficit	\$ 47,856	\$ 39,229	22.0%	\$ 264,980	\$ 263,507	0.6%
Santa Clara Subsidy	\$ 23,928	\$ 19,615	22.0%	\$ 132,490	\$ 131,754	0.6%
METRO Subsidy	\$ 23,928	\$ 19,615	22.0%	\$ 132,490	\$ 131,754	0.6%
San Jose State Subsidy	\$ 2,642	\$ 1,895	39.4%	\$ 8,401	\$ 6,521	28.8%
AMTRAK Subsidy	\$ 5,330	\$ -		\$ 38,349	\$ -	
<b>STATISTICS</b>						
Passengers	17,753	10,275	72.8%	83,496	53,636	55.7%
Revenue Miles	40,666	24,347	67.0%	206,217	141,841	45.4%
Revenue Hours	1,525	858	77.7%	7,733	4,999	54.7%
Passengers/Day	592	571	3.7%	546	511	6.8%
Passengers/Weekday	735	-		681	-	
Passengers/Weekend	257	-		241	-	
<b>PRODUCTIVITY</b>						
Cost/Passenger	\$ 6.48	\$ 6.80	(4.6%)	\$ 6.88	\$ 7.59	(9.4%)
Revenue/Passenger	\$ 3.34	\$ 2.79	19.4%	\$ 3.15	\$ 2.56	22.9%
Subsidy/Passenger	\$ 2.84	\$ 4.00	(28.9%)	\$ 3.27	\$ 5.03	(35.0%)
Passengers/Mile	0.44	0.41	5.2%	0.40	0.38	7.1%
Passengers/Hour	11.64	10.18	14.3%	10.80	10.73	0.6%
Recovery Ratio	51.5%	41.1%	25.2%	45.7%	33.7%	35.7%



5-9.2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 21, 2004  
**TO:** Board of Directors  
**FROM:** Bryant J. Baehr, Manager of Operations  
**SUBJECT:** UNIVERSITY OF CALIFORNIA - SANTA CRUZ SERVICE UPDATE

## I. RECOMMENDED ACTION

**This report is for information purposes only. No action is required**

## II. SUMMARY OF ISSUES

- Student trips for November 2004 increased by 8.5% versus November 2003. Year to date student billable trips have increased by 6.1%.
- Faculty / staff trips for November 2004 increased by 5.0% versus November 2003. Year to date faculty / staff billable trips have decreased by (3.8%).
- Revenue received from UCSC for November 2004 was \$200,013 versus \$175,793 for November 2003 an increase of 13.8%.

	Faculty/Staff Ridership	Student Ridership	Monthly Increase - (Decrease) Student	Monthly Increase - (Decrease) Faculty-Staff
This Year	16,850	208,138	8.5%	5.0%
Last Year	16,053	191,778		

**\*In November 2003 there were 17 days of instruction. In November 2004 there were 19 days of instruction.**

## III. DISCUSSION

UCSC started Fall instruction on September 23, 2004. A summary of the results for November 2004 is:

- Student billable trips for the month of November 2004 were 208,138 vs. 191,778 for November 2003 an increase of 8.5%.
- Faculty / staff billable trips for the month of November 2004 were 16,850 vs. 16,053 for November 2003 an increase of 5.0%.
- Year to date Student billable trips increased by 6.1% and faculty / staff billable trips decreased by (3.8%).
- Revenue for November 2004 was \$200,013 versus \$175,793 for November 2003.

5-10.1

**IV. FINANCIAL CONSIDERATIONS**

NONE

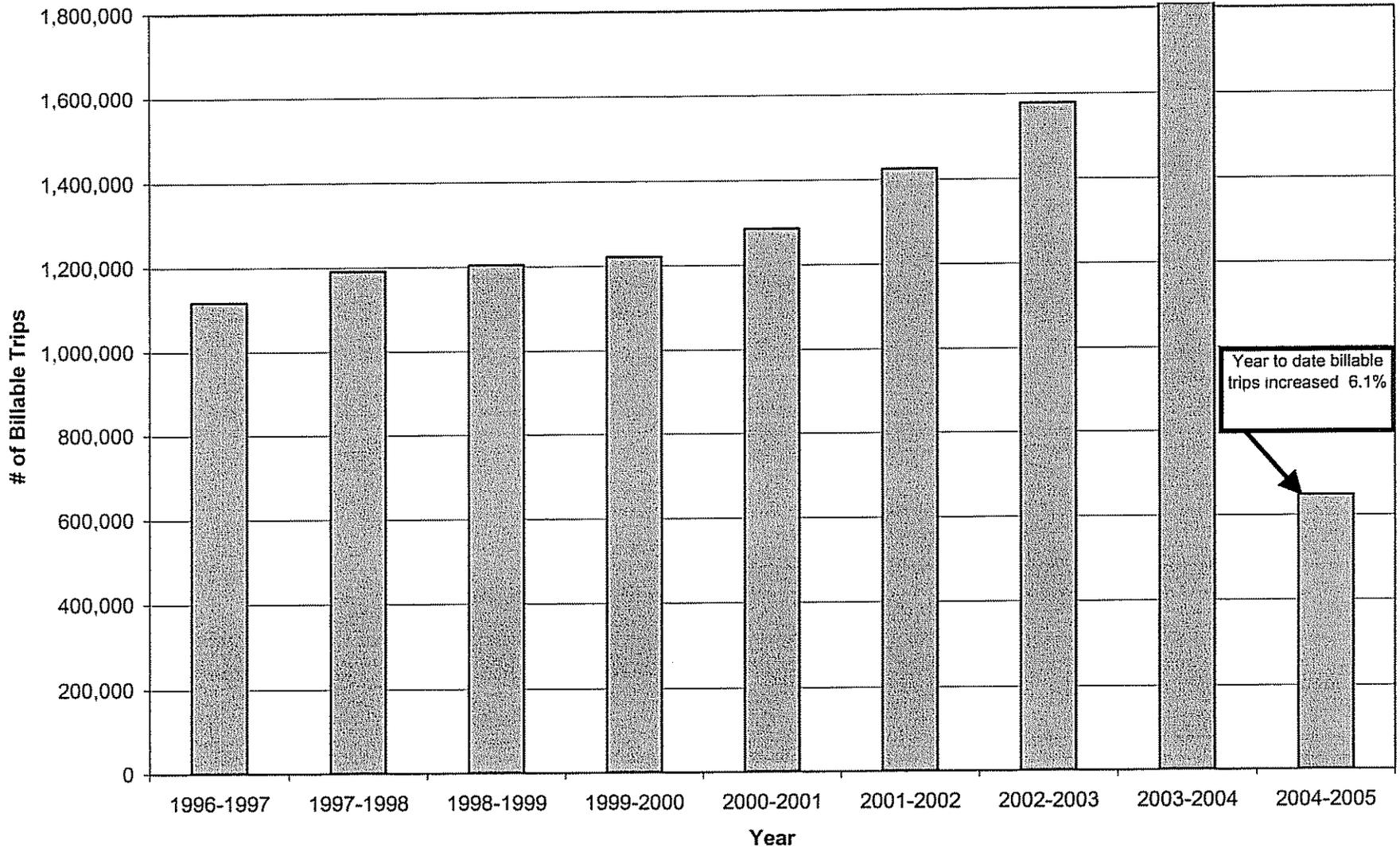
**V. ATTACHMENTS**

**Attachment A: UCSC Student Billable Trips**

**Attachment B: UCSC Faculty / Staff Billable Trips**

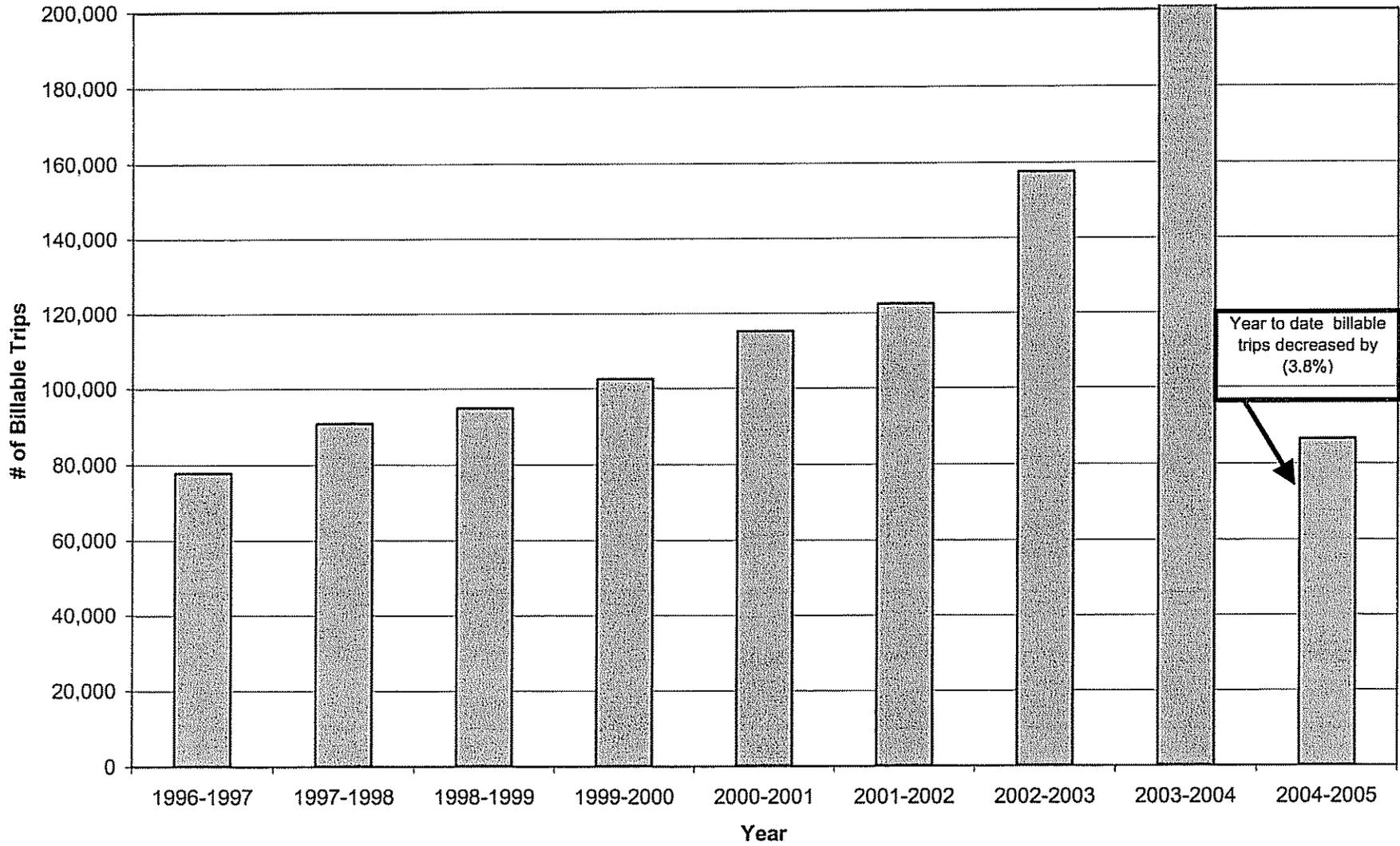
5-10.2

### UCSC Student Billable Trips



S-10.a1

### UCSC Faculty / Staff Billable Trips



S-10.61

Attachment B

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**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

- The MetroBase Project is currently proceeding according to the revised schedule attached to this staff report.
- Ground-Breaking Ceremony was held on January 14, 2005.
- Site Plan Check is continuing with LP2A and the City of Santa Cruz Public Works.
- Real estate acquisition and relocation phase of the project is in final stages.
- Tenant Improvements for 110 Vernon Street are being constructed.

## III. DISCUSSION

The MetroBase Project is proceeding according to the revised schedule that is attached to this staff report. RNL Design is currently completing the new Maintenance Building design.

The completed components of the project for the review period are as follows:

### A. Right Of Way (ROW)

- Ground-Breaking Ceremony was held on January 14, 2005.
- Awaiting real estate and settlement signature agreement from SurfCity Produce.
- Awaiting settlement agreement signature from Odwalla.
- A Tool Shed has relocated to 280 Harvey West Blvd.
- METRO buses vacated the premises of 150 Dubois Street on December 2<sup>nd</sup>, 2004 and moved to 1122 River Street, former Tool Shed site.
- METRO signed 110 Vernon Street lease for the location of Fleet Maintenance Administration and Construction Management Personnel. Design plans have commenced for Tenant Improvements. Proceeding according to schedule.

- Board of Directors approved lease of property at 115 Dubois Street for bus parking and storage during construction on January 21, 2005. The lease with Iuliano 1977 Trust is awaiting signature.

B. Finance

- 25 Sakata Lane, Watsonville property being prepared for sale in March/April timeframe and will be advertised for approximately 45 days.
- FTA approved concurrence letter with appraisal for Watsonville property.

C. Architectural & Engineering (A&E)

- RNL: Design Phase is 95% complete.
- RNL Design presented to the Board of Directors design and aesthetic issues on October 22, 2004.

D. Construction Management (CM)

- MetroBase Site Plan submitted to LP2A for Plan Check. Harris & Associates reviewing plans as well.
- City of Santa Cruz Public Works reviewing the civil portion of the MetroBase Site Plan Check.

E. Construction Schedule

- Approved and executed L/CNG Fueling Station long lead item LNG tank on September 10<sup>th</sup>, 2004.
- Approved and executed L/CNG Fueling Station long lead item CNG Vessels on September 24<sup>th</sup>, 2004. CNG Vessels expected delivery in February 2005.
- METRO staff presenting recommendations for award of a the Demolition Package Contract for 1122 River Street and 120 Golf Club Drive on Jan. 28, 2005.
- Goal to request bids for General Construction on Phase I, Part A (Service Building and Maintenance Building) on Apr. 2005 and award in May. 2005.
- Goal to request bids for General Construction on Phase I, Part B (Operations Building) on Jul. 2005 and award in Aug. 2005.

#### **IV. FINANCIAL CONSIDERATIONS**

Statement by State of California Finance Director Tom Campbell that proposition 42 will need to be suspended for 2006/2007 fiscal year places \$6,363,000 in STIP funds for the project in jeopardy.

#### **V. ATTACHMENTS**

**ATTACHMENT A: Construction Sequencing/Project Logistics Schedule**



# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT:** ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

## I. RECOMMENDED ACTION

**That the Board of Directors accept and file the voting results from appointees to the Santa Cruz County Regional Transportation Commission.**

## II. SUMMARY OF ISSUES

- Per the action taken by the Board of Directors, staff is providing the minutes from the most recent meetings of the Santa Cruz County Regional Transportation Commission.
- Each month staff will provide the minutes from the previous month's SCCRTC meetings.

## III. DISCUSSION

At the January Board of Directors Meeting of the Santa Cruz Metropolitan Transit District, the Board requested that staff include in the Board Packet information relating to the voting results from the appointees to the Santa Cruz County Regional Transportation Commission. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.

## IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

## V. ATTACHMENTS

**Attachment A:** Minutes of the December 2, 2004 Regular SCCRTC Meeting

5-12.1

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
AND  
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

MINUTES

Thursday,  
December 2, 2004  
9:00 a.m.

Board of Supervisors Chambers  
701 Ocean Street  
Santa Cruz CA 95060

1. Roll Call

Members Present:      Cliff Barrett (Alt.)      Ellen Pirie  
                                 Jan Beautz                      Emily Reilly  
                                 Tim Fitzmaurice (Alt.)      Pat Spence  
                                 Ramon Gomez                      Mark Stone  
                                 Dennis Norton                      Mardi Wormhoudt  
                                 Edenilson Quintanilla (Alt.)  
                                 Marcela Tavantzis Alt.)  
                                 Gregg Albright (ex-officio)

Staff Present:              Linda Wilshusen              Pat Dellin  
                                 Kim Shultz                      Tegan Speiser  
                                 Gini Pineda                      Luis Mendez  
                                 Karena Pushnik                      Cory Caletti  
                                 Grace Blakeslee                      Rachel Moriconi

2. Oral Communications

Spike Alper said that the Regional Transportation Commission should terminate the Environmental Impact Report for the Highway 1 Widening HOV Lane Project now since Measure J was defeated. He added that the money should be used for other transportation projects.

Mike Dalbey took issue with statements that the demise of Measure J was the fault of the voters, specifically citing comments from the previous Commission meeting that the voters are selfish and unwilling to compromise for the good of the county and that they don't want to pay for what they want. He stated that voters did approve a tax measure for the transit district and that the number of people who voted for it far exceeds the number of riders, and that people voted for Proposition 116 and have been paying for it for 14 years, even though it has not been used. He said the deficiencies lay with Measure J and not with the voters' attitudes.

5-12.91

Mark Greenfield praised the new train from Los Angeles to San Luis Obispo and said he hopes it will have a stop in Watsonville soon. He added that the park and ride lots in Santa Cruz connect to the "Baby Bullet" train from San Jose and asked the Commission to promote it.

3. Additions or Deletions to Consent and Regular Agendas

Replacement pages for Item 9, additional comments from the public, the Director's Report and a handout regarding Item 32 were distributed.

CONSENT AGENDA (Pirie/Quintanilla)

Commissioner Wormhoudt and Commission Alternate Fitzmaurice registered "no" votes on Item 8 saying that to extend the contract with Apex Strategies was premature since there is no plan for funding the Highway 1 Widening Project as Measure J was defeated and that doing so establishes a direction that does not appear to be supported by the voters.

Deputy Director Pat Dellin said that the per hour contract extension would allow the Commission to consult with Apex Strategies from time to time without having to prepare a budget amendment for each consultation.

Commissioner Pirie said she would approve Item 9, Rules and Regulations, with the understanding that certain editing errors were corrected.

Commissioner Wormhoudt and Commission Alternates Gomez and Fitzmaurice abstained from approving Items 4 and 5.

The Consent Agenda was approved as amended.

4. Approved Minutes of November 4, 2004 Regular SCCRTC Meeting
5. Approved Minutes of November 18, 2004 Transportation Policy Workshop Meeting

POLICY

No Consent Items

PROJECTS and PLANNING

6. Accepted Highway 1 Projects Status Report
7. Approved Staff Recommendations Regarding Amended Claim from

5-12.02

SCMTD for State Transit Assistance Funds (Resolution 21-05)

COMMISSION BUDGET and EXPENDITURES

8. Approved Staff Recommendations Regarding Amendment to Contract with Apex Strategies for Planning Support Services (Resolution 22-05)

ADMINISTRATION

9. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Amendment to the SCCRTC's Rules and Regulations (Resolution 23-05)

COMMITTEE MINUTES

10. Accepted Draft Minutes of the Bicycle Committee Meeting of November 8, 2004
11. Accepted Draft Minutes of the Paratransit Coordination Task Force Meeting of November 17, 2004
12. Accepted Draft Minutes of the Interagency Technical Advisory Committee Meeting of November 18, 2004

INFORMATION/OTHER

13. Accepted Monthly Meeting Schedule
14. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies
  - a. Quarterly Report
15. Accepted Correspondence Log (distributed at the meeting)
16. Accepted Letters from SCCRTC Committees and Staff to Other Agencies on Policy Issues
  - a. Letter from Executive Director to Caltrans Regarding Support for Santa Cruz Metro Application for FY 2005 FTA Transit Professionals Development Funds
17. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues

5-12.43

18. Accepted Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meeting
19. Accepted Information Items
  - a. Article from *Mercury News* Titled "Highway 17 Safety Push Pays Off"
  - b. Article from *Contra Costa Times* Titled "Torlakson Tapped for Top Policy Post"
  - c. Article from *Los Angeles Times* Titled "DMV Chief Backs Tax by Mile"
  - d. Highlights of the California Association of Councils of Government (CALCOG) Meeting

#### SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

20. Approved Staff Recommendations Regarding Contract for Private Call Answering Services (Resolution 27-05)

#### REGULAR AGENDA

21. Commissioner Reports - Oral Reports - None
22. Director's Report

Executive Director Linda Wilshusen delivered her final Director's Report noting that a Public Hearing regarding the Highway 1 HOV Widening project was scheduled for January 20, 2004 at 7:00 pm in the Board of Supervisors Chambers.

She said that the Regional Transportation Commission was discussing the possibility of joining with the Transportation Agency for Monterey County in the Request for Proposals process to contract with a consultant to identify options for trail segments for the Santa Cruz portions of the Monterey Bay Sanctuary Scenic Trail.

Ms. Wilshusen thanked the Commission and her staff for their support during her 19 years with the Commission.

23. Caltrans Report

Gregg Albright, Caltrans District 5, announced that the new Caltrans director, Will Kempton, will emphasize partnerships, efficiencies and customer service as his primary goals. He said Mr. Kempton will focus on ridding the Department of multiple layers of bureaucracy and delegating more decision making to the local level.

Mr. Albright said that the beginning of construction for the

5-12.24

Highway 1/17 Merge Lanes Project will be moved back to November due to a cash flow problem.

Commissioner Reilly said that she had previously asked Caltrans to put the 1/17 Merge Lanes plans in the local libraries so the public could have access to them. Mr. Albright will direct the project manager to look into the request and report back to the Commission.

Debbie Bulger, Mission Pedestrians, said at the last meeting Caltrans was asked to report back on the status of pedestrian access along the underpasses that are part of the Merge Lanes Project.

Mr. Albright replied that there were no plans for sidewalks under Market Street because of the way the bridge sits on the abutments. He said that if sidewalks were installed an unsafe situation could occur as cars might be pushed too close to the abutments. He said that lighting is planned for under the bridges at Market Street and Emeline Avenue.

Commissioner Reilly said that improvements at the intersection of Morrissey Boulevard and Highway 1 were taking too long. Mr. Albright said Caltrans is working with the City of Santa Cruz to re-stripe the crossing but that installing a stop light would not be possible in the near term. She also said she has been in discussions with people who use recycled water for landscaping and asked who to contact at Caltrans to further discussions.

Commissioner Pirie asked that Caltrans report back on continuing the extra lane southbound from La Fonda to the Soquel Drive interchange as part of the Highway 1/17 project.

Deputy Director Dellin said that Caltrans and the City of Santa Cruz had met several times to discuss the Morrissey Boulevard and the Highway 1/17 Merge Lanes project. She said that Caltrans will give a full presentation, hopefully in February, with information on all the underpasses and the possibility of an auxiliary lane.

Ms. Dellin said that the City is working on short, medium and long term plans to improve safety conditions at the Morrissey Boulevard interchange and asked that Caltrans increase their efforts to support installing a stop sign as a medium term solution.

Cliff Walters, Big Trees Railroad, suggested that there are places in the County that have recycled water to sell.

5-12.25

24. Introduction of California Highway Patrol Captain, Christina Manriquez

Executive Director Wilshusen welcomed Captain Manriquez. Captain Manriquez gave a brief overview of her experience and background, including a three month training at the FBI headquarters at Quantico. Ms. Manriquez, a Watsonville native, said she is happy to be assigned to Santa Cruz County and that her goals include improving the quality of safety and service the CHP provides.

25. Certificate of Appreciation for Departing State Senator Bruce McPherson

Executive Director Linda Wilshusen announced that Senator McPherson was unable to attend the meeting but that his aide, Michael Warren, would accept the certificate on the Senator's behalf.

Chair Beautz expressed her appreciation for Senator McPherson's broad spectrum of support.

Michael Warren said that both he and Senator McPherson had enjoyed working with the Commission and related a story describing some of the legislation that Senator McPherson was instrumental in crafting to assist transportation for disabled persons. He noted that the initial impetus for the legislation was a single phone call, emphasizing that each person can make a difference in society.

26. Update on Federal Legislative Actions - Oral Report by Congressman Sam Farr

Congressman Farr reported that legislation left unresolved in this last session, including the federal transportation bill, would be considered "dead" and would have to be re-introduced in the next Congressional session.

He predicted that federal funding would be flat due to the budget deficit and the "cut, squeeze and trim mentality" in Congress. He said the Commission was smart putting transportation, housing and child care together in the Depot Project so that many problems were solved within a single proposal, and that this approach helped to obtain approval for the \$1.5 million funding for the project.

Congressman Farr said that in Washington, "all politics are local" meaning that communities can change national policies, noting that California was the first state to introduce legislation for scenic highways and that now this is a national trend. He complimented the Regional Transportation Commission for its role in setting national

5-12.96

policy with its request to revise the federal funding formula so that smaller, high-density cities that actively support public transit get special consideration for transportation funding. This suggestion got more support from fellow Congress members than any other constituent-led legislation.

Congressman Farr encouraged the Commission to buy the rail line and advised Commissioners, when communicating with other agencies, to think about surrounding areas as a region and develop a comprehensive approach to transportation solutions.

He said that the Monterey Bay Scenic Sanctuary trail will be a huge asset for attracting tourists and that the area's greatest resources are its history and the diversity of its natural beauty. He concluded saying that as long as these resources are protected from commercialism and urban sprawl, the Santa Cruz/Monterey area will continue to draw visitors from all over the world bringing prosperity to the region.

27. Update on State Legislative Actions - Oral Report by State Assemblymember John Laird

Assemblymember Laird reviewed the continuing state budget crisis. He explained some of the Governor's plans to provide funding for transportation projects, including a bond against future revenues to be gained from an Indian gaming pact that Governor Schwarzenegger had negotiated. Assemblymember Laird said, however, that the bond could not be issued until the lawsuit filed against it had been settled.

Assemblymember Laird said that Proposition 42 would have been made whole by the Governor's gaming compacts but that there is a move in the Legislature to suspend the ability to protect the Proposition 42 revenues. He said that because most of the state budget funds are dedicated funds, protecting Proposition 42 revenues from use in the General Budget would mean severe cuts in health and social services, in addition to those already made.

Assemblymember Laird said there is still a gap of \$6-7 billion between revenues and expenses this year and it will probably increase next year unless some very hard choices are made.

28. Resolution of Appreciation for Linda Wilshusen, Executive Director

Commissioner Beautz, as her last act as Commission Chair, wished retiring Executive Director Linda Wilshusen happiness

5-12.27

and good luck and highlighted some of her achievements listed in a resolution (Resolution 24-05) presented by the Commission.

Commissioner Wormhoudt praised Ms. Wilshusen saying she brought intelligence and passion to her job and gave her a proclamation from the Board of Supervisors.

Commissioner Fitzmaurice delivered a proclamation from the City of Santa Cruz that reflected Ms. Wilshusen's multiple impacts. He said what mattered most was the human connection she brought to her work.

Commission Alternate Gomez presented a proclamation signed by the mayor of Watsonville and said that the City of Watsonville had been lucky to have had her support.

Commission Alternate Barrett presented a proclamation signed by the mayor of Scotts Valley and said that Director Wilshusen had done an outstanding job.

Commissioner Norton noted that the City of Capitola had done a proclamation as well, and said that Director Wilshusen is a great mediator and thanked her support for all forms of transportation.

Commissioner Reilly delivered a proclamation from the SCMTD and said the quality of life in Santa Cruz County had improved dramatically during Ms. Wilshusen's tenure as Executive Director.

Virginia Johnson, Ecology Action and the Santa Cruz Transportation Management Agency, presented a joint resolution and remarked that Director Wilshusen understands collaboration.

Debbie Hale, Transportation Agency of Monterey County, presented a resolution commending Ms. Wilshusen for her contributions to the region and support of collaborative efforts.

Deputy Director Pat Dellin spoke on behalf of the SCCRTC staff saying that Linda will be missed and had been an inspiration. She said that the fact that so many staff had remained with the Commission for so long was a testament to the respect the staff had for her.

Micah Posner, People Power, said he appreciated her leadership and support for alternative transportation.

Executive Director Wilshusen said she was overwhelmed and that she had mementos for each Commissioner. She noted that

5-12.28

the projects she worked on were at direction of Commission and illustrated the leadership of the Commission.

Ms. Wilshusen again thanked everyone and distributed a variety of memorabilia collected over the years. The Commission took a break and made cake available in the adjoining conference room.

29. Election of 2005 SCCRTC Chair and Vice-Chair

Commissioner Beautz said that Commissioners Keogh, Johnson and Campos had worked as the Nominating Committee and recommended Commissioner Pirie as Chair and Commissioner Johnson as Vice-Chair.

Commission Alternate Quintanilla nominated Commissioner Pirie as Chair and Commissioner Johnson as Vice-Chair. Commission Alternate Barrett seconded.

Commissioner Norton noted that usually the Vice-Chair moves into the Chair position. He said that since Commissioner Johnson had held the Vice-Chair position for two years and was unable to move into the Chair position, he moved to nominate Commissioner Stone as Vice-Chair. Commission Alternate Fitzmaurice seconded.

Commissioners discussed the issue of succession from Vice-Chair to Chair. Commission Alternate Gomez asked it would be better to have a Supervisor and city representative in those positions, rather than two Supervisors.

A vote was taken on the amendment which did not pass.

The main motion passed unanimously.

Commissioner Beautz immediately turned her position as Chair over to Commissioner Pirie.

30. Recreational Rail Draft Environmental Impact Report (DEIR) and Proposed Revised DEIR

Senior Planner Karena Pushnik reviewed the background of the Draft Environmental Impact Report (DEIR) for Recreational Rail between Capitola and Aptos with an extension to Seascape, noting that the comments received from the public were massive and detailed. She said that because of the extent of public comment and the possibility of litigation, the Commission had extended the contract with Public Affairs Management to reply to the large volume of comments and had contracted with Remy, Thomas, Moose and Manley for legal advice. She said that the draft *Business Plan* had been released to the public in September, 2004, after the close

5-12.99

of the Recreational Rail DEIR comment period.

Ms. Pushnik said that additional air quality risk assessments and noise studies had been conducted. She said that staff, and the environmental and legal consultants concluded that it would make sense to revise the DEIR to include an alternative with the reduced rail service as described in the draft *Business Plan*. She said the revised DEIR would address substantive environmental issues raised by comments in the original DEIR and that when the revised DEIR is released for comment it will give the public a more realistic project to consider.

Commissioners discussed that the additional funding necessary for the response to comments to the revised DEIR and its legal review would be allocated from Commission Reserves. Commissioner Beautz noted that replenishing these reserves would come from Transportation Development Act funds.

Commissioner Spence asked several questions including when the response from Union Pacific regarding the quiet zones was anticipated, how many crossings have automatic arms, and whether fares and hours of service would be included in the Environmental Impact Report. Ms. Pushnik replied that the Public Utilities Commission had been contacted regarding quiet zones and that the promising looked like a promising candidate. She said that four private road crossings do not have automatic crossing arms. Recreational Rail fares and hours of service were included in the *Business Plan* and would be addressed in the revised DEIR.

Ms. Spence asked how the service provider would be affected by a decrease in travel time or if there were fewer fares than projected. She asked for a staff report on that subject. These revenue and ridership projections are included in the draft *Business Plan*.

Commissioner Spence asked for clarification whether responses to the comments in the original DEIR would be included in the revised DEIR, noting that every comment had not received a response.

Executive Director Linda Wilshusen said that one benefit of the revised DEIR incorporating the *Business Plan* alternative will be to strengthen the DEIR so that comments from the original DEIR will either be addressed in the *Business Plan* or included in the responses.

Commissioner Spence asked if the Geomatrix Phase II Hazardous Materials Report had been included in the hazardous materials section of the DEIR. Mary Bean, PAM,

5-12.910

replied that Geomatrix could not prepare a report until Union Pacific granted a right of entry.

Commissioner Spence noted that Kirk Trost was planning to include additional information regarding hazardous materials and asked for a copy of this information.

Ms. Pushnik said that this information will be included in the revised DEIR.

Commissioner Spence also commented on the funding source for the additional expenses and asked for a spreadsheet breakdown on what funds were available and how they have been expended.

Commission Alternate Tavantzis asked what the advantage was to revise the DEIR when an updated business plan will be available in the future.

Director Wilshusen said that the Commission has expressed interest in completing the Environmental Impact Report prior to acquisition of the branch rail line. She suggested that the Commission may want to separate the EIR from the acquisition.

Commissioner Beautz said that the EIR should be completed before the acquisition.

Commissioner Wormhoudt supported the recommendation saying it makes sense to circulate a revised DEIR. She said the commitment to do an EIR was one of principle, not necessity, and agreed that future versions of the business plan won't change substantially.

Commissioner Norton asked if downsizing the planned service to three months would be approved by the California Transportation Commission if service would be reduced. Director Wilshusen said that the CTC is concerned with state law and does not specify how much recreational rail is needed to comply with Proposition 116 requirements. She said that a 48-day season would be equivalent to a four month season, but operating fewer days per week. She emphasized that this would be an alternative in the revised DEIR.

In response to an earlier question by Commissioner Beautz regarding the expenditure of the Proposition 116 funding so far, Ms. Wilshusen said that the money was spent on the business plan, the DEIR and appraisals. Regarding whether the RTC could use federal funds rather than Commission reserves for the DEIR, she noted that the use of federal funds would require the RTC to do a federal level

5-12.911

environmental review which is not necessary and would be very time consuming.

Robert Jones asked about the difference between an "alternative" Environmental Impact Report and a "revised" EIR.

Director Wilshusen said the prior DEIR would be augmented with an alternative project description in the responses to comments and changes to the noise assessment to form a Revised Environmental Impact Report.

Mr. Jones insisted that all questions raised by the public in the public comments to the original DEIR should be answered. In addition, he said the project is out of control and he would have done the business plan first and then the EIR. He requested that the 45 days for public review be extended to 60 days and said that the quiet zone concept was trading noise abatement for public safety.

Micah Posner said that disconnecting the EIR for recreational rail from the acquisition could be useful if the Commission was going to have to deal with frivolous lawsuits. Regarding quiet zones, Mr. Posner suggested neighborhood meetings to determine how residents felt.

David Wright, Friends of the Rail Trail, congratulated the Commission on completing negotiations but questioned whether reducing the number of days per year to achieve trip reduction may reduce profit margin and bring fewer people into businesses in Aptos.

Mark Greenfield said he agreed that reducing trips might not be a good idea. He said that his math showed a reduction from 1080 trips to 192 trips and suggested looking for something in the middle.

Marilyn O'Rourke said circulating a Revised DEIR will be confusing and that comments on the first DEIR should be answered. She said this was a good time to assess segmentation and re-think the EIR process.

She said if the Revised DEIR is done, the Commission should wait until the hazardous materials analysis had been completed and that it should include an independent assessment of trestles.

Ms. O'Rourke supported a 60-day review period and said she wanted the DEIR to address whether the track has less than a 10% useful life expectancy.

Joan Anderson, Seacliff, said there is lots of support in

5-12.912

Aptos and Seacliff for the train.

Sue Renner said the railroad is becoming more and more of a fiasco and that people support a bike path but not a train. She said the public was promised the response to comments and wants them now and that the project needs to be combined with the bike path.

Paul Elerick, Campaign for Sensible Transportation, congratulated the Commission on the purchase and said if a recreational rail line was necessary to acquire the branch line, so be it.

Ken Kannegaard, RMC, reminded the Commission that freight traffic should remain the priority.

Commissioner Wormhoudt asked staff to respond to several questions. She asked for an explanation how the Business Plan alternative relates to the main project in a Revised DEIR. Director Wilshusen said that it would be more cost effective to add in the business plan alternative than to do a separate DEIR for an independent alternative project.

Commissioner Wormhoudt asked why operating the train for fewer days was a good idea and requested that ridership information be included in the January Regional Transportation Commission report. She also asked if there would be a problem extending the public comment period to 60 days. Director Wilshusen said there would not be a problem.

Commissioners discussed why people who had already submitted comments to the original DEIR would be required to re-submit their comments.

Mary Bean, PAM, said that the California Environmental Quality Act (CEQA) required that comments to an EIR had to be submitted during the public comment period. She added that it might be possible to indicate that people had the option of resubmitting their original comments.

Kirk Trost, MOT, said that one thing to remember is that the consultants will be addressing the original comments when they draft the Revised DEIR. He said that staff could return in January with a plan to let the Commission know how comments submitted regarding the original DEIR would be addressed in the Revised DEIR.

Commissioner Wormhoudt moved to approve the staff, and the RTC's legal and environmental and legal advisor recommendations to:

5-12.913

1. Revise the DEIR to add a new alternative which conforms to the recreational rail service operating plan suggested in the draft *Business Plan*;
2. Return to the RTC in January with a proposed description of this new alternative, including the general level of service and station locations;
3. Return to the RTC in January with a proposed schedule for the Revised DEIR;
4. Draft and circulate the revised DEIR when completed [date TBD], for a 45-day review period; and
5. Approve a resolution authorizing the Executive Director to amend the RTC's contract with Public Affairs Management by adding \$30,000 to produce the revised DEIR, and to amend the RTC's contract with Miller, Owen & Trost by adding \$20,000 to allow for additional legal review by Jim Moose of the revised DEIR and response to comments, with funds to be allocated from Commission Reserve funds,

with the addition that staff return in January with a proposal for addressing comments that have been submitted so far and to increase the public comment period to 60 days.

Commissioner Norton seconded and the motion (Resolution 25-05) passed unanimously.

Commissioner Wormhoudt moved to continue Items 32 and 33 to the January meeting and to set a time limit to extend the current meeting to finish in 20 minutes. Commissioner Norton seconded and the motion carried unanimously.

31. Letter of Intent between Union Pacific Railroad Company and the SCCRTC Regarding Acquisition of the Santa Cruz Branch Line

Kirk Trost, Miller, Owen & Trost, reviewed the general parameters of the letter of intent saying that now the Commission could proceed with hazardous materials reports, bridge reports and other studies that required a right of entry. He added that this is not a final decision to purchase the rail line.

Commissioner Spence said the two biggest words that concerned her in the letter were "as is" and asked of the appraisers will have time to complete all the necessary studies before a decision has to be made. She requested that the Commission be given at least three weeks to read the reports.

Mr. Trost said that a more specific timeline should be ready in January.

Commissioners discussed whether appraisals will evaluate

5-12.214

structures, how old the Union Pacific reports are and if there are environmental problems would the Commission be responsible for remedying them.

Mr. Trost said there will be engineering analyses on the structures before the Commission is asked to make a decision and that Union Pacific is taking the view that the Commission will have the opportunity to really look at the condition of the line, and if significant problems are found, then either the terms would be renegotiated or the purchase not made.

Commissioner Pirie voiced concerns about maintenance costs, capital costs, and insurance costs and asked if Union Pacific was going to share whatever information the Commission might need, including lease information and rate information on current operations.

Mr. Trost said that the starting point is the business plan and that the Phase II environmental study, structural analyses, and other information will be blended into the plan. He said that Union Pacific probably won't disclose proprietary business information but will disclose standard information such as any spill, report, internal memo or anything that would affect the value of the property.

Commission Alternate Gomez left.

Robert Jones said the Letter of Intent made no concessions to the Commission and that it is bad policy to sign an agreement when the Commission only really has \$1.5 million of the \$12 million necessary for the purchase. He said the Commission thinks it is purchasing a strip of land but it is really a freight line and questioned whether public money be spent so a private operator can make money.

Dave Wright said that the Commission is well suited to run a railroad pointing out that public agencies run a great bus company and network of roads. He said the project can be funded because lots of people support using Proposition 116 funds which are public funds that the public should be allowed to spend.

Ken Kannegaard said that RMC staff is willing to work with the Commission and recognizes that sometime in the future that line will be purchased. He said that RMC does not expect there to be a change in the service they currently provide and wants to be involved in discussions regarding rates of a second hauler.

Debbie Bulger said to separate the issue of purchasing the rail line and how it will be used noting that the City of

S-12.915

Santa Cruz Master Transportation Plan recommends bus rapid transit on the rail line.

Piet Canin said he was thrilled that negotiations have gotten to this point and that having the corridor is a huge transportation advantage.

Commissioner Wormhoudt moved to extend the meeting to 1:30 pm and to conclude the public comment by 1:20 pm. Commissioner Norton seconded and the motion passed unanimously.

Mike Dalbey said it is difficult for the public to think about railroad operations as they are not part of most people's lives; that this issue touches on many issues like development and health; and that people have to get beyond biases. He said that education on railroad operation would help.

Cliff Walters said railroading is pretty straightforward and that it is important that the railroad, the shippers and all involved have some kind of communication.

Marilyn O'Rourke said that every study should be independently generated not be Union Pacific's studies and that liability issues should be independently investigated. She said the Commission had promised a demo train and that the Commission owed that to the public.

Micah Posner said he was glad the Commission was still going after the rail even after Measure J failed.

Commissioner Wormhoudt moved to authorize Chair Pirie to sign the Letter of Intent. Commissioner Norton seconded with a friendly amendment that staff look into bringing in a demo train.

The motion (Resolution 26-05) passed unanimously.

32. Update on State Transportation Funding Availability - Continued to the next meeting.
  - a. Staff Report
  - b. Memo on Proposition 42 Transportation Budget Summit
  - c. Report on Funding Appropriations Bill
  
33. 2004 Legislative Update and Draft 2005 Legislative Agenda - Continued to the next meeting.
  - a. Staff Report
  - b. Proposed 2005 State and Federal Legislative Agenda
  - c. Final 2004 State and Federal Legislative Agenda

5-12.216

- d. Rescue Transportation Proposal
- e. Report from Carolyn Chaney on Federal Legislation

CLOSED SESSION

34. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

OPEN SESSION

35. Next Meetings/Adjournment

The December Transportation Policy Workshop has been cancelled.

The next regular SCCRTC meeting is scheduled for Thursday, January 6, 2005 at 9:00 a.m. at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA 95060.

The next Transportation Policy Workshop is scheduled for Thursday, January 20, 2005 at 9:00 a.m. at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz CA 95060.

A Public Hearing on Alternatives for the Highway 1 Project Approval/Environmental Document (PA/ED) is scheduled for Thursday, January 20, 2005 at 7:00 p.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

Respectfully submitted,

---

Gini Pineda, Staff

5-12.917

ATTENDEES

<u>Name</u>	<u>Representing</u>
Robert Yount	
Charles Sanchez	Caltrans
Debbie Bulger	Mission Pedestrians
Thomas Hiltner	SCMTD
Genevieve Bookwalter	Santa Cruz <i>Sentinel</i>
Mike Dalbey	FORT
Micah Posner	People Power
Paul Elerick	CFST
David Wright	FORT
John Presleigh	County Public Works
Daniel Senders	
Paul Greene	
Rachel Walker	
Debbie Hale	TAMC
Eric Child	
Robert Jones	
Gwen Essegian	
Marco Greenfield	
Spike Alper	
Shannon Bell	
Skylar Wilkins	
Tania Mortazari	
Leo Moll	
Sue Renner	
Donna Ziel	
Ken Kannegaard	RMC Pacific Materials
Jim Conklin	Business Council
Tamsin McEwen-Asker	People Power
William Grace	
Marilyn O'Rourke	
Virginia Johnson	Ecology Action/SCATMA
Charles Paulden	
Peter Scott	CFST
Joan Anderson	CFST
Cliff Walters	Big Trees Railroad
Bob Scott	SCCRTC Technical Advisor

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: January 14, 2005

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: Notification Of Actions Taken In Closed Session Regarding The Following  
Claims On The Dates Indicated:

Settlement with Guillermo Chavez

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### Settlement with Guillermo Chavez

On July 23, 2004, in closed session the Board of Directors authorized a final settlement with a Compromise and Release. The following directors authorized the settlement: Keogh, Norton, Reilly, Rotkin, Spence, Stone and Tavantzis. Directors Ainsworth, Beautz, Hinkle and Skillicorn were absent. Pursuant to this direction, Mr. Chavez' claim was settled by way of a Compromise and Release in the sum of \$7,500.00 signed by the Workers' Compensation Administrative Law Judge on December 15, 2004 and the file has been closed.

5-13.1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## STAFF REPORT

**DATE:** January 14, 2005  
**TO:** Board of Directors  
**FROM:** Margaret Gallagher, District Counsel  
**SUBJECT:** REVIEW AND ACCEPT SANTA CRUZ METRO BYLAWS AS MODIFIED REGARDING SECTIONS 6.01 (ELECTION OF PRESIDING OFFICERS) AND 14.02 (APPOINTMENT OF SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION REPRESENTATIVES)

### I. RECOMMENDED ACTION

**Review and Accept the Attachment with modified language for sections 6.01 and 14.02 of Santa Cruz METRO Bylaws to confirm the language accurately reflects the will of the Santa Cruz Metropolitan Transit District's Board of Directors.**

### II. SUMMARY OF ISSUES

- There is a need to confirm that the proposed attached language to sections 6.01 and 14.02 of the Santa Cruz METRO Bylaws, accurately reflects the will of the Santa Cruz Metropolitan Transit District's Board of Directors.

### III. DISCUSSION

At the first regular meeting of the Santa Cruz METRO Board of Directors, the Board reviewed the procedure set forth in the Bylaws for the election of Board officers and the appointment of representatives to the Santa Cruz County Regional Transportation Commission (SCCRTC). At that time, some Directors wanted to consider amending the procedure. The matter was agendaized for the second meeting in December 2004 in order to allow the Board to modify its Bylaws should the Board deem that appropriate.

At the second meeting in December, the Board modified sections 6.01 and 14.02 of the Bylaws, as specifically set forth in Attachment A. The purpose of this staff report is to ensure that the modified language accurately reflects the will of the Board of Directors.

### IV. FINANCIAL CONSIDERATIONS

None

### V. ATTACHMENTS

**Attachment A:** Santa Cruz METRO's Bylaws Sections 6.01 and 14.02 showing modifications

ATTACHMENT A  
AMENDED

PREVIOUS LANGUAGE

RECENTLY ENACTED LANGUAGE

<b>VI. PRESIDING OFFICERS</b>	<b>VI. PRESIDING OFFICERS</b>
<p><b>6.01 <u>Election</u></b></p> <p>(a) The Directors shall in December nominate members of the Board of Directors to serve as Chair and as Vice-Chair of the Board of Directors. The Board of Directors shall, at their first regular meeting in January of each year, choose one of its members to serve as Chair and one of its members to serve as Vice-Chair to serve for the balance of the calendar year or until the selection of their successors.</p> <p>(b) Should the office of Chair or Vice-Chair become vacant during the calendar year, the Board of Directors shall choose a successor to fill the vacancy for the balance of that calendar year, or until the selection of a successor.</p>	<p><b>6.01 <u>Election</u></b></p> <p>(a) The Directors shall <u>at the first meeting in January in</u> <del>December</del> nominate members of the Board of Directors to serve as Chair and as Vice-Chair, <del>of the Board of Directors.</del> <u>Nominations may be received until final selections occur.</u> The Board of Directors shall, at <del>their</del> <u>its first</u> <del>second</del> regular meeting in January <u>(generally televised)</u> of each year, choose one of its members to serve as Chair and one of its members to serve as Vice-Chair to serve for the balance of the calendar year or until the selection of their successors. <u>The officer election shall be agendized at the second meeting immediately following the roll call and shall not be paired with any other item.</u></p> <p>(b) <del>Should the office of Chair or Vice-Chair become vacant during the calendar year, the Board of Directors shall choose a successor to fill the vacancy for the balance of that calendar year, or until the section of a successor</del> <u>Should the office of Chair become vacant during the calendar year, the Vice-Chair shall assume the office of Chair. Should the office of Vice-Chair become vacant the nomination and selection of Vice-Chair shall be agendized and acted upon by the Board of Directors.</u></p>

<p>(c) In the event of a vacancy of both the Chair and Vice-Chair positions, the Directors shall meet in order to nominate members of the Board of Directors for the vacant positions</p>	<p>(c) In the event of a vacancy of both the Chair and Vice-Chair positions, the Directors shall meet in order to nominate members of the Board of Directors for the vacant positions <u>and make final selections.</u></p>
<p><b>14.02 <u>Appointment to Santa Cruz County Regional Transportation Commission</u></b></p> <p>(a) The Board of Directors shall each year in January appoint three representatives and three alternates (in order of priority) to the Santa Cruz County Regional Transportation Commission (SCCRTC) who must be members of the Board of Directors. The Board Chair shall submit nominations of three representatives and three alternates for the first Board meeting in January. At that first meeting in January, the Chair shall entertain other nominations for SCCRTC representatives and alternates from the Directors. Thereafter at the second meeting in January, the Board of Directors shall vote on the nominations via a motion and a second. To be appointed a nomination shall receive at least six affirmative votes. A Director may move a slate of three representatives or a slate of three alternates for appointment. If none of the previously nominated directors receive the appointments, then the Chair shall entertain further nominations from the Directors until such time as three representatives and three alternates are approved by the Board of Directors.</p>	<p><b>14.02 <u>Appointment to Santa Cruz County Regional Transportation Commission</u></b></p> <p>(a) The Board of Directors shall each year in January appoint three representatives and three alternates (in order of priority) to the Santa Cruz County Regional Transportation Commission (SCCRTC) who must be members of the Board of Directors. The Board Chair shall submit nominations of three representatives and three alternates for the first Board meeting in January. At that first meeting in January, the Chair shall entertain other nominations for SCCRTC representatives and alternates from the Directors. <u>Nominations may be received until final selections occur.</u> Thereafter, at the second meeting in January, the Board of Directors shall vote on the nominations via a motion and a second. To be appointed a nomination shall receive at least six affirmative votes. A Director may move a slate of three representatives or a slate of three alternates for appointment. <del>If none of the previously nominated directors receive the appointments, then the Chair shall entertain further nominations from the Directors until such time as three representatives and three alternates are approved by the Board of Directors.</del></p>

<p>(b) The Board of Directors may provide its SCCRTC representatives with guidance on issues coming before the Commission to assist the director/commissioner in serving the best interests of the Transit District.</p>	<p>(b) The Board of Directors may provide its SCCRTC representatives with guidance on issues coming before the Commission to assist the director/commissioner in serving the best interests of the Transit District.</p>
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# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## STAFF REPORT

**DATE:** January 28, 2005

**TO:** Board of Directors

**FROM:** Margaret Gallagher, District Counsel

**SUBJECT: CONSIDERATION OF APPROVAL OF LICENSE AGREEMENT FOR  
BUS STOP LOCATED AT SOQUEL AND FRONT STREETS**

### I. RECOMMENDED ACTION

**Approve the attached License Agreement for the Bus Stop located at Soquel and Front Streets**

### II. SUMMARY OF ISSUES

- The Santa Cruz Metropolitan Transit District (METRO) has had a bus stop located on Front Street in the path of travel to the new doors of the Santa Cruz' Trader Joe's for many years.
- The Santa Cruz Redevelopment Agency (Agency) has requested that METRO move its bus stop in order to facilitate pedestrian access to Trader Joe's.
- Agency has found a new location for the bus stop which is 20 feet south of its current location near the Longs Drug Store sign. This relocation will require the owner of the property to grant permission to METRO to utilize its property for the bus stop.
- The attached License Agreement (Attachment A) grants METRO permission to utilize the necessary property to relocate the bus stop for its passengers' use.

### III. DISCUSSION

The Santa Cruz Metropolitan Transit District (METRO) has had a bus stop located on Front Street in the path of travel to the new doors of the Santa Cruz' Trader Joe's for many years. The Santa Cruz Redevelopment Agency (Agency) has requested that METRO move its bus stop in order to facilitate pedestrian access to Trader Joe's. Agency has found a new location for the bus stop which is 20 feet south of its current location near the Longs Drug Store sign. The City of Santa Cruz has agreed that it will pay for and construct a concrete pad at the new location for the bus stop (Attachment B). Thereafter, METRO will be required to maintain the bus stop.

This relocation will require the permission of the current owner of the property. The attached License Agreement grants to METRO permission to utilize the relocated bus stop for 15 years. It also will require METRO to indemnify to the fullest extent of the law and to hold the owner harmless from any and all liability arising from the use of the property by METRO.

**IV. FINANCIAL CONSIDERATIONS**

None

**V. ATTACHMENTS**

**Attachment A:** License Agreement

**Attachment B:** Letter from David Konno, METRO's Facility Maintenance Manager to City of Santa Cruz

## LICENSE AND INDEMNITY AGREEMENT

This LICENSE AND INDEMNITY AGREEMENT (hereinafter "Agreement") is entered into as of January \_\_, 2005 by and between Friend, Friend and Friend, a California, L.P., a California limited partnership, (hereinafter "Licensor") and Santa Cruz Metropolitan Transit District (hereinafter "Licensee"). Licensor and Licensee are referred to individually herein as a "Party" and collectively as the "Parties."

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Grant of License to Licensee.** Licensor hereby grants Licensee (and its respective officers, managers, employees, contractors and other authorized agents acting under Licensee's authority and within the scope of its consent) permission to encroach at no cost onto the Property set forth in the attached map. A legal description of the Property is attached hereto as **Exhibit A** and incorporated herein by reference. The map indicating the proposed bus stop improvements (hereinafter "Project") is attached hereto as **Exhibit B**, and is incorporated herein by reference. Licensor further grants permission to Licensee to utilize this bus stop for the purpose of boarding and de-boarding bus passengers. Licensor further grants permission to Licensee to allow its passengers to go to and from the bus stop and to wait at this bus stop for a bus.

2. **Term and Termination.** It is understood that this License Agreement shall remain in full force and effect for a period not less than ~~five~~ fifteen (15) years after the commencement date noted below. Thereafter, the License Agreement may be revoked by Licensor upon ninety (90) days written notice to Licensee. In the event this Agreement is revoked in accordance with the provision herein, Licensee shall remove constructed bus stop improvements at its own expense within sixty (60) days, upon written request of Licensor. Licensee and Licensor, may by mutual agreement, extend the License Agreement for a period to be agreed upon.

3. **Specifications.** Licensee has provided Licensor with copies of the plans and specifications ("Plans") for the Project, attached hereto as **Exhibit C**, which Licensor has reviewed and approved. Licensee agrees to complete the Project in conformance with these Plans, except as the same may be required to be modified by the City or any other governmental agency. Any material modification of, or deviation from the Plans shall be conditioned on Licensor's prior notification and consent.

4. **Permits.** Licensee shall, at its sole cost and expense, obtain all necessary governmental permits, if required and approvals required to undertake work on the

Project. Licensee shall comply with all laws, codes, rules, regulations and permits applicable to the use of the Property for the purposes herein contemplated.

5. **Non-Interference with Tenant's Operations.** Licensee shall perform all work associated with the Project in such a way that it does not unreasonably disrupt Licensor's operations and shall minimize any inconvenience to Licensor's tenants, customers or invitees. Licensee shall also take every commercially reasonable precaution to prevent and avoid damage to the Property, its improvements, and any and all persons or property located thereon, arising from completing the Project.

6. **Liability and Duty to Remediate.** Licensee shall be liable for any and all damages, harm, losses, expenses or injuries the Property (including its improvements), or to any other persons or property (collectively "Damages") caused by Licensee's installation and use of the Project, regardless of whether such Damages were caused by accident, mistake, negligence, or intentional conduct. Licensee shall at its sole expense promptly repair or remediate any such Damages. The provisions of this Paragraph 6 shall survive termination of this Agreement.

7. **Indemnity.** Licensee shall to the fullest extent permitted by law, indemnify and hold harmless Licensor from and against any and all claims, causes of action, demands, losses, judgments, fines, penalties, obligations, liens, and liabilities (including, without limitation, all expenses, actual attorneys' fees, and costs incurred in investigating or defending against the same) that are asserted against Licensor (collectively, "Costs") (i) relating to or arising as a result of Licensee's herein permitted use; (ii) that arise out of access to the Property pursuant to this Agreement by Licensee, its contractor(s), or their respective agents and employees; (iii) that are due to any violation of law by Licensee, its contractor and/or their respective agents and employees in completing this Project; or (iv) that are due to breach of any of the provisions of this Agreement by Licensee. The provisions of this Paragraph 7 shall survive termination of this Agreement.

8. **Adverse Litigation Rights.** Licensor has full and sole discretion to control all legal proceeding enumerated in Paragraph 7 asserted against Licensor. This discretion includes selecting counsel of ~~its~~ choice, selecting mediators, approving settlements, and all related choices associated with legal proceedings. The provisions of this Paragraph 8 shall survive termination of this Agreement.

9. **Liens and Claims.** Licensee shall keep the Property ~~and Motel~~ free and clear of mechanic's, materialmen's or other similar liens for labor, service, supplies, equipment or material furnished in connection with the Project or Licensee's exercise of rights or fulfillment of obligations under this Agreement. Licensee shall fully and promptly pay and discharge and protect and hold harmless Licensor against any and all demands or claims which may ripen into such liens, and if any such lien is filed, Licensee shall have

any such lien released at Licensee's sole expense. The provisions of this Paragraph 98 shall survive termination of this Agreement.

10. **Reimbursement for Expenses and Attorney Fees.** Each party shall bear its own costs incurred in the preparation and negotiation of this Agreement. Licensee shall reimburse Licensor for all reasonable costs incurred by Licensor as a result of Licensee's failure to comply with this Agreement. However, in the event any party shall commence legal proceedings against another party for the purpose of enforcing any provision of this Agreement, or by reason of any breach arising under the provisions hereof, then the prevailing party or parties in such proceedings shall be entitled to reasonable litigation expenses, including attorneys' fees and expert fees, to be determined by the Court.

11. **Assignment, Successor and Assigns.** Licensee may not assign any of its rights under this Agreement, either voluntarily or by operation of law, without Licensor's prior written consent, which shall not be unreasonably withheld. No assignment by Licensee shall release such assignor from any liability under this License Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, including without limitation subsequent owners of the Property.

12. **Execution of Agreement.** Each signatory hereto warrants to the other parties hereto its authority to sign on behalf of the party for whom he or she purports to sign.

13. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, understandings or agreements relating thereto.

14. **No Oral Modification.** No alteration or variation of this Agreement shall be valid or binding unless made in writing and signed by the parties hereto.

15. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.

16. **Venue.** Any legal proceeding arising between the parties will be heard in [~~SOME COUNTY~~ [Santa Cruz County](#)], California Superior Court.

17. **Notices.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Licensee:  
Santa Cruz Municipal Transit District  
Leslie R. White  
General Manager  
Santa Cruz Municipal Transit District  
370 Encinal St., Suite 100  
Santa Cruz, CA 95060-2101

To Owner:  
Friend, Friend and Friend  
Howard Properties  
501 2nd Street, Suite 720  
San Francisco, CA 94107  
Attn: Robert Friend

With a copy to:  
c/o Katzoff & Riggs  
1500 Park Avenue, Unit 300.  
Emeryville, CA 94608  
(510) 588-5184  
Attn: Kenneth S. Katzoff

18. **Incorporation by Reference.** Exhibits A, B, and C attached hereto constitute a part of this Agreement and are incorporated into this Agreement by this reference.

19. **Counterparts; Facsimile Signatures.** This Agreement may be executed in one or more counterparts and delivered by facsimile transmission with original signatures to follow, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

20. **Property Rights.** The right granted in Paragraph 1 of this Agreement is a mere license only, and does not constitute an easement, right of way, or real property interest in the Property. No legal title or interest in Owner's Property is otherwise created or vested in Licensee under this Agreement.

21. **No Third Party Beneficiaries.** This Agreement is solely for the benefit of Licensor and Licensee. Nothing contained in this Agreement shall be deemed to confer on anyone other than Licensor and Licensee the right to enforce the performance of or compliance with of any of the obligations contained herein.

22. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement

shall continue in full force and effect, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

23. **Commencement Date.** This license shall be effective commencing January 1, 2005.

24. **Recording Of License.** This license shall not be recorded.

This license is executed on January \_\_\_\_, 2005 by and between:

LICENSEE:

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Leslie R. White  
General Manager  
Santa Cruz Municipal Transit District  
370 Encinal St., Suite 100  
Santa Cruz, CA 95060-2101

LICENSOR

Friend, Friend and Friend  
a California Limited Partnership

---

By: Robert Friend  
Howard Properties  
501 2nd Street, Suite 720  
San Francisco, CA 94107  
(415) 730-3590  
bob@friendsf.com

**Santa Cruz Metropolitan  
Transit District**

370 Encinal St. Ste 100  
Santa Cruz, CA 95060

**Attachment B**

**Facilities Department**

January 21, 2005

City of Santa Cruz  
Public Works Dept.  
809 Center St.  
Santa Cruz, CA 95060  
Attn : Craig Nelson, Public Works Superintendent

Dear Craig,

This is to confirm our conversation on January 20, 2005 regarding the Front St. Redevelopment Project, you agreed on behalf of the City of Santa Cruz to provide a concrete pad (10'3" X 4' 11" X 4" thick for the relocation of the bus stop shelter (Bus stop #2667) at the City's sole cost. The location agreed upon was approximately 20' south of its current location near the Longs Drugstore sign. Upon completion of the pad, the District will relocate the shelter.

Santa Cruz Metro's Board of Directors is scheduled to consider approval of this relocation and a license agreement to facilitate it, at its January 28, 2005 Board meeting. I will advise you of the outcome after the meeting. Thank you for your assistance in this matter.

Sincerely,



David J. Konno  
Facilities Maintenance Manager  
SCMTD

CC Margret Gallagher, District Counsel  
Bryant Baehr, Manager of Operations

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**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 Chairperson 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**

None

**TWENTY YEARS**

Ronald C. Dean, Bus Operator  
Jeffrey A. North, Bus Operator

**TWENTY-FIVE YEARS**

**William D. De Vivo, Bus Operator**  
**Mary C. Ferrick, Schedule Analyst**

**THIRTY YEARS**

~~William D. De Vivo, Bus Operator~~  
~~Mary C. Ferrick, Schedule Analyst~~

# *final*

## **Paratransit Coordination Task Force MINUTES – MEETING # 7**

Wednesday, December 15, 2004, 2:15 – 5:00 pm  
Louden Nelson Community Center, Senior Dining Room

### Members Present:

Caroline Bliss-Isburg  
Michael Bradshaw  
Richard Camperud  
Kathleen Johnson  
Clay Kempf  
Paul Marcelin-Sampson  
Eileen Pavlik  
Dennis Papadopulo  
Carmen Robles  
Stuart Rosenstein  
Ernestina Saldana  
Ellen Timberlake  
Adam Tomaszewski  
Arturo Zamudio

### Staff Present:

Bryant Baehr, SCMTD  
Pat Dellin, SCCRTC  
Mark Dorfman, SCMTD  
Hal  
  
Karena Pushnik, SCCRTC  
Tegan Speiser, SCCRTC  
Link Spooner, Community Bridges

### Others/Guests Present:

Sharon Barbour, MASTF  
Michael Molesky, E&DTAC & CCAH

### Alternates Present (\* = voting):

Kirk Ance \*  
Michael Keogh\*  
James Monroe  
Andy Schiffrin\*

Andy Schiffrin called the meeting to order and thanked attendees for their flexibility about the meeting location change necessary due to another function at the Civic Center.

1. **Introductions** – Attendees introduced themselves
2. **Oral Communications** – Sharon Barbour announced that she was reelected as chair of the Metro Accessible Services Transit Forum (MASTF) and that the group will be taking a recess until November 2005. MASTF could meet in the interim should there be a need.
3. **Additions or Deletions to the Agenda** – Tegan Speiser requested that attendees provide their current email addresses on the sign-in sheet.

### **Consent Agenda**

Item # 5 was pulled by Paul Marcelin-Sampson to be discussed as Item # 7.1 if time permits.

(Robles/Flynn) – The consent agenda was unanimously approved without item # 5.

4. **Approved the Minutes** of the November 17, 2004 Paratransit Coordination Task Force.

## *final*

5. **This item will be discussed at a future meeting:** Example of Specialized Transportation Mobility Plan from Modoc County (see materials at this web site: <http://www.itsmn.org/ruralits2004/presentations/Couch.pdf>)

### **Regular Agenda**

6. **ADA Paratransit Implementation Update**

Bryant Baehr announced that things are going smoothly with ParaCruz. In the January/February 2005 time frame, staff will bring the Metro Board suggestions for operational parameters – such as on time performance, call waiting time, etc. – to be included in the monthly reports.

Katherine Johnson noted that she has been conducting discussions with people living in assisted living and skilled nursing facilities about their transportation needs. She will forward comments to the appropriate transportation service providers.

- a. **Same Day/Emergency Destination Changes in Service**

Bryant discussed the direction from the November Task Force meeting to develop solutions for the issue of changing the ride destination. In the case of rides to/from the Dialysis Center, Bryant noted that they know of only one person who has needed to be transported to Dominican when their shunt closed and they couldn't proceed with dialysis. The situation was not a medical emergency. Link Spooner said that if the person was eligible for the Medical Voucher program, Lift Line could provide the ride.

Bryant also noted that it is infeasible to open up the ADA Paratransit program to provide same-day service, and that it seemed unnecessary to design a policy/procedure for just one person. Metro staff has talked internally about the issue with their legal staff. Discussion ensued about a situation such as the Task Force meeting where, due to a situation beyond the control of the rider, the location changed. At least one Task Force member was unable to attend the meeting due to this. Bryant asked for guidance from the Task Force on the matter.

Emily Reilly suggested that criteria be proposed for the Metro Board to consider that would be flexible to accommodate critical needs without opening up the program.

Jim Monroe volunteered that private taxi operators can provide on-demand rides for \$7.50 (from Dialysis to Dominican).

Additional comments on the subject included the following:

- Recommendation to perform a costs/equity analysis
- Caution against using trip purpose to define priority, as this is prohibited for ADA Paratransit rides
- Support for a customer service orientation and further analysis about how/whether these needs can be met
- Support for a perspective that is fiscally responsible, fair and satisfies legal requirements

## *final*

- Frustration was expressed about the lack of solutions proposed by the Metro and the request for a new recommendation from the Task Force
- Recommendation to find out which service providers are able to offer solutions, what payment mechanisms are available to pay for the rides, who is willing to be cooperative and what would be the process
- Medi-Cal has flexibility and is committed to making sure customers medical trip needs are met
- Reference made to the 1992 Paratransit Implementation Plan policy to hold a public hearing if changes are made to Plan (ADA Paratransit Service)
- Same Day/Emergency Destination Change rides could be added to the Unmet Needs list

### **Actions:**

- 1) Metro staff agreed to prepare a summary for the January Task Force meeting of what is being done for similar situations around the state, particularly for similar sized service operators. If possible, the matrix will include what local providers can offer; and,**
- 2) Copies of relevant pages from the 1992 Paratransit Implementation Plan will be provided with the January Task Force packet to consider revisions.**

Regarding the accommodation of large reclining wheelchairs on ParaCruz, Bryant Baehr noted that a person in a prone position (over 15 degrees) can not effectively be secured. For liability reasons, Metro has been advised not to carry these trips. Metro does have oversized vans that are available on a first come, first served basis for large wheelchairs including semi-reclining passengers (less than 15 degrees). As the minivans need to be replaced, Metro will consider vehicles that offer more flexibility. Other considerations include light weight wheelchairs that can not be secured without violating the warranty.

Kathleen Johnson asked whether people were being turned down if they did not have their identification card with them. Bryant answered that that is not the case.

Link Spooner reported that the ADA Paratransit calls to Community Bridges have diminished and that Lift Line operations are running smoothly.

7. Discuss Remainder of Task Force Goal 1: Funding Effectiveness and Efficiency, and Discuss Goal 2: Customer Service and Satisfaction

The Task Force continued the process of discussing and developing recommendations to address the second half of issues listed under Goal #1. The Draft List of Preliminary Recommendations formulated so far will be distributed with the January Task Force Agenda Packet. Specific issues discussed were:

- Entity/Role of the CTSA
- Co-mingling rides
- Coordination with land use (infrastructure, development, etc.)
- Encourage transit ridership
- Fair funding allocations

## *final*

- Encourage multi-modal transportation
- Proximity of residences and urban services
- Process for determining unmet needs
- Duplication of services
- Specialized transportation needs outside the ADA criteria
- Service between counties

Generally there was consensus about both the short and long term recommendations. However, there were two issues on which the Task Force members were requested to vote. These are noted below in the actions recorded below.

### **Actions:**

- **RTC staff will research Consolidated Transportation Services Agency roles and duties around the state and provide a summary with the next packet.**
- **The Task Force recommends that Metro look into free bus passes for ADA Paratransit conditionally eligible riders (Passed: 10 to 5 vote with hand count)**
- **The Task Force recommends that Metro and other service providers develop administrative mechanisms to the billing challenges that allow clients to use one vehicle for one trip. (Passed: 12 to 3 vote with hand count)**

### **8. Confirm next meeting and agenda topics:**

The next meeting was confirmed for Wednesday, January 19, 2005 from 2:00 – 5:00p.m. at the ABC Room of the Civic Auditorium. Agenda topics will be to continue discussion and developing recommendations for Goal 2: Customer Service and Satisfaction. It is anticipated that a meeting will be held on February 17, 2005 to finalize recommendations.

### **9. Adjourn** – The meeting adjourned at 5:05 p.m.

Respectfully submitted by,

Karena Pushnik  
Sr. Transportation Planner

\\Rtcserv1\Internal\E&DTAC\Paratransit\Task Force\Meetings\Dec04\Minutes1204.doc

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Bryant J. Baehr, Manager of Operations  
**SUBJECT: CONSIDERATION OF STATUS OF REPORT ON POSSIBLE  
PARACRUZ REPORTING FORMATS**

## I. RECOMMENDED ACTION

**Staff is recommending that the Board of Directors adopt a monthly reporting format for ParaCruz service.**

## II. SUMMARY OF ISSUES

- Reports are submitted each month to the Board of Directors detailing financial / operational performance indicators.
- Monthly ParaCruz reports submitted detailed the performance of a contractor prior to November 01, 2004. On November 01, 2004 METRO began direct operation of the ParaCruz Service.
- Staff is recommending that on a monthly basis the Board of Directors receive the below listed items concerning the operation of ParaCruz service.

## III. DISCUSSION

At each monthly Board of Directors meeting staff prepare various reports detailing certain operational and financial performance indicators. These reports include: monthly expenditures, fixed route operational data, subcontractor performance for ParaCruz and Highway 17 operational / financial data.

Currently the monthly ParaCruz report submitted to the Board of Directors focuses on the operational performance of a contractor providing ParaCruz service. On November 01, 2004 METRO completed the ParaCruz transition from primarily subcontracted to direct operation.

Staff is recommending that the follow performance indicators be reported to the Board of Directors on a monthly basis. Category A performance indicators are considered critical monitoring tools to ensure compliance with the Americans with Disabilities Act (ADA). Category B performance indicators are useful in determining the efficiency of the ParaCruz Service.

**Category A**

<b>Title</b>	<b>Description</b>
Total Rides Scheduled	Number of rides scheduled per month.
Total Rides Performed	Number of scheduled rides less late cancellations and no shows
Total Miles Driven	Total system miles including deadhead and fueling.
Average Trip Miles	Average mileage per ParaCruz trip
Customer Pick-ups that are within the Ready Window	Metro has established a “ready window” of 10 minutes prior to a negotiated pickup time to 20 after a negotiated pickup time. ParaCruz vehicles that arrive within that time frame are reported in this category.
Excessively Late / Missed Trips	Vehicles that arrive at a pickup location more than 60 minutes later than negotiated pickup time
Average Hold Time	This is the average time that a person waits on hold when calling Metro ParaCruz.

**Category B**

<b>Title</b>	<b>Description</b>
Count of riders accessing the ParaCruz system per month	Number of different customers actually using the service each month.
Percentage of Shared Rides	Percentage of rides where there was more than one (1) customer in the vehicle.
Passengers per Hour	Total service hours divided by total passengers will provide passengers per hour number that will assist with identifying efficiencies.
Percentage of Trips Provided by Supplemental Service Providers	Percentage of ParaCruz trips operated directly versus operated by contractors.
Amounts Paid to Supplemental Service Providers	Funds paid to contractors for performing ParaCruz service.
Average Trip Cost by Provider	Average cost to perform a ParaCruz trip detailed by Provider.
Percent of customer calls on hold more than 2 minutes	Percent of customer calls on hold more than 2 minutes

**IV. FINANCIAL CONSIDERATIONS**

None

**V. ATTACHMENTS**

**Attachment A:** None

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005

**TO:** Board of Directors

**FROM:** Tom Stickel, Manager of Fleet Maintenance

**SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR WORKERS  
COMPENSATION CLAIMS ADMINISTRATION SERVICES WITH  
OCTAGON RISK SERVICES, INC.**

## I. RECOMMENDED ACTION

**District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for workers compensation claims administration services with Octagon Risk Services, Inc.**

## II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms for Worker's Compensation Claims Administration Services.
- Ten firms submitted proposals for the District's review.
- A four-member evaluation committee comprised of District staff reviewed and evaluated the proposals.
- A six-member interview panel comprised of District staff and representatives from the County of Santa Cruz and the City of Santa Cruz interviewed the top six rated firms.
- After the interviews, site reviews of the top two firms were conducted.
- The evaluation committee is recommending that a contract be established with Octagon Risk Services, Inc. to provide workers compensation claims administration services.

## III. DISCUSSION

The District sought proposals from qualified firms to provide worker compensation claims administration services. On September 3, 2004, District Request for Proposal (RFP) No. 04-08 was mailed to nineteen firms, a notice was published on the District's web site, and the RFP was legally advertised. On October 1, 2004, proposals were received and opened from ten firms. These firms are listed in Attachment A. A four-member evaluation committee comprised of District staff reviewed and evaluated the proposals received.

The evaluation committee used the following criteria as contained in the RFP and scored the proposals accordingly:

Criteria	Weighted Value
Qualifications of the Firm	50
Qualifications of the Proposed Staff	50
Program	50
Cost Proposal	50

Based on the results of the evaluation scoring, a short list of six firms was selected for interviews by the evaluation committee. Janet McKinley of the County of Santa Cruz and Dee Shabot of the City of Santa Cruz were invited to participate on the interview panel. On October 12, 2004, interviews were conducted. The evaluation committee then scheduled site visits at the offices of the top two firms. The two firms selected as finalists were: JT2 and Octagon. These firms ranked higher due to the qualifications of the firm, the proposed staff and the administration program presented.

When reviewing the proposals it became clear that there are a great many costs associated with Workers' Compensation administration besides the monthly administration fee. Some of the items that result in additional costs include: investigations, nurse case management, utilization review, bill review, and legal services. The costs for ancillary fees are difficult to compare since there is no industry standard, however, in comparing Octagon's fees for service with our current third party administrator, Tristar, Octagon was less expensive for utilization review and medical bill review. Octagon employs an in-house chiropractor and charges additional costs for chiropractic case management, when appropriate. Chiropractic case management is more expensive than nurse case management.

The evaluation committee is recommending that the Board of Directors authorize the General Manager to sign a two-year contract with Octagon Risk Services, Inc. to provide workers compensation claims administration services for an amount not to exceed \$357,000. Contractor will provide services meeting all District specifications and requirements contained in the RFP.

The evaluation committee was impressed with Octagon for several reasons.

Octagon is familiar with medical providers in Santa Cruz and Monterey County since they are the Third Party Administrator for Dominican Hospital, UCSC and the County of Santa Cruz. The County of Santa Cruz recently contracted with Octagon for their Third Party Administration Services. While it is too soon to determine what, if any, cost savings have occurred, County employees have expressed a high level of satisfaction with Octagon's services. Also, County staff stated Octagon's staff is actively managing the claims, making sure the new laws are being observed. Octagon is the TPA for all the University of California campuses. UCSF has been very impressed with Octagon's administration and management of their claims. They have worked with Octagon to customize some of the procedures used on their claims. The Octagon

Claims Representative communicates with UCSC staff before acting on a claim to make sure the recommended action meets the client's requirements. During claim reviews, Octagon provides suggestions and explanations for their actions.

Octagon will include METRO in the hiring process for the claims representative assigned to METRO claims. This would provide METRO the opportunity to insure that an adjuster is selected who meets with METRO's approval. Under the terms of the new agreement Octagon will provide METRO with training material to use and customize some procedures based on METRO's needs. Octagon staff was professional, and most knowledgeable in Workers' Compensation law. Also, Octagon had an in-house Chiropractor. The Chiropractor will be available to answer questions for the claims representative. If needed METRO could contract for additional Chiropractic case management. This would insure the provider conformed to current Workers' Compensation Law.

The evaluation committee is recommending that the Board of Directors authorize the General Manager to sign a two-year contract with Octagon Risk Services, Inc. to provide workers compensation claims administration services for an amount not to exceed \$357,000. Contractor will provide services meeting all District specifications and requirements contained in the RFP.

#### **IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the Operating Budget.

#### **V. ATTACHMENTS**

**Attachment A:** Ranking of firms submitting a proposal

**Attachment B:** Contract with Octagon Risk Services, Inc.

**Note:** The entire contract along with its exhibits and any addendums are available for review at the Administration Office of METRO or online at [www.scmttd.com](http://www.scmttd.com)

## **Ranking of Firms Submitting a Proposal for District RFP No. 04-08**

1. Octagon Risk Services, 2101 Webster Street, Suite 645, Oakland, CA
2. JT2 Intergraded Resource, 121 West Main Street, Suite E, Turlock, CA
3. Claims Management Inc., 2868 Prospect Park Drive, Suite 600, Rancho Cordova, CA
4. AIMS, 1451 River Park Drive, Suite 130, Sacramento, CA
5. Intercare Insurance Services, 3010 Lava Ridge Court, Suite 200, Roseville, CA
6. Tristar Risk Management, 390 N. Wiget Lane, Walnut Creek, CA
7. LWP Claims Solutions Inc., 1600 W 2200 S # 400, Salt Lake City, UT
8. Gregory B. Bragg & Associates, Inc. 1 Sierra Gate Plaza, Suite 250B, Roseville, CA
9. Hazelrigg Risk Management Services, 14275 Pipeline Avenue, Chino, CA
10. Pegasus Risk Management, 642 Galaxy Way, Modesto, CA

**PROFESSIONAL SERVICES CONTRACT FOR  
WORKERS COMPENSATION CLAIMS ADMINISTRATION SERVICES (04-08)**

THIS CONTRACT is made effective on \_\_\_\_\_, 2005 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and OCTAGON RISK SERVICES, 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, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Workers Compensation Claims Administration Services

District has the need for Workers Compensation Claims Administration Services. In order to obtain these services, the District issued a Request for Proposals, dated September 3, 2004, 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 Workers Compensation Claims Administration Services and whose principal place of business is 2101 Webster Street, Suite 645, Oakland, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Workers Compensation Claims Administration Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On January 14, 2005, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Workers Compensation Claims Administration Services 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 September 3, 2004, including Addendum Number One dated September 16, 2004.

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

Contractor's Proposal to the District for Workers Compensation Claims Administration Services, signed by Contractor and dated October 1, 2004.

C. Exhibit "C"

District's follow-up questions dated November 5, 2005 and Octagon Risk Services, Inc. response dated November 11, 2004.

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 September 3, 2004.

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 September 3, 2004.

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 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 \$357,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a quarterly basis. Expenses shall only be billed if allowed under the Contract. 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

Octagon Risk Services, Inc.  
2101 Webster Street, Suite 645  
Oakland CA 94612  
Attention: Jean P. Baulis, Vice President

7. TRANSITION

7.01 Within 5 workdays of the execution of the Agreement, Contractor and District staff will meet to discuss the seamless transition between District's current Third Party Administrator (TPA) and Contractor. Prior to the meeting Contractor will provide District with transition procedures that, if approved by District, will be followed by Contractor, TPA and District. Contractor will prepare a letter to be forwarded to District's TPA outlining the transition in specific detail which will include instructions to the TPA regarding the following:

7.01.01 Issuance of notices of change in claims administration location to all vendors on the account;

7.01.02 Issuance of notices of change in claims administration to employees' receiving indemnity payments which will accompany each indemnity payment through the last day of the TPA's adjustment (which will include Contractor's office address and telephone number, the name of the office manager and the date the change goes into effect; and

7.01.03 Direction to the TPA to send computer data in a compatible format and a hard copy of data tables which will accompany the tape delivery to Contractor.

7.02 Contractor's IT contact will coordinate successful transfer of run-off claim data and all other necessary computer files from the TPA.

7.03 Contractor will initially pick-up all open claim inventory from the TPA in a manner that documents such transfer. Contractor will assist District in obtaining all closed files from District's TPA.

7.04 Contractor will prepare a letter to be mailed to all District's current worker's compensation applicants outlining the transition and explaining how the transition is taking place and whom they should contact if they have questions or concerns.

- 7.05 Contractor and District shall follow the timeline which is attached hereto related to the transition, and will take all reasonable action to bring about a seamless transition.
- 7.06 If problems arise with regard to the transition, Contractor will notify District immediately and Contractor will work diligently to resolve any problem to District's satisfaction.
- 7.07 Contractor will meet with District's Board of Directors at a regular public meeting and with each employee group (Management, UTU and SEIU) to explain the transition, the worker's compensation process and what each group can and should expect with the change in third party administrators.
8. CLAIMS ADMINISTRATION
- 8.01 Contractor will be responsible for the administration and management of District's workers' compensation program in accordance with federal and state laws, District procedures, and third party administrators' industry standards.
- 8.02 Contractor will utilize its Risk Services Claim Manual as long as it comports to federal and state law and District procedures.
- 8.03 Contractor will meet with District staff at least quarterly to review, discuss and set an action plan on open claims and problematic files. Any workers' compensation issues may be discussed at these meetings.
- 8.04 Contractor will review each workers' compensation claim and will make three point contact with the employee, District and the employee's medical provider to assist District in determination of accepting, delaying or denying the claim. Final authority to accept, delay or deny any claim rests with the District.
- 8.05 Contractor and District will confer to determine the extent of necessary investigation. At a minimum, the investigation shall include a full and complete interview with the employee to obtain the facts, a medical history, possible apportionment information and other relevant information to the claim.
- 8.06 Contractor will keep District informed on a regular basis of the progress of each claim.
- 8.07 Contractor will insure that all timelines are met and will be responsible for any penalties imposed should the timelines not be met.
- 8.08 Contractor will maintain regular contact with the employee and will update the employee regarding the status of his/her claim.
- 8.09 Contractor will assist District in establishing a Medical Provider Network (MPN) and informing its employees of the MPN and how it works.
- 8.10 Contractor will assist District in implementing any discretionary workers' compensation laws that increase efficiency and reduce costs to the District.
- 8.11 Contractor will allow District staff to participate in all hiring decisions and such new hire will substantially administer and/or manage District files.
- 8.12 Contractor's dedicated examiner for District files shall not have more than 150 indemnity and/or medical only claim files at any time. Contractor will reduce its monthly administrative fees should the District's caseload of 134 open claims (indemnity and medical only) be reduced by more than 15% in accordance with the following formula: For every claim (indemnity or medical-only) reduction over 15%, Contractor shall deduct from its monthly billing \$100.
- 8.13 At the termination of this Agreement, Contractor agrees to facilitate a seamless transition with the District's new third party administrator. Contractor will take all necessary actions to transfer the District files, including the computer files, in a timely and efficient manner at the direction of the District.

9. 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  
OCTAGON RISK SERVICES, INC.

By \_\_\_\_\_  
Jay Ayala  
President, Chief Operating Officer

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

# **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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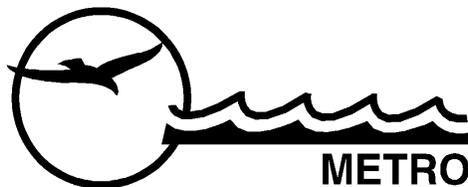
## **Request for Proposals (RFP) For Workers Compensation Claims Administration Services**

**District RFP NO. 04-08**

**Date Issued: September 3, 2004**

**Proposal Deadline: 5:00 P.M., October 1, 2004**

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### **Contents of this RFP**

- I. Instructions to Offerors
- II. General Information Form
- III. Specifications
- IV. General Conditions
- V. Contract/Agreement
- VI. FTA Requirements for Non-Construction Contracts
- 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 unbound original and 5 copies) must be delivered to the District Purchasing Office, 120 Dubois Street, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by 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):

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**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
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TOTAL CLAIMED DBE  
PARTICIPATION      \$ \_\_\_\_\_      \_\_\_\_\_ %

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## **PART III**

### **SPECIFICATIONS FOR WORKERS COMPENSATION CLAIMS ADMINISTRATION**

#### **1. GENERAL INFORMATION**

##### **1.1 Introduction**

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

The District has an operating budget of \$30 million with approximately 330 employees and a payroll of \$14.8 million annually. Employees are divided into six major subdivisions, five of which are covered by collective bargaining agreements. The groups are as follows:

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

The District's workers' compensation claims are currently administered by Tristar Risk Management. As of June 30, 2004 there were 134 open claims pending, 111 indemnity and 23 medical only. The District incurs approximately 55 to 90 new claims each year. Average cost of incurred claims over past five-year period is \$13,537. Estimated future liability exceeds \$4 million.

The District is self-insured, but purchases excess workers' compensation insurance at a retention rate of \$500,000 with limits of \$100,000,000.

##### **1.2 Intent of Request for Proposal**

The District seeks proposals from qualified Workers' Compensation Claims Administrators. Based on the results of the proposal reviews, the contract will be awarded.

The contract period of performance will be for two years with the option to renew for up to three additional years. Fixed prices for the first two years will be established as part of the initial contract. Pricing for subsequent years shall not exceed the consumer price index for the San Francisco –Oakland area. Costs for any enhancements in service will be negotiated.

##### **1.3 Proposer's Qualifications**

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

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

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

### **1.3.1 Minimum Qualifications**

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

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

## **2. SCOPE OF WORK**

### **2.1 Implementation/Transition Planning**

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

If selected all suggested timelines, processes and procedures are subject to the approval of the District.

### **2.2 Proposed Staffing**

The proposed staffing should include resumes and qualifications for the key management positions. It should also include the minimum qualifications for other key positions. Proposers should note that qualified and experienced claims personnel will be needed to integrate the claims administration tasks with the high information demands of the District, while handling and resolving any operational or management concerns. In addition to claims adjustment duties, the examiner will be required to assist the District by discussing claims and developing and implementing strategies to bring about claim closures.

The District is concerned with turnover since it is important that there is continuity in handling claims. As part of this proposal please provide the percentage of turnover separated by clerical staff and claims representatives for the past five (5) years.

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

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

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

### **2.3 Administration of Existing and New Workers' Compensation Claims**

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

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

2.3.1 New Claims Reporting

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

2.3.2 Claims Operations Procedures

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

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

2.3.4 Payment Processing Procedures

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

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

- a. It is the sole responsibility of the selected firm to administer all transactions in a manner outlined by the workers' compensation laws of California and the procedures of the District.
- b. The selected firm must adhere to current industry standard estimates of separated costs for all expenditures on each claim and adhere to procedures for reviewing and adjusting reserve adequacy at least every 90 days.
- c. The selected firm must actively collect any overpayment of expenses paid to a vendor.
- d. The selected firm must pay to the District any penalties against the District, which are found to be the result of the selected firms lack of proper claims handling.
- e. The selected firm must monitor all cases for potential subrogation recoveries, and perform all the tasks necessary for the recovery of costs including but not limited to the preparation and filing of all legal reports with the appropriate State and Federal agencies and/or courts and other interested parties.
- f. All penalty payments must be reported to the Human Resources Manager or his/her designee in the month that they occur.

### 2.3.5 Estimating Future Practices

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

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

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

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

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

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

### 2.3.6 Medical Management Procedures

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

- Medical Bill Review

- Industrial Clinic management program

- Criteria for management and selection of medical specialty providers

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

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

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

### 2.3.7 Fraud Investigation Unit Program

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

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

- a. Proposer should have a Fraud Indicator Training Program and provide the training program to examiner staff in the office of the selected firm.
- b. Investigate all files with Fraud Indicators and develop a case presentation for reporting to the District to obtain permission to make referral to enforcement agencies.
- c. Integrate fraud investigation findings with local and state agencies as provided by the workers' compensation Fraud Recovery Act of 1992.
- d. Document and report savings generated as a result of objected liens or withdrawn claims, incorporated with reporting of any legal fees incurred and investigation expense also incurred as a result of the fraud investigation component.

### 2.3.8 Litigation Management

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

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

#### **2.4 Automated Claim File Diary System**

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

#### **2.5 Coordination with District Staff**

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

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

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

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

#### **2.6 High Visibility Claims**

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

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

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

The District, if necessary, will coordinate meetings regarding these claims.

#### **2.7 Cooperation and Coordination with Outside Auditors**

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

**2.8 Subrogation**

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

**2.9 Reply to District Inquiries**

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

**2.10 Management Reports**

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

**2.11 Annual Reports**

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

**2.12 Settlements**

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

**2.13 Whole Person Analysis**

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

**2.14 Future Medical Awards**

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

**2.15 24-Hour Serious Injury Service**

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

The selected firm is to supply a full panel of psychiatrists/licensed psychologists throughout the District's operating region who are trained in crisis intervention and who are available 24 hours a day for emergency psychiatric counseling. The panel must be trained to assist District employees who have been involved in serious pedestrian/passenger injury/fatality accidents.

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

**2.16 Claims Roundtables**

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

**2.17 Fine Notification**

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

**2.18 Records, Files and Transcripts**

The selected firm may be required to package, organize and transport the Districts files, at the selected firm's cost, to a secure area, if a new administrator is selected. All records, files transcripts, computer tapes including loss run data base files and other materials related to the management and administration of District workers' compensation claims are the property of Santa Cruz Metropolitan Transit District and must be relinquished in good order and condition upon termination of the contract with the TPA.

**2.19 Training**

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

**3. Technical Proposal Evaluation Process**

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

The proposals will be evaluated according to the following criteria:

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

**3.1 Evaluation Scoring**

	<u>Column 1</u> <i>Criterion</i> Weight	<u>Column 2</u> <i>Rating</i> (1-10)	<u>Column 3</u> <i>Weighted</i> Rating (Col.1 x Col. 2)
1. Qualifications of Firm	50	(      )	= _____
2. Qualifications of Staff	50	(      )	= _____
3. Program	50	(      )	= _____
4. Cost/Price Proposal	50	(      )	= _____
TOTAL	200	_____	_____

Based on the results of the evaluation scoring of the proposals received a "short list" of two to three firms will be selected for interview. The evaluation committee will conduct interviews.

**4. Type of Contract Awarded**

The District intends to enter into a fixed price contract with a firm for the services described above. The contract period of performance will be for two years with the option to renew for up to three additional years. Fixed prices for the first two years will be established as part of the initial contract. Pricing for

subsequent years shall not exceed the consumer price index. Costs for any enhancements in service will be negotiated.

The District's Board of Directors will award a contract on October 22, 2004. The successful contractor can begin the transition process on November 1, 2004 with the transition completion date of January 1, 2005.

**5. Performance Guarantees**

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

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

**6. PROPOSAL CONTENTS**

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

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

**6.1 Cover Letter**

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

**6.2 Qualifications of the Firm**

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

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

**6.3 Qualifications of Proposed Staff**

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

Also included in this component shall be:

- a. A detailed resume of the firm's Project Director who would directly oversee the activities of the District's workers' compensation program.
- b. A project staffing plan containing resumes for key staff.

- c. Minimum qualifications for all claims staff positions.
- d. Performance criteria and performance evaluation criteria as well as other information requested in Section 2.0.
- e. An estimate of the percentage of time each of the key management personnel will spend on this project.

**6.4 Proposer's Program**

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

Also included in this component shall be the following elements:

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

**6.5 Proposers Philosophy**

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

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

**6.6 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 3:00 p.m. on September 27, 1999. PROPOSALS RECEIVED AFTER THAT EXACT TIME WILL NOT BE CONSIDERED. Proposal packages must be sealed and marked as follows:

"RFP No. 04-08 for Workers' Compensation Third Party Administrators"  
Send proposal packages to:

Santa Cruz Metropolitan Transit District  
Purchasing Office  
120 DuBois Street  
Santa Cruz, CA 95060

**7. ADDITIONAL INFORMATION AND CHANGES**

The Purchasing Office will respond to questions relating to this procurement. Questions of a substantive nature may be faxed to the attention of Lloyd Longnecker, District Buyer at (831) 426-0199. No oral modification of this RFP shall be valid. Any modifications shall be by written RFP addendum and issued by the Purchasing Office.

**8. FORMAT**

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

**9. CONFIDENTIAL DATA**

Proposer shall clearly mark each page of its proposal that contains trade secrets or other confidential commercial or financial information that the proposer believes should not be disclosed outside 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 the property of the District.

**10. SCHEDULE.**

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

Distribution of RFP	September 3, 2004
Pre-proposal Conference	September 14, 2004, 1:30 pm to 3:00 pm
Deadline for submission of written questions/request for addenda	September 15, 2004, 5:00 pm
District response and/or addenda issued	September 17, 2004
Proposal Submittal Deadline	October 1, 2004, 5:00 pm
Oral Interviews/Contractor Selection	October 12, 2004, 2:00 pm to 5:00 pm
Board Approval of Contract	October 22, 2004

## **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.
- (1) 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 \_\_\_\_\_ (04-08)

THIS CONTRACT is made effective on \_\_\_\_\_, 2004 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 \_\_\_\_\_ Services

District has the need for \_\_\_\_\_ Services. In order to obtain these services, the District issued a Request for Proposals, dated September 3, 2004, 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 \_\_\_\_\_ Services and whose principal place of business is \_\_\_\_\_. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for \_\_\_\_\_ Services, 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 the \_\_\_\_\_ Services 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 September 3, 2004

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

Contractor's Proposal to the District for \_\_\_\_\_ Services, signed by Contractor and dated October 1, 2004.

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 September 3, 2004.

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 September 3, 2004.

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. 04-08

FOR WORKERS COMPENSATION CLAIMS ADMINISTRATION SERVICES

September 16, 2004

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.

1. **Corrections and Revisions** to Part III, page III- 9, Item 6.6 Proposal Submission:

A complete submittal will consist of one signed **unbound** original and **five (5)** ~~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 October 1, 2004** ~~3:00 p.m. on September 27, 1999~~. **PROPOSALS RECEIVED AFTER THAT EXACT TIME WILL NOT BE CONSIDERED.** Proposal packages must be sealed and marked as follows:

"RFP No. 04-08 for Workers' Compensation Third Party Administrators"  
Send proposal packages to:

Santa Cruz Metropolitan Transit District  
Purchasing Office  
120 DuBois Street  
Santa Cruz, CA 95060

2. Minutes of the Pre-proposal meeting held on September 14, 2004:

Robyn Slater, the District's Human Resources Manager provided the following overview of the current program and what is expected of the next contract:

The District is self-insured, and CSAC Excess Insurance Authority is the District's excess Worker's Compensation Insurance provider. The current contract with Tristar Insurance Group is coming to an end after five (5) years of service. District contracts can only be renewed for a maximum of five years.

*120 Du Bois Street, Santa Cruz, CA 95060  
Fleet Maintenance (831) 469-1954 • Purchasing (831) 426-0199  
FAX (831) 469-1958*

In the first three years of the current contract there were many transitions of employees in this area and the contract was not being monitored effectively. The new contract will require more monitoring of the Third Party Administrator. Interaction and communication between the District and the Third Party Administrator will be very important in the new contract. The District looks at the Third Party Administrator as the expert in workers compensation and will provide the District with information on workers compensation law and training as discussed in Part III Specifications of the request for proposals. The District is looking for a partner as opposed to someone who only does what the District tells them to do. To stress the point again, the District is expecting a lot of interaction and feedback in the new contract.

**Question: Whom are you currently utilizing for your legal services?**

Answer: The District has a contract with attorney Marie F. Sang of San Jose, whom the District is currently referring cases. The District has also been using the services of attorney John Levering of Salinas.

**Question: Is your current Third Party Administrator helping you with the utilization review?**

Answer: The current Third Party Administrator has hired an organization to do our medical review.

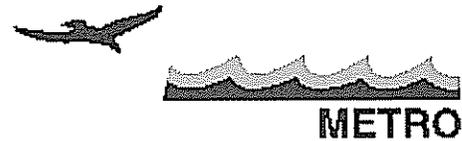
END OF PRE-PROPOSAL MEETING

There were no written questions received after 5:00 pm, September 15, 2004.

Lloyd Longnecker  
District Buyer

Proposal for

# Third Party Administration Workers' Compensation



Santa Cruz  
Metropolitan Transit District  
RFP No. 04-08

Prepared by  
**OCTAGON RISK SERVICES, INC.**  
*A CompManagement Company*  
1 October 2004



OCTAGON



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September 30, 2004

Lloyd Longnecker, District Buyer  
Santa Cruz Metropolitan Transit District  
Purchasing Office  
120 DuBois Street  
Santa Cruz, CA 95060

Re: Santa Cruz Metropolitan Transit District  
Workers' Compensation Request for Proposal No. 04-08

Dear Mr. Longnecker:

Octagon Risk Services, Inc. (Octagon) is pleased to submit a proposal for third party claims administration of Workers' Compensation claims for Santa Cruz Metropolitan Transit District (the District) in response to the Request for Proposal (RFP) dated September 3, 2004. This proposal outlines our qualifications to bring to the District our experience and performance aimed at minimizing exposure, while providing employees with high quality, personalized claim management service. Octagon believes our organizations working together will establish a superior risk management and claims program that will address the major Workers' Compensation issues facing the Bank. Cornerstones to that partnership will be shared goals including improved financial performance, fewer injuries, better employee relations, and reliable focused information.

Octagon has a 24-year history assisting California employers in controlling their workers' compensation claims costs. Our experience has taught us that a "one size fits all" approach does not work. It will be incumbent upon our organizations to develop business practices in the management of safety, return-to-work, and workers' compensation losses that are uniquely your own but which take the best practices we can provide to support your objectives.

When we tout our achievements as a claims organization, we know there is no way we could have achieved these results without two very important program components: clients who want to make a difference and Octagon employees who want to help their clients achieve their objectives. We will work diligently to understand you and we will bring employees to your program that are prepared to meet those goals.

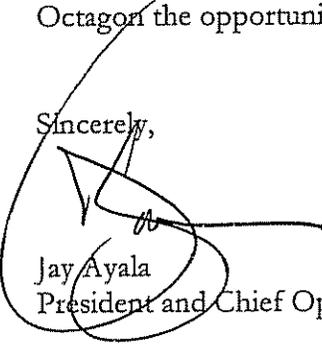
Octagon has outperformed other TPAs in California by consistently applying our Best Practices developed and refined over time. While California Workers' Compensation claims costs have dramatically increased over the last few years, Octagon clients enjoy an average claim cost significantly below the states average fully developed paid claim now over \$51,000.

In addition, Octagon understands how important communication is between the client and the Third Party Administrator and with the injured worker. An important part of our recruitment process is finding people who are equally proficient at technical claims management and relating to the client. Our success in this area is supported by the many long-term client relationships we enjoy.

Octagon now has 369 employees in California, 265 serving our Workers' Compensation clients, both public and private. Octagon has 11 offices in California and proposed to manage the District's claims from our Oakland office.

We expect that you will have questions as you review our proposal. Please call our Vice President of Marketing, Jeannie Baulis, who can be reached at 510-302-3010 as questions arise. We understand and agree that this proposal will be valid for 90 days from receipt of proposal. Thank you for giving Octagon the opportunity to submit this proposal

Sincerely,



Jay Ayala  
President and Chief Operating Officer

# QUALIFICATIONS OF OCTAGON

## Octagon Profile

### **A Brief History and Description of Octagon Risk Services**

Octagon (formerly Applied Risk Management and Professional Risk Management) was established in 1980 in California as a third party administrator and risk management consulting firm specializing in workers' compensation.

On October 3, 2003, CompManagement, Inc. acquired Octagon Risk Services to provide a presence in the western United States and specifically in California. CompManagement, headquartered in Dublin, Ohio is one of the nation's leading third party administrators providing integrated disability management solutions including absence management, workers' compensation/STD/LTD claims administration, managed care services, comprehensive web-enabled data management, and consulting services including safety and loss prevention. CompManagement was founded in 1984 and employs over 800 associates throughout the country.

Octagon will continue to operate under the name Octagon Risk Services and retain the same operating standards and Best Practices developed over our 24 years of service to California employers. Our corporate headquarters will remain in Oakland, California with Stephen Brown as CEO, Jay Ayala as President, and Jeannie Baulis as Vice President.

Currently, Octagon's Workers' Compensation division employs nearly 260 people in 13 claims offices. Octagon also has Workers' Compensation Risk Management consulting offices in Oakland, California, offering consulting services in Ergonomics, Claims Audit, Education and Research, Medical Cost Management, In-service Education and Training, Financial Security Systems, and Audit and Computer Software Claim management Tools.

### **Octagon 's Experience**

For 24 years, Octagon has served the worker's compensation needs of major California employers, both private and public. We understand the California Workers' Compensation market, and our expertise in California makes for long-term relationships with our clients.

Octagon has worked productively as a TPA for the University of California for over 24 years. The UC System has 13 campuses, 5 medical

centers, 176,000 employees, and a complex operation including an extensive transportation system. We have helped the University design, implement, and manage very successful workers' compensation programs that have significantly reduced costs and managed exposures.

In working with the UC system, Octagon has gained extensive experience managing the claims for a wide variation of jobs and job related injuries, including plumbers, safety personnel, custodial staff, medical staff, office workers, etc. Both of the UC Laboratories are entities of the federal government, requiring us to work with the federal government in the handling of claims.

Octagon has provided TPA services for Catholic Healthcare West (CHW) since 1985. During this time, this organization has more than doubled in size. Octagon has successfully integrated new facilities into existing programs. We now also administer Arizona claims for CHW under a self-insured program.

Octagon has added several new clients in the last few years, including Stanford Hospitals & Clinics, the Roman Catholic Archdiocese of Sacramento, Episcopal Homes Foundation, East Bay Municipal Utility District, Los Angeles Community College District, Antelope Valley Hospital, and Alameda County. We are proud to announce that Octagon will be handling the programs for the San Luis Obispo and Santa Cruz Counties.

### **Octagon's Locations**

Octagon has the following locations in California:

Oakland	Davis
Van Nuys	Orange
Pleasanton	Rancho Cordova
Long Beach	Los Angeles
Sacramento (2)	San Diego

### **References**

Octagon is proud to provide you with the following client references:

Santa Cruz County	Janet McKinley, Risk Manager 831-454-2246
Alameda County	Beth Kilian, Risk Manager 510-208-9848
East Bay Municipal District	Karen Curry, Risk Manager 510-287-0177

## **Financial Stability**

Please refer to Exhibit B for details on CompManagement's financial performance for the years 2001, 2002, and 2003.

# QUALIFICATIONS OF PROPOSED STAFF

## Proposed Staffing

Octagon proposes to locate your service team in Octagon's Oakland office. The service team will include: a Program Manager, a Claims Manager, one Claims Supervisor, one Claims Examiner, one Claims Assistant, and clerical support. Please refer to our proposed organizational chart for your program in Exhibit A.

The Octagon **Program Manager** has overall responsibility for the your account. Reporting directly to Octagon's President, Jay Ayala, she will oversee claims operations for your program, and attend quarterly claims reviews. Please refer to the Professional Qualifications section below for details on the individual we propose for this important role.

The Octagon **Claim Manager** is responsible for the day-to-day oversight of claim management for the office, as well as for management of the staff located in his office. It is his responsibility to ensure that Octagon's high standards of claim management are met by his staff, which ultimately translates to the exceptional claim management services and lower claims costs for which Octagon is known. Managers do not usually have a caseload. Please refer to the Professional Qualifications section below for details on this individual's background.

Most important among the professionals who manage the claims is the Octagon **Claims Examiner**. For this reason, Octagon devotes a considerable amount of time and energy to the selection and training of these individuals.

Because claim examiners have ownership of the entire claim management process from beginning to end, including the coordination of all disciplines and experts, the coordination of all benefits provisions, and the expedition of early resolution of claims, Octagon requires our Examiners to have a minimum of five years of claim adjusting experience.

Octagon **Claims Assistants** and clerks perform an essential role in the claim management process, assisting the Examiners in the management of their caseloads, as well as performing duties related to the efficient running of the office. Claims Assistants have the additional role of handling routine Medical Only claims, freeing up Examiners' time to manage Indemnity claims.

## **Professional Qualifications**

### Program Manager

The Octagon Program Manager for the District's program will be Jean Carey, Program Director for Octagon Claims Operations. Jean has 20 years of experience as a Worker's Compensation Examiner, Supervisor, Claims Manager, and Program Manager, and more than 12 years of experience managing self-insured workers' compensation programs for Octagon clients. She is very familiar with the issues facing public agencies and has extensive experience in account management. She is also very familiar with local medical providers, Workers Compensation Appeals Board judges, and other vendors in California.

Jean has had extensive experience managing the transition of workers' compensation programs from other TPA's to Octagon, including file transfer and Octagon program initiation and development. She possesses her Certification in Disability Management (CPDM) and will assist you in your efforts to address disability management issues within your program. Jean will attend claims reviews with you, and will work with your organization to develop an efficient, cost effective program. Jean's resume is available for your reference in Exhibit A.

### Claim Manager

The Octagon Manager for your account will be Peter King, Octagon Manager for our office in Oakland, California. Peter will be responsible for the day-to-day oversight of claim management and account activity for your program, as well as overall office & staff management for your program. It will be his responsibility to ensure that his staff meets Octagon's high standards of claim management.

Peter has over 12 years of experience in the Workers' Compensation industry, and he has been employed by Octagon for over four years, the past two as office manager. He holds his Self-Insurance Plans (SIP) certification and Workers' Compensation Certification for Professionals (WCCP) designation. He is very experienced in working with large and small clients, and is known for his excellent customer service and claim management expertise. Peter has earned the respect of current clients with whom he works because he achieves measurable results. Peter's resume is available for your reference in Exhibit A.

### Claims Supervisor

Angela Hamilton will be your Claim Supervisor. She has over nine years of experience in insurance, self-insurance, and Workers' Compensation claims management. She has her Self-Insurance Plan (SIP) certification and Workers' Compensation Certification for Professionals (WCCP). Angela's resume can be found in Exhibit A.

### Claims Examiner

We have a number of qualified candidates available for consideration for the District account's Examiner positions. We invite you to be part of the interview process to identify a Claims Account Examiner to be designated to your program.

### Claims Assistants and File Clerks

As with Examiners, Octagon is aggressive in finding and hiring the right people for these important positions. We have several potential candidates for these positions.

<b>Personnel</b>	<b>Time</b>
Program Manager	As needed
Claim Manager	As needed
Claim Supervisor	15%
Claim Account Executive	75%
Clerk	As needed

### **Turnover**

Octagon has the following statistics regarding turnover of the claims adjusting staff:

<b>Year</b>	<b>Turnover</b>
2000	Est. 8-9%
2001	14.9%
2002	11%
2003	6.4%
2004	4.5%

Octagon understands that the relationships between the client and the claims staff assigned to that client are one of, if not the most important element of a successful program. Octagon will not replace the Program Manager or Claim Account Executives without the prior approval of the District.

### **Work Flow**

Please find the Claim Decision Flowchart on the next page.

# OCTAGON'S PROGRAM

## Implementation and Transition Planning

Octagon will provide a seamless transition. We have extensive experience in file transfer procedures, enabling us to be prepared for most, if not all, eventualities in the process. Please note that Transition Plan costs are built into the overall program cost.

Immediately upon the County's acceptance of our proposal, we will ask you to designate both a claim management contact and a data management (IT) contact at your current TPA. We will meet with you to determine precise data needs and hierarchy structure for data reporting needs and converting past loss data into Octagon's claims management system.

We will ask you to send file transfer procedures (Octagon will provide procedures) to your TPA on your letterhead. These procedures apply to transfer of claim files from your TPA to Octagon. Octagon will designate its own contacts in claims and Information Technology.

The file transfer team will be under the direction of Octagon Program Manager, Jean Carey. An on-site inventory will be taken of all open claims. The number of claims transferred to Octagon should match the number of claims on the loss run. Any unidentified/lost claims filed shall be declared in writing before the case leaves your TPA's claim office.

Your TPA's claim office should issue notices of change in claims administration location to all vendors on the account. In addition, a notice of change in claims administration should accompany each indemnity payment through the last day of your TPA's adjustment. These notices will contain the Octagon office address and telephone number, the name of the office manager, and the date the change goes into effect.

At the earliest possible date, you will direct your TPA to send Octagon computer data in a compatible format. A hard copy of data tables should accompany the tape delivery. The Octagon IT contact will coordinate successful transfer of run-off claim data.

Octagon will limit its initial pickup to open claim inventory. Your TPA should provide a schedule of pickup for closed files. To reduce costs, you may wish to consider off-site storage in your own facilities for inactive closed files.

Upon receipt of claims, Octagon will prioritize its management approach, focusing first on ongoing disability files and cases set for hearing before

the Workers' Compensation Appeals Board. Next, those files that can be closed with a minimal amount of activity will be identified and resolved. All claims will be evaluated for reserve accuracy. Action Plans detailing steps needed to affect closure will be documented.

Octagon will report to you at 30, 60, and 90 days, with post-transfer updates emphasizing inventory control, reserve accuracy, and penalty exposure.

The proposed procedures will minimize exposure to penalties and late payments.

In all cases, Octagon recommends continuity of payment to your injured workers entitled to disability.

In our experience, problems can and do arise. Normally these problems involve tape transfer, no defined contact (i.e. who to call), and receipt of inaccurate loss runs, inaccurate paid data and mapping of codes. If any of these problems arise, we will cooperate with the County and your current TPA to insure Octagon receives all information necessary for an effective phase-in. We will see to it that this transition is handled with great care to minimize confusion and inconvenience to you and your employees.

The estimated timeframe for transition is 30 working days

## **Administration of Existing and New Workers' Compensation Claims**

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

### **New Claims Reporting**

New claims can be reported by telephone, fax, or entered directly into Octagon's claim management system. Octagon prefers the method of entering the information directly into the system as it eliminates errors and coding is consistent.

### **Claims Operations Procedures**

Once entered, the claim is reviewed by the Supervisor and assigned to the Claim Account Executive (CAE). The CAE is responsible for the management of the claim process from beginning to closure. We initiate direct contact with the injured employee within one working day of receipt of all indemnity claims and medical only claims.

Periodic follow-up will occur depending on a variety of factors, such as if the employee is unable to work, or if issues arise for which further information is needed to achieve resolution.

Standard office procedure is to respond to all incoming communication, including phone calls, correspondence, and electronic mail, within 24 hours of receipt.

The following sections of this proposal discuss Octagon's processes and procedures of investigation, fraud investigation, reserving, medical management, and litigation management.

Octagon has a toll free number for the use of District employees.

## **Payment Processing Procedures**

Octagon's claim management system, the Valley Oak System, issues all checks for injured workers, medical facilities, and vendors.

All payment requests entered into the claim management system must be approved by another party, in accordance with pre-defined approval requirements. Octagon's procedures restrict any one user from having the ability to both submit and approve payment requests.

The Claims Operations manager sets the level of security for each user (which determines what actions each user can perform, as well as what "approval level" the user is assigned).

There are four levels for check approval, each of which requires a set approval process. Payment approval becomes more regulated as payment amounts increase:

- **Under \$10,000** – One (1) approval required (by claims assistant (MO only), claims examiner, or manager)
- **\$10,000 - \$25,000** – Two (2) approvals required (by claims assistant (MO only) or claim examiner, and manager)
- **\$25,001 - \$100,000** – Two (2) approvals required (by manager and operations manager)
- **Over \$100,000** – Two (2) approvals required (by two operations managers).

All check requests are submitted from the local Octagon offices to a central location, where checks are produced and distributed in a secure environment at the Octagon corporate office, with only non-negotiable check copies being printed to the appropriate local offices as confirmation of check issuance.

## **Estimating Future Practices**

### Overall Reserving

Maintaining accurate reserves is a very important Octagon contractual responsibility. Octagon clients depend upon us to estimate their claim liabilities consistently and reliably, since our estimates affect their budgeting and planning. State law mandates case reserves and periodic reviews of those reserves to guarantee that self-insurers have enough

money to pay out all claims on their books. Protecting those with the loss (the injured employee and by extension, the employer) from suffering further losses is paramount.

At the beginning of a claim, Octagon requires examiners to reserve an amount equal to the estimate of the *most probable final total cost*. Other methods (which we do not use) rely on worst possible outcome, best possible outcome, or estimating costs as the case develops and then raising reserves as billings come in.

In each case, examiners use their best judgment and the information available at the time to estimate the most likely final total cost of a claim. In reviewing the file, claim developments and new information are compared to earlier expectations and reserves. If earlier reserves do not reflect the current expected outcome, the reserves are adjusted to match current expectations.

#### Reserve Practices

Initial reserves on new claims are entered into the computer system within two working days of receipt of the Employer's Report or equivalent.

Reserves are reviewed and updated as actual events differ from predictions.

#### Oversight of Reserve Practices

Accurate reserves can be maintained when examiners comply with general reserving principles. To ensure compliance, managers and examiners are evaluated on adherence to these principles.

A monthly report of open claims showing reserves and amount paid to date is provided to the Manager. Claims with specific threshold amounts close to the reserve are reviewed at that time.

Octagon's Reserve Philosophy and Practices are part of Octagon's *Best Practices*, and are documented in the Octagon Claims Administration Manual; thus, all Octagon Workers' Compensation TPA offices are required to adhere to our Reserve Philosophy and Practices for all clients.

#### Reserving Worksheet Information

Octagon requires all claims reserves and reserve changes to be calculated on a reserve worksheet. The online form is to reflect the most probable outcome at each change.

The Reserve worksheet used by Octagon staff when setting up reserves for a claim is set up as an electronic Excel spreadsheet.

Reserves are generally set and entered by the Claims Examiner assigned to the claim, with general manager oversight of the reserves process.

There are several levels of reserve review:

- Examiners are required to review reserves every 90 days for each open claim in their queue.

- The manager reviews reserves as part of the file review and settlement approval processes. File review for all files is done at least every 90 days; specific criteria dictates more frequent reviews. Settlement approval is done as needed.
- Claims Operations also does annual file reviews that include reserves reviews. In addition, reserve adequacy on an office-to-office basis is tracked statistically on an annual basis by Claims Operations.

#### Reserve Change Notification

Octagon clients are provided with monthly Actuarial reports which include both paid indemnity and reserve amounts. Octagon works with our clients to analyze this data.

Claims exceeding a pre-determined dollar amount are listed in a specialized monthly report and provided to both Octagon managers and the client. Additional reports may be prepared for the client based on each individual client's program needs.

Ad hoc reports are not included in the program fee; please refer to the section on Optional Costs for Ad hoc report pricing.

#### **Claims Investigation Procedures**

Thorough and proper compensability investigations will be conducted on all claims within 90 days from the date of knowledge of the claim (California) or 30 days from the date of trigger of new information.

The nature of the investigation is determined by type of injury, present, and future employer liability, and other factual circumstances. When a new claim is received at Octagon, the review must include an evaluation of the evidence, including employee credibility, and application of the California standard of proof. The mechanism of injury should fit with the diagnosis (an often overlooked issue is whether an aggravation injury meets the definition for compensability). In selected cases, there is a criterion for assigning court checks. This is accomplished by using the Octagon Background Check Unit.

Complying with CCR 10109 and the standards in Octagon's Claims Manual enables the examiner to assess whether the claim information is reasonable and credible. The statute and the standards ensure that the information collected, and the attitude with which it is sought, are balanced and fair. The Octagon examiner will then make a recommendation to you regarding acceptance or denial of the claim.

Octagon claims examiners perform thorough AOE/COE investigations to include recorded statements when indicated. The costs of these investigations are included in the proposed fee. Outside investigators may be used according to Octagon referral criteria and discussions with you.

The costs associated with an outside investigation would be set by the outside investigating firm and discussed with you prior to referral.

Because of our delay criteria and investigation procedures, we end up denying cases that do not belong in the workers' compensation system. This saves our clients money. Claim delay is handled systematically – we have clear criteria for when to delay a claim. This results in more denials because the delay criteria lead us directly to the kinds of issues and claims that could indicate an injury is not work related. We also know that denial rates are not related to litigation rates, so we can assure our clients they will not have increased costs due to our approach to delay and denial. Octagon's denial rate traditionally runs higher than our competitors.

### **Medical Management Procedures**

Our goal in medical management and cost containment is to obtain the highest quality medical care while controlling the costs of care for our clients' employees.

Octagon subcontracts for the programs listed below. We make every effort to use Diversified Health Services (DHS) for the services listed in this section, if available. If you have a preferred provider for any of the subcontracted services, we will work with your preferred vendor. In either situation, Octagon will retain a management role in the process, and will be your single source of contact for problem resolution. Any additional information required on any of the services described below will be provided upon request.

- Medical Fee and Medical-Legal Fee Schedule bill review
- Inpatient Medical Fee Schedule
- Utilization Review programs
- Utilization review of treatment requests
- Inpatient Preferred Provider Organization (PPO) discounts
- Radiology Network PPO
- Mail order drug discounts
- Durable Medical Equipment discounts
- Hospital utilization review
- Peer review
- Registered nurse case management by individual nurses
- Direct contracting with providers in specific geographic areas with no PPO network participants
- Vocational rehabilitation

### Medical Service Providers

Octagon channels a large majority of injured employees to pre-selected healthcare providers in the First Health/CCN Network, or to those affiliated directly with our clients.

Octagon has agreements with many additional providers, hospitals, and clinics outside of First Health/CCN's PPO agreements which provide our clients with rapid access to the best care for their injured employees at reduced or controlled costs; and generally include the provider's agreement to work within Octagon 's Managed Care programs.

Data gathered from the bill review process and Octagon 's claim management system enable us to identify providers with a high patient satisfaction rating, as well as providers who need to be removed from the list, or who should get referrals only for specific medical services in which they excel. In this way, Octagon continuously maintains a panel of excellent clinicians and medical-legal providers at reduced medical costs for our clients.

#### Medical Bill Review Services

Diversified Health Services (DHS), a subsidiary of Fair Isaac, Octagon 's current bill review vendor, was selected with specific strengths to match our clients' needs. The services provided by DHS include:

- Application of all states' workers' compensation fee schedules
- Application of PPO discounts
- Utilization review services with connectivity to their bill review programs
- Telephonic and field nurse case management
- Advantage Plus fee negotiations
- Ancillary Network Access (Pharmacy, MRI, DME, Physical Therapy)

DHS has maintained excellence in their services, a strong knowledge of state and local fee schedules and regulations, and a strong partnership with providers. DHS's bill review services routinely provide a 45% savings, net of fees. Their fees are paid as claim costs.

#### Preferred Provider Organizations (PPO's)

Usage and enforcement of PPO Network contracts is a key component of any successful cost containment program. Octagon offers a variety of PPO networks, based on geographic region and patient demographics. We have maintained a contract with First Health/CCN since 1988. First Health/CCN's PPO agreements apply to in-patient hospital bills, outpatient hospital and emergency room bills, provider bills, and some freestanding surgical center bills. Their net savings have averaged 40-45% of billed services over the past six years.

#### Peer Review

Through DHS's utilization review and case management programs, Octagon has access to trained physician reviewers in all specialties for Peer Review services when requested. Referrals are made on a case-by-case basis, as determined by the specifics of the claim and the specialty of the treating physician.

The charges for this service are billed to the file on a per use basis.

### Utilization Review

Octagon piloted several methods of utilization review the year before the final state guidelines were released by the Department of Workers' Compensation (DWC). The results of these early tests were shared with the DWC who incorporated several significant changes to the final regulations, in line with our suggestions. Since then, Octagon has implemented a conservative utilization review program, based on the need in individual cases rather than on an entire group of cases or diagnoses.

Octagon has designed a utilization review program to meet challenges in specific locations, or with specific groups of providers or hospitals. This approach to utilization review is based on using "case triggers" that mandate referral to a DHS Utilization Review nurse or physician. Key triggers are selected to meet the challenges of specific geographic areas or groups of providers. Octagon's Claims Examiners communicate frequently with DHS's utilization review nurses and physicians, and provide a coordinated approach to getting the employee the best care and the earliest return to work that is medically appropriate.

The charges for this service are billed to the file on a per use basis.

### Prescription Review

Octagon utilizes Medical Services Company (MSC) for Pharmaceutical PPO services. MSC's Pharmaceutical PPO contracts include 54,000 pharmacies throughout the United States.

There is no fee for this service.

### Durable Medical Goods Program

Octagon uses the services of two primary vendors, PMSI and MSC (Medical Services Company), to obtain durable medical equipment (DME) at reduced or negotiated rates. Both of these companies provide access to a wide range of equipment and supplies. Both have excellent pricing and monthly activity reports.

### Nurse Case Management

Octagon Nurse Case Managers are partners with medical providers, our claim administrators, employers, and injured workers to facilitate returning the injured worker to pre-injury status. They are available to review cases and discuss the medical issues with the claims examiners. The Nurse can make recommendations on appropriate course of treatment, and when appropriate, can discuss these issues with the treating physicians.

Telephonic case management is one step beyond utilization review services. In telephonic case management, the Nurse becomes more involved with claims issues beyond the need for medical care. These issues can include:

- Coordinating communication between multiple treating physicians
- Facilitating an early return to work

- Providing technical, medical, and/or cost information to the claims examiner.

Key triggers are established to initiate telephonic nurse case management, similar to the triggers for utilization review.

Field case management is used on a case-by-case basis. In field case management, the nurse interfaces with the claims examiner, the treating physician(s), and the injured worker to facilitate communication and coordinate the patient's medical regime.

Charges for this service are billed on a per file basis.

#### Vocational Rehabilitation

Octagon utilizes Vocational Rehabilitation vendors for all vocational rehabilitation services. In addition, Octagon's Claims Examiners are trained in all aspects of vocational rehabilitation and disability management.

Once the counselor decides the injured worker is vocationally feasible, the development of a rehabilitation plan begins immediately with continual assessments throughout the rehabilitation process. If at any time the counselor believes that rehabilitation services should be interrupted, Octagon is notified immediately.

#### **Fraud Investigation Unit Program**

Octagon takes seriously the responsibility for pursuing potentially fraudulent claims. Octagon has developed a Special Investigations Program that clearly sets us above other Third Party Administrators. Although we are not required by law to maintain a Special Investigations Unit, Octagon has elected to embrace this concept as an opportunity to deter losses, mitigate claims, and prosecute the offenders.

Octagon has aligned themselves with a proactive investigative network and has established specific protocols for evaluating and identifying potential fraudulent claims. Each claim representative has received advanced training in fraud identification, investigative collaboration, and utilizes advanced investigative services to pursue these matters.

The essence of the Special Investigations Program is to insure proper identification, investigation, and the pursuit of any potentially fraudulent claims. This includes direct referrals to the Department of Insurance Fraud Bureau as well as the local District Attorney where the crime has occurred. Octagon has successfully prosecuted workers compensation fraud for our clients and has a proven track record demonstrating fraudulent activity will not be tolerated.

The Special Investigations Program includes:

- Ongoing fraud awareness training for all claim staff.
- Fraud awareness training for the client staff involved in workers compensation claim management.
- Specific protocols designed to assist with potential fraudulent claim identification and management.
- Utilization of a contract Special Investigations Unit who performs all potential fraud investigations.
- Requiring the filing of the State of California suspicious claim activity form with the Department of Insurance.
- Development of criminal filing protocols for various counties in the State of California for fraudulent claim prosecution.

### **Litigation Management**

Octagon's *Best Practices* and Claims Administration Manual detail how litigated claims are to be managed. In addition, as part of Octagon's *Best Practices*, and in conjunction with our clients, Octagon has developed Defense Counsel Guidelines for the management of litigation. These guidelines can be modified to conform to the District's requirements.

Octagon's settlement authority protocol quantifies case value, producing resolutions that are fair and equitable to both the employer and its injured workers.

Regardless of defense attorney involvement, Octagon has mandatory formats for documenting a Claims Examiner's analysis of settlement values before presentation to the Claim Supervisor. Forms and worksheets must be completed and settlement values calculated. Settlement Authorization Requests (SAR's) are then submitted to the Claim Supervisor for approval. The Octagon Operations Manager retains oversight responsibilities for settlement on all cases.

Each Octagon office in California has a list of local attorneys with appropriate expertise with whom we work. The attorney lists are reviewed regularly, and only attorneys who continue to meet our criteria are maintained on the referral list.

Octagon is willing to work with your panel of defense attorneys. We also welcome an opportunity to work with you to identify suitable local providers, in addition to the local providers we already utilize. Octagon always works to identify those vendors who will provide quality services.

Defense counsel services are limited to those that cannot be performed by the Claims Examiner, thereby saving hourly attorney fees. Some of the tasks which Octagon staff retain after referral to defense counsel include:

- Planning case strategy in conjunction with the client
- Obtaining records
- Scheduling medical examinations

- Writing letters to treating and consulting physicians
- Filing medical reports
- Authorizing payment of bills
- Attending conferences and hearings as necessary and appropriate
- Initiating resolutions
- Assessing appropriate settlement values
- Obtaining settlement authority
- Negotiating compromise and release settlements
- Subrogation management.

### **Automated Claim File Diary System**

Octagon's claim management system, the Valley Oak System, has an extensive diary system.

Business rules can be programmed to allow review of diaries at all levels. Octagon will meet with the District to determine the time frames necessary to review the diaries.

### **Coordination with District Staff**

Good, timely communication is part of the high quality service we provide. Because Octagon customizes its service programs for managing Workers' Compensation claims to the needs of the client, how we communicate program results to you depends upon your organization's requirements and needs. We will tailor our program to meet those needs.

### **High Visibility Claims**

Octagon will adhere to the requirements for High Visibility Claims.

### **Cooperation and Coordination with Outside Auditors**

Octagon will cooperate fully with District directed and/or authorized audits, as we do for all of our clients, both public and private.

### **Subrogation**

The Valley Oak Claims Management System has the ability to track subrogation issues. The Claim Account Executive will work with the District staff in subrogation, possible settlements, and claim status reports.

## **Reply to District Inquiries**

Octagon agrees to the Inquires response times.

## **Management Reports**

Octagon will prepare and present required management reports.

## **Annual Reports**

The Annual Self-Insured Report, OSHA 300 form, and any other required reports will be prepared by Octagon on behalf of the District.

## **Settlements**

Octagon agrees that the Claim Account Executives will have no settlement authority.

## **Whole Person Analysis**

The initial documentation of a claim includes a complete evaluation of injuries. Should any body part be added, the added body part (migrating symptoms) would be delayed until the Claim Account Executive determines that the new complaints are a consequence of the initial injury.

## **Future Medical Awards**

When claims are closed with future medical awards, an extensive Action Plan is set up for the claim to indicate what future medical is allowed. Reserves are adjusted to include any future medical. Claims are set up on diary for 90 days.

Octagon works with the District to find out if the employee is still on active payroll. If not, a Compromise and Release is agreed upon.

## **24-Hour Serious Injury Service**

Octagon will provide after hours contact information for the Claim Manager and Claim Supervisor so that an injured employee has immediate access to appropriate care.

We will work with the District to supply a full list of psychiatrists/licensed psychologists to provide counseling for serious accidents.

## **Claims Roundtables**

Octagon will work with the District on determining case strategies for investigation and claim resolution.

## **Fine Notification**

Octagon will apprise the District of necessary fines, penalties, court judgments, settlement, proposed appeals, or any other significant development with the workers' compensation claims.

The Valley Oak System has numerous reports that list hearings and appeals.

## **Training**

Changes in Workers' Compensation laws, rules, and/or requirements are communicated to our clients either verbally or in writing as they occur. As part of this communication, we typically discuss the legal ramifications of the change for both Octagon and the client.

As part of transition procedures, Octagon will meet with the District's team to discuss specific program handling requirements. These unique needs will be documented in a process and procedures manual.

A customized Procedures Manual and Supervisor Desk Reference is compiled within 30 days of setting up the program. It includes preferred vendor lists, primary contacts, etc.

## **District Tasks**

Octagon will work with the District to obtain hierarchical structures in order to set up your account in the claims management system. Also, we will gather information for banking arrangements.

Octagon will work with the District and the prior TPA to effect a smooth transition.

## **Performance Guarantees**

As with other clients, Octagon is willing to provide performance guarantees in the listed areas. If we are selected to be your TPA, we will meet with your staff to discuss and determine appropriate measures that will answer the needs of the District.

## Claim Management System

Octagon utilizes a "state of the art" claim management information system featuring the Valley Oak Systems (VOS) Portal<sup>®</sup> Workers' Compensation claim management software application. It runs on a Windows<sup>®</sup> NT 4.0 network utilizing all the latest in equipment and technology.

The VOS claim management system is a complete package, providing all the tools needed to administer a Workers' Compensation claims program effectively and efficiently. The package was developed by Valley Oak's founders, who used their industry experience to develop this high quality solution to claim management. Please see Valley Oak Systems' website at [www.valleyoak.com](http://www.valleyoak.com) for more information on the company and their claim management software.

Features of the VOS Workers' Compensation Claim Management application include:

- Comprehensive role-defined user security.
- Powerful Search/browse capabilities

### Claim Management and Processing Features

- User-friendly Claims Data window - easy to enter new claims, easy to edit existing claims.
- Remote claim entry – Web enabled via the Internet
- Multilevel organization assignment of claims
- Master/companion claim capability
- Policy management -- Deductibles, excess, and reinsurance tracking; Certificates of insurance endorsements; Coverage assignments to multiple locations; SIR by claim, by occurrence, and various reporting levels
- Reserves with Integrated reserve worksheets by reserve category
- Medical management
- Notepad system with user-defined categories and unlimited notepad capacity
- Diary system with user-defined categories, diary history
- User Diary - extensive, detailed "to-do" list with routing & prioritization features
- Contact management on a claim-by-claim basis
- Detailed, comprehensive litigation and subrogation tracking
- Complete audit trails
- Correspondence using pre-defined (choose from over 140 DWC, DIA, and other form letters) and original "master files" and automatic data population

### Payment Features

- Payment processing with duplicate checking against active scheduled & one-time payments, voids/reversals, correction/ reassignment, printing of non-negotiable check copies to non-check printers
- Laser or preprinted check printing

- 1099 Processing
- EDI Reporting

#### Reporting Features

- Built-in Reporting module with over 40 standard integrated reports; user defined sorting, totaling, and querying;
- 5020 & OSHA 300 capability
- SIP Annual reporting feature
- Insurance Extracts (custom)

#### Interfaces and Other Modules

- Bill Review Interface (with an already established interface with Diversified Healthcare Systems)
- Integrated Interface to employee information located in an external database
- MS-Office 2000 Support

#### Maintenance Features

- Vendor Maintenance
- DWC standard compensation rates including two-year rule. Rates for TD, PD, VR, Life pension, and LC4850 benefits.
- Extensive Business rules -- automatically diary on many claim events including opening a claim, change in claim status, reserve/payment exceeded, etc

#### **Remote Access**

Remote access is a feature available in the Valley Oak Claims Management System. These applications reside on a Terminal Services Server that is accessible via a secure Internet site. To set up remote access, the following is required:

#### Client workstation:

- 500 MHz with Windows 98, Windows NT, Windows 2000 or Windows XP
- 128 MB RAM
- Minimum video resolution of 800x600

#### Printers

- Letter/Report Printer -- HP Laser printers with 2 bin capability; best effort support on HP DeskJet printers

#### Communication Lines

- T1/Cable/DSL Internet access preferred. Dial-in will degrade performance.

The set-up described above is the responsibility of the client. Purchase of the software seat license(s) for Valley Oak is made through Octagon; costs for remote are included in *Cost Proposal* section of this proposal.

Octagon's information systems offer a number of levels of security, tightly controlling access to the database. Access to the database via the VOS

claims application is controlled on a user-by-user basis via a security administration module. This enables the security administrator to set levels of access for each user based on that user's job function. Most client users accessing the system via dial-up will have "browse-only" access. Requests for new access are initiated by the client and are not processed without appropriate signature authority by both the client and Octagon.

## OCTAGON'S PHILOSOPHY

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

Octagon's philosophy on claims and litigation management can be summarized as follows:

- Octagon is committed to providing superior quality, custom designed programs for managing employer risk.
- Octagon is committed to designing and maintaining products and services that are innovative, responsive, and cost-effective.
- Octagon is dedicated to building and maintaining relationships with clients who believe in a partnership approach to problem solving.
- Octagon will not sacrifice quality, service, or profitability in the interests of growth.
- Octagon will generate and promote solutions in a work environment that supports the personal and professional growth of our employees.

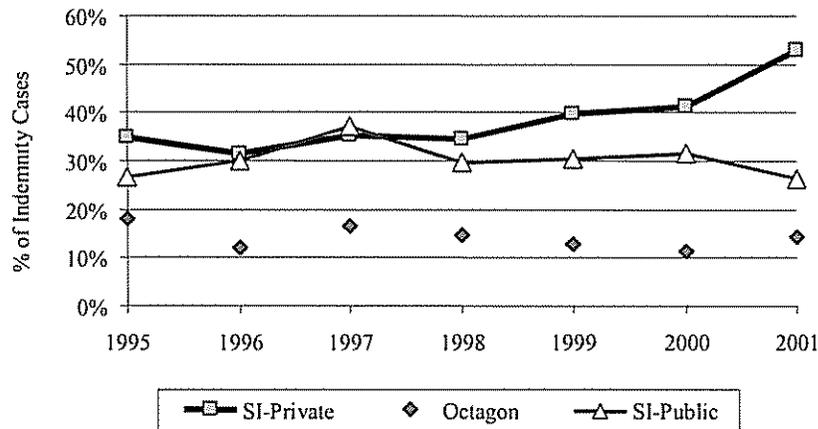
Octagon believes that early and thorough investigation can prevent non-compensable claims from entering the system.

We know from published information from the Office of Benefit Assistance and Enforcement (OBAE) that we deny approximately twice the number of claims as the industry average. Despite our much higher denial rate, OBAE has never fined us for an inappropriate denial. This record is a credit to the collective mindset of the organization reflecting both on the scrutiny that we place on claims investigation and the independent evaluation of those investigation decisions by the state.

Once claims are accepted, we maintain our professional approach. We inform injured employees as to their rights and help them to set reasonable expectations. This approach leads to a litigation rate among our clients that is substantially lower than the industry average. We know this because we have aggregate state data to prove our results. Those results show an industry average that suggests about two in every five indemnity claims is litigated. The Octagon average is one out of ten!

## Litigated Rates - 1995-2001 Indemnity Claims

Litigation Rates - Indemnity Claims



a. *Do you offer designated/ dedicated claim teams? If yes, please describe.*

Octagon offers both designated and dedicated claims teams. Designated claims teams usually work on no more than three clients at any given time. And because Octagon prices programs based on staffing required to manage a client claims based on an average of 140 claims per examiner, frequently, designated claims teams act more like dedicated teams without the increased costs of dedicated staff.

Octagon understands that the relationships between the client and the claims staff assigned to that client are one of, if not the most important element of a successful program. We do not spread claims across a broad number of examiners. We keep designated staff focused on a few clients so that they learn about the Client's need and personalities. In this way, they can respond quickly to client requests and program demands.

Octagon will dedicate staff and does have such programs in place. Generally, dedicated staff models work best for very large programs where the flow of claims demands such. Otherwise clients are paying for staff time they are not utilizing. We will be happy to discuss and offer a dedicated model to the District; however, this proposal is priced on a designated model.

b. *Please state your optimal number of claims per adjuster.*

The average caseload for current Octagon examiners is 140 indemnity claims with no examiner for any account exceeding 160 indemnity claims. This enables examiners to better adhere to Octagon's standards and procedures, resulting in more effective claim management and greater claims cost savings.

The average number of files in a supervisor's caseload is usually limited to 25. Octagon Managers do not generally carry a caseload.

*c. How often are adjusters' caseloads reviewed?*

Managers or Supervisors review claims adjuster caseloads on a monthly basis. On-line reports are produced listing the number of cases for each adjuster.

*d. What action is taken when a large disparity in an adjuster's caseload becomes apparent?*

When a large disparity in an adjuster's caseload exists, the Manager or Supervisor will investigate whether this is a result of an increasing claims inventory or an unusual situation. If possible, the Manager or Supervisor will attempt to redistribute the load among the designated adjusters. If the claims inventory is increasing, additional resources may be needed. In all cases, the Manager or Supervisor will notify the County in advance of any changes in the adjuster's caseload.

*e. What are your average closing ratios?*

The average closing ratio per adjuster is 102%. We are currently closing more files than our clients are reporting.

*f. Describe how your adjuster's work is supervised?*

The Claims Adjuster's workload is supervised in the following ways:

- Management Diaries. The claims management system has business rules to create diaries bases on specific situations. These include: reserves greater than \$50,000 being set, delayed claims, open indemnity claims at 90 days, and any denied claims which are approved by the Manager.
- Review random samples of claims files to verify that an Action Plan exists and the case is actively progressing towards resolution.

*g. How often do you ensure that your adjusters are adhering to the client's special handling instructions?*

An initial meeting is set up with the County to understand the County's needs and special requirements. These needs are communicated to the staff handling the County's program and are entered into the VOS system where appropriate to electronically control compliance.

Close contact exists between the Managers and Supervisor and the claims adjusters. Issues are addressed when they arise and are

included in performance discussions and in some cases in claims reviews.

*b. What is your criterion for converting medical only claims to indemnity claims?*

Per Octagon criteria, a medical-only claim is converted to an indemnity claim when the duration of medical care is expected to exceed six months, when the cost exceeds \$2,500, when modified duty exceeds 90 days, when an investigation is needed, or when an indemnity exposure is noted.

# REQUIRED PROPOSAL DOCUMENTS

PART II

GENERAL INFORMATION FORM

WORKERS COMPENSATION CLAIMS ADMINISTRATION SERVICES 04-08  
(To be completed by the offeror and placed at the front of your proposal)

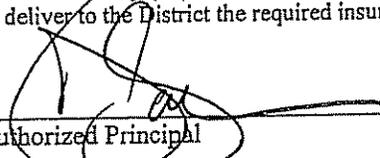
OCTAGON RISK SERVICES                      30 SEPTEMBER 2004  
Legal Name of Firm    Date

2101 WEBSTER STREET, SUITE 645, OAKLAND, CA 94612  
Firm's Address

510-302-3000                                      510-302-3270  
Telephone Number    FAX Number

CORPORATION                                      41-1224875  
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

JAY AYALA, CHIEF OPERATING OFFICER  
Name of Principal-in-Charge and Title

JEAN CAREY, DIRECTOR ~ WORKERS' COMPENSATION  
Name of Project Manager and Title

JEANNIE BAULIS, VP, JEAN.BAULIS@OCTAGONRS.COM 510-302-3010  
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

2101 WEBSTER STREET, SUITE 645, OAKLAND, CA 94612  
Addresses Where Correspondence Should Be Sent

WORKERS' COMPENSATION CLAIMS ADMINISTRATOR  
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):

DIVERSIFIED HEALTH, division of FAIR ISAAC

BILL REVIEW

925 - 355 - 1426

SEE ATTACHED PROPOSED PROVIDER LIST

**Proposed Santa Cruz Metropolitan Transit District  
Workers Compensation Provider List**

<b>Facility(ies):</b>	Santa Cruz Metropolitan Transit District		
<b>Current Primary Provider:</b>			
<b>Recommended Primary Provider:</b>			
<b>Last Name</b>	<b>First Name</b>	<b>Specialty</b>	<b>Phone</b>
Dahlmeler	Karlene	ACUPUNCTURE	831 464-8909
Goldsobel	Alan	ALLERGY	408-243-2700
Hess	William	ANESTHESIOLOGY	831 457-7050
Singh	Rajinder	CARDIOLOGY	831 464-3801
Horowitz	John	CHIROPRACTIC	831 476-3313
Kulick	Michael	DENTISTRY	415 956-2550
Calciano	Andy	DERMATOLOGY	831 476-2444
Dominican Hospital	Hospital	EMERGENCY	831 457-7118
Mickiewicz	Nanette	INFECTIOUS DISEASE	831 475-8997
Blau	Robert	INTERNAL MEDICINE	415 362-7378
Gravina	Richard	NEUROLOGY	650 348-6811
Harper	Glenn	NEURO SURG	831 476-8900
Buchwald	Alan	OCCUPATIONAL MEDICINE	831 457-7118
Cress	Jonathan	OPHTHALMOLOGY	831 427-1930
Graubard	David	ORTHOPEDICS	408-248-5665
Chalmers	Rives	ORTHOPEDICS-HAND	408 379-3490
Nickel	Alvin	OTOLARYNGOLOGY	408 358-3990
Dominican Hospital		PATHOLOGY	831 457-7118
Ley	Robert	PLASTIC SURGERY	831 724-0440
Brenis	Mark	PODIATRY	831 475-7900
Segal	Perry	PSYCHIATRY	408 395-1441
Carmen	Andrew	PSYCHOLOGY	831-429-7429
Dominican Hospital		PULMONARY	831 457-7118
Dominican Hospital		RADIOLOGY	831 457-7118
Kneapler	David	RHEUMATOLOGY	650 991-0558
Anane-Sefah	John	SURGERY - GENERAL	831 476-5403

Santa Cruz Metropolitan Transit District  
Proposed Providers

Investigators:

Lepore Associates	(831) 427-1647
Davis Morse & Assoc.	(408) 445-6800
GY Investigations & Legal Services	(831) 422-6671

Attorneys

Law Offices of Marie Seng	(408) 866-7974
Law Offices of Martin Weinstein	(408) 885-0880
Law Offices of Susan Smith	(408) 280-7696

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

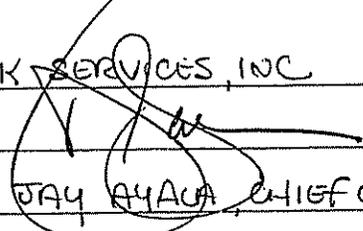
Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

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 OCTAGON RISK SERVICES, INC  
Signature of Authorized Official   
Name and Title of Authorized Official JAY AYALA, CHIEF OPERATING OFFICER  
Date 30 SEPTEMBER 2004

**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.

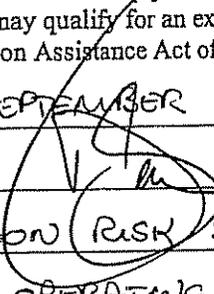
**BUY AMERICA CERTIFICATE**

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: 30 SEPTEMBER 2004  
Signature:   
Company Name: OCTAGON RISK SERVICES, INC  
Title: CHIEF OPERATING OFFICER

NOTE: THIS IS A SERVICES CONTRACT AND THE ONLY MANUFACTURED GOODS ASSOCIATED WITH THE PROJECT WILL BE OFFICE SUPPLIES AND EQUIPMENT WHICH IS AN INCIDENTAL PART OF THE PROJECT. OCTAGON SEEKS THE BEST PRICE AND CANNOT GUARANTEE THE COUNTRY OF ORIGIN FOR ALL SUCH ITEMS.

**CONTRACTOR DBE INFORMATION**

CONTRACTOR'S NAME OCTAGON RISK SERVICES  
 DBE GOAL FROM CONTRACT \_\_\_\_\_ %  
 FED. NO. \_\_\_\_\_  
 COUNTY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 CONTRACT NO. \_\_\_\_\_

CONTRACTOR'S ADDRESS \_\_\_\_\_  
 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
-------------------	--	---------------------------	-------------	-----------------------	-------------

IT IS ANTICIPATED THAT 100% OF THE WORK WILL BE COMPLETED BY THE BIDDER.

TOTAL CLAIMED DBE PARTICIPATION \$ \_\_\_\_\_ %

SIGNATURE OF CONTRACTOR \_\_\_\_\_

DATE

30 SEPTEMBER 2004

AREA CODE/TELEPHONE 560-302-3000

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

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

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

# CONTRACTOR DBE INFORMATION

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

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# COST PROPOSAL

## Compensation Rate

This pricing model is driven by the staffing needs that Octagon has determined necessary to provide you with high quality claim management and customer service.

Octagon proposes the following pricing option for the administration of your Workers' Compensation program. This option includes standard data reports and claim administration services.

<b>Annual Fixed Fee</b>	
For 2 years, 1/1/2005 – 12/31/2006	
Year One:	\$175,000
Year Two	\$182,000

Fixed pricing assumes a reported claim frequency of no more than 150 indemnity and medical only combined claims. Any claims reported during the service year in excess of these totals will be handled at the following per claim rate:

Per Claim	\$ 150 per medical only
	\$1,075 per indemnity

## One-time Account Set-up Costs

Octagon's fee for account set-up is a one-time charge of \$3,500. Seat licensing for client users is at a rate of \$3,900 per user (optional).

## Payment Terms

The start-up fee and VOS seat license fee are due in full upon the execution of the agreement. The annual service fee will be billed in advance in equal quarterly installments. Excess claim charges, if any, will be billed in the quarter following that in which they are incurred.

### Supplied Reports

The client will have the ability to run any of the standard reports free of charge.

Octagon will deliver three (3) reports per quarter that are selected by the client, if so desired.

Upon request, Octagon will furnish other reports from the list of standard reports at a cost of \$75 per report or \$25 per hour; whichever is less. Customization of reports is \$125 per hour.

### Optional Costs

The following additional services are available to you. Rates for each service are listed in the right column.

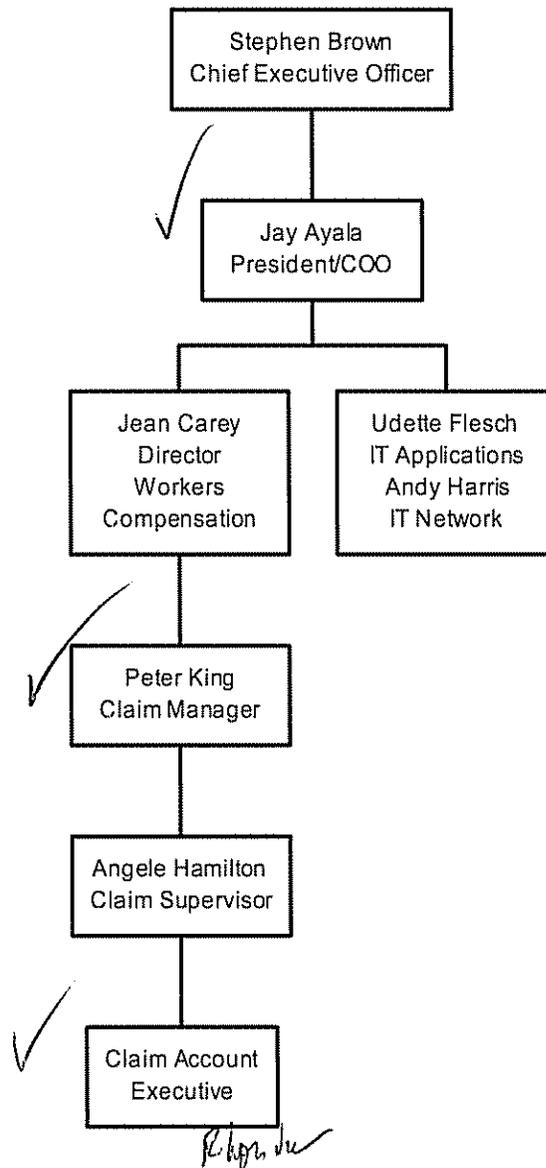
Type of Service	Rate
Claims management system limited access and Reporting tool access for your employees	Included with VOS seat license purchase. Modems and appropriate wiring and connectivity are your responsibility.
Ad hoc reports produced by Octagon	\$125 / hour
<b>The following services may be charged to the claim file</b>	
Workers' Compensation Consultants	\$180 / hour
Investigation	\$55-\$75 / hour    Mileage @ 34¢ / mile
Nurse Case Manager	\$95 / hour    Mileage @ 34¢ / mile
Utilization Review Peer Review	\$130 / claim \$275 / review
Bill Review	\$1.25 per line, where "line" is defined to be a procedure code, with a 3-line minimum.
Octagon Telephonic Nurse Case Management or Field Case Management	\$98 / hour
Third Party Vendor Field Case Management	\$85-\$105 / hour
Chiropractic Case Management	\$120/ hour
Ergonomics Consultants & Coordinators	\$180 / hour for consultant services \$105-\$120 / hour for coordinator services

## **EXHIBITS**

- A. Organizational Chart & Staff Resumes**
- B. Financial Statements—2001, 2002, & 2003**
- C. Sample Reports**
- D. Claims Administration Manual—Table of Contents**

# EXHIBIT A

## Organizational Chart & Staff Resumes



## EXHIBIT B

### **Financial Statements**

Please find the 2001, 2002, and 2003 Financial Statements for CompManagement.

Consolidated Financial Statements

WC Holdings, Inc. and Subsidiaries

*Years ended December 31, 2002 and 2001  
with Report of Independent Auditors*



WC Holdings, Inc. and Subsidiaries

Consolidated Financial Statements

Years ended December 31, 2002 and 2001

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## Report of Independent Auditors

The Board of Directors  
WC Holdings, Inc.

We have audited the accompanying consolidated balance sheets of WC Holdings, Inc. and subsidiaries, a wholly-owned subsidiary of Security Capital Corporation, as of December 31, 2002 and 2001 and the related consolidated statements of income, changes in stockholder's equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WC Holdings, Inc. and subsidiaries as of December 31, 2002 and 2001 and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating financial statements are presented for purposes of further analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

As discussed in Note 2 to the consolidated financial statements, in 2002 the Company changed its method of accounting for goodwill and other intangible assets.

*Ernst & Young LLP*

February 14, 2003

WC Holdings, Inc. and Subsidiaries

Consolidated Balance Sheet  
(In thousands except share data)

	December 31	
	2002	2001
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 222	\$ 4,300
Accounts receivable, net	7,324	5,072
Prepaid expenses and other assets	420	468
Deferred income taxes	194	89
Related party accounts receivable	-	34
Total current assets	<u>8,160</u>	<u>9,963</u>
Property and equipment, net	3,200	3,108
Goodwill, net	32,470	32,470
Intangible assets, net	1,758	1,065
Non-current deferred tax asset	823	218
Deposits and other assets	148	458
Total assets	<u>\$ 46,559</u>	<u>\$ 47,282</u>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Current liabilities:		
Deferred revenue	\$ 11,629	\$ 10,137
Accounts payable	1,840	1,857
Accrued expenses and other liabilities	2,948	1,640
Notes and leases payable	4,516	4,740
Income taxes payable	740	270
Related party accounts and notes payable	815	200
Total current liabilities	<u>22,488</u>	<u>18,844</u>
Non-current liabilities:		
Notes and leases payable	12,511	22,310
Other liabilities	907	529
Deferred income taxes	183	151
Total non-current liabilities	<u>13,601</u>	<u>22,990</u>
Minority interest	3,298	2,294
Total liabilities	<u>39,387</u>	<u>44,128</u>
Stockholder's equity:		
Common stock (100 shares issued and outstanding) (\$ .01 par value, 20,000 shares authorized)	-	-
Paid-in capital	2,000	2,000
Accumulated earnings	5,172	1,154
Total stockholder's equity	<u>7,172</u>	<u>3,154</u>
Total liabilities and stockholder's equity	<u>\$ 46,559</u>	<u>\$ 47,282</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

WC Holdings, Inc. and Subsidiaries

Consolidated Statement of Income  
(In thousands)

	Year Ended December 31	
	2002	2001
<b>Revenues:</b>		
Service fees	\$ 64,460	\$ 53,634
<b>Expenses:</b>		
Selling, general and administrative	51,650	42,940
Depreciation	1,644	1,858
Amortization	318	1,742
Total operating expenses	<u>53,612</u>	<u>46,540</u>
Income from operations	<u>10,848</u>	<u>7,094</u>
Other expense, net	(2,668)	(4,054)
Income before taxes and minority interest	<u>8,180</u>	<u>3,040</u>
Taxes	(3,158)	(1,680)
Income before minority interest	<u>5,022</u>	<u>1,360</u>
Minority interest	(1,004)	(272)
Net income	<u>\$ 4,018</u>	<u>\$ 1,088</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

WC Holdings, Inc. and Subsidiaries

Consolidated Statement of Changes in Stockholders' Equity  
(In thousands)

	Common Stock	Paid-In Capital	Accumulated Earnings	Total
Balance beginning January 1, 2001	\$ -	\$ 2,000	\$ 66	\$ 2,066
Net income		-	1,088	1,088
Balance at December 31, 2001	-	2,000	1,154	3,154
Net income			4,018	4,018
Balance at December 31, 2002	\$ -	\$ 2,000	\$ 5,172	\$ 7,172

*The accompanying notes are an integral part of the consolidated financial statements.*

WC Holdings, Inc. and Subsidiaries

Consolidated Statement of Cash Flows  
(In thousands)

	Year Ended December 31	
	2002	2001
<b>Operating activities</b>		
Net income from operations	\$ 4,018	\$ 1,088
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,644	1,858
Amortization	318	1,742
Changes in assets and liabilities		
Accounts receivable	(2,218)	(1,421)
Prepaid expenses and other assets	358	1,012
Income taxes	(208)	1,743
Accounts payable	598	459
Deferred revenue	1,492	(433)
Accrued expenses and other liabilities	1,308	831
Net cash provided by operating activities	<u>7,310</u>	<u>6,879</u>
<b>Investing activities</b>		
Purchase of property and equipment	(1,736)	(855)
Additions and adjustments to goodwill and intangibles	(1,011)	(6,501)
Net cash used in investing activities	<u>(2,747)</u>	<u>(7,356)</u>
<b>Financing activities</b>		
Net borrowings (payments) on notes and lease payable	(10,023)	929
Increase in derivative obligation	378	529
Minority interest	1,004	272
Net cash provided by (used in) financing activities	<u>(8,641)</u>	<u>1,730</u>
Net increase (decrease) in cash and cash equivalents	(4,078)	1,253
Cash and cash equivalents, beginning of period	4,300	3,047
Cash and cash equivalents, end of period	<u>\$ 222</u>	<u>\$ 4,300</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

WC Holdings, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements

(In thousands)

December 31, 2002

**1. Organization and Description of Business**

WC Holdings, Inc. (the "Company") is a Delaware holding company and is a wholly owned subsidiary of Security Capital Corporation ("SCC"), a publicly traded company listed on the American Stock Exchange under the ticker symbol SCC. The Company provides full-service workers' and unemployment compensation consulting services to employers through Health Power, Inc. ("HPI"), an 80% owned subsidiary. The 20% minority ownership of HPI is comprised of several members of management of HPI. HPI owns 100% of CompManagement, Inc. ("CMI"), a third party administrator specializing in workers' and unemployment compensation consulting services primarily in the Ohio, Georgia, Pennsylvania, Washington, and West Virginia. CMI owns 100% of CompManagement of Virginia Inc. ("CMVT"), a third party claims administrator specializing in property, casualty, and general liability insurance, and workers compensation consulting services in Virginia, Maryland and North Carolina. CMI owns 100% of CompManagement Health Systems, Inc. ("CHS"), a managed care organization for the Ohio Bureau of Workers' Compensation ("OBWC"). CMI owns 100% of CMI Barron Risk Management, Inc., a third party administrator for workers' compensation, property and casualty, auto and general liability insurance in Texas.

**2. Summary of Significant Accounting Policies**

**Consolidation**

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. Certain reclassifications have been made to the prior year to conform to the current year's presentation. All significant inter-company balances have been eliminated in consolidation. The company accrues the minority interest liability for the minority shareholders of HPI.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

# WC Holdings, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements (continued)

(In thousands)

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition

Contract revenues are derived from claims management, administrative, consulting services and managed care administration services, which are recorded as earned based on the requirements and duration of the related contracts.

Revenue from the managed care administration services is recognized on a monthly basis based on the contracted administrative fee with the OBWC. In addition, contract revenue is recorded for certain incentive awards based upon criteria established by the OBWC. Awards are recorded in the year earned and over the life of the contract amounting to \$28,196 in 2002 and \$25,216 in 2001.

Revenue on certain contracts has been deferred and is recognized into income on a pro rata basis over the related contract periods, which typically range between 3 and 12 months. Commission expense associated with these contracts is also deferred and recognized as an expense on a pro rata basis over the related contract periods. For services related to group rating contracts, fees are paid to the group's sponsor and netted against contract revenues. Contract revenues received in advance are included in deferred revenues.

#### Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

#### Property and Equipment

Property and equipment are carried at cost. Significant renewals and betterments to property and equipment are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 27 years.

#### Goodwill and Intangibles

Goodwill represents the cost in excess of the fair value of the tangible assets that were acquired in various transactions.

# WC Holdings, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements (continued)

(In thousands)

### 2. Summary of Significant Accounting Policies (continued)

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets," (the "Statements") effective for fiscal years beginning after December 15, 2001 for pre-July 1, 2001 goodwill and other intangibles. Under the new rules, all goodwill and those intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

The Company applied the new rules on accounting for goodwill and other intangible assets effective the first quarter of 2002. Effective January 1, 2002, the Company no longer amortizes goodwill. During 2002, the Company performed the first of the required impairment tests of goodwill and determined there is no impairment of goodwill. The Company has identified certain intangible assets from its various acquisitions as having definite lives. The Company has amortized those assets over the life of the assets, which vary from five to twenty years.

#### Stock Options and Awards

HPI sponsors a stock-based incentive compensation plan (the "Plan") for eligible employees. The Company uses the intrinsic value method under APB Opinion 25 and related interpretations in accounting for the Plans. Under the Plan, HPI is authorized to issue shares of common stock pursuant to "awards" granted in the form of incentive stock options (intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended) and for nonqualified options (not intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended), to eligible employees of HPI for up to 1,443 common shares of HPI.

HPI granted stock options in 2002 and 2001. The options have an eight-year and five-year vesting period, respectively. However, for certain options granted, the vesting is subject to accelerated vesting if certain goals and objectives are attained. In accordance with APB 25, the Company has not recognized any compensation cost for these stock options granted in 2002 or 2001.

#### Debt Discount Amortization

Differences between the carrying value and the face amount of the debt are amortized over the life of the debt using the effective interest method.

# WC Holdings, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements (continued)

(In thousands)

### 2. Summary of Significant Accounting Policies (continued)

#### Fair Value of Financial Instruments

Financial instruments consist of current assets, current liabilities, notes payable, additional payment obligations and long-term debt. Current assets and current liabilities are carried at cost, which approximates fair value. Notes payable, the additional payment obligations and long-term debt bear interest at current market rates and, accordingly, the carrying value of the debt approximates fair value.

#### Derivative Financial Instruments

The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No. 138 on January 1, 2001. The Company uses financial instruments to manage its exposures to movements in interest rates. The use of the financial instruments modifies the exposure of these risks with the intent to reduce the risk or cost to the Company. The Company does not use derivatives for trading purposes and is not a party to leveraged derivatives. Derivatives are recorded in the consolidated balance sheets at fair value in other assets and other liabilities. The Company also formally assesses, both at inception and at least quarterly thereafter, changes in the fair value of their derivative instruments.

#### Income Taxes

Income taxes are accounted for on the liability method. Under this method, deferred income tax assets and liabilities are recognized for the tax consequences of differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities by applying enacted statutory tax rates applicable to future years. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date. The Company files a consolidated tax return with its parent companies and subsidiaries.

### 3. Acquisitions

Effective October 1, 2002, CMI acquired all of the outstanding stock of Barron Risk Management, Inc. ("Barron"), a Texas corporation, which is a subsidiary of UICI, a Delaware Corporation. Barron is a third party administrator ("TPA") that offers various services for the administration of self-insured property and casualty programs and is one of the largest administrators of workers' compensation programs in the region.

# WC Holdings, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements (continued)

(In thousands)

### 3. Acquisitions (continued)

Barron markets and sells its services in Texas and the surrounding states. This acquisition was accounted for under the purchase method of accounting for business combinations. As required by the purchase method of accounting, the results of operations of Barron are not included in the Company's results of operations prior to October 1, 2002.

The Company paid approximately \$1,750 to purchase 100% of the outstanding stock of Barron. The acquisition has been accounted for as a purchase, with the purchase price in excess of the fair value of tangible assets of \$1,000 being allocated to amortizable intangible assets.

Effective April 1, 2001, CMI acquired all of the outstanding stock of Trigon Administrators, Inc., a Virginia Corporation, which was a subsidiary of Trigon Healthcare, Inc., a Virginia Corporation. Trigon Administrators is a TPA that offers various services for the administration of self-insured property and casualty programs and is one of the largest administrators of workers' compensation programs in the region. It markets and sells its services in Virginia, Maryland and North Carolina. This acquisition was accounted for under the purchase method of accounting for business combinations. As required by the purchase method of accounting, the results of operations of Trigon Administrators are not included in the Company's results of operations prior to April 1, 2001.

The Company paid approximately \$5,450 in cash, to purchase 100% of Trigon Administrators book of business. The acquisition has been accounted for as a purchase, with the purchase price in excess of the fair value of tangible assets of \$4,742 being allocated to goodwill and amortizable intangible assets in the amounts of \$4,590 and \$152, respectively.

### 4. Accounts receivable

Accounts receivable consisted of the following at December 31, 2002 and 2001:

	2002	2001
Contract receivables	\$ 7,951	\$ 5,176
Other	35	120
	<u>7,986</u>	<u>5,296</u>
Less allowance for doubtful accounts	(662)	(224)
Total	<u>\$ 7,324</u>	<u>\$ 5,072</u>

WC Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In thousands)

**5. Property and Equipment**

Property and equipment consisted of the following at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Leasehold improvements	\$ 426	\$ 259
Furniture and fixtures	1,436	1,034
Machinery and equipment	111	22
Computer equipment	4,541	3,551
	<u>6,514</u>	<u>4,866</u>
Less accumulated depreciation	(3,314)	(1,758)
Total	<u>\$ 3,200</u>	<u>\$ 3,108</u>

**6. Goodwill and Intangible Assets**

Goodwill consisted of the following at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Goodwill	\$ 34,200	\$ 34,200
Less accumulated amortization	(1,730)	(1,730)
Total	<u>\$ 32,470</u>	<u>\$ 32,470</u>

Pro-forma net income for the period ending December 31, 2001, adjusted to exclude amortization expense of \$1,730, was \$2,818.

Intangible assets consisted of the following at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Deferred financing costs, subscription fees and customer lists	\$ 2,162	\$ 1,152
Less accumulated amortization	(404)	(87)
Total	<u>\$ 1,758</u>	<u>\$ 1,065</u>

WC Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In thousands)

7. Debt and Other Obligations

Debt and other obligations consisted of the following at December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Capital lease payable ending May 2003 – computer equipment	\$ 58	\$ 156
Note payable with interest imputed at 8 %, due in annual installments of principal and interest through May 31, 2004	910	1,373
Note payable, \$7,000 credit line revolver with \$6,713 available, at 3.75% on December 31, 2002	287	-
Note payable, senior debt at variable rates (\$8,500 at a fixed rate of 7.6% and \$7,272 at a variable rate tied to the 1month LIBOR, due in annual installments of \$3,750 through December 2005	15,772	19,521
Note payable, subordinated debt, balloon note due December 2005 at 20%	-	6,000
Total	<u>17,027</u>	<u>27,050</u>
Less current portion	<u>(4,516)</u>	<u>(4,740)</u>
Total long term	<u>\$ 12,511</u>	<u>\$ 22,310</u>

The fair value of the long-term debt, based on present value of future cash flows discounted at estimated borrowing rates for similar debt instruments approximated its carrying value.

The Company leases computer equipment under an agreement, which is classified as a capital lease. Equipment subject to capital leases with a cost of \$173 at December 31, 2002 is included in property and equipment.

At December 31, 2002, future minimum lease payments under the capital lease obligations for the periods ending December 31 are as follows:

2003 – minimum lease payments	\$ 68
Amounts representing interest	(10)
Present value of minimum lease payments	<u>\$ 58</u>

# WC Holdings, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements (continued)

(In thousands)

### 7. Debt and Other Obligations (continued)

Maturities of notes and lease payables at December 31, 2002 are as follows:

2003	\$ 4,237
2004	4,231
2005	3,750
2006	4,521
Thereafter	-

Consistent with the bank lines of credit, most of the Company's long-term obligations carry restrictive covenants that prohibit or limit certain actions, including levels of capital expenditures, investments, incidences of additional debt, and the maintenance of defined levels of profitability and tangible net worth. Most borrowings are secured by a pledge of substantially all assets of HPI.

### 8. Minority Interest

The owners of the minority interests in HPI have each entered into agreements with the Company providing for restrictions on the transfer of such shares, and other related share rights.

### 9. Other Income and Expense

Other income and expense were comprised of the following for the period through December 31, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Interest income	\$ 57	\$ 60
Interest expense	(1,525)	(2,936)
Loss on derivative security	(378)	(529)
Other	(822)	(649)
Total	<u>\$ (2,668)</u>	<u>\$ (4,054)</u>

## WC Holdings, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

(In thousands)

#### 9. Other Income and Expense (continued)

To manage interest rate risk, the Company has entered into an interest rate swap that effectively fixes the interest payments of a portion of its floating-rate debt instruments. However, due to the optionality of the derivative instrument, the derivative does not meet the accounting definition of a hedge. For the years ended December 31, 2002 and 2001 the derivative loss was \$378 and \$529, respectively, and was included in other income and expenses in the income statement and was included in other liabilities on the face of the balance sheet. The loss was determined by recording the derivative at its fair value. At December 31, 2002 the maturity date of the derivative instrument was December 22, 2005. The Company recognizes, on a quarterly basis, the gain or losses from the accumulated loss on derivative as the interest rates change.

#### 10. Employee Benefit Plans

The Company sponsors a defined contribution 401(k) plan for which qualifying employees of the Company may participate. Employees must be twenty-one years of age and have completed at least six consecutive months of service to participate. The plan provides for a matching employer contribution based on 50% of the participant's contribution up to 6% of eligible compensation, as defined. The Company's matching contribution was \$554 and \$414 for 2002 and 2001, respectively.

#### 11. Income Taxes

The provision for income taxes at December 31, 2002 and December 31, 2001 is comprised of the following:

	2002	2001
Current:		
Deferred	\$ (324)	\$ 1,207
Federal	2,949	197
State	348	187
Local	185	89
Total	<u>\$ 3,158</u>	<u>\$ 1,680</u>

At December 31, 2000, the Company had NOL carry forwards for federal income tax purposes of approximately \$1,330, which were used during 2001.

WC Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In thousands)

**11. Income Taxes (continued)**

The items comprising the Company's net deferred tax assets at December 31, 2002, and December 31, 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Deferred tax assets:		
Bad debt expense	\$ 194	\$ 158
Derivative	374	218
Intangible assets	-	32
Property and equipment	441	-
Total assets	<u>1,009</u>	<u>408</u>
Deferred tax liabilities:		
Intangible assets	2	-
Property and equipment	-	151
Prepaid expenses	173	101
Total liabilities	<u>175</u>	<u>252</u>
Net deferred tax asset	<u>\$ 834</u>	<u>\$ 156</u>
Current deferred tax asset	194	89
Non-current deferred tax asset	640	67
	<u>\$ 834</u>	<u>\$ 156</u>

**12. Related Party Transactions**

The Company has a management agreement with SCC whereby SCC provides certain services to the Company. In accordance with the agreement the Company pays fees to SCC based on certain financial ratios of the Company. Fees of \$587 and \$462 were expensed for the years ended December 31, 2002 and 2001, respectively.

**13. Commitments And Contingencies**

The Company, through its subsidiary CMI, rents office space and certain equipment under operating lease agreements. The Company leases a 70,000 square foot office building in Dublin, Ohio, that is used as its principal office facilities. The building has a 15-year term lease, which began in 1997, and provides for annual rent payments and requires the Company to pay all operating expenses for the building.

# WC Holdings, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements (continued)

(In thousands)

### 13. Commitments And Contingencies (continued)

The lease provides for three renewal options of five years each, an option to purchase the building between the fourth and fifth years of the lease term at a price determined under a formula based on the rentable and unimproved square footage of the building, and a right of first offer to purchase the building before the owner enters into a contract to sell the building to a third party. The option to purchase the building was extended in July of 2002 for two years with the Company agreeing to extend the term of the lease for five additional years.

The Company also leases office space in Canton, Cincinnati, Cleveland and Toledo, Ohio; Seattle, Washington; Charleston, West Virginia; Lexington, Kentucky; Richmond and Chantilly, Virginia; Baltimore, Maryland; Charlotte, North Carolina; Atlanta, Georgia; Austin, Grapevine and San Antonio, Texas. These spaces are used as regional offices and service centers for its operations. Rental expense for the years ended December 31, 2002 and 2001 was \$2,945 and \$2,626, respectively.

At December 31, 2002, future minimum rental payments for office space and equipment under operating leases are as follows:

2003	\$ 3,261
2004	3,025
2005	2,670
2006	2,378
Thereafter	4,440

WC Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In thousands)

14. Stock Options

HPI issued options to acquire 1,281 and 100 shares of HPI at approximately \$694 and \$1,626 per share, respectively, the fair value at the date of the grant. These options were issued to employees during the first quarters of 2001 and 2002, respectively. All such options vest over a five-year period with the exception of one grant of 360 options and one grant of 100 options that vest over an eight-year period but are subject to certain acceleration provisions. No compensation expense has been recognized for stock option grants. Had compensation expense been determined for stock option awards based upon the fair values at the grant dates consistent with the method prescribed by SFAS No. 123, "Accounting for Stock-Based Compensation", the pro-forma affect on net income as of December 31, 2002 and 2001 would have been as follows:

	<u>2002</u>	<u>2001</u>
Net income	\$ 4,018	\$ 1,088
Deduct :		
Total stock-based employee compensation expense determined under the intrinsic fair value method for all awards granted since December 20, 2000, net of related tax effects	(31)	(28)
Pro-forma net income	<u>\$ 3,987</u>	<u>\$ 1,060</u>

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**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.****Index To Consolidated Financial Statements**

Report of Independent Auditors

Consolidated Financial Statements

Consolidated Balance Sheets—At December 31, 2003 and 2002

Consolidated Statements of Income—For the years ended December 31, 2003, 2002 and 2001

Consolidated Statements of Stockholders' Equity—For the years ended December 31, 2003, 2002 and 2001

Consolidated Statements of Cash Flows—For the years ended December 31, 2003, 2002 and 2001

Notes to Consolidated Financial Statements

Schedule I—Condensed Financial Information of Registrant

All schedules, except for Schedule I, for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions, are inapplicable and therefore have been omitted or the information has been included within the financial statements.

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**REPORT OF INDEPENDENT AUDITORS**

Board of Directors and Stockholders  
Security Capital Corporation

We have audited the accompanying consolidated balance sheets of Security Capital Corporation and subsidiaries (the "Company") as of December 31, 2003 and 2002 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2003. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Security Capital Corporation and subsidiaries at December 31, 2003 and 2002 and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Notes 2 and 20 to the consolidated financial statements, in 2002 the Company changed its method of accounting for goodwill and other intangible assets.

/s/ Ernst & Young LLP

Stamford, Connecticut

March 22, 2004

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**SECURITY CAPITAL CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS****(In thousands, except share and per share amounts)**

	DECEMBER 31,	
	2003	2002
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 11,645	\$ 3,141
Accounts receivable (less allowances for doubtful accounts of \$999 and \$658, respectively)	16,468	8,584
Deferred income taxes	1,618	1,035
Other current assets	1,465	642
Current assets of discontinued operations	4,425	13,466
	<hr/>	<hr/>
Total current assets	35,621	26,868
Property and equipment, net	4,196	3,470
Goodwill (less accumulated amortization of \$3,798)	59,284	49,300
Franchise agreements (less accumulated amortization of \$1,970 and \$1,553, respectively)	6,780	7,197
Other intangible assets, net	7,062	2,128
Deferred income taxes	2,707	—
Long-lived assets of discontinued operations	7,044	11,478
Other assets	444	270
	<hr/>	<hr/>
Total assets	\$ 123,138	\$ 100,711
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt and other obligations	\$ 9,031	\$ 6,628
Accounts payable	2,859	1,963
Accrued expenses and other liabilities	18,322	8,282
Unearned revenue	20,263	13,385
Notes payable	—	887
Current liabilities of discontinued operations	2,678	12,988
	<hr/>	<hr/>
Total current liabilities	53,153	44,133
Long-term debt	25,858	15,439
Other long-term obligations	441	907
Deferred income taxes	—	483
Long-term liabilities of discontinued operations	312	2,266
Losses in excess of investment in Possible Dreams	1,401	—
Minority interests	4,644	3,537
	<hr/>	<hr/>
Redeemable convertible preferred stock (redemption value at April 6, 2006—\$5,000), \$.01 par value, 2,500,000 shares authorized; 500,000 shares issued		

and outstanding	3,725	3,268
Commitments and contingencies (Note 19)		
Stockholders' equity:		
Common stock, \$.01 par value, 7,500 shares authorized; 380 shares issued and outstanding	—	—
Class A common stock, \$.01 par value, 10,000,000 shares authorized; 6,458,309 shares issued, 6,450,587 shares outstanding	65	65
Additional paid-in capital	65,670	66,127
Accumulated deficit	(32,046)	(35,429)
Less: treasury stock, at cost, 7,722 shares	(85)	(85)
	<u>33,604</u>	<u>30,678</u>
Total stockholders' equity		
	<u>\$ 123,138</u>	<u>\$ 100,711</u>

The accompanying notes are an integral part of these consolidated financial statements.

## SECURITY CAPITAL CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	Years ended December 31,		
	2003	2002	2001
Revenues:			
Employer cost containment and health services	\$ 84,598	\$ 64,460	\$ 53,634
Educational services	9,834	8,243	7,652
Total revenues	<u>94,432</u>	<u>72,703</u>	<u>61,286</u>
Selling, general and administrative expenses	79,459	57,352	48,587
Amortization and depreciation	2,441	2,267	4,970
Operating income	<u>12,532</u>	<u>13,084</u>	<u>7,729</u>
Interest expense	(1,565)	(3,633)	(4,162)
Other income (expense)	185	881	(770)
Income from continuing operations before income taxes, minority interests and cumulative effect of change in accounting principle	<u>11,152</u>	<u>10,332</u>	<u>2,797</u>
Income tax expense	(4,693)	(4,169)	(1,841)
Minority interest in income of consolidated subsidiaries	(1,107)	(1,040)	(278)
Income from continuing operations before cumulative effect of change in accounting principle	<u>5,352</u>	<u>5,123</u>	<u>678</u>
(Loss) income from discontinued operations (net of income tax expense of \$2,351, \$660, and \$1,259 in 2003, 2002 and 2001, respectively)	(1,969)	2,073	2,157
Income before cumulative effect of change in accounting principle	<u>3,383</u>	<u>7,196</u>	<u>2,835</u>
Cumulative effect of change in accounting principle (net of income			

tax benefit of \$2,420)	—	(3,402)	—
Net income	3,383	3,794	2,835
Less preferred stock accretion	(457)	(401)	(352)
Income available to common stockholders	\$ 2,926	\$ 3,393	\$ 2,483
Basic earnings per common share from continuing operations	\$ 0.76	\$ 0.73	\$ 0.05
Basic (loss) earnings per common share from discontinued operations	(0.31)	0.32	0.34
Basic earnings per common share before cumulative effect of change in accounting principle	0.45	1.05	0.39
Cumulative effect of change in accounting principle	—	(0.52)	—
Basic earnings per common share	\$ 0.45	\$ 0.53	\$ 0.39
Diluted earnings per common share from continuing operations	\$ 0.69	\$ 0.66	\$ 0.04
Diluted (loss) earnings per common share from discontinued operations	(0.31)	0.29	0.31
Diluted earnings per common share before cumulative effect of change in accounting principle	0.38	\$ 0.95	\$ 0.35
Cumulative effect of change in accounting principle	—	(0.48)	—
Diluted earnings per common share	\$ 0.38	\$ 0.47	\$ 0.35
Basic weighted average shares used in computation	6,451	6,451	6,444
Diluted weighted average shares used in computation	6,536	7,133	6,648

The accompanying notes are an integral part of these consolidated financial statements.

**SECURITY CAPITAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**

(In thousands, except shares)

	Number of Shares Issued*	Common Stock*	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Total
Balance, January 1, 2001	6,442,689	\$ 65	\$ 66,782	\$ (42,058)	\$ —	\$ 24,789
Net income	—	—	—	2,835	—	2,835
Accretion of redeemable convertible preferred stock	—	—	(352)	—	—	(352)
Purchase of treasury stock (Class A)	(7,722)	—	—	—	(85)	(85)
Issuance of 16,000 shares of Class A common stock upon exercise of stock options	16,000	—	98	—	—	98

Balance, December 31, 2001	6,450,967	65	66,528	(39,223)	(85)	27,285
Net income	—	—	—	3,794	—	3,794
Accretion of redeemable convertible Preferred stock	—	—	(401)	—	—	(401)
Balance, December 31, 2002	6,450,967	65	66,127	(35,429)	(85)	30,678
Net income	—	—	—	3,383	—	3,383
Accretion of redeemable convertible preferred stock	—	—	(457)	—	—	(457)
Balance, December 31, 2003	6,450,967	\$ 65	\$ 65,670	\$ (32,046)	\$ (85)	\$ 33,604

\* Includes both Common Stock and Class A Common Stock

The accompanying notes are an integral part of these consolidated financial statements.

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## SECURITY CAPITAL CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years ended December 31,		
	2003	2002	2001
Income from continuing operations before cumulative effect of change in accounting principle	5,352	5,123	678
Adjustments to reconcile income from continuing operations before cumulative effect of change in accounting principle to net cash provided by operating activities of continuing operations:			
Gain on sale of Texas land	(107)	—	—
Loss on sale of marketable securities	251	—	—
Deferred income taxes	744	161	1,805
Warrant income	—	220	(89)
Amortization	1,067	1,824	3,391
Depreciation	1,629	1,755	2,014
Minority interest in income of consolidated subsidiaries	1,107	1,392	642
Unrealized (gain) loss on derivative	(245)	378	529
Changes in operating assets and liabilities, net of effects of acquisitions and of deconsolidation of a subsidiary:			
Accounts receivable	(3,024)	(2,384)	(118)
Inventories	—	—	—
Other current assets	(455)	290	1,462
Accounts payable, accrued expenses and other liabilities	6,223	6,755	522
Net cash provided by operating activities of continuing operations	12,542	15,514	10,836

Cash flows from investing activities:			
Capital expenditures	(1,538)	(1,807)	(664)
Proceeds on sale of Texas land	107	—	—
Cash flows from discontinued operations	354	—	—
Proceeds on sale of investments—Octagon	11,402	—	—
Payments for acquired businesses and intangible assets (net of acquired cash of \$4,374 in 2003)	(26,295)	(3,383)	(6,849)
Net cash used in investing activities of continuing operations	(15,970)	(5,190)	(7,513)
Cash flows from financing activities:			
Issuance of common stock	—	—	98
Purchase of treasury stock	—	—	(85)
Proceeds from long-term borrowings	18,978	4,240	4,289
Repayments of long-term borrowings	(5,987)	(14,493)	(4,604)
Repurchase of warrants	—	(1,554)	—
Payments of capital leases	(169)	(120)	(91)
Deferred financing costs incurred	(3)	(212)	(698)
Proceeds from lines of credit	28,051	24,478	11,267
Repayment of lines of credit	(28,938)	(24,190)	(12,167)
Net cash provided by (used in) financing activities of continuing operations	11,932	(11,851)	(1,991)
Increase (decrease) in cash and cash equivalents	8,504	(1,527)	1,332
Cash and cash equivalents, beginning of period	3,141	4,668	3,336
Cash and cash equivalents, end of period	\$ 11,645	\$ 3,141	\$ 4,668
Interest paid	\$ 1,926	\$ 3,479	\$ 4,900
Income taxes paid	\$ 709	\$ 498	\$ 351

The accompanying notes are an integral part of these consolidated financial statements.

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**SECURITY CAPITAL CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

(Amounts in thousands, except share and per share amounts)

**1. Organization and Description of Business**

Security Capital Corporation ("Security Capital") operates as a holding company that participates in the management of its subsidiaries while encouraging operating autonomy and preservation of entrepreneurial environments. Currently, Security

Capital has three operating subsidiaries (together with Security Capital, referred to as the "Company"), known as WC Holdings ("WC"), Primrose Holdings, Inc. ("Primrose") and Pumpkin Masters Holdings, Inc. ("Pumpkin"). These three subsidiaries are in three distinct business segments, although the Company has implemented an exit strategy with regard to the seasonal products segment which consists of Pumpkin and Possible Dreams, which are discontinued operations. WC Holdings is an 80%-owned subsidiary which provides cost containment services relative to direct and indirect costs of corporations and their employees primarily relating to industrial health and safety, industrial medical care and workers' compensation insurance. WC's activities are primarily centered in California, Ohio, Virginia, Maryland and, to a lesser extent, in other Middle Atlantic states, Indiana and Washington. Primrose is a 98.5%-owned subsidiary involved in the franchising of educational child care centers. Currently, Primrose schools are located throughout the United States except in the Northeast and Northwest.

The seasonal products segment is now reported as a discontinued operation and consists of Pumpkin and, previously, also of P.D. Holdings, Inc. ("Possible Dreams") through the date of deconsolidation. Pumpkin is a 100%-owned subsidiary engaged in the business of designing and distributing Halloween-oriented pumpkin carving kits and related accessories. Pumpkin distributes its products primarily throughout the United States and also in Canada. The Company is actively marketing this subsidiary for sale and expects to conclude a sale during 2004. Therefore, for the all reporting periods presented, it has been reported as a discontinued operation. Possible Dreams is a 75%-owned subsidiary that formerly operated as a designer, importer and distributor of giftware and collectible figurines. Possible Dreams distributed its products throughout the United States. However, because of the October 22, 2003 Chapter 11 filing in bankruptcy court by Possible Dreams, the Company effectively lost control over this subsidiary as of that date, and therefore the accounts of Possible Dreams have ceased to be included in the Company's consolidated statements of income or consolidated balance sheet after that date. For all reporting periods presented, Possible Dreams has been reported as a discontinued operation.

## 2. Summary of Significant Accounting Policies

### Consolidation

The accompanying consolidated financial statements include the accounts of Security Capital and its subsidiaries other than Possible Dreams which was deconsolidated on October 22, 2003. All significant intercompany balances have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year presentation.

On July 22, 2003, the Company sold a 25% interest in Possible Dreams Ltd.'s parent company, P.D. Holdings, Inc., for nominal consideration to Russell F. Peppet, the newly-named Chairman and CEO of Possible Dreams Ltd. This sale was the first step in the Company's plan to divest its entire interest in its Possible Dreams subsidiary and was intended to incent Mr. Peppet to effectively manage Possible Dreams until an orderly disposition of the remainder of the business could be achieved. The Company recorded a net charge of approximately \$2,400 in the third quarter in connection with this transaction, relating to the write-off of a deferred tax asset which can no longer be utilized as a result of the sale of the interest to Mr. Peppet. In addition, because the Company's investment in this subsidiary is negative, the sale of a

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portion of it generated a gain which was, however, not recorded by the Company because the minority interest shareholder has no legal obligation to fund his share of Possible Dreams' net deficit. This subsidiary subsequently filed a plan of liquidation under Chapter 11 of the United States Bankruptcy Code on October 22, 2003. Because of this Chapter 11 filing by Possible Dreams, the Company effectively lost control over this subsidiary as of that date, and therefore Possible Dreams was deconsolidated on that date.

### Basis of Presentation

Prior to October 22, 2003, Possible Dreams was a consolidated entity and the Company was required to record all of the losses of Possible Dreams since the non-Company interests were not required to absorb their share of the losses (25%) because their investment was fully absorbed by losses.

Accordingly, the Company's results of operations include the operating results of Possible Dreams through October 22, 2003 (date of deconsolidation). The balance sheet at December 31, 2003 does not contain the assets and liabilities of Possible Dreams due to the deconsolidation. This deconsolidation resulted in a negative investment in Possible Dreams of \$1,401

which represents losses in excess of investment, which has been recorded as a deferred credit on the Company's balance sheet until such time as the liquidation process is finalized by the bankruptcy court and the Company is legally released from liability relating to Possible Dreams. The Company will not record any additional losses from Possible Dreams as the Company believes it has no further obligations to Possible Dreams.

The following summarized balance sheet information of Possible Dreams is presented as follows at October 22, 2003 (date of deconsolidation) and December 31, 2002:

	October 22, 2003 (Unaudited)	December 31, 2002
Accounts receivable, net	\$ 6,518	\$ 2,758
Inventory, net	2,420	4,192
Current assets	9,678	7,549
Total Assets	11,220	9,368
Notes payable	9,727	7,342
Current liabilities	12,253	9,449
Stockholders' deficit	(1,401)	(577)

At October 31, 2003, the Company had approximately \$2,000 of capital loss carryforwards resulting from the bankruptcy filing of Possible Dreams which have been fully reserved for due to the uncertainty with respect to the ultimate realization of such losses.

#### Use of Management Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Significant estimates included within the financial statements include sales return and discount reserves, allowance for doubtful accounts, inventory obsolescence reserves, the Company's ability to utilize carry forward tax benefits, and the fair value and economic lives of intangible assets, including those assumptions made in the course of performing goodwill impairment testing. The methodology used to determine fair value in performing these tests was a discounted cash flow approach. The discount rate used for each reporting unit was determined by assessing the appropriate risk level of the cash flows of the respective reporting units and adjusting the risk-free rate by a factor dependent upon this risk assessment. The terminal value of the respective reporting units was based upon assigning what management believed

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to be appropriate multiples of earnings before income taxes, depreciation and amortization for companies of similar size and in the industry in which the each of the units operate.

#### Revenue Recognition

Employer cost containment and health services segment's contract revenues are derived from claims management, administrative, consulting services and managed care administration services that are recorded as earned based on the requirements and duration of the related contracts. Revenues from the managed care administration services are recognized on a monthly basis based on the contracted administrative fee with the Ohio Bureau of Workers' Compensation. In addition, contract revenues are recorded for certain incentive awards when the claims are processed to which the incentive is related, and a bonus award is recorded in the year earned. Revenues on certain contracts have been deferred and are recognized in income on a pro rata basis over the related contract periods, which typically range between three and 12 months. Commission expense associated with these contracts is also deferred and recognized as an expense on a pro rata basis over the related contract periods. For services related to group rating contracts, fees are paid to the group's sponsor and netted against contract revenues. Contract revenues received in advance are included in unearned revenue.

The educational services segment recognizes royalties based on a percentage of the monthly revenues of the franchisees. Franchise fees are collected at various intervals prior to the opening of a school and the recognition of the revenue is deferred until the franchised school has been certified for occupancy, which is generally concurrent with the commencement of operations. Assignment fees are earned for site identification and preparation for the construction of the school, including zoning permits. Assignment fees are recognized upon the closing of the purchase of the property by the franchisees and the funding of their construction loans. Transfer fees are earned upon sale of an existing franchise to another franchisee. Real estate services fees are earned for consulting services related to engineering and architectural design services provided to the franchisees during the construction of the school. The real estate services fees, like franchise fees, are recognized upon the certification of occupancy of the school. Option fees are received to initiate an option agreement which reserves a designated area for a stated period of time. When option agreements are exercised, the option fee is applied to the franchise fee, and revenue for this is recognized as stated above. Forfeited fees include fees applicable to the termination of the franchise agreements and assignments or for the expiration of option agreements. The Company typically collects any fee specified in the agreement and recognizes it as income at the time of the termination or expiration. All fees received prior to being earned are recorded as unearned revenue.

Revenues from product sales in the discontinued operations (our former seasonal products segment) are recognized in the period in which the merchandise is shipped.

### Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. All cash equivalents are carried at cost, which approximates fair value.

### Receivables

Exposure to and the risk of losses on receivables is dependent on each customer's financial position. The Company performs ongoing credit evaluations of its customers' financial condition, and receivables are generally not collateralized. The Company maintains an allowance for doubtful accounts which management believes is adequate to cover potential credit losses. In determining the appropriate level of this allowance, the Company uses customer credit evaluations, collection history and other pertinent information.

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A summary of the changes in the allowance for doubtful accounts for the years ended December 31, 2003, 2002 and 2001 is as follows. The analysis has been restated to give effect to the removal of Pumpkin and Possible Dreams in 2002 and 2001 for comparability.

	2003	2002	2001
Balance at beginning of year	\$ 658	\$ 288	\$ 612
Provisions	713	481	1,427
Deductions	(372)	(111)	(1,751)
Balance at end of year	\$ 999	\$ 658	\$ 288

### Goodwill

Goodwill relates to the cost in excess of the fair value of the net assets acquired in purchase business combinations.

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, *Business Combinations* (SFAS 141), and No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), effective for fiscal years beginning after December 15, 2001. SFAS 141 required that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS 141 also includes guidance on the initial recognition and measurement of goodwill and other intangible assets arising from business combinations completed after June 30, 2001. SFAS 142 prohibits

the amortization of goodwill and intangible assets with indefinite lives. SFAS 142 requires that these assets be reviewed for impairment at least annually. Intangible assets with definite lives continue to be amortized over their estimated useful lives.

The Company adopted the new rules on accounting for goodwill and other intangible assets effective January 1, 2002. During 2002, the Company completed the transitional test for impairment of goodwill using the two-step process prescribed in SFAS 142. The first step was a screen for potential impairment which indicated that goodwill in its former seasonal products segment was impaired as of January 1, 2002. The performance of the second step of the impairment test measured the amount of the impairment to be \$3,402 (net of tax benefit of \$2,420), which the Company has reflected as the cumulative effect of a change in accounting principle as of January 1, 2002 in accordance with the prescribed guidance in SFAS 142. The Company also performed the first annual required impairment test of goodwill at December 31, 2002. The result of this test was that no further impairment was present.

At December 31, 2003, the Company performed its required annual impairment assessment. As a result of these procedures, no impairment was recognized.

The methodology used in performing these tests is a discounted cash flow approach to determine fair value. The discount rate used for each reporting unit was determined by assessing the appropriate risk level of the cash flows of the respective reporting units and adjusting the risk-free rate by a factor dependent upon this risk assessment. The terminal period cash flow of the respective reporting units was based upon assigning what management believed to be appropriate multiples of earnings before income taxes, depreciation and amortization for companies of similar size and in the industry in which the each of the units operates.

#### **Other Intangible Assets, Net**

Patent rights acquired are amortized over nine to 17 years.

Deferred financing costs are amortized over the term of the related debt (ranging from four to six years) and the expense is reflected in interest expense in the Consolidated Statements of Income.

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Health care provider costing lists acquired by WC Holdings are amortized on a straight-line basis over the life of WC Holdings' access to the costing data (five years).

Health care membership client lists acquired by WC Holdings are amortized on a straight-line basis over the life of the estimated retention of WC Holdings' affiliation with these clients (20 years).

Curriculum agreements related to Primrose are being amortized over a period 10 years, and their remaining life at December 31, 2003 is six years.

#### **Franchise Agreements**

Franchise agreements related to Primrose are being amortized over a period of 21 years, and their remaining life at December 31, 2003 is 17 years.

#### **Fair Value of Financial Instruments**

Financial instruments, other than the interest rate swap discussed below, consist of current assets (except inventories), current liabilities, notes payable, long-term debt and other long-term obligations. Current assets and current liabilities are carried at cost, which approximates fair value due to the short-term nature of these items. Notes payable, long-term debt and other long-term obligations bear interest at current market rates and, accordingly, their carrying values approximate fair value.

#### **Derivative Financial Instruments**

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities* on January 1, 2001. The Company uses financial instruments to manage its exposures to movements in interest rates. The use of the financial instruments modifies the exposure of these risks from variable to fixed with the intent to reduce the risk or cost to the Company. The Company does not use derivatives for trading purposes and is not a party to leveraged derivatives. The fair value of derivatives is recorded in the consolidated balance sheets in other long-term obligations. At December 31, 2003 and 2002, this liability was \$662 and \$907, respectively. The Company assesses changes in the fair value of their derivative instruments and records any changes in fair market value in the consolidated statements of income as such instruments are not being accounted for as hedges. These gains and losses on derivative instruments are reflected in the consolidated statements of income in other income (expense).

### **Impairment of Long-lived Assets, Other than Goodwill**

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of*, and the accounting and reporting provisions of APB Opinion No. 30 *Reporting the Results of Operations*, for a disposal of a segment of a business. SFAS 144 was effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The Company adopted SFAS 144 as of January 1, 2002.

The Company reviews long-lived assets, including its definite-lived intangible assets, for impairment using the three-step approach prescribed in SFAS 144. Under this three-step approach, the Company needs to: (a) consider whether indicators of impairment of long-lived assets are present, (b) if indicators of impairment are present, determine whether the sum of undiscounted cash flows attributable to the assets in question is less than the assets' carrying amount, and (c) if the sum of the undiscounted cash flows is less than the assets' carrying value, recognize an impairment loss based on the excess of the carrying amount of

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the assets over their respective fair values. As of December 31, 2003, the Company has determined that there is no need to recognize any impairment losses on its long-lived assets.

### **Warrant Obligations**

Warrants to acquire subsidiary shares issued in connection with the acquisitions of the subsidiaries could be settled in cash at the option of the holders. There were no warrants outstanding at December 31, 2003 or December 31, 2002. During 2002, the remaining warrants outstanding were repurchased and a gain was recognized and recorded as other income. During 2002 and 2001, the estimated fair value of the warrants had been recorded as liabilities and changes in the estimated fair value of the warrants were recorded as other income (expense) in the respective consolidated statements of income.

### **Redeemable Convertible Preferred Stock**

Differences between the carrying value of the redeemable convertible preferred shares and their redemption values are accreted using the interest method over the remaining estimated period to redemption (2<sup>1</sup>/<sub>4</sub> years), by charges to additional paid-in capital.

### **Debt Discount Amortization**

Differences between the carrying value and the face amount of the debt were amortized to interest expense over the life of the debt using the effective interest method. This amortization ended in April 2002 with the refinancing of the Primrose debt.

### **Advertising Costs**

Advertising costs which are expensed when incurred were \$211, \$290 and \$314 for 2003, 2002, and 2001, respectively.

## Stock Options

The Company measures compensation cost for stock options issued to employees using the intrinsic value method of accounting for stock-based compensation under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ("APB 25"). Under APB 25, when the exercise price of the Company's stock options equals the market value of the underlying stock on the date of the grant, no compensation expense is recognized. The Company has adopted the disclosure only provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* ("SFAS 123") as amended by Statement No. 148, *Accounting for Stock-Based Compensation—Transitions and Disclosure, an amendment to FASB Statement*

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No 123, ("SFAS 148"). The disclosures with respect to the aggregate effect of all subsidiary and Security Capital stock options as required by SFAS 148 are set forth below

	2003	2002	2001
Income available to common stockholders, as reported	\$ 2,926	\$ 3,393	\$ 2,483
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects and minority interest	—	—	47
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards granted since January 1995, net of related tax effects and minority interest	(860)	(787)	(597)
Pro forma income available to common stockholders	\$ 2,066	\$ 2,606	\$ 1,933
<b>Earnings (Loss) Per Common Share</b>			
Basic from continuing operations—as reported	\$ 0.76	\$ 0.73	\$ 0.05
Basic from continuing operations—pro forma	\$ 0.63	\$ 0.61	\$ (0.04)
Basic from Discontinued operations	\$ (0.31)	\$ 0.32	\$ 0.34
Basic before cumulative effect of change in accounting principle—as reported	\$ 0.45	\$ 1.05	\$ 0.39
Basic before cumulative effect of change in accounting principle—pro forma	\$ 0.32	\$ 0.93	\$ 0.30
Cumulative effect of change in accounting principle	\$ 0.00	\$ (0.52)	\$ 0.00
Basic after cumulative effect of change in accounting principle—as reported	\$ 0.45	\$ 0.53	\$ 0.39
Basic after cumulative effect of change in accounting principle—pro forma	\$ 0.32	\$ 0.41	\$ 0.30
Diluted from continuing operations—as reported	\$ 0.69	\$ 0.66	\$ 0.04
Diluted from continuing operations—pro forma	\$ 0.56	\$ 0.55	\$ (0.05)
Diluted from Discontinued operations	\$ (0.31)	\$ 0.29	\$ 0.31
Diluted before cumulative effect of change in accounting principle—as reported	\$ 0.38	\$ 0.95	\$ 0.35
Diluted before cumulative effect of change in accounting principle—pro forma	\$ 0.26	\$ 0.84	\$ 0.26
Cumulative effect of change in accounting principle	\$ 0.00	\$ (0.48)	\$ 0.00
Diluted after cumulative effect of change in accounting principle—as reported	\$ 0.38	\$ 0.47	\$ 0.35
Diluted after cumulative effect of change in accounting principle—pro forma	\$ 0.26	\$ 0.36	\$ 0.26

Pro forma information regarding income available to common stockholders and earnings per share as required by SFAS 123 have been determined as if the Company had accounted for its employee stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing

model with the following weighted-average assumptions for 2003, 2002 and 2001: risk-free interest rate of 3.73%, 4.90% and 4.00%, respectively; dividend yield of 0%, 0% and 0%, respectively; volatility factor of the expected market price of the Company's common stock of .228, .207 and .238, respectively; and a weighted-average expected life of the options of 4.3, 7.5 and 8.5 years, respectively.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value

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estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For the purpose of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting periods.

### Earnings Per Common Share

Basic earnings per common share is based on the weighted average number of Common and Class A Common shares outstanding and earnings (loss) applicable to common shareholders. The sum of Common Stock and Class A Common Stock is used because the two classes are identical except for certain transfer restrictions. Diluted earnings per common share is based on the weighted average shares outstanding and the dilutive effect, if any, of outstanding stock options of both the subsidiaries and the parent and of convertible securities of the parent.

### Income Taxes

The Company computes income taxes using the liability method, under which deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the assets and liabilities, using presently enacted rates.

### New Accounting Pronouncements

In January 2003, the FASB issued FIN NO. 46, "Consolidation of Variable Interest Entities." The FASB agreed to defer the effective date of FIN No. 46 for non SPE variable interest entities acquired prior to February 1, 2003 until the end of periods ending after March 15, 2004. FIN No. 46 defines the concept of "variable interest" and requires existing unconsolidated variable interest entities to be consolidated into the financial statements of their primary beneficiaries if the variable interest entities do not effectively disperse risks among the parties involved. The Company has not identified any variable interest entities that must be consolidated.

In May 2003, the FASB issued SFAS No. 150 "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 requires issuers to classify as liabilities three classes of freestanding financial instruments that embody obligations for the issuer. SFAS No. 150 was effective at the beginning of the first interim period beginning after June 15, 2003. The Company has reviewed the requirements of SFAS No. 150 as it applies to its freestanding financial instruments and has determined that it did not have an impact on its consolidated financial condition or results of operations.

### 3. Acquisitions

In connection with the financing of various acquisitions, the Company borrowed funds under bank credit agreements (see Notes 7 and 8). Under terms of the bank credit agreements, the borrowings are secured by a pledge of all assets of the WC Holdings subsidiary businesses, and by the capital stock of WC Holdings held by the Company. The costs associated with such financing were recorded as deferred financing costs and are being amortized over the life of the related debt

agreements (see Note 1).

#### **Trigon Administrators, Inc.**

On April 1, 2001, the Company's subsidiary, WC, Inc., acquired 100% of the outstanding common stock of Trigon Administrators, Inc. ("Trigon"), a third party administrator ("TPA") in Virginia, Maryland, and North Carolina. The results of operations of Trigon for the nine months ended December 31, 2001 have been included in the consolidated financial statements. The acquisition has been accounted for as a

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purchase, with the purchase price of \$5,495 allocated as follows based on estimated fair values at the date of acquisition:

Goodwill	\$ 4,590
Other intangibles (5 years)	153
Other assets	4,735
Unearned revenue	(742)
Accrued liabilities	(3,241)
	<hr/>
Total	\$ 5,495
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The Company financed the entire purchase price through its revolving line of credit which was subsequently converted to a term note (see Note 7). Under the terms of the bank credit agreement, the borrowing is secured by a pledge of all assets of the Trigon Administrators business.

#### **Barron Risk Management, Inc.**

On October 1, 2002, WC Holdings acquired all of the outstanding stock of Barron Risk Management, Inc. ("Barron"), a Texas corporation, which was a subsidiary of UICI, a Delaware Corporation. Barron is TPA that offers various services for the administration of self-insured property and casualty programs and is one of the largest administrators of workers' compensation programs in the region. It markets and sells its services in Texas and the surrounding states. The Company paid approximately \$1,750 in cash, to purchase 100% of Barron's book of business. The acquisition has been accounted for as a purchase, with the purchase price in excess of the fair value of tangible assets acquired of \$1,000 allocated to health care membership client lists.

#### **20% of Minority Interest in Pumpkin Masters Holdings, Inc.**

On October 31, 2002, Pumpkin Masters Holdings, Inc. executed its call provisions under the original Asset Purchase Agreement dated June 27, 1997 pursuant to which Pumpkin Masters Holdings, Inc. was granted the right to call all 200 shares of minority interest in Pumpkin Masters Holdings, Inc. at a pre-negotiated formula price based on a multiple of Pumpkin Ltd.'s EBITDA, as defined, less outstanding debt. Pumpkin Masters Holdings, Inc. consummated this transaction on December 31, 2002 by issuing a note for the full amount payable of \$2,352. The note accrued interest at the rate of 10% per annum and was paid in full on March 5, 2003. This transaction was accounted for as a purchase, with the purchase price in excess of the fair value of tangible assets acquired of \$944 allocated to goodwill.

#### **Octagon Risk Services, Inc.**

On October 3, 2003, WC, through its subsidiary, CompManagement, Inc. ("CMI"), acquired all of the outstanding shares of Octagon Risk Services, Inc. ("Octagon"), a Minnesota corporation, from The St. Paul Companies, Inc., a Delaware corporation. Octagon, based in Oakland, California, provides workers' compensation and professional liability claims administration and consulting services primarily in the western United States, including California. The Octagon acquisition was intended to expand the Company's geographical presence and was effected pursuant to the Stock Purchase Agreement entered into by CMI and The St. Paul Companies dated October 3, 2003. As consideration for all of the outstanding shares of Octagon, CMI paid to The St. Paul Companies the aggregate amount of \$30,000. The purchase price is subject to an

adjustment based upon the working capital of Octagon as of the closing date.

The total amount of funds necessary to consummate the transaction was provided by Bank One, N.A. pursuant to an amended and restated loan agreement which combined CMI's existing term loan with a new borrowing of \$18,000 related to the Octagon purchase. As part of the amended and restated loan

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agreement, an interim term loan was provided to finance the remaining purchase price until the investments acquired from Octagon could be efficiently liquidated. This interim loan was repaid in full in October 2003. In addition, CMI and its parent holding company, WC, entered into an \$8,000 revolving credit commitment evidenced by an amended and restated revolving credit note. The revolving credit commitment replaced the current commitment that was in place. (see Notes 7 and 8).

The results of operations of Octagon for the three months ended December 31, 2003 have been included in the financial statements. The acquisition has been accounted for as a purchase, with the purchase price of \$30,669, including \$669 of acquisition costs, preliminarily allocated as follows based on estimated fair values at the date of acquisition:

Cash	\$ 4,374
Investments	11,653
Health provider costing and membership client lists (5 years)	5,525
Deferred tax assets	6,797
Other assets	6,273
Goodwill	9,984
Unearned revenue	(6,026)
Accrued liabilities	(5,631)
Deferred tax liabilities	(2,280)
	<hr/>
Total	\$ 30,669
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Certain portions of the deferred tax asset are subject to revision upon their potential utilization by the former owners in 2003. Any changes to such amounts will be reflected as an adjustment to the purchase price of Octagon and will impact the related goodwill balance.

#### Pro Forma Financial Information

The following unaudited pro forma financial information presents the combined results of the Company, Trigon and Octagon as if the Trigon acquisition had taken place on January 1, 2001 and as if the Octagon acquisition had taken place on January 1, 2002. The pro forma amounts give effect to certain adjustments, including the amortization of intangibles, increased interest expense and income tax effects. This pro forma information does not necessarily reflect the results of operations as they would have been if the business had been managed by the Company during these periods and is not indicative of results that may be obtained in the future:

Pro forma:	YEAR ENDED December 31, 2003	YEAR ENDED December 31, 2002	YEAR ENDED December 31, 2001
	(unaudited)	(unaudited)	(unaudited)
Revenue	\$ 120,811	\$ 102,908	\$ 63,904
Income from continuing operations before cumulative effect of change in accounting principle	4,657	3,969	747
Income before cumulative effect of a change in accounting principle	2,688	6,042	2,904
Net income	2,688	2,640	2,904
Income available to common stockholders	2,231	2,239	2,552

Basic earnings per common share from continuing operations	\$	0.65	\$	0.55	\$	0.06
Basic earnings per common share before cumulative effect of a change in accounting principle	\$	0.35	\$	0.87	\$	0.40
Basic earnings per common share	\$	0.35	\$	0.35	\$	0.40
Diluted earnings per common share from continuing operations	\$	0.59	\$	0.48	\$	0.05
Diluted earnings per common share before cumulative effect of a change in accounting principle	\$	0.28	\$	0.79	\$	0.36
Diluted earnings per common share	\$	0.28	\$	0.31	\$	0.36

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#### 4. Discontinued Operations

During the fourth quarter of 2003, the Company committed to a plan to sell the operations of Pumpkin Masters and hired an investment bank to draft plans for the immediate sale of the unit. Pumpkin Masters was included in the seasonal products segment. During the fourth quarter, the investment bankers began actively soliciting offers for the sale of Pumpkin Masters and together with management have determined that the sale of Pumpkin Masters is probable and will close in 2004. Accordingly, as of December 31, 2003, the assets and operations of Pumpkin Masters have been classified as a discontinued operation in accordance with FAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*.

During the fourth quarter of 2003, Possible Dreams filed for bankruptcy protection. Possible Dreams was included in the seasonal products segment. At the date of filing, management anticipated the liquidation and effectively lost control over the assets and operations of the subsidiary and therefore deconsolidated the accounts of Possible Dreams. Possible Dreams losses in excess of the Company's investment have been classified as a deferred credit in the balance sheet until such time as the plan of liquidation is finalized.

The Company has restated its prior financial statements to present the operating results of the seasonal products segment as a discontinued operation. The seasonal products segment net sales were \$21,600, \$29,700 and \$31,900 for the periods ended December 31, 2003 (which includes the results of Possible Dreams through the date of deconsolidation), 2002 and 2001, respectively.

The assets and liabilities of the seasonal products segment included in the assets and liabilities of discontinued operations at December 31, 2003 and 2002 consist of the following (in thousands):

	2003	2002
Cash	\$ 534	\$ 3,271
Accounts receivable, net	2,584	4,318
Inventory	1,076	4,880
Other assets	231	997
	<u>\$ 4,425</u>	<u>\$ 13,466</u>
Current assets of discontinued operations		
Property, plant and equipment, net	\$ 388	\$ 1,998
Intangible assets, net	6,656	7,014
Deferred income taxes	—	2,466
	<u>\$ 7,044</u>	<u>\$ 11,478</u>
Long-lived assets of discontinued operations		
Notes Payable	\$ 1,812	\$ 9,856

Accounts payable and accrued expenses	866	3,132
	<u>          </u>	<u>          </u>
Current liabilities of discontinued operations	\$ 2,678	\$ 12,988
	<u>          </u>	<u>          </u>
Long-term liabilities of discontinued operations	\$ 312	\$ 2,266
	<u>          </u>	<u>          </u>

Although the Company has no involvement in Possible Dreams' Chapter 11 proceedings and did not guarantee any of the liabilities of Possible Dreams, there are certain receivables that the Company has from Possible Dreams which may ultimately be settled for less than their full value. The Company believes that it has provided adequate reserves against these receivables to provide for any such reduced settlement. The Company also has a potential liability for an outstanding severance claim which it has agreed to pay in an amount equal to any portion not fully paid by the estate of Possible Dreams in its Chapter 11 liquidation settlement of such claim and has reserved for its possible outcome in current liabilities on the Consolidated Balance Sheet at December 31, 2003.

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Discontinued results for the years ended December 31, 2003, 2002 and 2001 are as follows:

	<u>YEARS ENDED DECEMBER 31,</u>		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Results of discontinued operations (net of income tax expense of \$2,351, \$660, and \$1,259 in 2003, 2002 and 2001, respectively)	\$ (1,911)	\$ 2,425	\$ 2,521
Minority interests in income of discontinued operations	(58)	(352)	(364)
	<u>          </u>	<u>          </u>	<u>          </u>
Results of discontinued operations after minority interests	\$ (1,969)	\$ 2,073	\$ 2,157
	<u>          </u>	<u>          </u>	<u>          </u>

## 5. Property and Equipment, Net

	<u>DECEMBER 31,</u>	
	<u>2003</u>	<u>2002</u>
Buildings and improvements	\$ 698	\$ 432
Computer equipment and software	6,547	4,923
Machinery and equipment	192	235
Furniture and fixtures	1,720	1,483
	<u>          </u>	<u>          </u>
	9,157	7,073
Less accumulated depreciation	(4,961)	(3,603)
	<u>          </u>	<u>          </u>
Total	\$ 4,196	\$ 3,470
	<u>          </u>	<u>          </u>

## 6. Intangible Assets, Net

	<u>DECEMBER 31,</u>	
	<u>2003</u>	<u>2002</u>

Patents	\$ 76	\$ 69
Deferred financing costs	1,215	1,211
Curriculum	313	264
Health provider costing and membership client lists	6,678	1,153
	<u>8,282</u>	<u>2,697</u>
Less accumulated amortization	(1,220)	(569)
	<u>(1,220)</u>	<u>(569)</u>
Total	\$ 7,062	\$ 2,128
	<u>\$ 7,062</u>	<u>\$ 2,128</u>

## 7. Notes Payable

WC and Primrose each have short-term borrowing facilities under bank credit agreements. Each such agreement contains restrictive covenants which prohibit or limit certain actions, including levels of capital expenditures, investments and incurrence of additional debt, and which require the maintenance of defined levels of profitability and tangible net worth. As a result, there are restrictions on the transfer by the subsidiaries of their net assets to the parent company.

Concurrent with a February 28, 2002 amendment to WC's senior term debt with Bank One to allow prepayment of the subordinated debt prior to repayment of the senior term debt, the revolving facility was increased from \$4,500 to \$5,000. In August 2002, WC further amended its existing loan agreement to

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increase the available revolving credit facility from \$5,000 to \$7,000 and the extension of the expiration of the facility to December 2003. It was previously December 2002.

In October 2003, concurrent with the purchase of Octagon by WC and the financing of that transaction (see Note 8 for details as to term debt portion of this transaction), CMI and its parent holding company, WC, entered into an \$8,000 Revolving Credit Commitment evidenced by an amended and restated revolving credit note. The revolving credit commitment replaced the current commitment that was in place. The expiry of the revolving credit commitment is December 2006.

WC, therefore, had a \$8,000 line of credit at December 31, 2003 (\$7,000 at December 31, 2002) under which \$0 and \$287 were borrowed at December 31, 2003 and 2002, respectively, at an interest rate of LIBOR plus 175 basis points (3.50% and 3.75% at December 31, 2003 and 2002, respectively).

Primrose refinanced its debt on April 5, 2002 pursuant to which Primrose received a revolving loan commitment of \$1,000 (of which \$681 was drawn at closing) bearing interest at LIBOR plus 3.0% or the prime rate plus 0.5%, expiring in September 2003. On December 31, 2002, the terms of the Primrose note dated April 5, 2002 were amended as follows with respect to the revolving facility: the applicable rate for the revolving portion of the agreement now bears interest at the Eurodollar rate plus 2.75% or at the prime rate. See Note 8 for details of the term debt portion of the April 5, 2002 refinancing and the December 31, 2002 amendment.

On September 30, 2003, the Primrose revolving facility, which was due to expire on that date, was extended by amendment to expire on November 30, 2003 and further extended in November until December 31, 2003. On December 31, 2003, the terms of the Primrose note dated April 5, 2002 were further amended as follows with respect to the revolving facility: the expiration was changed to December 31, 2004 and the applicable rate for the revolving portion of the agreement now bears interest at the Eurodollar rate plus 2.0% or prime. See Note 8 for details of the term debt portion of the December 31, 2003 amendment.

Primrose, therefore, had a \$1,000 line of credit at December 31, 2003, under which \$0 and \$600 was borrowed at December 31, 2003 and 2002 respectively, at the greater of the prime rate or LIBOR plus 2.75% (3.92% and 4.25% at

December 31, 2003 and 2002, respectively). Borrowing capacity under the line was \$1,000 at December 31, 2003.

## 8. Long-term Debt and Other Obligations

	DECEMBER 31,	
	2003	2002
Primrose Term Loan payable in 8 quarterly installments ranging from \$600 to \$732 through December 31, 2004; the loan bears interest at the Eurodollar rate plus 2.5% or prime plus 0.5% (4.38% at December 31, 2003)	2,928	5,328
WC Holdings capital lease for computer equipment payable through May 2003	—	68
WC Holdings note to Community Insurance payable in annual installments of principal and interest through May 31, 2004 with interest imputed at 8%	481	910
WC Holdings senior term debt payable in monthly installments through 2009; interest payable monthly; \$8,500 of the principal bears a rate of 1 month LIBOR; the maturity date of the interest rate swap fixing this rate (7.6%) is December 2005, but this swap is cancelable at the lender's option after December 2003; the remainder of the debt carries a rate of prime minus 1/2% or LIBOR plus 1 75% basis points (3.17% and 3.75% at December 31, 2003 and 2002, respectively)	31,480	15,771
	\$ 34,889	\$ 22,077
Less amounts representing interest on capital leases	—	(10)
Total term debt and other obligations	\$ 34,889	\$ 22,067

Scheduled maturities of long-term debt and other obligations for the next five years are as follows:

\$9,031—2004; \$5,622—2005; \$5,622—2006; \$5,622—2007; and \$8,992—2008 and thereafter.

Consistent with the bank lines of credit, most of the Company's long-term obligations carry restrictive covenants which prohibit or limit certain actions, including levels of capital expenditures, investments, incurrence of additional debt, and which require the maintenance of defined levels of profitability and tangible net worth. Most borrowings are secured by a pledge of substantially all assets at the subsidiary level, as well as by a pledge of the Company's share ownerships in the subsidiary. Accordingly, substantially all of each subsidiary's net assets are restricted.

The Company has a tax sharing agreement with its subsidiaries, under which income tax liabilities at each subsidiary are determined on a stand-alone basis, with amounts payable to Security Capital as the consolidated taxpayer. With respect to Pumpkin's, Primrose's and WC and subsidiaries' term loan and bank credit arrangements, any amounts remitted to Security Capital in excess of amounts approved by the lenders are required to be set aside, and are pledged to the lenders as additional collateral for the borrowings at such subsidiaries. At December 31, 2003, no such amounts were set aside and pledged as collateral under such arrangements.

On February 28, 2002, WC Holdings fully prepaid its \$6,000 subordinated debt with Bank One Mezzanine which carried a 20% per annum interest rate and was due to be repaid in a balloon payment in December 2005. In addition to the principal amount, WC Holdings also was required to pay \$431 in prepayment penalties (which is reflected in interest expense). Cash flows from operations and cash on hand at the beginning of the quarter were sufficient to prepay this note and penalties without utilizing the Bank One revolving line of credit. WC Holdings' senior term debt with Bank One was

amended to allow prepayment of the subordinated debt prior to repayment of the senior term debt and to concurrently increase the revolving facility from \$4,500 to \$5,000 effective February 28, 2002.

In February 2003, pursuant to an amendment to its existing loan agreement with Bank One N.A. which was executed in late December 2002 but not funded until February 2003, WC Holdings raised an

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additional \$1,000 in term debt. This \$1,000 related to the October 1, 2002 Barron Risk Management, Inc. acquisition which had been funded by the Bank One revolving facility at that time. This \$1,000 term debt was added to the term indebtedness already existing, and the maximum availability under the revolving facility was left unchanged from the existing \$7,000 line of credit. This additional amount of \$1,000 term indebtedness carries an interest rate of prime minus  $\frac{1}{2}\%$  or Eurodollar plus  $2\frac{1}{4}\%$ . Principal payments of this additional \$1,000 of term debt are in accordance with the existing amortizing term debt—payable in monthly installments through January 2005. During the second quarter of 2003, an interest refund of \$233 for prior and current periods' overcharge of interest expense by the lender on the WC Holdings senior term debt was received and recorded as a reduction in interest expense.

The total amount of funds necessary to purchase Octagon Risk Services, Inc. in October 2003 (see Note 3) was provided by Bank One, N.A. pursuant to an Amended and Restated Loan Agreement which combined CMI's existing term loan with a new borrowing of \$18,000 related to the Octagon purchase. As part of the Amended and Restated Loan Agreement, an interim term loan was provided to finance the remaining purchase price until the investments acquired from Octagon could efficiently liquidated. This interim loan was repaid in full in October 2003.

The Company refinanced its debt at Primrose on April 5, 2002. The terms of the new debt are as follows: a \$3,200 term loan repayable at \$624 per quarter beginning July 15, 2002 bearing interest at the prime rate plus 2.0%, an additional \$4,000 of non-amortizing term debt with a balloon payment due in September 2003 bearing interest at the Eurodollar rate plus 1.0% and a revolving facility of \$1,000 (of which \$681 was drawn at closing) bearing interest at the Eurodollar rate plus 3.0% or the prime rate plus 0.5%, expiring in September 2003. To secure this debt, Primrose has pledged all of its assets, Primrose Holdings and the Company have guaranteed the debt and the Chairman of the Company issued a personal guarantee for \$4,000, for which he received a guarantee fee of 8% per annum of the declining average quarterly balance of his guarantee during 2002. Primrose agreed to reimburse the Chairman for any amount paid by him on this guarantee. As security for Primrose's reimbursement obligation, Primrose granted the Chairman a subordinated interest in Primrose's assets. In addition, the Company agreed to reimburse the Chairman for any amount paid by him on his guarantee in the event Primrose failed to reimburse him and agreed to set aside funds in a designated reserve bank account. On December 31, 2002, the Chairman's guarantee and the reserve account requirements were removed as discussed below. On December 31, 2003, the Company's guarantee was also removed as discussed below.

In the second quarter of 2002, the Company recorded a net gain on the early extinguishment of debt associated with this Primrose refinancing of \$808 relating to the repurchase of warrants, net of the write-off of original issue discount and deferred financing costs associated with the original debt. This net gain is included in the following component lines of the Consolidated Statements of Income: \$1,554 of gain on repurchasing bank warrants in other income, \$860 of expense for the write-off of the original issue discount and deferred financing costs associated with the original debt in interest expense, and \$114 of tax benefit in tax expense.

On December 31, 2002, the terms of the Primrose note dated April 5, 2002 were amended as follows: The due date is now December 31, 2004. Principal payments on the entire term debt consist of four quarterly payments during 2003 of \$600 and four quarterly payments during 2004 of \$732 with the remaining balance due and payable on December 31, 2004. Interest is payable quarterly. The term debt bears interest at the Eurodollar rate plus 3.00% or the prime rate plus 0.50% (approximately 4.38% for December 2002). The applicable rate for the revolving portion of the agreement bears interest at the Eurodollar rate plus 2.75% or at the prime rate. The individual guarantee by the Chairman of Security Capital was terminated as of December 31, 2002.

On December 31, 2003, the terms of the Primrose note dated April 5, 2002 were further amended as follows: The applicable rate for the term debt is changed to the Eurodollar rate plus 2.5% or prime plus 0.5% (approximately 3.65% for December 2003), the applicable rate for the revolving portion of the

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agreement bears interest at the Eurodollar rate plus 2.0% or at the prime rate, the expiration of the revolving facility was changed to December 31, 2004 and the Company's guarantee was removed.

The Company is not in compliance with its EBITDA covenant at Pumpkin. Management expects to be in compliance with the covenants on all debt in the foreseeable future except for Pumpkin's EBITDA covenant. Management believes it has the ability to refinance the Pumpkin debt in the near future. Borrowings under the bank credit agreements are secured by a pledge of substantially all of the Company's assets as well as a pledge of the Company's share ownerships in the subsidiaries.

To manage interest rate risk, the Company entered into an interest rate swap on December 20, 2000 that effectively fixes the interest payments of a portion of its floating rate debt. This derivative instrument is not designated as a hedge for financial accounting purposes. The fair market value is therefore recorded in other long-term obligations, and the change in fair value is recognized in the consolidated statements of income in other income (expense).

As of December 31, 2003 and 2002, the unrealized derivative loss was \$662 and \$907, respectively, which were determined by quoted market prices. The maturity date of the derivative instrument is December 22, 2005. At December 31, 2003 and 2002, the notional principal amount of this agreement was \$8,500.

Through May 2003, WC leased computer equipment under an agreement which was classified as a capital lease. At December 31, 2003 and 2002, property and equipment included the equipment under the lease with a carrying value of \$0 and \$68, respectively. The amortization of the cost of the equipment is included in depreciation expense.

#### **9. Redeemable Convertible Preferred Stock**

The Company has issued and outstanding 500,000 shares of zero coupon, redeemable convertible preferred stock that have a stated redemption value of \$10 per share. Such preferred shares are convertible into Class A common stock on a 1:1 basis. The preferred shares are redeemable at the option of the shareholder at the greater of liquidation value in the event of a liquidation or upon the earlier of (1) the date Primrose's earnings before interest, income taxes, depreciation and amortization EBITDA as defined, exceeds \$8,500 on a latest twelve month basis on or after April, 2002, (2) on April 6, 2004 at a ratio of actual EBITDA (as defined) for the most recently completed fiscal year over \$8,500 multiplied by \$5,000 or (3) on April 6, 2006. EBITDA for Primrose was \$4,566 for the year ended December 31, 2003. The 500,000 shares have a liquidation preference of \$10 per share paid before the common shareholders in the event of a liquidation or change of control.

The Company has 2,500,000 shares of authorized preferred shares, \$.01 par value, of which 2,000,000 shares remained available for issuance at December 31, 2003 and 2002.

#### **10. Stockholders' Equity**

The authorized common stock of the Company consists of Common Stock and Class A Common Stock. The Class A Common Stock shares are identical in rights to the Common Stock shares, except that transfer of shares of the Class A Common stock is prohibited to a person who is, or would thereby become, a holder of 4.75% or more of the fair market value of the common stock and the Class A common stock.

The Company has entered into various financing arrangements at the subsidiary level that may limit the ability to pay dividends to the parent company, thus limiting the parent company's ability to pay dividends to its shareholders.

During 2001, the Company acquired 7,722 shares of Class A Common Stock when a director who resigned for personal reasons decided to exercise his vested stock options utilizing 7,722 of his previously-

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owned shares in lieu of cash to pay the option price due to the Company with regard to the 16,000 options he was exercising.

Pursuant to the provisions of the 2000 Long-Term Incentive Plan (which allows for the grant of up to 966,000 shares), on July 13, 2000, the Company granted options to acquire 549,000 shares of its Class A common stock at the then market value, which was \$6.125 per share. Of the 549,000 options granted, 48,000 vest over a two-year period with one-third vesting immediately upon grant and the remaining two-thirds vesting equally on each of the first and second anniversaries of the grant, while the remaining 501,000 vest over a five-year period in equal 20% amounts beginning on the first anniversary of the grant and annually thereafter. Additional grants, also pursuant to the provisions of the 2000 Long-Term Incentive Plan, were made during the year ended December 31, 2001 as follows: On May 16, 2001, the Company granted options to acquire 24,000 shares of its Class A common stock at an exercise price per share equal to market value, which was \$10.31. These 24,000 options vest over a two-year period with one-third vesting immediately upon grant and the remaining two-thirds vesting equally on each of the first and second anniversaries of the grant. On July 19, 2001, the Company granted options to acquire 237,000 shares of its Class A common stock at an exercise price per share equal to market value, which was \$10.85. These 237,000 options granted vest over a five-year period in equal 20% amounts beginning on the first anniversary of the grant and annually thereafter. On September 7, 2001, the Company granted options to acquire 24,000 shares of its Class A common stock at an exercise price per share equal to market value, which was \$12.69. These 24,000 options vest over a two-year period with one-third vesting immediately upon grant and the remaining two-thirds vesting equally on each of the first and second anniversaries of the grant. On February 1, 2002, the Company granted options to a director to acquire 24,000 shares of its Class A common stock at an exercise price per share equal to market value, which was \$9.65. These 24,000 options vest over a two-year period, with one-third vesting immediately upon grant and the remaining two-thirds vesting equally on each of the first and second anniversaries of the grant. On June 10, 2003, the Company granted options to an executive officer to acquire 15,000 shares of its Class A common stock at an exercise price per share equal to market value at date of grant, which was \$8.00. These 15,000 options vest over a five-year period in equal 20% amounts beginning on the first anniversary of the grant and annually thereafter. Subject to termination of the grantee's employment or directorship, all options expire 10 years from the date of grant and are not transferable other than on death. For all grants, the Company, not the holder, has the right to settle the options in cash.

As mentioned above, pursuant to the provisions of the 2000 Long-Term Incentive Plan, a director who resigned for personal reasons decided to exercise 16,000 vested options to purchase the Company's Class A common stock in October 2001. This resulted in a net increase in shares of Class A common stock outstanding of 8,278 when he used 7,722 previously-owned shares in lieu of cash to pay the option price due to the Company. These options would have otherwise expired 90 days after the August 17<sup>th</sup> termination of his directorship (November 15, 2001). The remaining 8,000 options held by this former director were not vested and were cancelled on August 17, 2001 pursuant to the provisions of his stock option grant certificate as issued under the 2000 Long-Term Incentive Plan.

## 11. Minority Ownership

The owners of the minority interests in WC (20.0%) and Primrose (1.5%) have entered into agreements with the Company providing for restrictions on the transfer of such shares, and other related share restrictions.

On April 3, 2001, the Company exercised its call provision relating to common shares of Primrose owned by a then resigning officer. The Company repurchased 100 shares, or 0.3%, of Primrose from this officer for \$50 per share, increasing its direct ownership to 98.5%. The amount paid by Primrose for these shares was reflected as additional cost of the acquisition of Primrose.

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## 12. Subsidiary Options and Warrants

WC Holdings—Options to acquire 1,281 shares of common stock of WC, an 80%-owned subsidiary of WC Holdings, at approximately \$694 per share, the fair value at the date of the grant, were granted to subsidiary employees during the first quarter of 2001. 721 of these options vest over a three-year period, 200 options vest over a five-year period and one grant of 360 options vests over an eight-year period but is subject to certain acceleration provisions. Options to acquire 100 shares of WC at approximately \$1,626 per share, the fair value at the date of grant as determined by the Board of Directors, were granted during the first quarter of 2002. These options vest over an eight-year period, but are subject to certain acceleration provisions. The options may be settled in either WC stock or in Security Capital stock, or the Company, but not the holders, has the right to settle the options in cash. If all such outstanding options had been vested and exercised at December 31, 2003, the Company's ownership share of WC would have been 73%. It is currently 80%.

Primrose—Options to acquire 2,311 common shares of Primrose at \$500 per share (market value at date of grant as determined by the Board of Directors) were issued in 1999 and expire in 2009. On June 18, 2001 and September 30, 2001, Primrose cancelled 346.67 and 288.89 options, respectively, held by two former officers of Primrose. The options vest 20% per year beginning on the first anniversary of the grant. Options to acquire a total of 525 shares of Primrose at \$701.51 per share (market value at date of grant) were issued on January 1, 2003 to three subsidiary employees. Options to acquire a total of 60 shares of Primrose at \$701.51 per share (market value at date of grant) were issued on April 8, 2003 to three subsidiary employees. All of these 2003 option grants vest over a three-year period with 40% being immediately exercisable on the date of grant and an additional 20% per year vesting on each of the three successive anniversary dates of the grant. Of the 2,260.56 options outstanding at December 31, 2003, 1,574.45 options are fully vested. The options may be settled in either Primrose stock or in Security Capital stock, or the Company, but not the holders, has the right to settle the options in cash. If all such outstanding options had been exercised for Primrose shares at December 31, 2003, the Company's ownership share of Primrose would have been 90.6%. It is currently 98.5%.

Pumpkin—Options to acquire a total of 39 Class A common shares of Pumpkin at \$1,754 per share (fair value at date of grant) were issued in 1997 and 1998. Of these options, nine were settled for cash at their existing liability value of \$82,000 on June 7, 2001 and three were settled for cash at their existing liability value of \$17,000 on June 25, 2001 when the holders exercised their rights to settle the options for cash. The remaining 27 options are fully vested and expire in 2007 and 2008. On July 1, 2001, Pumpkin granted options to acquire 27 shares of Pumpkin at the fair market value on the date of the grant, which was \$9,111 per share. All 54 outstanding options may be settled in either Pumpkin stock or in Security Capital stock, or the Company, but not the holders, have the right to settle the options in cash, all at the earlier of: (1) June 27, 2003 (2) repayment in full of the acquisition note and any related interest or (3) any time after average EBITDA of Pumpkin exceeds \$2,500 for a four consecutive fiscal year period commencing in 1997. If all such outstanding options had been exercised for Pumpkin shares at December 31, 2003, the Company's ownership share of Pumpkin would have been 94.06%. It is currently 100%.

The charges to net income for the subsidiary options discussed above under SFAS 123 using minimal value assumptions would be \$229, \$117 and \$108, for the years ended December 31, 2003, 2002 and 2001, respectively.

Concurrent with the refinancing of Primrose's debt on April 5, 2002, the Company repurchased warrants formerly held by a lender to acquire shares of Primrose and recognized a gain on this repurchase of \$1,554. Warrant income (expense), classified as other income (expense) was \$0, \$1,334 and \$(147) for the years ended December 31, 2003, 2002 and 2001, respectively (see Note 15). The warrant income for the year ended December 31, 2002 included the income recognized on the Primrose warrant repurchase. There were no warrants outstanding as of December 31, 2003 or December 31, 2002.

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### 13. Employee Benefit Plans

The Company sponsors defined contribution 401(k) plans at each of its subsidiaries in which qualifying employees of the Company may participate. Employees must be 21 years of age to participate. Under these plans, some of which provide for Company matching contributions, participants may elect to make pre-tax contributions of up to 15% of their eligible earnings. The Company's matching contributions were \$750, \$565 and \$424 for the years ended December 31, 2003, 2002 and 2001, respectively.

### 14. Long-term Incentive Plan

Options to purchase Class A common stock of Security Capital granted under the 2000 Long-Term Incentive Plan are exercisable at the market price at the date of grant and, subject to termination of the grantee's employment or directorship, expire 10 years from the date of grant and are not transferable other than upon death.

A summary of the Company's stock option activity and related information for the years ended December 31, 2003, 2002 and 2001 is as follows:

	2003	2002	2001

	Weighted Average		Weighted Average		Weighted Average	
	Options	Exercise Price	Options	Exercise Price	Options	Exercise Price
	(000's)		(000's)		(000's)	
Outstanding at the beginning of the year	834	\$ 7.880	810	\$ 7.826	549	\$ 6.125
Granted	15	8.000	24	9.650	285	10.959
Exercised	—	—	—	—	(16)	6.125
Forfeited	—	—	—	—	(8)	6.125
Outstanding at the end of the year	849	\$ 7.881	834	\$ 7.880	810	\$ 7.826
Exercisable at the end of the year	484	\$ 7.702	312	\$ 7.485	132	\$ 6.777
Weighted-average fair value of options granted during the year	3.20		4.32		6.09	

### OPTIONS OUTSTANDING

Range of Exercise Prices	Number of Options Outstanding at December 31, 2003	Weighted-Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable at December 31, 2003
	\$6.125	525	6.5	\$ 6.125
\$10.31 to \$12.69	285	7.5	\$ 10.959	143
\$9.65	24	8.0	\$ 9.650	16
\$8.00	15	9.5	\$ 8.000	—
	849			484

### Pro forma Summary Information

Pro forma information regarding net income and earnings per share as required by SFAS 148 has been determined as if the Company had accounted for its employee stock options under the fair value method of that Statement. See Note 2.

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### 15. Other Income (Expense)

	YEARS ENDED DECEMBER 31,		
	2003	2002	2001
Interest income	\$ 84	\$ 79	\$ 68
Warrant income (expense)	—	1,334	(147)
Unrealized gain (loss) on derivative	245	(378)	(529)
Gain on sale of Texas land, net of expenses	107	—	—
Loss on sale of marketable securities	(251)	—	—
Other income (expense)	—	(154)	(162)

Total	\$ 185	\$ 881	\$ (770)
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As discussed in Note 8, the Company's subsidiary, Primrose, repurchased bank warrants during the second quarter of 2002 at less than the carrying value of the liability thereof, thereby generating \$1,554 in warrant income which is reflected in the year ended December 31, 2002 amount above. This income was offset by \$860 of expense for the write-off of the original issue discount and deferred financing costs associated with the refinancing that included the warrant repurchase, which was recorded in interest expense.

## 16. Income Taxes

The provision (benefit) for income taxes from continuing operations for the years ended December 31, 2003, 2002, and 2001 is as follows:

	2003	2002	2001
Current:			
Federal	\$ 3,118	\$ 3,331	\$ (128)
State	1,069	675	164
	<u>4,187</u>	<u>4,006</u>	<u>36</u>
Deferred:			
Federal	396	272	1,475
State	110	(109)	330
	<u>506</u>	<u>163</u>	<u>1,805</u>
Income tax on income before income taxes, minority interests, discontinued operations and cumulative effect of change in accounting principle	\$ 4,693	\$ 4,169	\$ 1,841
Deferred tax benefit on cumulative effect of change in accounting policy:			
Federal	\$ —	\$ (1,935)	\$ —
State	\$ —	(485)	\$ —
	<u>\$ —</u>	<u>\$ (2,420)</u>	<u>\$ —</u>

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The items comprising the Company's net deferred tax assets are as follows at:

	DECEMBER 31,	
	2003	2002
Deferred tax assets (liabilities):		
Allowance for doubtful accounts and inventory differences	\$ 1,394	\$ 623
Net operating loss carry-forwards	3,333	1,054
Alternative minimum tax carryover	—	408

Accelerated depreciation and other	(402)	(1,533)
	<u>4,325</u>	<u>552</u>
Valuation allowance	—	—
Net deferred tax asset	<u>\$ 4,325</u>	<u>\$ 552</u>
Reconciliation to financial statements:		
Current deferred tax asset	\$ 1,618	\$ 1,035
Long-term deferred tax asset	2,707	—
Long-term deferred tax liability	—	(483)
Net deferred tax asset	<u>\$ 4,325</u>	<u>\$ 552</u>

The valuation allowance reduces the deferred tax assets to the amount that is more likely than not to be realized. Reconciliations of the income tax provision to income taxes based on the 34% federal statutory rate are as follows:

	2003	2002	2001
Federal income taxes based on 34% of pre-tax income from continuing operations before cumulative effect of change in accounting principle	\$ 3,794	\$ 3,645	\$ 951
State income taxes, net of federal benefit	765	396	273
Other	134	128	617
Income tax provision reflected as income tax expense	<u>\$ 4,693</u>	<u>\$ 4,169</u>	<u>\$ 1,841</u>

## 17. Earnings Per Common Share

Diluted earnings per share reflect per share amounts that would have resulted if dilutive common stock equivalents had been converted to common stock. The following reconciles amounts reported in the consolidated financial statements. The calculations shown for 2002 and 2001 have been restated to give effect to the reclassification of discontinued operations from continuing operations:

	2003	2002	2001
Diluted earnings:			
Income available to common stockholders	\$ 2,926	\$ 3,393	\$ 2,483
Eliminate preferred stock accretion	—	401	—
Subsidiary stock options	(395)	(407)	(123)
Diluted earnings after cumulative effect of a change in accounting principle	<u>2,531</u>	<u>3,387</u>	<u>2,360</u>
Eliminate cumulative effect of a change in accounting principle (net of income tax benefit of \$2,420)	—	3,402	—
Diluted earnings before cumulative effect of a change in accounting principle	2,531	6,789	2,360
Eliminate discontinued operations	1,969	(2,073)	(2,157)
Add preferred stock accretion	—	(401)	—

Eliminate discontinued operations subsidiary stock options	40	72	51
Diluted earnings from continuing operations	\$ 4,540	\$ 4,387	\$ 254
Diluted weighted average shares outstanding: Common stock	6,451	6,451	6,444
Preferred stock (anti-dilutive in 2002 for EPS from continuing operations only)	—	500	—
Security Capital stock options	85	182	204
Diluted weighted average shares outstanding	6,536	7,133	6,648
Diluted earnings per common share from continuing operations	\$ 0.69	\$ 0.66	\$ 0.04
Diluted earnings per common share before cumulative effect of a change in accounting principle	\$ 0.38	\$ 0.95	\$ 0.35
Diluted earnings per common share after cumulative effect of a change in accounting principle	\$ 0.38	\$ 0.47	\$ 0.35

For the years ended December 31, 2003 and 2001 and for EPS from continuing operations only for the year ended December 31, 2002, 500,000 shares of zero coupon redeemable convertible preferred stock, which were convertible into 500,000 common shares, were excluded from the computation of diluted earnings per share EPS because their inclusion as converted had an anti-dilutive effect on EPS. In addition, certain subsidiary options were excluded from the computation of diluted EPS for the year ended December 31, 2001 because their inclusion would have had an anti-dilutive effect on consolidated EPS. For the year ended December 31, 2003, Security Capital options to purchase 324,000 shares of Class A common stock at exercise prices ranging from \$8.00 to \$12.69 were not included in the computation of dilutive EPS because the options' exercise prices were greater than the average market price of the Class A common stock. For the year ended December 31, 2002, Security Capital options to purchase 309,000 shares of Class A common stock at exercise prices ranging from \$9.65 to \$12.69 were not included in the computation of dilutive EPS because the options' exercise prices were greater than the average market price of the Class A common stock. For the year ended December 31, 2001, options to purchase 285,000 shares of Class A common stock at exercise prices ranging from \$10.31 to \$12.69 were not included in the

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computation of dilutive EPS because the options' exercise price was greater than the average market price of the Class A common stock.

## 18. Related Party Transactions

The Company has an agreement with Capital Partners, Inc. ("CPI"), a shareholder of the Company. CPI and its affiliates and principals owned 83% of the Company's common shares at both December 31, 2003 and 2002. Under the agreement, CPI provides certain advisory services and management services related to investments, general administration, corporate development, strategic planning, stockholder relations, financial matters and general business policy. For all periods up to and including December 31, 2002, fees paid by the Company to CPI were based upon the greater of either a fixed dollar amount or 5% of earnings before income taxes, depreciation and amortization, as defined. The minimum annual fixed dollar amount was \$1,085 for all years following the acquisition by the Company of WC Holdings, Inc. on December 20, 2000.

Effective January 1, 2003, the original agreement was terminated, and a new agreement was entered into whereby the Company now is required to pay CPI compensation at the rate of \$1,250 per annum, subject to adjustment upon the occurrence of any material unforeseen event, and which agreement would be terminable by either CPI or the Company as of any December 31 upon not less than 60 days' prior written notice to the other. Under the agreement, CPI provides to the Company certain advisory services and management services related to investments, general administration, corporate development, strategic planning, stockholder relations, financial matters and general business policy. The advisory fees calculated under the terms of the original agreement and under the terms of the new agreement for the respective periods to

which each apply are considered by management to be reasonable estimates of the salaries and other costs paid or incurred by CPI and allocable to the advisory services and management services to be provided by CPI to the Company. In addition, the Company has agreed to pay fees to CPI for acquisition opportunities presented to the Company by CPI at usual and customary rates for investment banking fees for transactions of similar size and complexity. CPI is under no obligation to present to the Company any or all acquisition candidates of which it becomes aware. Furthermore, the Company is under no obligation to utilize CPI for investment banking services. On November 4, 2003, the agreement was amended to increase the CPI compensation rate to \$1,400 per annum effective retroactively for the 2003 calendar year and to further pay a \$150 one-time investment banking fee to CPI in compensation for the services it performed in consummating the Octagon acquisition. The amendment also increased the CPI compensation rate to \$1,550 per annum effective January 1, 2004, which will be reduced by rent expense paid for directly by the Company. The Audit Committee of the Board of the Company approved this agreement and its amendment. Fees incurred by the Company to CPI were \$1,550, \$1,273 and \$1,191 in the years ended December 31, 2003, 2002 and 2001, respectively, and is included in selling, general, and administrative expenses in the Consolidated Statements of Income, except for the investment banking fee amount of \$150 in 2003 which has been capitalized as part of the Octagon acquisition costs. Amounts due to CPI were \$293 and \$39 at December 31, 2003 and 2002, respectively. Fees paid to CPI are generally subordinate to the rights of the lenders to the Company.

As discussed in Note 8, in connection with the April 2002 refinancing of the debt of the Company's subsidiary, Primrose, the Chairman of the Company issued a personal guarantee for \$4,000, for which he received a guarantee fee of 8% per annum of the declining average quarterly balance of his guarantee. Primrose agreed to reimburse the Chairman for any amount paid by him on this guarantee. As security for Primrose's reimbursement obligation, Primrose granted the Chairman a subordinated interest in Primrose's assets. In addition, the Company agreed to reimburse the Chairman for any amount paid by him on his guarantee in the event Primrose failed to reimburse him. To relieve the Chairman of his personal guarantee and to reduce the fee paid to the Chairman, the Company set aside funds in a designated reserve bank account. On December 31, 2002, this guarantee was cancelled pursuant to the amendment to the refinancing agreement discussed in Note 8. Fees incurred by the Company to the

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Chairman were \$170 for the year ended December 31, 2002 and are included in interest expense in the Consolidated Statements of Income. No amounts were due to the Chairman at December 31, 2002.

A director who joined the Board during 2001 was a senior counsel, from October 2001 until August 2002 and a partner prior to October 2001, in a law firm which the Company engages on a regular basis to perform legal services. Total amounts paid to the law firm were \$219, \$198 and \$111 for the years ended December 31, 2003, 2002 and 2001, respectively. Subsequent to December 31, 2003, that director has also been engaged directly by the Company to perform legal services.

Certain office and school space with leases expiring in April 2003, was rented by Primrose from Security Capital's redeemable preferred stockholder for which the rental expense was \$56 for 2003. Total rent expense reported in Note 19 below includes amounts paid by Primrose to related parties of \$36, \$152 and \$177 in 2003, 2002 and 2001, respectively.

## 19. Commitments and Contingencies

The Company rents showrooms, office space and certain equipment under operating lease agreements. The Company through its subsidiary, WC Holdings, Inc., leases a 70,000 square foot office building in Dublin, Ohio that is used as this subsidiary's principal office facilities. The lease for the building is for a term of 15 years, which began in 1997, provides for annual rent payments and requires the Company to pay all operating expenses for the building. The lease also provides for three renewal options of five years each, an option to purchase the building between the fourth and fifth years of the lease term at a price determined under a formula based on the rentable and unimproved square footage of the building, and a right of first offer to purchase the building before the landlord enters into a contract to sell the building to a third party. The lease restricts WC Holdings' subsidiary, CompManagement, Inc., from paying a dividend, or otherwise distributing funds or assets outside the ordinary course of business to WC, Inc. or another affiliate unless CompManagement, Inc. meets certain tangible net worth requirements. CompManagement also leases office space in other locations within Ohio, as well as California, Georgia, Illinois, Maryland, Michigan, North Carolina, Pennsylvania, South Carolina, Texas, Virginia, Washington and West Virginia. These spaces are used as regional offices and service centers for its operations. The Company also has operating leases at other subsidiaries which contain renewal options and escalation clauses.

Primrose entered into two lease agreements with a third party to lease a facility to be operated as an educational

childcare facility by a subsidiary of the Company and a facility to operate as the Primrose corporate offices. The childcare facility lease has a minimum term of 10 years with an option to purchase after year three and until the fifth anniversary of the agreement. The office lease has a minimum term of five years and an option to purchase after year five and until the seventh anniversary of the agreement. The childcare facility lease commenced on January 10, 2003. The corporate office lease commenced on June 11, 2003.

The Company entered into a lease for corporate holding company office space in November 2003 with rental payments to commence on March 1, 2004. The lease for the building is for a term of seven years and four months, provides for annual rent payments and requires the Company to pay all operating expenses for its prorata share of the building. The lease also provides for one renewal option for a period of five years.

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Future minimum rental commitments at December 31, 2003 for each of the following years are as follows:

2004	\$ 6,366
2005	5,888
2006	5,524
2007	5,014
2008	3,282
After 2008	3,261
	<hr/>
Total	<u>\$ 29,335</u>

The Company had rent expense of \$4,100, \$4,041 and \$3,670 for 2003, 2002 and 2001, respectively.

The purchase agreement for the Company's 1997 acquisition of Pumpkin provided for additional payments contingent upon Pumpkin's future EBITDA as defined. Under the terms of this agreement during each of the years ended December 31, 2003, 2002 and 2001, Pumpkin made additional payments of \$160 each and has recorded an amount of \$1,812 included in short-term debt at December 31, 2003 and in long-term debt at December 31, 2002, which is payable in 2004.

The Company has a purchase commitment of \$1,350 for office furniture and leasehold improvements that will be incurred in 2004.

### Contingencies

The Company is party to several legal actions arising in the ordinary course of its business. In management's opinion, the Company has adequate legal defenses to these actions, such that the resolution of such matters will not have a material adverse effect on the financial position or future operating results of the Company.

The Company's subsidiary, CompManagement, Inc., is party to a lawsuit brought by the Cleveland Bar Association which alleges that certain practices by this subsidiary and its hearing representatives in Ohio constitute the unauthorized practice of law. This matter will be resolved by the Ohio Board of Commissioners on the Unauthorized Practice of Law and by the Supreme Court of Ohio. CompManagement, Inc. believes that its practices do not differ from any other Ohio workers' compensation third party administrator and do not constitute the practice of law. The Company believes that the ultimate outcome of this action will not have a material adverse effect on the financial position or future operating results of the Company.

The Company's former subsidiary, Possible Dreams, is in Chapter 11 proceedings. Although the Company has no involvement in the proceedings and did not guarantee any of the liabilities of Possible Dreams, there are certain receivables that the Company has from Possible Dreams which may ultimately be settled for less than their full value. The Company believes that it has provided adequate reserves against these receivables to provide for any such reduced settlement. The Company also has a potential liability for an outstanding severance claim which it has agreed to pay in an amount equal to any portion not fully paid by the estate of Possible Dreams in its Chapter 11 liquidation settlement of such claim and has

reserved for its possible outcome in current liabilities on the Consolidated Balance Sheet at December 31, 2003. The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position or future operating results of the Company.

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## 20. Goodwill and Other Intangible Assets

The Company ceased amortization of goodwill effective January 1, 2002 upon its adoption of SFAS 142. Amortization expense of goodwill included in the results shown for the year ended December 31, 2001 was \$2,433.

The following table discloses what the effects of the non-amortization of goodwill would be for income and per share amounts for the periods displayed:

	Years Ended December 31,		
	2003	2002	2001
	(in thousands, except per share amounts)		
As reported:			
Net income	\$ 3,383	\$ 3,794	\$ 2,835
Less: preferred stock accretion	(457)	(401)	(352)
Income available to common stockholders	\$ 2,926	\$ 3,393	\$ 2,483
Adjustment from non-amortization:			
Net income (net of income tax of \$(531) in 2001 and of minority interest of \$(285) in 2001)	\$ —	\$ —	\$ 1,617
As adjusted:			
Net income	\$ 3,383	\$ 3,794	\$ 4,452
Less: preferred stock accretion	(457)	(401)	(352)
Income available to common Stockholders	\$ 2,926	\$ 3,393	\$ 4,100
Before cumulative effect of change in accounting principle:			
Basic earnings per share	\$ 0.45	\$ 1.05	\$ 0.71
Diluted earnings per share	\$ 0.38	\$ 0.95	\$ 0.66
After cumulative effect of change in accounting principle:			
Basic earnings per share	\$ 0.45	\$ 0.53	\$ 0.71
Diluted earnings per share	\$ 0.38	\$ 0.47	\$ 0.66

The following tables display the details of other intangible assets and franchise agreements as of the dates shown:

December 31, 2003

December 31, 2002

	Gross Assets	Accumulated Amortization	Gross Assets	Accumulated Amortization
Intangible assets subject to amortization:				
Franchise agreements	\$ 8,750	\$ 1,970	\$ 8,750	\$ 1,553
Patents	76	26	68	20
Deferred financing costs	1,215	643	1,212	387
Curriculum	313	122	264	93
Health care provider costing lists	6,678	429	1,153	69
Total	\$ 17,032	\$ 3,190	\$ 11,447	\$ 2,122

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	Year ended December 31, 2003	Year ended December 31, 2002	Year ended December 31, 2001		
Total amortization expense on above intangible assets	\$ 1,068	\$ 861	\$ 642		
Estimated aggregate amortization expense by year for future years	2004	2005	2006	2007	2008
	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068	\$ 1,068
Intangible assets not subject to amortization (goodwill):					
Employer cost containment and health services		\$ 42,454	\$ 32,470		
Educational services		16,830	16,830		
Total goodwill		\$ 59,284	\$ 49,300		

## 21. Segment Disclosure

After giving effect to the discontinuation of the seasonal products segment, the Company has two reportable segments. The employer cost containment and health services segment consists of WC Holdings, Inc. which, through its subsidiary WC, provides services to corporations and their employees primarily relating to industrial health and safety, industrial medical care and workers' compensation insurance. The educational services segment consists of Primrose. This segment's activities are in the franchising of educational child care centers, with related activities in real estate consulting and site selection services. Management evaluates performance of its segments based upon segment income, defined for the purposes of the segment disclosures as earnings before interest, taxes, depreciation, amortization, minority interest expense, management fees, discontinued operations, cumulative effect of change in accounting principle and certain items. Segment income (as defined) is used to evaluate performance because the Company believes this segment income (as defined) is a financial indicator of value and ability to incur and service debt and, adjusted for capital expenditures, is a simple measure of the Company's ability to generate operating cash flow. It is also one method by which we evaluate and value potential acquisition candidates and by which we value our current subsidiaries. Segment income (as defined) is not a substitute for operating

income or cash flows from operating activities determined in accordance with accounting principles generally accepted in the United States. The accounting policies of the segments are the same as those described in Note 1. There are no inter-segment sales.

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	YEARS ENDED DECEMBER 31,		
	2003	2002	2001
Revenues from external customers:			
Employer cost containment and health services	\$ 84,598	\$ 64,460	\$ 53,634
Educational services	9,834	8,243	7,652
Total revenues	\$ 94,432	\$ 72,703	\$ 61,286
Segment income:			
Employer cost containment and health services	\$ 13,042	\$ 12,987	\$ 10,850
Educational services	4,566	4,217	3,442
Total segment income	17,608	17,204	14,292
Reconciliation to income from continuing operations before cumulative effect of change in accounting principle:			
Amortization and depreciation	(2,441)	(2,267)	(4,970)
Interest expense	(1,565)	(3,633)	(4,162)
Income tax expense	(4,693)	(4,169)	(1,841)
Minority interest in income of consolidated subsidiaries	(1,107)	(1,040)	(278)
Corporate, management fee and other expenses	(2,635)	(1,853)	(1,593)
Other income (expense)	185	881	(770)
Income from continuing operations before cumulative effect of change in accounting principle	\$ 5,352	\$ 5,123	\$ 678

	DECEMBER 31, 2003		DECEMBER 31, 2002	
	Total Assets	Long-lived Assets	Total Assets	Long-lived Assets
Segment assets:				
Employer cost containment and health services	\$ 81,300	\$ 60,871	\$ 46,559	\$ 38,399
Educational services	28,480	24,202	27,278	24,790
Total segment amounts	109,780	85,073	73,837	63,189
Corporate and other	1,889	(4,600)	1,930	(824)
Discontinued operations	11,469	7,044	24,944	11,478
Total assets	\$ 123,138	\$ 87,517	\$ 100,711	\$ 73,843

Of the total \$1,687 in 2003 capital expenditures, \$1,436 related to the employer cost containment and health services segment and was primarily for computer system upgrades throughout all of this segment's locations. Essentially all of the

total \$1,807 in 2002 capital expenditures, related to employer cost containment and health services segment and was primarily for computer system upgrades throughout all of this segment's locations and capital additions to support its new City of Baltimore account and its operations which were acquired from Trigon Administrators operations in 2001.

## Concentrations

WC Holdings and its subsidiaries earned 62% and 79% of their revenues in the state of Ohio during 2003 and 2002, respectively. During the fourth quarter of 2003, after WC Holdings' October 3, 2003 acquisition of Octagon Risk Services, Inc., WC Holdings and its subsidiaries' percentage of concentration of revenues earned in the state of Ohio dropped to 48%. The Company earned 32%, 44%, and 47% of its consolidated revenues from a single customer, the Ohio Bureau of Workers' Compensation ("OBWC"), in

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2003, 2002 and 2001, respectively. The loss of the OBWC contract could have an adverse effect on WC's and the Company's future operating results and financial condition.

Approximately 51%, 45% and 43% of Pumpkin's gross sales during 2003, 2002 and 2001, respectively, were to its three largest customers. Pumpkin purchased approximately 63% of its supplies from three companies during 2003 and 53% and 47% of its supplies from two companies during 2002 and 2001, respectively. The loss of any of its three largest customers or any of its three largest suppliers could have an adverse effect on Pumpkin's future operating results and financial condition.

## 22. Subsequent Events

On January 14, 2004, the Company entered into a \$30,000 senior subordinated debt financing. Pursuant to the financing, the Company issued a \$30,000 senior subordinated promissory note, due September 30, 2008, to a mezzanine lender. The note bears interest at an initial rate equal to 10% per annum, subject to adjustment upwards to 16% per annum effective upon the earlier of September 30, 2004 or the occurrence of certain triggering events under the note. Loan costs of \$710 were paid at funding and will be accounted for as a cost of the financing and amortized over the life of the debt.

At a meeting of the Board of Directors of Security Capital held on January 12, 2004, the Board approved the proposed senior subordinated debt financing and discussed various possible uses of the proceeds thereof. In view of the various possible uses of the proceeds of the financing discussed at the Board meeting, Brian D. Fitzgerald, the President, Chief Executive Officer and Chairman of the Board of Security Capital and the controlling person of the Company's majority stockholder, Capital Partners, Inc., suggested that the Board consider authorizing the formation of a Special Committee consisting of independent members of the Board. The Special Committee would be responsible for reviewing the use of proceeds of the senior subordinated debt financing, including possible strategic alternatives for the Company generally, some of which could involve a conflict of interest between the stockholders of the Company affiliated with Capital Partners, Inc. and the unaffiliated stockholders of the Company. The possible uses of proceeds and strategic alternatives discussed at the Board meeting included the following: (i) the purchase by the Company or one or more of its affiliates of some or all of the outstanding capital stock of the Company, either through open market or private purchases, a tender offer, a merger or other plan of recapitalization; (ii) an extraordinary dividend by the Company to provide liquidity to the Company's stockholders; (iii) the buyback of capital stock of one or more of the subsidiaries of the Company currently held by members of management of the subsidiaries; and/or (iv) the funding of future acquisitions. Mr. Fitzgerald also informed the Board that at this time Capital Partners, Inc. and its affiliates are not interested in selling their controlling equity interest in Security Capital and do not intend to vote in favor of any transaction that would cause them to sell such controlling interest or that would cause Security Capital to dispose of any of its core assets. Capital Partners, Inc. and its affiliates have not made any offer or proposal to the Company with respect to any possible transaction, but reserve the right to do so in the future.

Upon the closing of the senior subordinated debt financing on January 14, 2004, the Special Committee was formed.

On February 19, 2004, WC entered into an interest rate swap with a notional amount of \$10,000. This new swap is in addition to the existing WC interest rate swap referenced in Note 8. The new swap effectively fixes the interest rate at 5.85% for a five-year period ending February 2009 and is intended to qualify as a cash flow hedge under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*.

In March 2004, the holder of the convertible redeemable preferred stock requested redemption of his shares at a value of \$5 million on April 6, 2004. However, the Company believes the redemption value on such date is approximately \$2.7 million.

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**Schedule I—Condensed Financial Information of Registrant**

**Security Capital Corporation (Parent Company)**

**Condensed Balance Sheets**

	December 31, 2003	December 31, 2002
	(in thousands, except share and per share amounts)	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 6,171	\$ 2,729
Accounts receivable from subsidiaries	77	194
Deferred tax assets	29	29
Other current assets	34	682
	<u>6,311</u>	<u>3,634</u>
Total current assets	6,311	3,634
Investments in subsidiaries	37,341	31,008
Notes receivable from subsidiaries	1,824	2,028
Deferred tax assets	—	2,402
	<u>45,476</u>	<u>39,072</u>
Total assets	\$ 45,476	\$ 39,072
<i>Liabilities and Stockholders' Equity</i>		
Current liabilities:		
Accounts payable to subsidiaries	\$ 28	\$ 21
Accounts payable to Capital Partners, Inc.	293	39
Federal income tax payable	6,791	4,930
Accrued expenses and other liabilities	1,035	136
	<u>8,147</u>	<u>5,126</u>
Total current liabilities	8,147	5,126
Total liabilities	<u>8,147</u>	<u>5,126</u>
Redeemable convertible preferred stock (redemption value at April 6, 2006—\$5,000); \$ .01 par value, 2,500,000 shares authorized; 500,000 shares issued and outstanding	3,725	3,268
Stockholders' equity:		
Common stock, \$ .01 par value, 7,500 shares authorized, 380 shares issued and outstanding	—	—
Class A common stock, \$ .01 par value, 10,000,000 shares authorized, 6,458,309 shares issued, 6,450,587 shares outstanding	65	65
Additional paid-in capital	65,670	66,127

Accumulated deficit	(32,406)	(35,429)
Less: treasury stock, at cost, 7,722 shares	(85)	(85)
Total stockholders' equity	33,604	30,678
Total liabilities and stockholders' equity	\$ 45,476	\$ 39,072

The accompanying notes are an integral part of these condensed financial statements.

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### Security Capital Corporation (Parent Company)

#### Condensed Statements of Operations

	For the Year Ended December 31,		
	2003	2002	2001
	(in thousands)		
Income:			
Interest and dividends	\$ 41	\$ 21	\$ 9
Interest income from subsidiaries	388	457	59
Management fee income from subsidiaries	1,226	1,123	1,041
Gain on sale of Texas land (net of expenses)	107	—	—
Amortization of negative goodwill	—	—	12
Total income	1,762	1,601	1,121
Expenses:			
Unallocated corporate administrative expense	1,235	580	401
Management fee expense to Capital Partners, Inc.	1,550	1,273	1,191
Guaranty fee expense	—	170	—
Total expenses	2,785	2,023	1,592
Loss before income taxes, equity in income (loss) of subsidiaries and cumulative effect of change in accounting principle	(1,023)	(422)	(471)
Income tax (expense) benefit	(2,151)	(362)	91
Equity in income (loss) of subsidiaries	6,557	1,998	3,215
Income from continuing operations	3,383	1,214	2,835
Gain on deconsolidation of a subsidiary	—	—	—
Income before cumulative effect of change in accounting principle	3,383	1,214	2,835
Cumulative effect of change in accounting principle	—	2,580	—
Net income	3,383	3,794	2,835
Less Preferred Stock accretion	(457)	(401)	(352)
Net income available to common stockholders	\$ 2,926	\$ 3,393	\$ 2,483

The accompanying notes are an integral part of these condensed financial statements.

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**Security Capital Corporation (Parent Company)**  
**Condensed Statements of Cash Flows**

	For the Year Ended December 31,		
	2003	2002	2001
	(in thousands)		
Cash provided by operating activities	\$ 3,335	\$ 2,383	\$ 243
Investing activities:			
Proceeds on sale of Texas land	107	—	—
Net cash used in investing activities	107	—	—
Financing activities:			
Purchase of treasury stock	—	—	(85)
Net cash used in financing activities	—	—	(85)
Increase in cash and cash equivalents	3,442	2,383	158
Cash and cash equivalents, beginning of period	2,729	346	188
Cash and cash equivalents, end of period	\$ 6,171	\$ 2,729	\$ 346

The accompanying notes are an integral part of these condensed financial statements.

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**Security Capital Corporation (Parent Company)**

**Notes to Condensed Financial Statements**

**December 31, 2003**

**(1) Basis of Presentation**

In the parent company's financial statements, the Company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of the subsidiaries.

**(2) Dividends from Subsidiaries**

No dividends were received from subsidiaries in any period.

**(3) Guarantees**

Security Capital (the parent company) had guaranteed the debt of Primrose but this guarantee was removed at December 31, 2003 as discussed in Note 8 to the Consolidated Financial Statements contained in this Report on Form 10-K.

The Company has a potential liability for an outstanding severance claim which it has agreed to pay in an amount equal to any portion not fully paid by the estate of Possible Dreams in its Chapter 11 liquidation settlement of such claim and has accrued for its possible outcome in current liabilities on its consolidated balance sheet at December 31, 2003. The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position or operating results of the Company.

**(4) Notes to Consolidated Financial Statements**

See notes to the Consolidated Financial Statements for additional information.

**(5) Other**

Certain prior year amounts have been reclassified to conform to the current year presentation.

# EXHIBIT C

## Sample Reports

NOTE: Names and data in the reports are fictitious. Report screens and format are part of the Valley Oak System and is licensed by Valley Oak.

# SAMPLE WC REPORTS

Attached are sample Workers' Compensation Reports. Also included are screen shots that list the various selection criteria available in creating the reports.

## Frequency and Severity Reports

**Body Part Report** ~ shows the frequency of claims by body part.

**Body Part Group Report** ~ lists the frequency of claims by body part group.

**Cause Report** ~ displays the frequency of claims by cause.

**Cause Group Report** ~ provides the frequency of claims by cause of injury group.

**Claimant Type Report** ~ shows the frequency of claims by claim (e.g. Ind, MO) type.

**Day of Week Report** ~ provides the frequency of claims by the day of the week.

**Incident Type Report** ~ displays the frequency of claims by type of injury.

**Incident Type Group Report** ~ lists the frequency of claims by incident type group.

**Nature of Injury Report** ~ shows the frequency of claims by nature of injury.

**Nature of Injury Group Report** ~ displays the frequency of claims by nature of injury group.

**Occupation Report** ~ provides the frequency of claims by occupation.

## General Reports

**Claim Contact Report, Claim Contact Model Report** ~ shows a listing of contacts associated with claims during a defined reporting period.

**Claim Contact Paid Report** ~ captures information gathered in the Claim Contact Report as well as claim-level financials.

**Claim Contact Summary Report** ~ provides information gathered from the Claim Contact Report.

**Claim Log Report** ~ shows information in a prescribed display of columns with a choice of criteria for the resulting rows.

**Claim Log Deductible Report** ~ provides claimant deductible amount due based on the reporting period.

**Claim Log Summary Report** ~ displays claim-level information for a designated period of time. (Includes Paid and Incurred financial information)

**Claim Log Workers' Comp Summary Report** ~ gathers detailed information pertaining to claim, as well as financial data.

**Claim Management Summary Report** ~ shows payment activity over several years on open and closed claims.

**Claim Status Report** ~ lists total number of open and closed claims grouped by type of claim.

**Claim Summary Report** ~ (aka Loss Run) provides claim-level information for a designated period of time. (Includes MO, TD, PD, VH, & Expense information)

**Face Sheet Print Report** ~ provides a snapshot of pertinent claim information.

**Fiscal Year Claim Summary Report** ~ displays the number of open and closed claims with corresponding financials.

**Litigation Summary Report** ~ shows claim-level information including amount paid, outstanding, incurred, and amount.

**Notepad Print Report** ~ displays all Notepad entries made for a particular claim.

**Payment Total Report** ~ provides the opportunity to generate a focused report based on almost any payment parameter.

**Payment Void Total Report** ~ offers an extensive list of selection criteria providing a payment listing of voided payments.

**Reserve Total Report** ~ provides a list of reserve changes based on specific selection criteria.

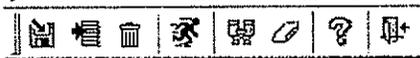
**Safety Activity Report** ~ displays a general report at claim-level including specific injury, body part injured, and claimant's occupation.

**User Diary Report** ~ shows diary entries made for all claims.

**Voucher Total Report** ~ offers an extensive list of selection criteria providing a payment listing of vouchers.

**OSHA 300 Report** ~ displays a summary and log of work-related injuries and illnesses

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Report Group: **Frequency Severity** Request: \_\_\_\_\_

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claims by Body Part	<b>Line of Insurance</b>	Fiscal Year	Claims by Cause Group
Claims by Body Part Group	<b>Reporting History Period</b>	Insured	
Claims by Body Part Period	Cause Group	Organization 1	
Claims by Cause	End of Period Claimant Status	Policy Year	
<b>Claims by Cause Group</b>	End of Period Claimant Type		
Claims by Claimant Type	Fiscal Year		
Claims by Day of Week	Incident Date		
Claims by Incident Type	Insured		
Claims by Incident Type Group	Insurer		
Claims by Nature of Injury	Organization 1		
Claims by Nature of Injury Group	Policy Year		
Claims by Nature of Injury Period	Reported		
Claims by Occupation			
Claims by Organization1			
Claims by Time of Day			

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09

Cause Group

ACE Company  
Claims by Cause Group  
As of 12/31/2001

By Organization

<u>Cause Group</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Organization 1 : WRP-ACE Recycling Prog Dept</b>						
Fixtures	2	29	1,013	0	507	2
Machines	2	29	40,758	18	20,379	63
Not Otherwise Classified	3	43	186,149	82	62,050	191
<b>Organization 1 Total:</b>	<b>7</b>		<b>227,921</b>		<b>32,560</b>	
<b>Organization 1 : WOM-ACE Operations and Mte Dept</b>						
Electric Apparatus	5	0	169,979	2	33,996	1,291
Fixtures	89	2	902,728	9	10,143	385
Machines	257	7	2,241,512	22	8,722	331
Metal Items	1	0	769	0	769	29
Not Otherwise Classified	3,519	90	6,959,356	68	1,978	75
Persons, animals, insects	43	1	34,887	0	811	31
<b>Organization 1 Total:</b>	<b>3,914</b>		<b>10,309,232</b>		<b>2,634</b>	
<b>Organization 1 : WND-ACE Resources Dept</b>						
Fixtures	3	25	12,863	12	4,288	49
Machines	4	33	1,059	1	265	3
Not Otherwise Classified	5	42	90,689	87	18,138	208
<b>Organization 1 Total:</b>	<b>12</b>		<b>104,612</b>		<b>8,718</b>	
<b>Organization 1 : WAS-WasteACE Dept</b>						
Electric Apparatus	3	0	780	0	260	8
Fixtures	47	4	79,996	2	1,702	55
Machines	122	11	1,093,693	32	8,965	289
Not Otherwise Classified	909	83	2,220,057	65	2,442	79
Persons, animals, insects	13	1	2,101	0	162	5
<b>Organization 1 Total:</b>	<b>1,094</b>		<b>3,396,627</b>		<b>3,105</b>	
<b>Organization 1 : SOM-Sustern Operations &amp; Mte Dept</b>						
Electric Apparatus	10	0	56,867	1	5,687	115
Fixtures	105	5	639,328	6	6,089	123
Machines	635	29	5,334,644	49	8,401	169
Not Otherwise Classified	1,354	62	4,668,378	43	3,448	69
Persons, animals, insects	71	3	91,762	1	1,292	26
<b>Organization 1 Total:</b>	<b>2,175</b>		<b>10,790,979</b>		<b>4,961</b>	
<b>Organization 1 : OGC-Office of General Counsel Dept</b>						
Not Otherwise Classified	5	100	8,009	100	1,602	100
<b>Organization 1 Total:</b>	<b>5</b>		<b>8,009</b>		<b>1,602</b>	
<b>Organization 1 : NRD-Natural Resources Dept</b>						
Fixtures	18	9	58,850	4	3,269	45
Machines	42	22	351,685	25	8,373	115
Not Otherwise Classified	116	61	802,665	58	6,920	95
Persons, animals, insects	15	8	177,487	13	11,832	163
<b>Organization 1 Total:</b>	<b>191</b>		<b>1,390,687</b>		<b>7,281</b>	
<b>Organization 1 : ISD-Information Systems Dept</b>						
Electric Apparatus	2	4	2,730	1	1,365	26
Fixtures	6	11	32,593	11	5,432	103

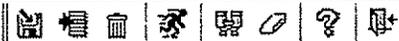
ACE Company  
Claims by Cause Group  
As of 12/31/2001

By Organization

<u>Cause Group</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Organization 1 : ISD-Information Systems Dept</b>						
Machines	20	37	114,861	40	5,743	108
Not Otherwise Classified	26	48	135,671	47	5,218	99
<b>Organization 1 Total:</b>	<b>54</b>		<b>285,854</b>		<b>5,294</b>	
<b>Organization 1 : HRD-Human Resources Dept</b>						
Fixtures	4	8	19,704	7	4,926	86
Machines	6	12	214,240	76	35,707	621
Not Otherwise Classified	37	76	47,145	17	1,274	22
Persons, animals, insects	2	4	870	0	435	8
<b>Organization 1 Total:</b>	<b>49</b>		<b>281,959</b>		<b>5,754</b>	
<b>Organization 1 : GEN-Office of the Gen Mgr Dept</b>						
Electric Apparatus	1	3	353,760	38	353,760	1,475
Fixtures	2	5	151	0	76	0
Machines	11	28	271,370	29	24,670	103
Not Otherwise Classified	25	64	310,088	33	12,404	52
<b>Organization 1 Total:</b>	<b>39</b>		<b>935,369</b>		<b>23,984</b>	
<b>Organization 1 : FIN-Finance Admin</b>						
Fixtures	15	10	6,686	1	446	5
Machines	40	28	453,106	38	11,328	139
Not Otherwise Classified	84	58	719,650	61	8,567	105
Persons, animals, insects	6	4	5,693	0	949	12
<b>Organization 1 Total:</b>	<b>145</b>		<b>1,185,135</b>		<b>8,173</b>	
<b>Organization 1 : ENG-Engineering Dept</b>						
Electric Apparatus	1	1	112	0	112	1
Fixtures	18	10	15,392	1	855	10
Machines	34	19	825,028	52	24,266	276
Not Otherwise Classified	117	65	742,557	47	6,347	72
Persons, animals, insects	11	6	6,018	0	547	6
<b>Organization 1 Total:</b>	<b>181</b>		<b>1,589,106</b>		<b>8,780</b>	
<b>Organization 1 : CUS-Customer Service Department</b>						
Electric Apparatus	5	1	8,937	0	1,787	24
Fixtures	29	8	247,978	9	8,551	115
Machines	77	21	598,959	22	7,779	105
Not Otherwise Classified	236	65	1,621,896	60	6,872	92
Persons, animals, insects	17	5	227,813	8	13,401	180
<b>Organization 1 Total:</b>	<b>364</b>		<b>2,705,583</b>		<b>7,433</b>	
<b>Organization 1 : ADM-Administration Dept.</b>						
Electric Apparatus	1	0	0	0	0	0
Fixtures	7	1	5,245	0	749	39
Machines	32	3	231,325	13	7,229	376
Not Otherwise Classified	914	95	1,585,012	86	1,734	90
Persons, animals, insects	6	1	22,113	1	3,686	192
<b>Organization 1 Total:</b>	<b>960</b>		<b>1,843,694</b>		<b>1,921</b>	
<b>Grand Total:</b>	<b>9,190</b>		<b>35,054,768</b>		<b>3,814</b>	

VOS Reporting Tool - [Report Configuration]

File Criteria Requests Query Group Window Help



Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claims by Body Part	Line of Insurance	Fiscal Year	Incident Type
Claims by Body Part Group	Reporting History Period	Insured	
Claims by Body Part Period	End of Period Claimant Status	Organization 1	
Claims by Cause	End of Period Claimant Type	Policy Year	
Claims by Cause Group	Fiscal Year		
Claims by Claimant Type	Incident Date		
Claims by Day of Week	Incident Type		
Claims by Incident Type	Insured		
Claims by Incident Type Group	Insurer		
Claims by Nature of Injury	Organization 1		
Claims by Nature of Injury Group	Policy Year		
Claims by Nature of Injury Period	Reported		
Claims by Occupation			
Claims by Organization1			
Claims by Time of Day			

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09

Incident Type

**ACE Company**  
**Claims by Incident Type**  
As of 12/31/2001

By Insured and Organization

<u>Incident Type</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Insured : ACE Company</b>						
<b>Organization 1 : ADM-Administration Dept.</b>						
Caught / Crushed In / By / Under	33	3	59,349	3	1,798	94
Contact with Substances	101	11	22,670	1	224	12
Cut / Puncture / Scrape	1	0	67	0	67	3
Electrical Contact	1	0	116	0	116	6
Exposure / Other	5	1	11,099	1	2,220	116
Jumping	79	8	207,694	11	2,629	137
Lifting /Carrying	1	0	663	0	663	35
Personal Illness	123	13	178,831	10	1,454	76
Push / Pull	4	0	918	0	230	12
Repetitive Action / Motion	185	19	249,831	14	1,350	70
Slip / Trip / Fall	15	2	20,134	1	1,342	70
Stress: Emotional / Psychological	5	1	9,646	1	1,929	100
Struck by / Against	68	7	97,715	5	1,437	75
UNKNOWN Value from Tail Conversion	336	35	981,968	53	2,923	152
Vehicle Accident	3	0	2,993	0	998	52
<b>Organization 1 Total:</b>	<b>960</b>		<b>1,843,694</b>		<b>1,921</b>	
<b>Organization 1 : CUS-Customer Service Department</b>						
Caught / Crushed In / By / Under	5	1	111,443	4	22,289	300
Contact with Substances	7	2	220,962	8	31,566	425
Cut / Puncture / Scrape	5	1	1,370	0	274	4
Exposure / Other	14	4	1,713	0	122	2
Friction	1	0	3,000	0	3,000	40
Jumping	21	6	165,528	6	7,882	106
Lifting /Carrying	13	4	44,800	2	3,446	46
Personal Illness	18	5	90,980	3	5,054	68
Push / Pull	3	1	26,344	1	8,781	118
Reach	3	1	4,643	0	1,548	21
Repetitive Action / Motion	52	14	84,713	3	1,629	22
Running / Walking	10	3	167,544	6	16,754	225
Slip / Trip / Fall	46	13	254,107	9	5,524	74
Stress: Emotional / Psychological	7	2	36,601	1	5,229	70
Struck by / Against	31	9	163,501	6	5,274	71
Twist	12	3	153,091	6	12,758	172
UNKNOWN Value from Tail Conversion	109	30	1,028,147	38	9,433	127
Vehicle Accident	7	2	147,096	5	21,014	283
<b>Organization 1 Total:</b>	<b>364</b>		<b>2,705,583</b>		<b>7,433</b>	
<b>Organization 1 : ENG-Engineering Dept</b>						
Caught / Crushed In / By / Under	3	2	490	0	163	2
Contact with Substances	7	4	11,942	1	1,706	19
Cut / Puncture / Scrape	10	6	5,659	0	566	6
Exposure / Other	14	8	5,324	0	380	4
Jumping	8	4	14,221	1	1,778	20
Lifting /Carrying	7	4	67,958	4	9,708	111
Personal Illness	7	4	8,469	1	1,210	14
Push / Pull	3	2	26,412	2	8,804	100

**ACE Company**  
**Claims by Incident Type**  
 As of 12/31/2001

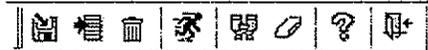
By Insured and Organization

<u>Incident Type</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Insured : ACE Company</b>						
<b>Organization 1 : HRD-Human Resources Dept</b>						
Exposure / Other	1	2	0	0	0	0
Jumping	2	4	978	0	489	8
Lifting /Carrying	3	6	30,768	11	10,256	178
Personal Illness	4	8	6,838	2	1,709	30
Push / Pull	1	2	153	0	153	3
Repetitive Action / Motion	3	6	4,364	2	1,455	25
Slip / Trip / Fall	4	8	3,832	1	958	17
Stress: Emotional / Psychological	2	4	3,084	1	1,542	27
Struck by / Against	6	12	212,624	75	35,437	616
UNKNOWN Value from Tail Conversion	17	35	19,244	7	1,132	20
<b>Organization 1 Total:</b>	<b>49</b>		<b>281,959</b>		<b>5,754</b>	
<b>Organization 1 : ISD-Information Systems Dept</b>						
Caught / Crushed In / By / Under	3	6	1,446	1	482	9
Cut / Puncture / Scrape	1	2	201	0	201	4
Exposure / Other	1	2	0	0	0	0
Jumping	9	17	27,128	9	3,014	57
Lifting /Carrying	3	6	1,396	0	465	9
Personal Illness	1	2	0	0	0	0
Repetitive Action / Motion	6	11	68,039	24	11,340	214
Slip / Trip / Fall	6	11	2,501	1	417	8
Stress: Emotional / Psychological	3	6	84,205	29	28,068	530
Struck by / Against	6	11	32,028	11	5,338	101
UNKNOWN Value from Tail Conversion	15	28	68,911	24	4,594	87
<b>Organization 1 Total:</b>	<b>54</b>		<b>285,854</b>		<b>5,294</b>	
<b>Organization 1 : NRD-Natural Resources Dept</b>						
Bite	1	1	97	0	97	1
Caught / Crushed In / By / Under	6	3	3,769	0	628	9
Contact with Substances	19	10	130,250	9	6,855	94
Cut / Puncture / Scrape	8	4	2,397	0	300	4
Exposure / Other	13	7	1,997	0	154	2
Jumping	15	8	12,947	1	863	12
Lifting /Carrying	7	4	6,171	0	882	12
Personal Illness	6	3	3,937	0	656	9
Push / Pull	4	2	106,935	8	26,734	367
Reach	1	1	94,092	7	94,092	1,292
Repetitive Action / Motion	32	17	94,314	7	2,947	40
Slip / Trip / Fall	10	5	95,473	7	9,547	131
Stress: Emotional / Psychological	1	1	8,872	1	8,872	122
Struck by / Against	19	10	447,924	32	23,575	324
Twist	2	1	1,419	0	710	10
UNKNOWN Value from Tail Conversion	45	24	325,709	23	7,238	99
Vehicle Accident	2	1	54,387	4	27,193	373
<b>Organization 1 Total:</b>	<b>191</b>		<b>1,390,687</b>		<b>7,281</b>	
<b>Organization 1 : OGC-Office of General Counsel Dept</b>						
Personal Illness	1	20	77	1	77	5

**ACE Company**  
**Claims by Incident Type**  
 As of 12/31/2001

By Insured and Organization

<u>Incident Type</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Insured : ACE Company</b>						
<b>Organization 1 : WAS-WasteACE Dept</b>						
Stress: Emotional / Psychological	12	1	42,914	1	3,576	115
Struck by / Against	76	7	192,669	6	2,535	82
Twist	28	3	186,926	6	6,676	215
UNKNOWN Value from Tail Conversion	334	31	1,025,848	30	3,071	99
Vehicle Accident	3	0	30,699	1	10,233	330
<b>Organization 1 Total:</b>	<b>1,094</b>		<b>3,396,627</b>		<b>3,105</b>	
<b>Organization 1 : WND-ACE Resources Dept</b>						
Lifting /Carrying	2	17	28,674	27	14,337	164
Repetitive Action / Motion	2	17	11,412	11	5,706	65
Slip / Trip / Fall	4	33	60,091	57	15,023	172
Struck by / Against	2	17	480	0	240	3
UNKNOWN Value from Tail Conversion	2	17	3,955	4	1,978	23
<b>Organization 1 Total:</b>	<b>12</b>		<b>104,612</b>		<b>8,718</b>	
<b>Organization 1 : WOM-ACE Operations and Mte Dept</b>						
Attack / Assault	1	0	112	0	112	4
Caught / Crushed In / By / Under	153	4	324,707	3	2,122	81
Contact with Substances	371	9	68,552	1	185	7
Cut / Puncture / Scrape	33	1	18,442	0	559	21
Exposure / Other	101	3	71,700	1	710	27
Friction	4	0	20,451	0	5,113	194
Jumping	324	8	817,019	8	2,522	96
Lifting /Carrying	43	1	554,778	5	12,902	490
Personal Illness	329	8	698,129	7	2,122	81
Push / Pull	48	1	123,232	1	2,567	97
Radiation Exposure	1	0	95	0	95	4
Reach	10	0	70,680	1	7,068	268
Repetitive Action / Motion	724	18	1,484,093	14	2,050	78
Running / Walking	6	0	7,588	0	1,265	48
Slip / Trip / Fall	72	2	779,762	8	10,830	411
Stress: Emotional / Psychological	19	0	335,790	3	17,673	671
Struck by / Against	187	5	534,945	5	2,861	109
Twist	22	1	147,200	1	6,691	254
UNKNOWN Value from Tail Conversion	1,451	37	3,609,392	35	2,488	94
Vehicle Accident	15	0	642,563	6	42,838	1,626
<b>Organization 1 Total:</b>	<b>3,914</b>		<b>10,309,232</b>		<b>2,634</b>	
<b>Organization 1 : WRP-ACE Recycling Prog Dept</b>						
Contact with Substances	1	14	421	0	421	1
Lifting /Carrying	2	29	225,791	99	112,895	347
Repetitive Action / Motion	2	29	1,013	0	507	2
Slip / Trip / Fall	1	14	161	0	161	0
Twist	1	14	535	0	535	2
<b>Organization 1 Total:</b>	<b>7</b>		<b>227,921</b>		<b>32,560</b>	
<b>Insured Total:</b>	<b>9,190</b>		<b>35,054,768</b>		<b>3,814</b>	
<b>Grand Total:</b>	<b>9,190</b>		<b>35,054,768</b>		<b>3,814</b>	



Report Group: **Frequency Severity** Request: \_\_\_\_\_

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claims by Body Part	<b>Line of Insurance</b>	Body Part	<b>Freq of Claims by Occupation</b>
Claims by Body Part Group	<b>Reporting History Period</b>	Fiscal Year	
Claims by Body Part Period	Body Part	Insured	
Claims by Cause	End of Period Claimant Status	Organization 1	
Claims by Cause Group	End of Period Claimant Type	Policy Year	
Claims by Claimant Type	Fiscal Year		
Claims by Day of Week	Incident Date		
Claims by Incident Type	Insured		
Claims by Incident Type Group	Insurer		
Claims by Nature of Injury	Occupation		
Claims by Nature of Injury Group	Organization 1		
Claims by Nature of Injury Period	Policy Year		
<b>Claims by Occupation</b>	Reported		
Claims by Organization1			
Claims by Time of Day			

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09

**ACE Company**  
**Claims by Occupation**  
 As of 12/31/2001

By Insured and organization and body part

<u>Occupation</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Insured : ACE Company</b>						
<b>Organization 1 : ADM-Administration Dept.</b>						
Facility Technician	1	0	79,932	4	79,932	4,162
Maintenance Machinist	1	0	37	0	37	2
Unknown from Tail Conversion	958	100	1,763,725	96	1,841	96
<b>Organization 1 Total:</b>	<b>960</b>		<b>1,843,694</b>			
<b>Organization 1 : CUS-Customer Service Department</b>						
Customer Services Representative I	4	1	10,128	0	2,532	34
Customer Services Supervisor	2	1	100,265	4	50,132	674
Field Services Representative I	1	0	63,235	2	63,235	851
Field Services Representative II	4	1	110,782	4	27,696	373
Meter Reader	9	2	262,038	10	29,115	392
Real Estate Representative I	1	0	10,359	0	10,359	139
Unknown from Tail Conversion	338	93	2,137,141	79	6,323	85
Utility Laborer	5	1	11,634	0	2,327	31
<b>Organization 1 Total:</b>	<b>364</b>		<b>2,705,583</b>			
<b>Organization 1 : ENG-Engineering Dept</b>						
Assistant Civil Engineer	1	1	310	0	310	4
Construction Inspector	1	1	110	0	110	1
Drafter III	1	1	98,400	6	98,400	1,121
Maintenance Specialist III	1	1	25,069	2	25,069	286
Materials Testing Technician II	3	2	34,708	2	11,569	132
Pipeline Designer II	1	1	154,436	10	154,436	1,759
Principal Management Analyst	1	1	74,059	5	74,059	844
Senior Administrative Clerk	1	1	585	0	585	7
Senior Civil Engineer	1	1	521	0	521	6
Senior Construction Inspector	1	1	30,780	2	30,780	351
Supervising Administrative Engineer	1	1	1,351	0	1,351	15
Unknown from Tail Conversion	167	92	1,168,636	74	6,998	80
Utility Laborer	1	1	139	0	139	2
<b>Organization 1 Total:</b>	<b>181</b>		<b>1,589,106</b>			
<b>Organization 1 : FIN-Finance Admin</b>						
Accountant I	1	1	1,564	0	1,564	19
Heavy Transport Operator	2	1	750	0	375	5
Principal Management Analyst	1	1	1,500	0	1,500	18
Risk Management Assistant	1	1	698	0	698	9
Senior Administrative Clerk	1	1	6,145	1	6,145	75
Storekeeper II	2	1	1,000	0	500	6
Unknown from Tail Conversion	137	94	1,173,478	99	8,566	105
<b>Organization 1 Total:</b>	<b>145</b>		<b>1,185,135</b>			
<b>Organization 1 : GEN-Office of the Gen Mgr Dept</b>						
Administrative Clerk	1	3	25,490	3	25,490	106
Special Assistant IV	1	3	25,692	3	25,692	107
Unknown from Tail Conversion	36	92	878,637	94	24,407	102
Word Processing Specialist II	1	3	5,550	1	5,550	23
<b>Organization 1 Total:</b>	<b>39</b>		<b>935,369</b>			

**ACE Company**  
**Claims by Occupation**  
As of 12/31/2001

By Insured and organization and body part

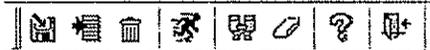
<u>Occupation</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Insured : ACE Company</b>						
<b>Organization 1 : HRD-Human Resources Dept</b>						
Administrative Clerk	1	2	470	0	470	8
Human Resources Technician	1	2	153	0	153	3
Unknown from Tail Conversion	47	96	281,337	100	5,986	104
<b>Organization 1 Total:</b>	<b>49</b>		<b>281,959</b>			
<b>Organization 1 : ISD-Information Systems Dept</b>						
Computer Operator II	1	2	5,500	2	5,500	104
Information Services Supervisor	1	2	37,120	13	37,120	701
Information Systems Specialist III	1	2	1,000	0	1,000	19
Programmer Analyst I	1	2	0	0	0	0
Senior Programmer Analyst	1	2	15,805	6	15,805	299
Unknown from Tail Conversion	49	91	226,429	79	4,621	87
<b>Organization 1 Total:</b>	<b>54</b>		<b>285,854</b>			
<b>Organization 1 : NRD-Natural Resources Dept</b>						
Administrative Clerk	1	1	89,148	6	89,148	1,224
Field Services Supervisor	1	1	1,516	0	1,516	21
Fishery/Wildlife Biologist I	1	1	1,000	0	1,000	14
Ranger Naturalist I	2	1	94,092	7	47,046	646
Ranger Naturalist II	8	4	170,371	12	21,296	292
Unknown from Tail Conversion	178	93	1,034,561	74	5,812	80
<b>Organization 1 Total:</b>	<b>191</b>		<b>1,390,687</b>			
<b>Organization 1 : OGC-Office of General Counsel Dept</b>						
Unknown from Tail Conversion	5	100	8,009	100	1,602	100
<b>Organization 1 Total:</b>	<b>5</b>		<b>8,009</b>			
<b>Organization 1 : SOM-Sustem Operations &amp; Mte Dept</b>						
Assistant Const/Maint Superintendent	2	0	132,393	1	66,196	1,334
Automotive Mechanic B	1	0	810	0	810	16
Carpenter	2	0	34,195	0	17,098	345
Concrete Finisher II	2	0	62,473	1	31,236	630
Distribution Maintenance Worker	1	0	55,604	1	55,604	1,121
Electrician	2	0	13,156	0	6,578	133
General Equipment Mechanic	1	0	46,332	0	46,332	934
General Pipe Supervisor	6	0	49,288	0	8,215	166
Heavy Equipment Mechanic	5	0	11,081	0	2,216	45
Heavy Equipment Operator	21	1	468,237	4	22,297	449
Heavy Transport Operator	1	0	2,990	0	2,990	60
Janitor	1	0	616	0	616	12
LT Technical Trainer	1	0	126	0	126	3
Maintenance Specialist I	8	0	6,715	0	839	17
Maintenance Specialist II	1	0	0	0	0	0
Maintenance Specialist III	3	0	27,210	0	9,070	183
Management Services Administrator	1	0	2,112	0	2,112	43
Materials Specialist	1	0	4,480	0	4,480	90
Paving Crew Foreman	3	0	12,274	0	4,091	82
Paving Raker	1	0	39,315	0	39,315	792
Paving Raker A	1	0	119	0	119	2

**ACE Company**  
**Claims by Occupation**

As of 12/31/2001

By Insured and organization and body part

<u>Occupation</u>	<u>Frequency</u>	<u>%</u>	<u>Total Incurred</u>	<u>%</u>	<u>Average/Claim</u>	<u>%</u>
<b>Insured : ACE Company</b>						
<b>Organization 1 : WOM-ACE Operations and Mte Dept</b>						
Gardener II	6	0	35,593	0	5,932	225
Hydrographer II	1	0	1,547	0	1,547	59
Instrument Technician	3	0	34,043	0	11,348	431
Janitor	7	0	353,871	3	50,553	1,919
LT Spec. Employment Program Trainee	4	0	44,858	0	11,215	426
Machinist Maintenance Worker III	1	0	57,250	1	57,250	2,174
Maintenance Machinist	3	0	42,422	0	14,141	537
Maintenance Specialist I	11	0	40,418	0	3,674	140
Mechanical Maintenance Worker I	2	0	107,410	1	53,705	2,039
Meter Mechanic II	1	0	1,000	0	1,000	38
Painter	3	0	90,486	1	30,162	1,145
Plant Maintenance Mechanic	1	0	14,981	0	14,981	569
Senior Administrative Clerk	1	0	17,340	0	17,340	658
Senior Water Distribution Operator	1	0	101	0	101	4
Supervisor of Water Conservation	1	0	184,124	2	184,124	6,990
Unknown from Tail Conversion	3843	98	8,004,195	78	2,083	79
Wastewater Plant Operator I	1	0	16,014	0	16,014	608
Water Distribution Plumber II	1	0	19,623	0	19,623	745
Water Sampler	1	0	52	0	52	2
Water System Inspector I	2	0	539,621	5	269,810	10,244
Water Treatment Operator	2	0	36,118	0	18,059	686
Water Treatment/Distribution Operator Tra	1	0	1,000	0	1,000	38
Water Treatment/Distribution Supervisor	3	0	419,366	4	139,789	5,307
<b>Organization 1 Total:</b>	<b>3914</b>		<b>10,309,232</b>			
<b>Organization 1 : WRP-ACE Recycling Prog Dept</b>						
Unknown from Tail Conversion	6	86	226,907	100	37,818	116
Wastewater Plant Operator II	1	14	1,013	0	1,013	3
<b>Organization 1 Total:</b>	<b>7</b>		<b>227,921</b>			
<b>Insured Total:</b>	<b>9190</b>		<b>35,054,768</b>			
<b>Grand Total:</b>	<b>9190</b>		<b>35,054,768</b>			



Report Group: General Request:  

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Contact	<b>Line of Insurance</b>	Claim Number	Claim Log Report
Claim Contact Model	Add Date	Claimant Name	
Claim Contact Paid	Adjusting Location Received	Claimant Status	
Claim Contact Summary	Body Part	Claimant Type	
<b>Claim Log</b>	Cause	Examiner	
Claim Log Deductible	Claim Number	Fiscal Year	
Claim Log Summary	Claimant Name	Fiscal Year (Group Prior 10)	
Claim Log Workers' Comp Summary	Claimant Status	Fiscal Year(Group Prior 5)	
Claim Management Summary	Claimant Type	Incident Name	
Claim Status	Client	Insured	
Claim Summary	Denied	Organization 1	
Contact Total	Examiner	Organization 2	
Face Sheet Print	File Type	Policy Year	
Fiscal Year Claim Summary	Fiscal Year	Policy Year(Group Prior 10)	
Litigation Summary	Fiscal Year (Group Prior 10)	Policy Year(Group Prior 5)	
Monthly Financial Summary	Fiscal Year(Group Prior 5)		
Notepad Print	Incident Date		

Report Heading Lines  
 Line 1:   
 Line 2:

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09

VOS Reporting Tool - [Report Configuration]

File Criteria Requests Query Group Window Help



Report Group: **General** Request:

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Contact	Fiscal Year(Group Prior 5)	Claim Number	Claim Log Report
Claim Contact Model	Incident Date	Claimant Name	
Claim Contact Paid	Incident Name	Claimant Status	
Claim Contact Summary	Incident Type	Claimant Type	
<b>Claim Log</b>	Insured	Examiner	
Claim Log Deductible	Insurer	Fiscal Year	
Claim Log Summary	Litigated	Fiscal Year (Group Prior 10)	
Claim Log Workers' Comp Summary	Nature of Injury	Fiscal Year(Group Prior 5)	
Claim Management Summary	Organization 1	Incident Name	
Claim Status	Organization 2	Insured	
Claim Summary	Policy Year	Organization 1	
Contact Total	Policy Year(Group Prior 10)	Organization 2	
Face Sheet Print	Policy Year(Group Prior 5)	Policy Year	
Fiscal Year Claim Summary	Reported	Policy Year(Group Prior 10)	
Litigation Summary	Represented	Policy Year(Group Prior 5)	
Monthly Financial Summary	Subrogated		
Notepad Print	User entered		

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset.

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## ACE Company

## Claim Log

By Claim Type

Claim Number	Claimant	Injury Date	Reported	Received	Type	Status	Denied	Delayed	Organization	Examiner
<b>Claimant Type : Discard</b>										
2001100964	Hayes, Sean	07/01/2001	07/01/2001	07/01/2001	Discard	Closed			ADM-Administration Dept.	PKING
2002119522	Santos, Neal	06/13/2002	06/13/2002	07/25/2002	Discard	Closed			SOM-Sustem Operations & I	tsviray
<b>Claimant Type Total: 2</b>			<b>Accepted: 0</b>			<b>Denied: 0</b>			<b>Delayed: 0</b>	
<b>Claimant Type : Indemnity</b>										
2001060400	Fitzgerald, Sue	07/03/2001	07/03/2001	07/10/2001	Indemnity	Closed			CUS-Customer Service Dep:	dunnj
2001072268	Wayne, Brenda	07/06/2001	07/06/2001	07/09/2001	Indemnity	Closed			WOM-ACE Operations and I	balzarinil
2001072286	Vanderbilt, Charlie	07/09/2001	07/10/2001	07/17/2001	Indemnity	Closed			SOM-Sustem Operations & I	balzarinil
2001072312	Li, Mao	07/16/2001	07/17/2001	07/17/2001	Indemnity	Closed			WOM-ACE Operations and I	balzarinil
2001072314	McDonald, Joan	07/13/2001	07/16/2001	07/17/2001	Indemnity	Open			WOM-ACE Operations and I	balzarinil
2001072426	Ingalls, Laura	07/19/2001	07/19/2001	07/24/2001	Indemnity	Closed	08/17/2001	07/27/2001	WAS-WasteACE Dept	balzarinil
2001072428	Jefferson, William	07/23/2001	07/23/2001	07/26/2001	Indemnity	Closed			WAS-WasteACE Dept	dunnj
2001072450	Young, Robert M	07/15/2001	07/23/2001	07/26/2001	Indemnity	Closed	08/28/2001	07/27/2001	WAS-WasteACE Dept	dunnj
2001072476	Nash, Howard	07/30/2001	07/30/2001	08/01/2001	Indemnity	Closed			SOM-Sustem Operations & I	dunnj
2001072504	Tong, Tony	07/31/2001	08/01/2001	08/02/2001	Indemnity	Closed			SOM-Sustem Operations & I	balzarinil
2001072530	Young, Robert	08/03/2001	08/06/2001	08/06/2001	Indemnity	Closed	08/17/2001	08/08/2001	SOM-Sustem Operations & I	balzarinil
2001072538	Parker, Peter	07/24/2001	07/25/2001	08/07/2001	Indemnity	Closed			ENG-Engineering Dept	dunnj
2001072582	Gordon, Flash	07/31/2001	08/01/2001	08/10/2001	Indemnity	Closed			WOM-ACE Operations and I	dunnj
2001072584	Hayes, Sean	08/07/2001	08/10/2001	08/10/2001	Indemnity	Closed			SOM-Sustem Operations & I	dunnj
2001072586	Ingalls, Bill	08/07/2001	08/08/2001	08/10/2001	Indemnity	Closed			SOM-Sustem Operations & I	balzarinil
2001072622	Gordon, Flash	08/13/2001	08/13/2001	08/14/2001	Indemnity	Open		08/17/2001	ISD-Information Systems De	balzarinil
2001072684	Tong, Tony	07/11/2001	07/11/2001	08/22/2001	Indemnity	Closed	10/05/2001	08/23/2001	WOM-ACE Operations and I	dunnj
2001072686	Vanderbilt, Corinne	08/14/2001	08/16/2001	08/22/2001	Indemnity	Closed	09/19/2001	08/23/2001	HRD-Human Resources Dep:	dunnj
2001072690	Young, Robert	08/17/2001	08/18/2001	08/22/2001	Indemnity	Closed		08/24/2001	WRP-ACE Recycling Prog D	dunnj
2001072694	McDonald, Joan	08/10/2001	08/10/2001	08/22/2001	Indemnity	Closed			ENG-Engineering Dept	balzarinil
2001072716	Nash, Hannah C.	08/08/2001	08/22/2001	08/23/2001	Indemnity	Closed			WND-ACE Resources Dept	balzarinil
2001072722	Santos, Neal	08/15/2001	08/22/2001	08/24/2001	Indemnity	Closed		08/30/2001	WOM-ACE Operations and I	dunnj
2001072740	Roberts, Freda	08/23/2001	08/23/2001	08/27/2001	Indemnity	Closed	10/11/2001	08/28/2001	SOM-Sustem Operations & I	dunnj
2001072756	Cornell, Matt	07/28/2001	08/27/2001	08/29/2001	Indemnity	Closed	10/11/2001	09/05/2001	SOM-Sustem Operations & I	dunnj
2001072758	Edwards, Dave	08/27/2001	08/27/2001	08/29/2001	Indemnity	Closed			SOM-Sustem Operations & I	balzarinil
2001072832	Adams, Adrian	08/18/2001	09/04/2001	09/07/2001	Indemnity	Closed	11/15/2001		SOM-Sustem Operations & I	balzarinil
2001072884	Tong, Tony	09/06/2001	09/07/2001	09/14/2001	Indemnity	Closed		09/17/2001	CUS-Customer Service Dep:	balzarinil
2001072888	Wayne, Bruce	08/10/2001	09/13/2001	09/14/2001	Indemnity	Closed			SOM-Sustem Operations & I	balzarinil
2001072902	Santos, Donna	09/13/2001	09/14/2001	09/18/2001	Indemnity	Closed		09/21/2001	WOM-ACE Operations and I	balzarinil
2001072948	Wayne, Brenda	09/14/2001	09/14/2001	09/24/2001	Indemnity	Closed	10/29/2001	09/24/2001	CUS-Customer Service Dep:	balzarinil
2001072974	Burke, Mason	09/21/2001	09/21/2001	09/25/2001	Indemnity	Re-Open			SOM-Sustem Operations & I	balzarinil
2001073130	Young, Alice	10/10/2001	10/10/2001	10/11/2001	Indemnity	Open			WOM-ACE Operations and I	dunnj
2001073156	Cornell, Matt	09/18/2001	09/18/2001	10/16/2001	Indemnity	Closed	12/05/2001	10/23/2001	SOM-Sustem Operations & I	balzarinil
2001073162	Gordon, Rachel	10/16/2001	10/16/2001	10/17/2001	Indemnity	Closed			WAS-WasteACE Dept	dunnj
2001073164	Hayes, Sean	10/11/2001	10/11/2001	10/17/2001	Indemnity	Open			FIN-Finance Admin	dunnj

ACE Company  
Claim Log

Run Time: 15:13:51

By Claim Type

Claim Number	Claimant	Injury Date	Reported	Received	Type	Status	Denied	Delayed	Organization	Examiner
<b>Claimant Type : Indemnity</b>										
2002102526	Vanderbilt, Charlie	06/03/2002	06/04/2002	06/04/2002	Indemnity	Open			SOM-Sustem Operations & f	balzarini
2002102580	Fitzgerald, Eddie N.	04/22/2002	05/06/2002	06/05/2002	Indemnity	Open			ADM-Administration Dept.	dunnj
2002102584	Hayes, Sean S.	06/04/2002	06/05/2002	06/05/2002	Indemnity	Open			SOM-Sustem Operations & f	dunnj
2002102586	Ingalls, Bill	06/04/2002	06/04/2002	06/05/2002	Indemnity	Open			WAS-WasteACE Dept	balzarini
2002102632	Adams, Adrian	06/03/2002	06/06/2002	06/03/2002	Indemnity	Closed			SOM-Sustem Operations & f	dunnj
2002103270	Young, Robert	06/10/2002	06/10/2002	06/12/2002	Indemnity	Closed			WOM-ACE Operations and f	dunnj
2002103282	Santos, Neal	06/04/2002	06/04/2002	06/12/2002	Indemnity	Open			WAS-WasteACE Dept	balzarini
2002103314	McDonald, Ronald B.	04/12/2002	04/12/2002	06/14/2002	Indemnity	Open			ENG-Engineering Dept	balzarini
2002103324	Tong, May	05/29/2002	06/03/2002	06/14/2002	Indemnity	Closed			WOM-ACE Operations and f	balzarini
2002103376	Cornell, Veronica	06/04/2002	06/13/2002	06/14/2002	Indemnity	Closed			SOM-Sustem Operations & f	dunnj
2002103470	Young, Robert	02/26/2002	03/18/2002	06/18/2002	Indemnity	Closed			NRD-Natural Resources Dep	balzarini
2002103482	Santos, Neal	04/19/2002	06/03/2002	06/19/2002	Indemnity	Re-Open		06/26/2002	NRD-Natural Resources Dep	dunnj
2002103506	Vanderbilt, Corinne	06/18/2002	06/18/2002	06/19/2002	Indemnity	Closed			ENG-Engineering Dept	dunnj
2002103576	Cornell, Veronica	04/02/2002	06/20/2002	06/24/2002	Indemnity	Open	09/16/2002	06/24/2002	ENG-Engineering Dept	balzarini
2002103674	McDonald, Ronald	06/04/2002	06/24/2002	06/27/2002	Indemnity	Closed			SOM-Sustem Operations & f	dunnj
2002103676	Nash, Howard	06/21/2002	06/21/2002	06/27/2002	Indemnity	Re-Open			SOM-Sustem Operations & f	dunnj
2002103678	Parker, Peter	06/20/2002	06/20/2002	06/27/2002	Indemnity	Open			CUS-Customer Service Dep	balzarini
2002103704	Tong, Tony	05/28/2002	06/20/2002	06/28/2002	Indemnity	Open		07/02/2002	FIN-Finance Admin	balzarini
2002103728	Wayne, Brenda	06/26/2002	06/27/2002	06/28/2002	Indemnity	Open			SOM-Sustem Operations & f	balzarini
2002103828	Jefferson, William	06/27/2002	06/27/2002	07/02/2002	Indemnity	Closed			SOM-Sustem Operations & f	balzarini
2002104390	Kelley, Marge	06/19/2002	06/19/2002	07/15/2002	Indemnity	Closed			CUS-Customer Service Dep	dunnj
2002119730	Young, Robert	05/22/2002	07/16/2002	08/04/2002	Indemnity	Open		08/06/2002	WOM-ACE Operations and f	balzarini
2002120917	Parker, Peter	05/31/2002	08/21/2002	09/25/2002	Indemnity	Open			SOM-Sustem Operations & f	dunnj
2002122243	Ingalls, Bill	05/12/2002	10/28/2002	11/11/2002	Indemnity	Open		11/19/2002	SOM-Sustem Operations & f	balzarini
2003137816	McDonald, Ronald	03/14/2002	03/14/2002	01/13/2003	Indemnity	Open			WAS-WasteACE Dept	dunnj
2003138186	Tong, May	01/15/2002	01/15/2003	01/23/2003	Indemnity	Open		01/24/2002	WAS-WasteACE Dept	balzarini
2003139756	McDonald, Joan	06/01/2002	02/13/2003	03/14/2003	Indemnity	Open		03/18/2003	WAS-WasteACE Dept	balzarini

Claimant Type Total: 182

Accepted: 64

Denied: 40

Delayed: 66

**Claimant Type : Medical**

2001060364	Hayes, Sean	07/02/2001	07/02/2001	07/05/2001	Medical	Closed			SOM-Sustem Operations & f	tslinmo
2001060366	Ingalls, Bill	07/02/2001	07/03/2001	07/05/2001	Medical	Closed			WOM-ACE Operations and f	tsviray
2001060368	Jefferson, William	07/02/2001	07/02/2001	07/05/2001	Medical	Closed			SOM-Sustem Operations & f	inubla
2001060402	Gordon, Rachel	07/06/2001	07/06/2001	07/09/2001	Medical	Closed			HRD-Human Resources Dep	tslinmo
2001072250	Young, Robert	07/03/2001	07/06/2001	07/16/2001	Medical	Closed			SOM-Sustem Operations & f	tsviray
2001072318	Parker, Peter	07/13/2001	07/13/2001	07/18/2001	Medical	Closed			SOM-Sustem Operations & f	tsviray
2001072320	Roberts, George	07/13/2001	07/13/2001	07/18/2001	Medical	Closed			SOM-Sustem Operations & f	tslinmo
2001072322	Santos, Neal	07/01/2001	07/16/2001	07/18/2001	Medical	Closed			WAS-WasteACE Dept	inubla
2001072324	Tong, Tony	07/17/2001	07/17/2001	07/18/2001	Medical	Closed			WOM-ACE Operations and f	tsviray
2001072326	Vanderbilt, Charlie	07/03/2001	07/16/2001	07/18/2001	Medical	Closed			SOM-Sustem Operations & f	tslinmo

## ACE Company Claim Log

By Claim Type

<u>Claim Number</u>	<u>Claimant</u>	<u>Injury Date</u>	<u>Reported</u>	<u>Received</u>	<u>Type</u>	<u>Status</u>	<u>Denied</u>	<u>Delayed</u>	<u>Organization</u>	<u>Examiner</u>
<b>Claimant Type : Medical</b>										
2002103650	Young, Robert	06/25/2002	06/26/2002	06/26/2002	Medical	Closed			WOM-ACE Operations and M tsviray	
2002103706	Vanderbilt, Charlie	06/24/2002	06/26/2002	06/28/2002	Medical	Closed			SOM-Sustem Operations & † Inubla	
2002103830	Kelley, Rocky	06/28/2002	06/28/2002	07/02/2002	Medical	Closed			WOM-ACE Operations and M Inubla	
<b>Claimant Type Total: 133</b>				<b>Accepted: 48</b>			<b>Denied: 1</b>		<b>Delayed: 0</b>	
<b>Grand Total: 317</b>				<b>Accepted: 112</b>			<b>Denied: 41</b>		<b>Delayed: 66</b>	

V05 Reporting Tool - [Report Configuration]

File Criteria Requests Query Group Window Help

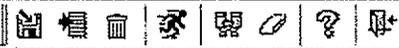


Report Group: **General** Request: **Loss Run**

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Contact	<b>Line of Insurance</b>	Alternate Organization 1	loss run by dept & division
Claim Contact Model	<b>Reporting History Period</b>	Claim Number	Loss Run
Claim Contact Paid	Add Date	Claimant Name	
Claim Contact Summary	Adjusting Location Received	End of Period Claimant Status	
Claim Log	Alternate Organization 1	End of Period Claimant Type	
Claim Log Deductible	Body Part	Examiner	
Claim Log Summary	Cause	Fiscal Year	
Claim Log Workers' Comp Summary	Claim Number	Fiscal Year (Group Prior 10)	
Claim Management Summary	Claimant Name	Fiscal Year(Group Prior 5)	
Claim Status	Client	Incident Name	
<b>Claim Summary</b>	Closed Date	Insured	
Contact Total	Denied	Line of Insurance	
Face Sheet Print	End of Period Claimant Status	Organization 1	
Fiscal Year Claim Summary	End of Period Claimant Type	Policy Number	
Litigation Summary	Examiner	Policy Symbol	
Monthly Financial Summary	File Type	Policy Year	
Notepad Print	Fiscal Year	Policy Year(Group Prior 10)	

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09



Report Group: <span style="border: 1px solid black; padding: 2px;">General</span>		Request: <span style="border: 1px solid black; padding: 2px;"> </span>	
<p>Report Title</p> <ul style="list-style-type: none"> <li>Claim Contact</li> <li>Claim Contact Model</li> <li>Claim Contact Paid</li> <li>Claim Contact Summary</li> <li>Claim Log</li> <li>Claim Log Deductible</li> <li>Claim Log Summary</li> <li>Claim Log Workers' Comp Summary</li> <li>Claim Management Summary</li> <li>Claim Status</li> <li style="background-color: #cccccc;">Claim Summary</li> <li>Contact Total</li> <li>Face Sheet Print</li> <li>Fiscal Year Claim Summary</li> <li>Litigation Summary</li> <li>Monthly Financial Summary</li> <li>Notepad Print</li> </ul>	<p>Selection Criteria</p> <ul style="list-style-type: none"> <li>End of Period Claimant Type</li> <li>Examiner</li> <li>File Type</li> <li>Fiscal Year</li> <li>Fiscal Year (Group Prior 10)</li> <li>Fiscal Year(Group Prior 5)</li> <li>Incident Date</li> <li>Incident Name</li> <li>Incident Type</li> <li>Incurred</li> <li>Incurred &lt;&gt; Paid</li> <li>Incurred &gt; SIR Limit</li> <li>Insured</li> <li>Insurer</li> <li>Litigated</li> <li>Nature of Injury</li> <li>Organization 1</li> </ul>	<p>Group/Sort Criteria</p> <ul style="list-style-type: none"> <li>Claim Number</li> <li>Claimant Name</li> <li>End of Period Claimant Status</li> <li>End of Period Claimant Type</li> <li>Examiner</li> <li>Fiscal Year</li> <li>Fiscal Year (Group Prior 10)</li> <li>Fiscal Year(Group Prior 5)</li> <li>Incident Name</li> <li>Insured</li> <li>Line of Insurance</li> <li>Organization 1</li> <li>Policy Number</li> <li>Policy Symbol</li> <li>Policy Year</li> <li>Policy Year(Group Prior 10)</li> <li>Policy Year(Group Prior 5)</li> </ul>	<p>Request Name</p> <ul style="list-style-type: none"> <li style="background-color: #cccccc;">loss run by dept &amp; division</li> <li>Loss Run</li> </ul>

Report Heading Lines

Line 1:  

Line 2:  

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Report Group: <span style="border: 1px solid black; padding: 2px;">General</span>	Request: <span style="border: 1px solid black; padding: 2px;"> </span>																																																											
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Report Heading Lines: Line 1:   
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ACE Company  
Claim Summary  
01/01/2001 - 12/31/2001

Year end summary by department and division

Claim Number/ Claim Type	Claimant Name/ Claimant Status	Injury Date/ Closed Date	Litigated/ Examiner	Denied/ Adj. Loc. Recd.		Paid this Period	Paid	Outstanding	Incurred	Recovery
<b>Insured : ACE Company</b>										
1900045796	Cornell, Veronica	01/01/2000	<input type="checkbox"/>	<input type="checkbox"/>	Medical	59,451.39	323,527.24	0.00	323,527.24	0.00
Indemnity	Closed	07/25/2001	Ford, Peter	01/01/2000	TD	0.00	0.00	0.00	0.00	0.00
300A	ADM-Administration Dept.				PD	0.00	0.00	0.00	0.00	0.00
	ACE Company				Voc Rehab	0.00	0.00	0.00	0.00	0.00
					Expenses	0.00	4,506.25	0.00	4,506.25	0.00
					<b>Total</b>	<b>59,451.39</b>	<b>328,033.49</b>	<b>0.00</b>	<b>328,033.49</b>	<b>0.00</b>
1974058872	Li, Mao	12/17/1974	<input type="checkbox"/>	<input type="checkbox"/>	Medical	0.00	57.00	0.00	57.00	0.00
Medical	Closed	03/31/1975	Ford, JoAnn	12/31/1974	TD	0.00	0.00	0.00	0.00	0.00
300A	ADM-Administration Dept.				PD	0.00	0.00	0.00	0.00	0.00
	ACE Company				Voc Rehab	0.00	0.00	0.00	0.00	0.00
					Expenses	0.00	0.00	0.00	0.00	0.00
					<b>Total</b>	<b>0.00</b>	<b>57.00</b>	<b>0.00</b>	<b>57.00</b>	<b>0.00</b>
1974058874	McDonald, Ronald	11/15/1974	<input type="checkbox"/>	<input type="checkbox"/>	Medical	0.00	50.00	0.00	50.00	0.00
Medical	Closed	12/31/1974	Jefferson, Lauri	12/31/1974	TD	0.00	0.00	0.00	0.00	0.00
300A	ADM-Administration Dept.				PD	0.00	0.00	0.00	0.00	0.00
	ACE Company				Voc Rehab	0.00	0.00	0.00	0.00	0.00
					Expenses	0.00	0.00	0.00	0.00	0.00
					<b>Total</b>	<b>0.00</b>	<b>50.00</b>	<b>0.00</b>	<b>50.00</b>	<b>0.00</b>
1974058880	Roberts, George	11/15/1974	<input type="checkbox"/>	<input type="checkbox"/>	Medical	0.00	120.00	0.00	120.00	0.00
Indemnity	Closed	07/31/1975	Ford, JoAnn	12/31/1974	TD	0.00	170.00	0.00	170.00	0.00
300A	ADM-Administration Dept.				PD	0.00	0.00	0.00	0.00	0.00
	ACE Company				Voc Rehab	0.00	0.00	0.00	0.00	0.00
					Expenses	0.00	0.00	0.00	0.00	0.00
					<b>Total</b>	<b>0.00</b>	<b>290.00</b>	<b>0.00</b>	<b>290.00</b>	<b>0.00</b>
1974058886	Vanderbilt, Charlie	10/24/1974	<input type="checkbox"/>	<input type="checkbox"/>	Medical	0.00	24.75	0.00	24.75	0.00
Medical	Closed	12/31/1974	Ford, JoAnn	12/31/1974	TD	0.00	0.00	0.00	0.00	0.00
300A	ADM-Administration Dept.				PD	0.00	0.00	0.00	0.00	0.00
	ACE Company				Voc Rehab	0.00	0.00	0.00	0.00	0.00
					Expenses	0.00	0.00	0.00	0.00	0.00
					<b>Total</b>	<b>0.00</b>	<b>24.75</b>	<b>0.00</b>	<b>24.75</b>	<b>0.00</b>

ACE Company  
Claim Summary  
01/01/2001 - 12/31/2001

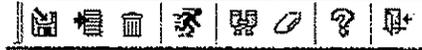
Year end summary by department and division

Claim Number/ Claim Type	Claimant Name/ Claimant Status	Injury Date/ Closed Date	Litigated/ Examiner	Denied/ Adj. Loc. Recd.		Paid this Period	Paid	Outstanding	Incurred	Recovery
<b>Insured : ACE Company</b>										
2001045998 Medical	Edwards, Tonya Closed	03/20/2001 08/24/2001	<input type="checkbox"/> Kramer, Linda	<input type="checkbox"/> 03/23/2001	Medical TD PD Voc Rehab Expenses	585.20 0.00 0.00 0.00 0.00	585.20 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	585.20 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
500A      ENG-Engineering Dept										
Employee slipped/fell on floor when she reached for doors to elevator lobby.										
ACE Company										
Employee slipped/fell on floor when she reached for doors to elevator lobby.					<b>Total</b>	<b>585.20</b>	<b>585.20</b>	<b>0.00</b>	<b>585.20</b>	<b>0.00</b>
2001046050 Medical	Young, Alice Closed	01/24/2001 05/09/2001	<input type="checkbox"/> Ford, JoAnn	<input type="checkbox"/> 02/15/2001	Medical TD PD Voc Rehab Expenses	1,318.38 0.00 0.00 0.00 0.00	1,318.38 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	1,318.38 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
500A      ENG-Engineering Dept										
As employee was trying to grab falling books, she pulled something in neck/shoul										
ACE Company										
As employee was trying to grab falling books, she pulled something in neck/shoul					<b>Total</b>	<b>1,318.38</b>	<b>1,318.38</b>	<b>0.00</b>	<b>1,318.38</b>	<b>0.00</b>
2001060240 Indemnity	Fitzgerald, Eddie Closed	05/01/2001 11/29/2001	<input type="checkbox"/> Jefferson, Lauri	<input type="checkbox"/> 06/18/2001	Medical TD PD Voc Rehab Expenses	963.90 0.00 0.00 386.75 0.00	963.90 0.00 0.00 386.75 0.00	0.00 0.00 0.00 0.00 0.00	963.90 0.00 0.00 386.75 0.00	0.00 0.00 0.00 0.00 0.00
500A      ENG-Engineering Dept										
Computer use, numbness in hand & forearm										
ACE Company										
Strain, Rt. Hand/Forearm					<b>Total</b>	<b>1,350.65</b>	<b>1,350.65</b>	<b>0.00</b>	<b>1,350.65</b>	<b>0.00</b>
2001060330 Medical	Young, Robert M Closed	06/15/2001 08/10/2001	<input type="checkbox"/> Chang, Lea	<input type="checkbox"/> 06/27/2001	Medical TD PD Voc Rehab Expenses	68.85 0.00 0.00 0.00 0.00	68.85 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	68.85 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
500A      ENG-Engineering Dept										
Running from Conduit for Electrical Outlet/Plug Above Hung Ceiling										
ACE Company										
Irritation to Eyes					<b>Total</b>	<b>68.85</b>	<b>68.85</b>	<b>0.00</b>	<b>68.85</b>	<b>0.00</b>
2001060376 Indemnity	Cornell, Veronica Closed	05/17/2001 09/17/2001	<input type="checkbox"/> Jefferson, Lauri	<input checked="" type="checkbox"/> 06/29/2001	Medical TD PD Voc Rehab Expenses	0.00 0.00 0.00 0.00 310.00	0.00 0.00 0.00 0.00 310.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 310.00	0.00 0.00 0.00 0.00 0.00
500A      ENG-Engineering Dept										
EE's alleging anxiety/panic attacks & depression, Unknown										
ACE Company										
Stress/Anxiety					<b>Total</b>	<b>310.00</b>	<b>310.00</b>	<b>0.00</b>	<b>310.00</b>	<b>0.00</b>

ACE Company  
Claim Summary  
01/01/2001 - 12/31/2001

Year end summary by department and division

Claim Number/ Claim Type	Claimant Name/ Claimant Status	Injury Date/ Closed Date	Litigated/ Examiner	Denied/ Adj. Loc. Recd.		Paid this Period	Paid	Outstanding	Incurred	Recovery
<b>Insured : ACE Company</b>										
2001072690	Young, Robert	08/17/2001	<input type="checkbox"/>	<input type="checkbox"/>	Medical	796.94	796.94	0.00	796.94	0.00
Indemnity	Closed	10/19/2001	Ford, JoAnn	08/22/2001	TD	0.00	0.00	0.00	0.00	0.00
600A	WRP-ACE Recycling Prog Dept				PD	0.00	0.00	0.00	0.00	0.00
Employee was cleaning floor area and moving drain gratings during shift and felt :					Voc Rehab	0.00	0.00	0.00	0.00	0.00
ACE Company					Expenses	216.53	216.53	0.00	216.53	0.00
Low Back Strain					Total	1,013.47	1,013.47	0.00	1,013.47	0.00
<b>Insured Total: 9190</b>					Medical	1,490,867.65	13,174,125.39	2,867,030.52	16,041,155.91	(380,298.22)
					TD	459,854.47	8,359,723.42	828,938.51	9,188,661.93	(55,363.50)
					PD	476,993.54	4,340,910.80	1,300,828.21	5,641,739.01	(60,100.00)
					Voc Rehab	80,953.95	843,867.73	333,718.91	1,177,586.64	0.00
					Expenses	151,530.90	2,771,281.63	234,342.70	3,005,624.33	(22,000.00)
<b>Insured Total</b>					<b>Insured Total</b>	<b>2,660,200.51</b>	<b>29,489,908.97</b>	<b>5,564,858.85</b>	<b>35,054,767.82</b>	<b>(517,761.72)</b>
<b>Grand Total: 9190</b>					Medical	1,490,867.65	13,174,125.39	2,867,030.52	16,041,155.91	(380,298.22)
					TD	459,854.47	8,359,723.42	828,938.51	9,188,661.93	(55,363.50)
					PD	476,993.54	4,340,910.80	1,300,828.21	5,641,739.01	(60,100.00)
					Voc Rehab	80,953.95	843,867.73	333,718.91	1,177,586.64	0.00
					Expenses	151,530.90	2,771,281.63	234,342.70	3,005,624.33	(22,000.00)
<b>Grand Total</b>					<b>Grand Total</b>	<b>2,660,200.51</b>	<b>29,489,908.97</b>	<b>5,564,858.85</b>	<b>35,054,767.82</b>	<b>(517,761.72)</b>



Report Group: General Request:  

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Contact	<b>Line of Insurance</b>	Claimant Name	
Claim Contact Model	<b>Reporting History Period</b>	End of Period Claimant Status	
Claim Contact Paid	Claimant Name	End of Period Claimant Type	
Claim Contact Summary	End of Period Claimant Status	Fiscal Year	
Claim Log	End of Period Claimant Type	Fiscal Year (Group Prior 10)	
Claim Log Deductible	Fiscal Year	Fiscal Year(Group Prior 5)	
Claim Log Summary	Fiscal Year (Group Prior 10)	Insurer	
Claim Log Workers' Comp Summary	Fiscal Year(Group Prior 5)	Line of Insurance	
<b>Claim Management Summary</b>	Incident Date	Organization 1	
Claim Status	Incident Type		
Claim Summary	Insurer		
Contact Total	Litigated		
Face Sheet Print	Organization 1		
Fiscal Year Claim Summary	Reported		
Litigation Summary	Under Reserved		

Report Heading Lines  
 Line 1:   
 Line 2:

The selection criteria has been reset. ZZDEMOWCASSIST.on aspdxdb09...

**ACE Company**  
**Claim Management Summary**  
01/01/2001 - 12/31/2001

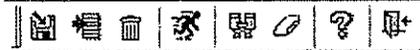
Litigated claims

<u>Insured</u>	<u># of claims</u>	<u>Open</u>	<u>Closed</u>	<u>Paid &lt; SIR</u>	<u>Outstanding &lt; SIR</u>	<u>Incurred &lt; SIR</u>	<u>Paid &gt; SIR</u>	<u>Incurred &gt; SIR</u>	<u>Total Incurred</u>	<u>Recovery</u>
<b>Organization 1 : ADM-Administration Dept.</b>										
ACE Company	3	3	0	163,453.20	39,320.84	202,774.04	0.00	0.00	202,774.04	0.00
<b>Organization 1 Totals</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>163,453.20</b>	<b>39,320.84</b>	<b>202,774.04</b>	<b>0.00</b>	<b>0.00</b>	<b>202,774.04</b>	<b>0.00</b>
<b>Organization 1 : CUS-Customer Service Department</b>										
ACE Company	16	11	5	694,983.83	174,065.92	869,049.75	0.00	0.00	869,049.75	0.00
<b>Organization 1 Totals</b>	<b>16</b>	<b>11</b>	<b>5</b>	<b>694,983.83</b>	<b>174,065.92</b>	<b>869,049.75</b>	<b>0.00</b>	<b>0.00</b>	<b>869,049.75</b>	<b>0.00</b>
<b>Organization 1 : ENG-Engineering Dept</b>										
ACE Company	9	7	2	606,584.84	176,684.68	783,269.52	0.00	0.00	783,269.52	0.00
<b>Organization 1 Totals</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>606,584.84</b>	<b>176,684.68</b>	<b>783,269.52</b>	<b>0.00</b>	<b>0.00</b>	<b>783,269.52</b>	<b>0.00</b>
<b>Organization 1 : FIN-Finance Admin</b>										
ACE Company	7	6	1	263,549.54	56,428.71	319,978.25	0.00	0.00	319,978.25	0.00
<b>Organization 1 Totals</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>263,549.54</b>	<b>56,428.71</b>	<b>319,978.25</b>	<b>0.00</b>	<b>0.00</b>	<b>319,978.25</b>	<b>0.00</b>
<b>Organization 1 : GEN-Office of the Gen Mgr Dept</b>										
ACE Company	8	6	2	537,859.38	175,335.25	713,194.63	0.00	0.00	713,194.63	0.00
<b>Organization 1 Totals</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>537,859.38</b>	<b>175,335.25</b>	<b>713,194.63</b>	<b>0.00</b>	<b>0.00</b>	<b>713,194.63</b>	<b>0.00</b>
<b>Organization 1 : ISD-Information Systems Dept</b>										
ACE Company	2	2	0	40,238.51	18,593.58	58,832.09	0.00	0.00	58,832.09	0.00
<b>Organization 1 Totals</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>40,238.51</b>	<b>18,593.58</b>	<b>58,832.09</b>	<b>0.00</b>	<b>0.00</b>	<b>58,832.09</b>	<b>0.00</b>
<b>Organization 1 : NRD-Natural Resources Dept</b>										
ACE Company	11	8	3	634,775.87	194,630.06	829,405.93	0.00	0.00	829,405.93	0.00
<b>Organization 1 Totals</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>634,775.87</b>	<b>194,630.06</b>	<b>829,405.93</b>	<b>0.00</b>	<b>0.00</b>	<b>829,405.93</b>	<b>0.00</b>
<b>Organization 1 : SOM-Sustern Operations &amp; Mte Dept</b>										
ACE Company	70	60	10	2,335,353.80	1,104,883.19	3,440,236.99	0.00	0.00	3,440,236.99	0.00
<b>Organization 1 Totals</b>	<b>70</b>	<b>60</b>	<b>10</b>	<b>2,335,353.80</b>	<b>1,104,883.19</b>	<b>3,440,236.99</b>	<b>0.00</b>	<b>0.00</b>	<b>3,440,236.99</b>	<b>0.00</b>
<b>Organization 1 : WAS-WasteACE Dept</b>										
ACE Company	15	9	6	446,359.37	374,777.97	821,137.34	0.00	0.00	821,137.34	0.00
<b>Organization 1 Totals</b>	<b>15</b>	<b>9</b>	<b>6</b>	<b>446,359.37</b>	<b>374,777.97</b>	<b>821,137.34</b>	<b>0.00</b>	<b>0.00</b>	<b>821,137.34</b>	<b>0.00</b>

**ACE Company**  
**Claim Management Summary**  
 01/01/2001 - 12/31/2001

Litigated claims

<u>Insured</u>	<u># of claims</u>	<u>Open</u>	<u>Closed</u>	<u>Paid &lt; SIR</u>	<u>Outstanding &lt; SIR</u>	<u>Incurred &lt; SIR</u>	<u>Paid &gt; SIR</u>	<u>Incurred &gt; SIR</u>	<u>Total Incurred</u>	<u>Recovery</u>
<b>Organization 1 : WND-ACE Resources Dept</b>										
ACE Company	1	1	0	32,411.05	27,545.91	59,956.96	0.00	0.00	59,956.96	0.00
<b>Organization 1 Totals</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>32,411.05</b>	<b>27,545.91</b>	<b>59,956.96</b>	<b>0.00</b>	<b>0.00</b>	<b>59,956.96</b>	<b>0.00</b>
<b>Organization 1 : WOM-ACE Operations and Mte Dept</b>										
ACE Company	47	40	7	1,567,082.55	1,061,333.92	2,628,416.47	0.00	38,120.75	2,666,537.22	0.00
<b>Organization 1 Totals</b>	<b>47</b>	<b>40</b>	<b>7</b>	<b>1,567,082.55</b>	<b>1,061,333.92</b>	<b>2,628,416.47</b>	<b>0.00</b>	<b>38,120.75</b>	<b>2,666,537.22</b>	<b>0.00</b>
<b>Organization 1 : WRP-ACE Recycling Prog Dept</b>										
ACE Company	1	1	0	130,173.69	55,394.12	185,567.81	0.00	0.00	185,567.81	0.00
<b>Organization 1 Totals</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>130,173.69</b>	<b>55,394.12</b>	<b>185,567.81</b>	<b>0.00</b>	<b>0.00</b>	<b>185,567.81</b>	<b>0.00</b>
<b>Grand Totals</b>	<b>190</b>	<b>154</b>	<b>36</b>	<b>7,452,825.63</b>	<b>3,458,994.15</b>	<b>10,911,819.78</b>	<b>0.00</b>	<b>38,120.75</b>	<b>10,949,940.53</b>	<b>0.00</b>



Report Group: **General** Request: \_\_\_\_\_

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	<b>Line of Insurance</b>	Claim Number	<b>Litigation</b>
Contact Total	<b>Reporting History Period</b>	Claimant Name	
Face Sheet Print	Body Part	End of Period Claimant Status	
Fiscal Year Claim Summary	Cause	End of Period Claimant Type	
<b>Litigation Summary</b>	Claim Number	Examiner	
Monthly Financial Summary	Claimant Name	Fiscal Year	
Notepad Print	Client	Fiscal Year (Group Prior 10)	
Payment Print	End of Period Claimant Status	Fiscal Year(Group Prior 5)	
Payment Print Alternate	End of Period Claimant Type	Insured	
Payment Total	Examiner	Organization 1	
Payment Void Total	Fiscal Year	Policy Year	
Reserve Total	Fiscal Year (Group Prior 10)	Policy Year(Group Prior 10)	
Safety Activity	Fiscal Year(Group Prior 5)	Policy Year(Group Prior 5)	
SIR Limit	Incident Date		
Time Tracking Total	Incident Type		
User Diary	Incurred		
Voucher Total	Insured		

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMO\WCASSIST on astpxddb09

VOS Reporting Tool - [Report Configuration]

File Criteria Requests Query Group Window Help



Report Group: <b>General</b>	Request: _____
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Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	Incident Type	Claim Number	Litigation
Contact Total	Incurred	Claimant Name	
Face Sheet Print	Insured	End of Period Claimant Status	
Fiscal Year Claim Summary	Insurer	End of Period Claimant Type	
<b>Litigation Summary</b>	Legal Paid	Examiner	
Monthly Financial Summary	Litigated	Fiscal Year	
Notepad Print	Nature of Injury	Fiscal Year (Group Prior 10)	
Payment Print	Organization 1	Fiscal Year(Group Prior 5)	
Payment Print Alternate	Paid	Insured	
Payment Total	Policy Number	Organization 1	
Payment Void Total	Policy Year	Policy Year	
Reserve Total	Policy Year(Group Prior 10)	Policy Year(Group Prior 10)	
Safety Activity	Policy Year(Group Prior 5)	Policy Year(Group Prior 5)	
SIR Limit	Reported		
Time Tracking Total	Represented		
User Diary	Subrogated		
Voucher Total	Under Reserved		

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset.

ZZDEMOWCASSIST on astpxddb09

**ACE Company**  
**Litigation Summary**  
01/01/2001 - 12/31/2001

By Organization

<u>Claim Number</u>	<u>Claimant Name</u> <u>Claim Status</u>	<u>Incident Date/</u> <u>Closed Date</u>	<u>Legal Paid</u>		<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Recovery</u>
<b>Organization 1 : CUS-Customer Service Department</b>								
1998046888	Wayne, Bruce Open	04/20/1998	803.44	Medical	24,864.15	10,451.84	35,315.99	0.00
				TD	52,010.00	22.31	52,032.31	0.00
				PD	182.88	12,762.31	12,945.19	0.00
	Employee jumped a small ditch to get a water meter & landed incorrectly and strained lower l			Voc Rehab	1,527.00	33.50	1,560.50	0.00
	300B CUS-Customer Service Department			Expenses	1,256.41	4,340.09	5,596.50	0.00
				<b>Total</b>	<b>79,840.44</b>	<b>27,610.05</b>	<b>107,450.49</b>	<b>0.00</b>

<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>
			Applicant Attorney	Uriarte & Carr, LLP	Carr, Sarah B	
			Defense Attorney	VALENCIA AND WILBERDING	Neach, Ronald R	

<u>Claim Number</u>	<u>Claimant Name</u> <u>Claim Status</u>	<u>Incident Date/</u> <u>Closed Date</u>	<u>Legal Paid</u>		<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Recovery</u>
1998046962	Gordon, Flash Re-Open	03/26/1998	0.00	Medical	6,913.99	7,081.01	13,995.00	0.00
				TD	15,339.27	5,933.75	21,273.02	0.00
				PD	12,970.00	4,233.75	17,203.75	0.00
	Repetitive motion; handheld computer, meter hook, notices, tube			Voc Rehab	426.50	1,500.00	1,926.50	0.00
	300B CUS-Customer Service Department			Expenses	915.45	500.00	1,415.45	0.00
				<b>Total</b>	<b>36,565.21</b>	<b>19,248.51</b>	<b>55,813.72</b>	<b>0.00</b>

<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>
	11/13/2000		Applicant Attorney	BOXER & GERSON	Dolan, Michael	

<u>Claim Number</u>	<u>Claimant Name</u> <u>Claim Status</u>	<u>Incident Date/</u> <u>Closed Date</u>	<u>Legal Paid</u>		<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Recovery</u>
2000045278	Parker, Geraldine Open	05/10/2000	0.00	Medical	8,009.23	44,820.00	52,829.23	0.00
				TD	22,911.00	0.00	22,911.00	0.00
				PD	320.00	7,770.00	8,090.00	0.00
	300B CUS-Customer Service Department			Voc Rehab	8,193.34	8,511.66	16,705.00	0.00
				Expenses	967.26	0.00	967.26	0.00
				<b>Total</b>	<b>40,400.83</b>	<b>61,101.66</b>	<b>101,502.49</b>	<b>0.00</b>

<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>
	12/04/2000		Applicant Attorney	DENNIS RILEY ESQUIR	Donachie, Shelly A	

**ACE Company**  
**Litigation Summary**  
01/01/2001 - 12/31/2001

By Organization

<u>Claim Number</u>	<u>Claimant Name</u> <u>Claim Status</u>	<u>Incident Date/</u> <u>Closed Date</u>	<u>Legal Paid</u>		<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Recovery</u>
<b>Organization 1 : CUS-Customer Service Department</b>								
2001046026	Ingalls, Bill Closed	02/22/2001	0.00	Medical	2,348.90	0.00	2,348.90	0.00
				TD	0.00	0.00	0.00	0.00
				PD	0.00	0.00	0.00	0.00
	Employee was reading meters when stepped onto a wet area causing him to slip and fall.			Voc Rehab	0.00	0.00	0.00	0.00
	300B CUS-Customer Service Department			Expenses	1,587.69	0.00	1,587.69	0.00
				<b>Total</b>	<b>3,936.59</b>	<b>0.00</b>	<b>3,936.59</b>	<b>0.00</b>

<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>
	02/19/2002		Applicant Attorney	Law Offices of Daniel K. White	Daniel K. White, Esquire	
	02/19/2002		Defense Attorney	Adelson, Testan & Brundo	Popalardo, Dennis A	

2001072738	Parker, Peter Open	09/22/2000	0.00	Medical	0.00	1,500.00	1,500.00	0.00
				TD	0.00	0.00	0.00	0.00
	Employee has filed post employment claim for eye injury whcih allegedly occurred 9/00. ldw			PD	0.00	0.00	0.00	0.00
	300B CUS-Customer Service Department			Voc Rehab	0.00	0.00	0.00	0.00
				Expenses	407.68	1,092.32	1,500.00	0.00
				<b>Total</b>	<b>407.68</b>	<b>2,592.32</b>	<b>3,000.00</b>	<b>0.00</b>

<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>
	10/12/2001		Applicant Attorney	LOU ANN BASSAN ATTORNEY	Bassan, Lou Ann	

<b>Organization 1 Total: 16</b>				54,938.24	Medical	240,267.78	113,197.83	353,465.61	0.00
					TD	187,498.05	12,472.24	199,970.29	0.00
					PD	158,590.62	26,067.24	184,657.86	0.00
					Voc Rehab	50,520.63	11,545.16	62,065.79	0.00
					Expenses	58,106.75	10,783.45	68,890.20	0.00
				<b>Organization 1 Total</b>	<b>694,983.83</b>	<b>174,065.92</b>	<b>869,049.75</b>	<b>0.00</b>	

<b>Organization 1 : ENG-Engineering Dept</b>								
1986052532	Li, Mao Closed	06/16/1986 12/10/2001	96.00	Medical	16,951.05	0.00	16,951.05	0.00
				TD	896.00	0.00	896.00	0.00
				PD	0.00	0.00	0.00	0.00
	500A ENG-Engineering Dept			Voc Rehab	0.00	0.00	0.00	0.00
				Expenses	208.22	0.00	208.22	0.00
				<b>Total</b>	<b>18,055.27</b>	<b>0.00</b>	<b>18,055.27</b>	<b>0.00</b>

**ACE Company**  
**Litigation Summary**  
 01/01/2001 - 12/31/2001

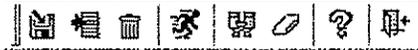
By Organization

<u>Claim Number</u>	<u>Claimant Name</u> <u>Claim Status</u>	<u>Incident Date/</u> <u>Closed Date</u>	<u>Legal Paid</u>		<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Recovery</u>
<b>Organization 1 : WOM-ACE Operations and Mte Dept</b>								
2001073548	Wayne, Bruce Open	10/18/2001	0.00	Medical	0.00	4,000.00	4,000.00	0.00
				TD	0.00	0.00	0.00	0.00
	EE sustained laceration/bruises to body when tire blew and caused vehicle to hit a tree.			PD	0.00	0.00	0.00	0.00
	700B WOM-ACE Operations and Mte Dept			Voc Rehab	0.00	0.00	0.00	0.00
				Expenses	0.00	0.00	0.00	0.00
				<b>Total</b>	<b>0.00</b>	<b>4,000.00</b>	<b>4,000.00</b>	<b>0.00</b>
<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>		
	10/31/2001		Applicant Attorney	GEARHEART & OTIS	Roy J. Otis, Esquire			
	10/31/2001		Defense Attorney	LAUGHLIN FALBO LEVY & MORESI	Popalardo, Dennis			
	<b>Organization 1 Total: 47</b>		60,685.73	Medical	769,854.80	540,322.04	1,310,176.84	0.00
				TD	436,006.20	143,991.52	579,997.72	0.00
				PD	225,651.65	236,103.17	461,754.82	0.00
				Voc Rehab	61,490.68	117,815.56	179,306.24	0.00
				Expenses	74,079.22	61,222.38	135,301.60	0.00
				<b>Organization 1 Total</b>	<b>1,567,082.55</b>	<b>1,099,454.67</b>	<b>2,666,537.22</b>	<b>0.00</b>

**ACE Company**  
**Litigation Summary**  
01/01/2001 - 12/31/2001

By Organization

<u>Claim Number</u>	<u>Claimant Name</u> <u>Claim Status</u>	<u>Incident Date/</u> <u>Closed Date</u>	<u>Legal Paid</u>		<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Recovery</u>
<b>Organization 1 : WRP-ACE Recycling Prog Dept</b>								
1998045836	Cornell, Veronica Re-Open	01/11/1998	7,311.90	Medical	48,594.07	6,986.77	55,580.84	0.00
				TD	53,930.62	8,155.17	62,085.79	0.00
				PD	1,287.16	34,412.84	35,700.00	0.00
	600A WRP-ACE Recycling Prog Dept			Voc Rehab	15,282.42	1,563.58	16,846.00	0.00
				Expenses	11,079.42	4,275.76	15,355.18	0.00
				<b>Total</b>	<b>130,173.69</b>	<b>55,394.12</b>	<b>185,567.81</b>	<b>0.00</b>
<u>Plaintiff Name</u>	<u>Representation Notice</u>	<u>Assigned to Defense</u>	<u>Vendor Type</u>	<u>Firm</u>	<u>Name</u>	<u>Comment</u>		
	02/26/1999	04/03/2000	Applicant Attorney	JONES CLIFFORD JOHNSON AND JOHN	Francis V. Clifford, Esquire			
	02/26/1999	04/03/2000	Defense Attorney	HANNA BROPHY MACLEAN MCALEER	Al Lehmer, Francie R			
	<b>Organization 1 Total: 1</b>		7,311.90	Medical	48,594.07	6,986.77	55,580.84	0.00
				TD	53,930.62	8,155.17	62,085.79	0.00
				PD	1,287.16	34,412.84	35,700.00	0.00
				Voc Rehab	15,282.42	1,563.58	16,846.00	0.00
				Expenses	11,079.42	4,275.76	15,355.18	0.00
				<b>Organization 1 Total</b>	<b>130,173.69</b>	<b>55,394.12</b>	<b>185,567.81</b>	<b>0.00</b>
<b>Grand Total: 190</b>			526,215.22	Medical	3,326,463.41	1,676,220.21	5,002,683.62	0.00
				TD	1,747,929.34	524,667.94	2,272,597.28	0.00
				PD	1,453,093.75	856,211.01	2,309,304.76	0.00
				Voc Rehab	250,606.03	256,239.10	506,845.13	0.00
				Expenses	674,733.10	183,776.64	858,509.74	0.00
				<b>Grand Total</b>	<b>7,452,825.63</b>	<b>3,497,114.90</b>	<b>10,949,940.53</b>	<b>0.00</b>



Report Group: General Request:  

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	<b>Line of Insurance</b>	Add Date	Notepad Print
Contact Total	Add Date	Claim Number	
Face Sheet Print	Claim Number	Claimant Name	
Fiscal Year Claim Summary	Claimant Name	Insured	
Litigation Summary	Client	Line of Insurance	
Monthly Financial Summary	Insured	Notepad Type	
<b>Notepad Print</b>	Notepad Add User		
Payment Print	Notepad Type		
Payment Print Alternate			
Payment Total			
Payment Void Total			
Reserve Total			
Safety Activity			
SIR Limit			
Time Tracking Total			
User Diary			
Voucher Total			

Report Heading Lines  
 Line 1:   
 Line 2:

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09:

Parker, Peter P 2001046078

**Add Date:** 12/10/2002

**Add User:** Harding, Charito

**Notepad Type:** Client Contact

**Edit Date:** 12/10/2002

**Edit User:** Harding, Charito

**Overview**

discussion w/ er

s/w debbie/conveyed conversation w/ clmt re reopening his claim as relating back injury to this claim even though there has been no med tx since 8'01 & tht clmt was on vacation the wk of 11/25/02 & back pain occurred during his vacation. clmt's superv is howard mccarley. need to get info of clmt's activities during the wk tht he was on vacation. she'll get back to me.

Parker, Peter P 2001046078

**Add Date:** 12/11/2002

**Add User:** Harding, Charito

**Notepad Type:** Client Contact

**Edit Date:** 12/11/2002

**Edit User:** Harding, Charito

**Overview**

discussion w/ superv

s/w steve lee/superv/he is not aware of any work injury lately for clmt. he is aware tht clmt took vacation fr 11/25 to 11/29-02. he called in sick from 12/2 to 12/6-02 & said tht it was due to back bothering. tld him tht purpose of my call is to inquire if he has any knowledge of clmt's activity during his vacation wk given tht clmt is still relating back injury to this claim even though there has been no med tx since 8'01. he did not hear of anything fr anyone re off work accident or injury for clmt.

Parker, Peter P 2001046078

**Add Date:** 02/24/2003

**Add User:** Harding, Barbara

**Notepad Type:** Claim Data

**Edit Date:** 02/24/2003

**Edit User:** Harding, Barbara

**Overview**

Name/address/SSN Changed

Prior Address: 2379 Second Street, Livermore, 94550-

Run Time: 15:40:01

Santos, Donna 2001046082

**Add Date:** 09/21/2001      **Add User:** Roosevelt, Dorys      **Notepad Type:** Medical Treatment  
**Edit Date:** 09/21/2001      **Edit User:** Roosevelt, Dorys

**Overview**

Dr. Frazier Rpt. of 8/27/01

Dr. Frazier Rpt. of 8/27/01

Pt. seen for the right elbow. She continues with pain and radiation down to the right wrist area. The patient has been injected in the past and been on anti-inflammatories, but continues with symptoms.

Impression: Rt. elbow lateral epicondylitis and rt. elbow extensor tendonitis.

Treatment Recommendations: At this time the patient is on Celebrex, and will continue that. I would like to refer her to Dr. Kendrick Lee in Oakland for evaluation and treatment of her lateral epicondylitis and extensor tendinitis, and associated repetitive stress syndrome.

Work status: We will limit her work to modify duty with working 4 hrs. per day over the next few weeks.

I will see her again on an as-needed basis at this time related to her evaluation with Dr. Lee.

Santos, Donna 2001046082

**Add Date:** 10/08/2001      **Add User:** Truman, Arnel      **Notepad Type:** Employee Contact  
**Edit Date:** 10/08/2001      **Edit User:** Truman, Arnel

**Overview**

spoke with employee

Received call from the employee about possible of "duplicate" payment from wage loss benefits vs- job injury leave benefits. She stated that per Dr. Frazier's 8/28/01 visit, she was advised to work on modified duty of 4 hrs day work at 5days schedule. She has been receiving Wage Loss Benefits from Octogon & also received full 8 hours pay @ EBMUD. She stated that she previously spoke with adjuster and Jackie Banks and given advised to "cash" check. She's concern on whether is entitle for these two benefits; Wage Loss & Job Injury Leave Benefits. Explained to the employee that I will get further information and get back with her. (she gave her home # @ 510.568-0342). Also employee stated that effective 10/12/01, modified work would not be available and therefore she 's back on TTD benefits. She stated that her supervisor is aware about this & gave supervisor's name, Ken Kenada (510)287-1711  
\* Phoned employee back & informed her that due to holiday "Columbus Day" left message with Jackie Banks.

Santos, Donna 2001046082

**Add Date:** 10/09/2001      **Add User:** Truman, Arnel      **Notepad Type:** Medical Treatment  
**Edit Date:** 10/09/2001      **Edit User:** Truman, Arnel

**Overview**

PR-2; Progress Report 9/19/01

Reviewed 9/18/01 Kendrick Lee, MD report (510) 238-1200

Diagnosis: Righth forearm pain, myofascial pain, radial tunnel and right lateral epicondylitis

Work Status:

Continue modified work; no lifting over 5 lbs., 4 hour/day

Medication: Naprosyn 375

mg., or Celebrex

Santos, Donna 2001046082

**Add Date:** 10/09/2001      **Add User:** Truman, Arnel      **Notepad Type:** Medical Treatment  
**Edit Date:** 10/09/2001      **Edit User:** Truman, Arnel

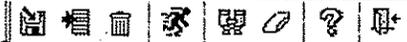
**Overview**

Neurology referral

Received call from Dr. K. Lee's office & s/w: Dorothy 510. 238-1200. Per Dr. Lee, suggesting referring patient with Neurology. Adjuster recommend Dr. Robert Ansel and Dorothy will inform Dr. Lee and get back with adjuster.

VOS Reporting Tool - [Report Configuration]

File Criteria Requests Query Group Window Help



Report Group: **General**

Request:

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	<b>Line of Insurance</b>	<b>Check Date</b>	<b>Payment Total</b>
Contact Total	Amount	Check Month	
Face Sheet Print	Batch Number	Check Number	
Fiscal Year Claim Summary	Cause	Claim Number	
Litigation Summary	Check Date	Claimant Name	
Monthly Financial Summary	Check Month	Claimant Status	
Notepad Print	Check Number	Claimant Type	
Payment Print	Claim Number	Examiner	
Payment Print Alternate	Claimant Name	Fiscal Year	
<b>Payment Total</b>	Claimant Status	Fiscal Year (Group Prior 10)	
Payment Void Total	Claimant Type	Fiscal Year(Group Prior 5)	
Reserve Total	Client	Incident Date	
Safety Activity	Delivery Type	Insured	
SIR Limit	Document Number	Organization 1	
Time Tracking Total	Due Date	Payee	
User Diary	Examiner	Payment Method	
Voucher Total	Fiscal Year	Payment Transaction	

Report Heading Lines

Line 1:

Line 2:

The selection criteria has been reset.

ZZDEMOWCASSIST on astpxddb09

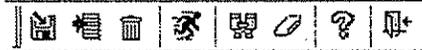
Start | VOS Reporting Tool - [...] Microsoft Word - Docume...

11:13 AM

Payment Total

VOS Reporting Tool - [Report Configuration]

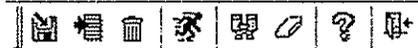
File Criteria Requests Query Group Window Help



Report Group: <b>General</b>		Request:	
<b>Report Title</b>	<b>Selection Criteria</b>	<b>Group/Sort Criteria</b>	<b>Request Name</b>
Claim Summary	Client	Claimant Type	Payment Total
Contact Total	Delivery Type	Examiner	
Face Sheet Print	Document Number	Fiscal Year	
Fiscal Year Claim Summary	Due Date	Fiscal Year (Group Prior 10)	
Litigation Summary	Examiner	Fiscal Year (Group Prior 5)	
Monthly Financial Summary	Fiscal Year	Incident Date	
Notepad Print	Fiscal Year (Group Prior 10)	Insured	
Payment Print	Fiscal Year (Group Prior 5)	Organization 1	
Payment Print Alternate	Incident Date	Payee	
<b>Payment Total</b>	Insured	Payment Method	
Payment Void Total	Insurer	Payment Transaction	
Reserve Total	Litigated	Policy Symbol	
Safety Activity	Organization 1	Policy Year	
SIR Limit	Payee	Policy Year (Group Prior 10)	
Time Tracking Total	Payment Method	Policy Year (Group Prior 5)	
User Diary	Payment Run	Processed Date	
Voucher Total	Payment Transaction	Reserve Type	

Report Heading Lines  
 Line 1:  
 Line 2:

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09.



Report Group: <b>General</b>	Request:
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Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	Insurer	Claimant Type	Payment Total
Contact Total	Litigated	Examiner	
Face Sheet Print	Organization 1	Fiscal Year	
Fiscal Year Claim Summary	Payee	Fiscal Year (Group Prior 10)	
Litigation Summary	Payment Method	Fiscal Year(Group Prior 5)	
Monthly Financial Summary	Payment Run	Incident Date	
Notepad Print	Payment Transaction	Insured	
Payment Print	Policy Symbol	Organization 1	
Payment Print Alternate	Policy Year	Payee	
<b>Payment Total</b>	Policy Year(Group Prior 10)	Payment Method	
Payment Void Total	Policy Year(Group Prior 5)	Payment Transaction	
Reserve Total	Processed Date	Policy Symbol	
Safety Activity	Reported	Policy Year	
SIR Limit	Represented	Policy Year(Group Prior 10)	
Time Tracking Total	Reserve Type	Policy Year(Group Prior 5)	
User Diary	Subrogated	Processed Date	
Voucher Total	Tax ID	Reserve Type	

Report Heading Lines

Line 1: \_\_\_\_\_

Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09

**ACE Company  
Payment Total**

By Organization and claim number  
Fiscal year 7/1/1999 - 6/30/2000

Processed	Check Date	Check Num.	Claim Number	Claimant	Incident	Transaction Type	Payee	Payee Tax ID	Examiner	Amount
<b>Organization 1 : CUS-Customer Service Department</b>										
<b>Claim Number : 1999044746</b>										
10/06/1999	10/06/1999	209795	1999044746	Vanderbilt, Charlie	07/15/1999	Provider Treatment	HEALTH PAVILION	943288966	Jefferson, Laurie	57.75
10/06/1999	10/06/1999	209796	1999044746	Vanderbilt, Charlie	07/15/1999	Provider Treatment	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	270.39
10/06/1999	10/06/1999	209796	1999044746	Vanderbilt, Charlie	07/15/1999	Provider Treatment	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	72.25
10/11/1999	10/11/1999	209856	1999044746	Vanderbilt, Charlie	07/15/1999	Provider Treatment	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	72.25
10/14/1999	10/14/1999	209917	1999044746	Vanderbilt, Charlie	07/15/1999	Provider Treatment	READICARE MEDICAL GROUP	953775827	Jefferson, Laurie	93.01
10/28/1999	10/28/1999	210088	1999044746	Vanderbilt, Charlie	07/15/1999	Other Medical	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	132.83
11/12/1999	11/12/1999	210270	1999044746	Vanderbilt, Charlie	07/15/1999	Provider Treatment	PIC MEDICAL GROUP	943281939	Jefferson, Laurie	164.30
11/12/1999	11/12/1999	210271	1999044746	Vanderbilt, Charlie	07/15/1999	Physical Therapy	READICARE MEDICAL GROUP	953775827	Jefferson, Laurie	84.55
11/29/1999	11/29/1999	210443	1999044746	Vanderbilt, Charlie	07/15/1999	Reimburse Employee	ADVANCED RADIOLOGIC IMAGING	942987394	Jefferson, Laurie	732.50
11/29/1999	11/29/1999	210444	1999044746	Vanderbilt, Charlie	07/15/1999	Reimburse Employee	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	103.39
01/13/2000	01/13/2000	211012	1999044746	Vanderbilt, Charlie	07/15/1999	Physical Therapy	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	72.25
07/25/2001	07/25/2001	60000300	1999044746	Vanderbilt, Charlie	07/15/1999	Physician	HEALTHSOUTH/READICARE MED	953775827	Jefferson, Laurie	184.57

**Claim Number Total: 13** 2,146.64

<b>Claim Number : 1999044836</b>										
09/22/1999	09/22/1999	209642	1999044836	Cornell, Matt	08/25/1999	Temporary Disability	Matt Cornell	436667179	Jefferson, Laurie	140.00
10/18/1999	10/18/1999	209970	1999044836	Cornell, Matt	08/25/1999	Provider Treatment	BAY IMAGING CONSULTANTS	942965646	Jefferson, Laurie	16.63
10/18/1999	10/18/1999	209971	1999044836	Cornell, Matt	08/25/1999	Hospital	SUTTER DELTA MEDICAL CENTE	941552887	Jefferson, Laurie	152.64
10/18/1999	10/18/1999	209972	1999044836	Cornell, Matt	08/25/1999	Provider Treatment	HEALTH PAVILION	943288966	Jefferson, Laurie	109.65
11/02/1999	11/02/1999	210171	1999044836	Cornell, Matt	08/25/1999	Hospital	CA EMERGENCY PHYSICIANS	680329157	Jefferson, Laurie	91.80
12/13/1999	12/13/1999	210615	1999044836	Cornell, Matt	08/25/1999	Rx	APOLLO ENTERPRISES	582270165	Jefferson, Laurie	14.65

**Claim Number Total: 6** 525.37

<b>Claim Number : 1999044856</b>										
10/11/1999	10/11/1999	209864	1999044856	Nash, Hannah	08/25/1999	Provider Treatment	OCC. MED. ASSOC. OF RICH	770469725	Jefferson, Laurie	350.28

**Claim Number Total: 1** 350.28

<b>Claim Number : 1999044888</b>										
10/11/1999	10/11/1999	209866	1999044888	Wayne, Bruce	08/24/1999	Provider Treatment	BERKELEY ORTHOPAEDIC MED	942522527	Jefferson, Laurie	124.70
10/14/1999	10/14/1999	209920	1999044888	Wayne, Bruce	08/24/1999	Provider Treatment	BAY IMAGING CONSULTANTS	942965646	Jefferson, Laurie	46.25
11/12/1999	11/12/1999	210280	1999044888	Wayne, Bruce	08/24/1999	Provider Treatment	BERKELEY ORTHOPAEDIC MED	942522527	Jefferson, Laurie	84.47

**Claim Number Total: 3** 255.42

<b>Claim Number : 1999044906</b>										
11/29/1999	11/29/1999	210460	1999044906	Vanderbilt, Corinne	09/29/1999	Provider Treatment	HEALTH PAVILION	943288966	Ford, JoAnn	100.55
12/13/1999	12/13/1999	210623	1999044906	Vanderbilt, Corinne	09/29/1999	Provider Treatment	HEALTH PAVILION	943288966	Ford, JoAnn	99.25
12/21/1999	12/21/1999	210749	1999044906	Vanderbilt, Corinne	09/29/1999	Provider Treatment	HEALTH PAVILION	943288966	Ford, JoAnn	47.60

**ACE Company  
Payment Total**

By Organization and claim number  
Fiscal year 7/1/1999 - 6/30/2000

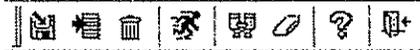
Processed	Check Date	Check Num.	Claim Number	Claimant	Incident	Transaction Type	Payee	Payee Tax ID	Examiner	Amount
<b>Organization 1 : CUS-Customer Service Department</b>										
<b>Claim Number : 1999044958</b>										
01/04/2002	01/04/2002	60003842	1999044958	Edwards, Dave	11/01/1999	Physical Therapy	U S HEALTHWORKS MEDICAL G	954643269	Jefferson, Laurie	575.82
02/14/2002	02/14/2002	60004603	1999044958	Edwards, Dave	11/01/1999	Physical Therapy	US HEALTH WORKS MEDICAL GI	954643269	Jefferson, Laurie	833.47
03/01/2002	03/01/2002	60005103	1999044958	Edwards, Dave	11/01/1999	Physician	US HEALTH WORKS MEDICAL GI	954643269	Jefferson, Laurie	113.82
03/01/2002	03/01/2002	60005121	1999044958	Edwards, Dave	11/01/1999	Med Bill Review PPO	DIVERSIFIED HEALTHCARE SER'	680302628	Jefferson, Laurie	1.20
03/01/2002	03/01/2002	60005121	1999044958	Edwards, Dave	11/01/1999	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Jefferson, Laurie	8.05
07/24/2002	03/01/2002	60005121	1999044958	Edwards, Dave	11/01/1999	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Jefferson, Laurie	(8.05)
07/24/2002	03/01/2002	60005121	1999044958	Edwards, Dave	11/01/1999	Med Bill Review PPO	DIVERSIFIED HEALTHCARE SER'	680302628	Jefferson, Laurie	(1.20)
05/08/2002	05/08/2002	60006790	1999044958	Edwards, Dave	11/01/1999	Physician	US HEALTH WORKS MEDICAL GI	954643269	Jefferson, Laurie	150.69
<b>Claim Number Total: 43</b>										<b>13,638.37</b>
<b>Claim Number : 1999044996</b>										
03/10/2000	03/10/2000	211750	1999044996	Cornell, Matt	12/06/1999	Provider Treatment	READICARE MED GRP - EMERYV	953775827	Jefferson, Laurie	201.60
<b>Claim Number Total: 1</b>										<b>201.60</b>
<b>Claim Number : 1999045002</b>										
01/04/2000	01/04/2000	210858	1999045002	Gordon, Rachel	12/06/1999	Reimburse Employee	Rachel Gordon	557900133	Jefferson, Laurie	5.76
02/17/2000	02/17/2000	211480	1999045002	Gordon, Rachel	12/06/1999	Copywork	MACRO PRO INCORPORATED	330387596	Jefferson, Laurie	98.89
03/10/2000	03/10/2000	211751	1999045002	Gordon, Rachel	12/06/1999	AME/QME	TONICA MEDICAL MANAGEMENT	550498930	Jefferson, Laurie	288.58
03/15/2000	03/15/2000	211812	1999045002	Gordon, Rachel	12/06/1999	AME/QME	CORIE A. FARKAS	550498930	Jefferson, Laurie	750.00
03/16/2000	03/16/2000	211850	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	KAISER PERMANENTE	942728480	Jefferson, Laurie	317.15
04/04/2000	04/04/2000	212046	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	ASSOCIATED ORTHOPAED	941721789	Jefferson, Laurie	284.01
04/11/2000	04/11/2000	212120	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	KAISER PERMANENTE	942728480	Jefferson, Laurie	47.60
05/05/2000	05/05/2000	212437	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	KAISER PERMANENTE	942728480	Jefferson, Laurie	107.50
05/09/2000	05/09/2000	212490	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	KAISER PERMANENTE	942728480	Jefferson, Laurie	47.60
05/25/2000	05/25/2000	212712	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	ASSOCIATED ORTHOPAED	941721789	Jefferson, Laurie	10.46
06/01/2000	06/01/2000	212771	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	980.00
06/05/2000	06/05/2000	212814	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	SAN LEANDRO SURGERY CENTE	943215635	Jefferson, Laurie	850.00
06/13/2000	06/13/2000	212889	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	ANDREW J STEIN MD MICHAEL E	941721789	Jefferson, Laurie	11.07
06/15/2000	06/15/2000	212931	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	140.00
06/15/2000	06/15/2000	212931	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	210.00
06/15/2000	06/15/2000	212931	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	490.00
06/19/2000	06/19/2000	212966	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	KAISER PERMANENTE	942728480	Jefferson, Laurie	55.60
06/21/2000	06/21/2000	213055	1999045002	Gordon, Rachel	12/06/1999	Hospital	ASSOCIATED ORTHOPAED	941721789	Jefferson, Laurie	702.27
06/29/2000	06/29/2000	213136	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	980.00
07/10/2000	07/10/2000	213279	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	KAISER PERMANENTE	942728480	Jefferson, Laurie	47.60
07/13/2000	07/13/2000	213343	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	980.00
07/27/2000	07/27/2000	213582	1999045002	Gordon, Rachel	12/06/1999	Temporary Disability	Rachel Gordon	557900133	Jefferson, Laurie	980.00
07/27/2000	07/27/2000	213583	1999045002	Gordon, Rachel	12/06/1999	Provider Treatment	ASSOCIATED ORTHOPAED	941721789	Jefferson, Laurie	10.46
07/31/2000	07/31/2000	213636	1999045002	Gordon, Rachel	12/06/1999	Reimburse Employee	Rachel Gordon	557900133	Jefferson, Laurie	281.18

Run Date: 08/04/20  
Run Time: 16:11:17

ACE Company  
Payment Total

By Organization and claim number  
Fiscal year 7/1/1999 - 6/30/2000

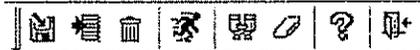
Processed	Check Date	Check Num.	Claim Number	Claimant	Incident	Transaction Type	Payee	Payee Tax ID	Examiner	Amount
<b>Organization 1 : WRP-ACE Recycling Prog Dept</b>										
<b>Claim Number : 2000045056</b>										
05/23/2002	05/23/2002	60007101	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	55.88
05/24/2002	05/24/2002	60007133	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	47.34
06/17/2002	06/17/2002	60007636	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	309.80
06/17/2002	06/17/2002	60007662	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	10.35
07/12/2002	07/12/2002	60008201	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	71.00
08/20/2002	08/20/2002	60009101	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	461.00
08/20/2002	08/20/2002	60009106	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	10.35
08/21/2002	08/21/2002	60009154	2000045056	Nash, Howard	01/02/2000	Rx	WHITE CROSS PHARMACY	941539257	Chang, Faye	30.77
08/21/2002	08/21/2002	60009173	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	4.60
03/14/2003	03/14/2003	60013795	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	45.00
03/14/2003	03/14/2003	60013796	2000045056	Nash, Howard	01/02/2000	Physician	VATCHE CABAYAN MD	680199859	Chang, Faye	590.53
03/14/2003	03/14/2003	60013840	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	3.75
03/14/2003	03/14/2003	60013840	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	8.75
03/26/2003	03/26/2003	60014084	2000045056	Nash, Howard	01/02/2000	Physical Therapy	CONTRA COSTA PHYSICAL THEF	680013345	Chang, Faye	217.29
03/26/2003	03/26/2003	60014118	2000045056	Nash, Howard	01/02/2000	Physical Therapy	CONTRA COSTA PHYSICAL THEF	680013345	Chang, Faye	323.19
03/26/2003	03/26/2003	60014124	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	11.25
03/26/2003	03/26/2003	60014124	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	12.50
04/07/2003	04/07/2003	60014404	2000045056	Nash, Howard	01/02/2000	Physical Therapy	CONTRA COSTA PHYSICAL THEF	680013345	Chang, Faye	78.42
04/07/2003	04/07/2003	60014422	2000045056	Nash, Howard	01/02/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER'	680302628	Chang, Faye	3.75
<b>Claim Number Total: 125</b>										<b>40,965.40</b>
<b>Organization 1 Total: 125</b>										<b>40,965.40</b>
<b>Grand Total: 6,341</b>										<b>2,069,239.04</b>



Report Group: <b>General</b>		Request: _____	
<b>Report Title</b>	<b>Selection Criteria</b>	<b>Group/Sort Criteria</b>	<b>Request Name</b>
Claim Summary	<b>Line of Insurance</b>	<b>Body Part</b>	<b>Safety Activity</b>
Contact Total	Body Part	Claim Number	
Face Sheet Print	Cause	Claimant Name	
Fiscal Year Claim Summary	Claim Number	Claimant Type	
Litigation Summary	Claimant Name	Fiscal Year	
Monthly Financial Summary	Claimant Status	Fiscal Year (Group Prior 10)	
Notepad Print	Claimant Type	Fiscal Year(Group Prior 5)	
Payment Print	Client	Insured	
Payment Print Alternate	Fiscal Year	Occupation	
Payment Total	Fiscal Year (Group Prior 10)	Organization 1	
Payment Void Total	Fiscal Year(Group Prior 5)	Policy Year	
Reserve Total	Incident Date	Policy Year(Group Prior 10)	
<b>Safety Activity</b>	Incident Type	Policy Year(Group Prior 5)	
SIR Limit	Insured		
Time Tracking Total	Insurer		
User Diary	Litigated		
Voucher Total	Nature of Injury		

Report Heading Lines  
 Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09:



Report Group: General Request:  

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	Fiscal Year (Group Prior 10)	Body Part	Safety Activity
Contact Total	Fiscal Year(Group Prior 5)	Claim Number	
Face Sheet Print	Incident Date	Claimant Name	
Fiscal Year Claim Summary	Incident Type	Claimant Type	
Litigation Summary	Insured	Fiscal Year	
Monthly Financial Summary	Insurer	Fiscal Year (Group Prior 10)	
Notepad Print	Litigated	Fiscal Year(Group Prior 5)	
Payment Print	Nature of Injury	Insured	
Payment Print Alternate	Occupation	Occupation	
Payment Total	Organization 1	Organization 1	
Payment Void Total	Policy Year	Policy Year	
Reserve Total	Policy Year(Group Prior 10)	Policy Year(Group Prior 10)	
<b>Safety Activity</b>	Policy Year(Group Prior 5)	Policy Year(Group Prior 5)	
SIR Limit	Reported		
Time Tracking Total	Represented		
User Diary	Safety		
Voucher Total	Subrogated		

Report Heading Lines  
 Line 1:   
 Line 2:

The selection criteria has been reset. ZZDEMOWCASSIST on aspxddb09:

## ACE Company Safety Activity

By Occupation

<u>Claim Number</u>	<u>Injury Date</u>	<u>Reported</u>	<u>Injury Description</u>	<u>Body Part Injured</u>	<u>Occupation</u>
<b>Occupation : Account Clerk II</b>					
2001100964	07/01/2001	07/01/2001		Bill Review	Account Clerk II
2001101010	07/01/2001	07/01/2001		Bill review account	Account Clerk II
2003138364	01/28/2003	01/28/2003	EE is experiencing pain in wrist and elbow when using keyboard.	Left Wrist & Elbow	Account Clerk II
<b>Occupation Total: 3</b>					
<b>Occupation : Accountant I</b>					
2001046096	11/08/2000	01/04/2001	employee is alleging that work may have brought on recent migraine headaches and caused eye problem	Stress - Head	Accountant I
<b>Occupation Total: 1</b>					
<b>Occupation : Accountant III</b>					
2003138504	01/28/2003	01/28/2003	EE has indicated that he has been under a lot of stress and the stress has been causing him psoriasis on his legs.	Legs (Leg Rash)	Accountant III
<b>Occupation Total: 1</b>					
<b>Occupation : Administrative Assistant</b>					
2002102112	04/26/2002	04/29/2002	EE strained back after dragging large backs of discarded files during annual clean-up	Low Back Strain.	Administrative Assistant
<b>Occupation Total: 1</b>					
<b>Occupation : Administrative Clerk</b>					
2000045520	09/15/2000	09/15/2000		Carpal Tunnel-Wrist-Right	Administrative Clerk
2000045582	10/13/2000	10/13/2000		Cumulative Trauma-Multi-Parts	Administrative Clerk
2001072686	08/14/2001	08/16/2001	Employee felt she was reprimanded inappropriately by her supervisor for materials sitting on counter.	Stress (Headache)	Administrative Clerk
2002073936	01/15/2002	01/15/2002	Supervisor received e-mail stating that employee was suffering from severe pain in neck, shoulders & back.	Neck, Shoulders & Back Pain	Administrative Clerk
2002101250	01/28/2002	02/27/2002	EE is alleging cumulative trauma to upper extremities and neck.	RSI - Neck & Upper Extremities.	Administrative Clerk
2002101674	03/21/2002	03/22/2002	EE walked out of workstation and tripped falling forward and trying to break fall.	Rt. Knee/Neck Contusion (Slip/Fall).	Administrative Clerk
2002102234	11/15/2001	05/15/2002	ee is alleging strain on right arm/wrist from data entry on 11/15/01	right hand/wrsit strain	Administrative Clerk
2002103576	04/02/2002	06/20/2002	Employee is alleging new injury caused by doctor's examination on 04-02-02	Neck and upper extremities.	Administrative Clerk
2002129937	11/19/2002	11/19/2002	Employee is experiencing pain in hands from use of computer.	Bi-Lateral Hand Strain.	Administrative Clerk
2003138824	02/11/2003	02/11/2003	Regular office duties	Shoulders, arms, wrists, hands	Administrative Clerk
2003140004	03/10/2003	03/20/2003	Use of computer	Multiple injuries	Administrative Clerk
<b>Occupation Total: 11</b>					
<b>Occupation : Administrative Secretary I</b>					
2002103376	06/04/2002	06/13/2002	Employee was working at copier and some papers fell behind copier, when employee moved copier to retrieve paper, she pulled her back.	Back strain	Administrative Secretary I

## ACE Company Safety Activity

By Occupation

<u>Claim Number</u>	<u>Injury Date</u>	<u>Reported</u>	<u>Injury Description</u>	<u>Body Part Injured</u>	<u>Occupation</u>
<b>Occupation : Administrative Secretary I</b>					
2002137263	11/25/2002	12/09/2002	Employee is alleging daily activities of using computer and general work is causing pain.	Right hand strain	Administrative Secretary I
<b>Occupation Total: 2</b>					
<b>Occupation : Administrative Secretary II</b>					
2002100860	08/10/2001	02/06/2002	Stapling 100 retirement gift envelopes to retirement flyer with left arm/hand. Hand in fist when hitting stapler.	Left Elbow/Forearm	Administrative Secretary II
2002100986	02/11/2002	02/11/2002	EE has developed tingling in fingers and aching in arm.	Rt. Wrist/Arm/Fingers Strain.	Administrative Secretary II
2002101162	02/27/2002	03/04/2002	EE is alleging depression & stress no specific incident.	Psyche-Stress	Administrative Secretary II
2002101214	02/28/2002	02/28/2002	EE experienced pain in forearm after mass mailing.	Left Forearm Strain.	Administrative Secretary II
2003139560	02/27/2003	03/06/2003	Computer and mousing	Rt. arm, neck, shoulder, trapezius	Administrative Secretary II
<b>Occupation Total: 5</b>					
<b>Occupation : Aquatic Toxicologist</b>					
2002102166	05/13/2002	05/13/2002	Employee was replacing mud flap and debris lodged in eyes	Foreign Matters (eyes)	Aquatic Toxicologist
<b>Occupation Total: 1</b>					
<b>Occupation : Assistant Civil Engineer</b>					
2001060376	05/17/2001	06/05/2001	EE's alleging anxiety/panic attacks & depression, Unknown	Stress/Anxiety	Assistant Civil Engineer
2003138186	01/15/2002	01/15/2003	Employee developed pain reportedly from use of computer	Lt. wrist/arm, neck, back pain	Assistant Civil Engineer
<b>Occupation Total: 2</b>					
<b>Occupation : Assistant Const/Maint Superintendent</b>					
1993048440	03/03/1993	03/10/1993		Strain-Back/Spine	Assistant Const/Maint Superintendent
2001046056	12/01/2000	01/18/2001	while driving and using computer he is experiencing numbness	Strain-Arm-Right	Assistant Const/Maint Superintendent
2002119812	08/05/2002	08/05/2002	Repetitive motion in keyboarding and typing	Cumulative Injury, Strain, Fingers and Left Hand (back side), Repetitive Use of Typing/Computer Use.	Assistant Const/Maint Superintendent
<b>Occupation Total: 3</b>					
<b>Occupation : Assistant Electrical Engineer</b>					
2003138582	12/13/2002	12/17/2002	Vehicle accident	Rt. Rib	Assistant Electrical Engineer
<b>Occupation Total: 1</b>					
<b>Occupation : Assistant Superintendent, Aqueduct/Pardee</b>					
2002101044	02/13/2002	02/21/2002	EE was lifting barricade tape at center to step through and strained left leg.	Left Calf Strain	Assistant Superintendent, Aqueduct/Pardee
<b>Occupation Total: 1</b>					
<b>Occupation : Assistant Wastewater Shift Supervisor</b>					
2001072688	08/19/2001	08/19/2001	Employee missed top step of two step stairs and twisted ankle.	Lt. Ankle Sprain	Assistant Wastewater Shift Supervisor

Run Date: 08/04/2003

Run Time: 16:22:28

# ACE Company Safety Activity

Page: 261 of 261

By Occupation

<u>Claim Number</u>	<u>Injury Date</u>	<u>Reported</u>	<u>Injury Description</u>
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<u>Body Part Injured</u>
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<u>Occupation</u>
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**Occupation :** Word Processing Specialist II

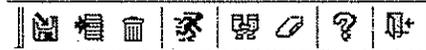
1999044974	04/01/1999	11/23/1999
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Stress-Body System

Word Processing Specialist II

**Occupation Total: 1**

**Grand Total: 9,598**



Report Group: **General** Request: [ ]

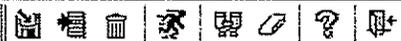
Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	<b>Line of Insurance</b>	<b>Check Date</b>	<b>Voucher Total</b>
Contact Total	Amount	Claim Number	
Face Sheet Print	Batch Number	Claimant Name	
Fiscal Year Claim Summary	Cause	Claimant Status	
Litigation Summary	Check Date	Claimant Type	
Monthly Financial Summary	Claim Number	Examiner	
Notepad Print	Claimant Name	Fiscal Year	
Payment Print	Claimant Status	Fiscal Year (Group Prior 10)	
Payment Print Alternate	Claimant Type	Fiscal Year(Group Prior 5)	
Payment Total	Client	Incident Date	
Payment Void Total	Document Number	Insured	
Reserve Total	Due Date	Organization 1	
Safety Activity	Examiner	Payee	
SIR Limit	Fiscal Year	Policy Year	
Time Tracking Total	Fiscal Year (Group Prior 10)	Policy Year(Group Prior 10)	
User Diary	Fiscal Year(Group Prior 5)	Policy Year(Group Prior 5)	
<b>Voucher Total</b>	Incident Date	Processed Date	

Report Heading Lines  
 Line 1: [ ]  
 Line 2: [ ]

The selection criteria has been reset. ZZDEMOWCASSIST on:astpxddb09

VOS Reporting Tool - [Report Configuration]

File Criteria Requests Query Group Window Help



Report Group: General

Request:

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	Fiscal Year(Group Prior 5)	Check Date	Voucher Total
Contact Total	Incident Date	Claim Number	
Face Sheet Print	Insured	Claimant Name	
Fiscal Year Claim Summary	Insurer	Claimant Status	
Litigation Summary	Litigated	Claimant Type	
Monthly Financial Summary	Organization 1	Examiner	
Notepad Print	Payee	Fiscal Year	
Payment Print	Payment Method	Fiscal Year (Group Prior 10)	
Payment Print Alternate	Payment Transaction	Fiscal Year(Group Prior 5)	
Payment Total	Policy Year	Incident Date	
Payment Void Total	Policy Year(Group Prior 10)	Insured	
Reserve Total	Policy Year(Group Prior 5)	Organization 1	
Safety Activity	Processed Date	Payee	
SIR Limit	Reported	Policy Year	
Time Tracking Total	Represented	Policy Year(Group Prior 10)	
User Diary	Subrogated	Policy Year(Group Prior 5)	
Voucher Total	Tax ID	Processed Date	

Report Heading Lines: Line 1: \_\_\_\_\_  
 Line 2: \_\_\_\_\_

The selection criteria has been reset.

ZZDEMOWCASSIST on astpxddb09

**ACE Co. any**  
**Voucher Total**

For year 7/1/2000 - 6/30/2001  
by Organization by claim number

Processed	Claim Number	Claimant	SSN	From	Through	Incident	Transaction Type	Payee	Examiner	Amount
<b>Claim Number : 2000045386</b>										
08/02/2000	2000045386	Ingalls, Bill	539931293	07/15/2000	07/23/2000	07/10/2000	Temporary Disability	Claimant	Ford, JoAnn	630.00
08/10/2000	2000045386	Ingalls, Bill	539931293	07/11/2000	07/11/2000	07/10/2000	Rx	WALGREENS PHARMACY	Ford, JoAnn	41.81
08/10/2000	2000045386	Ingalls, Bill	539931293	07/17/2000	07/17/2000	07/10/2000	Provider Treatment	CLAYTON VALLEY MEDICAL GRC	Ford, JoAnn	33.98
08/30/2000	2000045386	Ingalls, Bill	539931293	07/11/2000	07/24/2000	07/10/2000	Provider Treatment	CLAYTON VALLEY MEDICAL GRC	Ford, JoAnn	141.53
05/01/2001	2000045386	Ingalls, Bill	539931293	07/11/2000	07/24/2000	07/10/2000	Reimburse Employee (N	Claimant	Ford, JoAnn	15.50
<b>Claim Number Total: 5</b>										<b>862.82</b>
<b>Claim Number : 2000045388</b>										
08/18/2000	2000045388	Jefferson, Nell	511375874	09/20/2000	09/20/2000	07/14/2000	Reimburse Employee (N	Claimant	Ford, JoAnn	12.09
10/06/2000	2000045388	Jefferson, Nell	511375874	08/17/2000	08/17/2000	07/14/2000	Copywork	MACRO PRO INCORPORATED	Ford, JoAnn	81.89
11/16/2000	2000045388	Jefferson, Nell	511375874	08/17/2000	08/17/2000	07/14/2000	Copywork	MACRO PRO INCORPORATED	Ford, JoAnn	103.81
11/20/2000	2000045388	Jefferson, Nell	511375874	09/20/2000	09/20/2000	07/14/2000	AME/QME	PENINSULA ORTHOPEDIC ASSO	Ford, JoAnn	500.00
11/27/2000	2000045388	Jefferson, Nell	511375874	10/30/2000	10/30/2000	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	140.53
12/06/2000	2000045388	Jefferson, Nell	511375874	10/16/2000	12/01/2000	07/14/2000	Reimburse Employee (N	Claimant	Ford, JoAnn	148.80
12/11/2000	2000045388	Jefferson, Nell	511375874	11/14/2000	11/14/2000	07/14/2000	Provider Treatment	MICHAEL F. CHARLES M.D. DBA	Ford, JoAnn	392.06
12/11/2000	2000045388	Jefferson, Nell	511375874	11/08/2000	11/08/2000	07/14/2000	Provider Treatment	MICHAEL F. CHARLES M.D. DBA	Ford, JoAnn	148.19
12/11/2000	2000045388	Jefferson, Nell	511375874	11/14/2000	11/14/2000	07/14/2000	Provider Treatment	PACIFIC MEDICAL, INC.	Ford, JoAnn	1,030.84
12/13/2000	2000045388	Jefferson, Nell	511375874	11/17/2000	11/17/2000	07/14/2000	Provider Treatment	MAGNETIC IMAGING SERVICES I	Ford, JoAnn	732.50
12/28/2000	2000045388	Jefferson, Nell	511375874	11/01/2000	11/10/2000	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	282.32
12/28/2000	2000045388	Jefferson, Nell	511375874	11/08/2000	11/29/2000	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	440.08
01/04/2001	2000045388	Jefferson, Nell	511375874	12/11/2000	12/11/2000	07/14/2000	Provider Treatment	MICHAEL F. CHARLES M.D. DBA	Ford, JoAnn	53.91
02/05/2001	2000045388	Jefferson, Nell	511375874	11/08/2000	11/08/2000	07/14/2000	Other Medical	PACIFIC MEDICAL, INC.	Ford, JoAnn	50.00
02/05/2001	2000045388	Jefferson, Nell	511375874	11/08/2000	11/08/2000	07/14/2000	Other Medical	PACIFIC MEDICAL, INC.	Ford, JoAnn	(50.00)
02/09/2001	2000045388	Jefferson, Nell	511375874	12/01/2000	12/20/2000	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	589.54
02/12/2001	2000045388	Jefferson, Nell	511375874	12/01/2000	12/20/2000	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	589.54
02/12/2001	2000045388	Jefferson, Nell	511375874	01/26/2001	01/26/2001	07/14/2000	Other Medical	JOHNSTON ORTHOPEDIC & MED	Ford, JoAnn	280.75
02/12/2001	2000045388	Jefferson, Nell	511375874	12/06/2000	01/26/2001	07/14/2000	Reimburse Employee (N	MOMENTUM THERAPY	Ford, JoAnn	(318.58)
02/12/2001	2000045388	Jefferson, Nell	511375874	12/06/2000	01/26/2001	07/14/2000	Reimburse Employee (N	MOMENTUM THERAPY	Ford, JoAnn	318.58
02/16/2001	2000045388	Jefferson, Nell	511375874	12/22/2000	01/05/2001	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	298.92
03/08/2001	2000045388	Jefferson, Nell	511375874	01/09/2001	01/09/2001	07/14/2000	Other Medical	JOHNSTON ORTHO & MEDICAL S	Ford, JoAnn	116.85
03/08/2001	2000045388	Jefferson, Nell	511375874	01/03/2001	01/26/2001	07/14/2000	Physical Therapy	MOMENTUM THERAPY	Ford, JoAnn	448.35
03/12/2001	2000045388	Jefferson, Nell	511375874	12/06/2000	01/26/2001	07/14/2000	Reimburse Employee (N	Claimant	Ford, JoAnn	318.58
03/29/2001	2000045388	Jefferson, Nell	511375874	12/06/2000	01/26/2001	07/14/2000	Reimburse Employee (N	Claimant	Ford, JoAnn	318.58
04/16/2001	2000045388	Jefferson, Nell	511375874	11/08/2000	11/08/2000	07/14/2000	Other Medical	PACIFIC MEDICAL, INC.	Ford, JoAnn	50.00
<b>Claim Number Total: 26</b>										<b>7,078.13</b>
<b>Claim Number : 2000045390</b>										
08/04/2000	2000045390	Kelley, Marge	264727191	07/13/2000	07/13/2000	07/13/2000	Provider Treatment	CONCENTRA MEDICAL CENTERS	Jefferson, Laurie	149.00
08/23/2000	2000045390	Kelley, Marge	264727191	08/10/2000	08/10/2000	07/13/2000	Provider Treatment	CONCENTRA MEDICAL CENTERS	Jefferson, Laurie	37.69
08/31/2000	2000045390	Kelley, Marge	264727191	08/14/2000	08/14/2000	07/13/2000	Physical Therapy	CONCENTRA MEDICAL CENTERS	Jefferson, Laurie	47.97
08/31/2000	2000045390	Kelley, Marge	264727191	08/07/2000	08/09/2000	07/13/2000	Physical Therapy	CONCENTRA MEDICAL CENTERS	Jefferson, Laurie	44.28

ACE Company  
 Voucher Total

For year 7/1/2000 - 6/30/2001  
 by Organization by claim number

Processed	Claim Number	Claimant	SSN	From	Through	Incident	Transaction Type	Payee	Examiner	Amount
<b>Claim Number : 2000045594</b>										
01/20/2003	2000045594	Burke, Mason	614759994	01/07/2003	01/20/2003	10/26/2000	Permanent Disability	Claimant	Jefferson, Laurie	320.00
01/22/2003	2000045594	Burke, Mason	614759994	12/20/2002	12/20/2002	10/26/2000	Rx	WORKING RX INC	Jefferson, Laurie	101.93
01/22/2003	2000045594	Burke, Mason	614759994	12/20/2002	12/20/2002	10/26/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	3.75
02/03/2003	2000045594	Burke, Mason	614759994	01/21/2003	02/03/2003	10/26/2000	Permanent Disability	Claimant	Jefferson, Laurie	320.00
02/12/2003	2000045594	Burke, Mason	614759994	01/15/2003	01/15/2003	10/26/2000	Rx	WORKING RX INC	Jefferson, Laurie	101.93
02/12/2003	2000045594	Burke, Mason	614759994	01/15/2003	01/15/2003	10/26/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	3.75
02/14/2003	2000045594	Burke, Mason	614759994	02/04/2003	02/17/2003	10/26/2000	Permanent Disability	Claimant	Jefferson, Laurie	320.00
02/14/2003	2000045594	Burke, Mason	614759994	01/15/2003	01/15/2003	10/26/2000	Physician	GARCIELA A BARZAGA	Jefferson, Laurie	53.91
02/14/2003	2000045594	Burke, Mason	614759994	01/15/2003	01/15/2003	10/26/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	3.75
02/14/2003	2000045594	Burke, Mason	614759994	01/15/2003	01/15/2003	10/26/2000	Med Bill Review PPO Fr	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	1.50
03/03/2003	2000045594	Burke, Mason	614759994	02/18/2003	03/03/2003	10/26/2000	Permanent Disability	Claimant	Jefferson, Laurie	320.00
03/10/2003	2000045594	Burke, Mason	614759994	02/13/2003	02/13/2003	10/26/2000	Rx	WORKING RX INC	Jefferson, Laurie	101.93
03/10/2003	2000045594	Burke, Mason	614759994	02/13/2003	02/13/2003	10/26/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	3.75
03/26/2003	2000045594	Burke, Mason	614759994	03/11/2003	03/11/2003	10/26/2000	Rx	WORKING RX INC	Jefferson, Laurie	101.93
03/26/2003	2000045594	Burke, Mason	614759994	03/11/2003	03/11/2003	10/26/2000	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	3.75

**Claim Number Total: 120** 28,891.21

**Claim Number : 2000045596**

11/27/2000	2000045596	Cornell, Veronica	444844178	10/10/2000	10/10/2000	10/10/2000	Provider Treatment	CONCENTRA MEDICAL CENTER	Jefferson, Laurie	109.65
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**Claim Number Total: 1** 109.65

**Claim Number : 2000045598**

12/04/2000	2000045598	Edwards, Tonya	984663089	01/17/2001	01/17/2001	10/19/2000	Reimburse Employee (N	Claimant	Chang, Faye	10.00
01/08/2001	2000045598	Edwards, Tonya	984663089	12/04/2000	12/04/2000	10/19/2000	Copywork	MACRO PRO INCORPORATED	Chang, Faye	58.18
01/26/2001	2000045598	Edwards, Tonya	984663089	12/04/2000	12/04/2000	10/19/2000	Copywork	MACRO-PRO INC	Chang, Faye	75.76
02/05/2001	2000045598	Edwards, Tonya	984663089	02/05/2001	02/05/2001	10/19/2000	Permanent Disability	Claimant	Chang, Faye	500.00
02/05/2001	2000045598	Edwards, Tonya	984663089	02/05/2001	02/05/2001	10/19/2000	Permanent Disability	Claimant	Chang, Faye	(500.00)
02/07/2001	2000045598	Edwards, Tonya	984663089	12/14/2000	12/14/2000	10/19/2000	Provider Treatment	CONCENTRA MEDICAL CENTER	Chang, Faye	90.64
02/16/2001	2000045598	Edwards, Tonya	984663089	01/15/2001	01/15/2001	10/19/2000	AME/QME	VATCHE CABAYAN MEDICAL GR	Chang, Faye	750.00
02/27/2001	2000045598	Edwards, Tonya	984663089	12/04/2000	12/04/2000	10/19/2000	Copywork	MACRO-PRO INC	Chang, Faye	81.22
03/06/2001	2000045598	Edwards, Tonya	984663089	12/04/2000	12/04/2000	10/19/2000	Copywork	MACRO-PRO, INC.	Chang, Faye	67.99
03/08/2001	2000045598	Edwards, Tonya	984663089	02/06/2001	02/06/2001	10/19/2000	Provider Treatment	VATCHE CABAYAN MEDICAL GR	Chang, Faye	78.23
04/10/2001	2000045598	Edwards, Tonya	984663089	02/05/2001	02/05/2001	10/19/2000	Permanent Disability	Claimant	Chang, Faye	500.00
05/02/2001	2000045598	Edwards, Tonya	984663089	04/25/2001	04/25/2001	10/19/2000	Other Allocated Costs	ED CHOW	Chang, Faye	75.00
08/01/2001	2000045598	Edwards, Tonya	984663089	08/01/2001	08/01/2001	10/19/2000	Permanent Disability	Claimant	Chang, Faye	1,600.00
08/01/2001	2000045598	Edwards, Tonya	984663089	08/01/2001	08/01/2001	10/19/2000	Penalty PD (Prior TPA)	Claimant	Chang, Faye	160.00
08/24/2001	2000045598	Edwards, Tonya	984663089	02/06/2001	02/06/2001	10/19/2000	Provider Treatment	NORTHBAY TRANSCRIPTION SEI	Chang, Faye	6.00
11/28/2001	2000045598	Edwards, Tonya	984663089	12/04/2000	12/04/2000	10/19/2000	Copywork	MACRO PRO INCORPORATED	Chang, Faye	75.76

**Claim Number Total: 16** 3,628.78

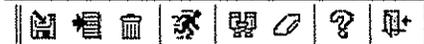
**ACE Company**  
**Voucher Total**

For year 7/1/2000 - 6/30/2001  
by Organization by claim number

Processed	Claim Number	Claimant	SSN	From	Through	Incident	Transaction Type	Payee	Examiner	Amount
<b>Claim Number : 2002101528</b>										
04/15/2002	2002101528	Wayne, Bruce	907331844	03/06/2002	03/06/2002	02/01/2001	Physician	KAISER PERMANENTE	Jefferson, Laurie	124.00
04/15/2002	2002101528	Wayne, Bruce	907331844	03/06/2002	03/06/2002	02/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	5.75
04/15/2002	2002101528	Wayne, Bruce	907331844	06/05/2002	06/05/2002	02/01/2001	Reimburse Employee (N	Claimant	Jefferson, Laurie	8.00
04/30/2002	2002101528	Wayne, Bruce	907331844	04/28/2002	04/28/2002	02/01/2001	AOE/COE Investigation	JAMES K WESSON	Jefferson, Laurie	495.00
05/20/2002	2002101528	Wayne, Bruce	907331844	05/08/2002	05/08/2002	02/01/2001	Defense Medical Legal	LESLIE PRAGER	Jefferson, Laurie	68.78
05/22/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Physician	MARIN RADIOLOGY MED GROUP	Jefferson, Laurie	27.45
05/22/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	4.60
05/22/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Med Bill Review PPO F	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	0.61
05/30/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Hospital	CHW BAY AREA REGION	Jefferson, Laurie	215.20
05/30/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	177.16
05/31/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Hospital	CALIF PACIFIC MED CTR	Jefferson, Laurie	42.00
05/31/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	31.48
06/25/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Provider Treatment	JAMIE M BIGELOW MD	Jefferson, Laurie	100.00
07/16/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Physician	GERALD B LEVINE	Jefferson, Laurie	366.18
07/16/2002	2002101528	Wayne, Bruce	907331844	05/03/2002	05/03/2002	02/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	9.20
08/14/2002	2002101528	Wayne, Bruce	907331844	04/19/2002	05/31/2002	02/01/2001	Defense Atty Fees	FINNEGAN AND MARKS	Jefferson, Laurie	404.75
<b>Claim Number Total: 16</b>										<b>2,080.16</b>
<b>Claim Number : 2002102024</b>										
05/16/2002	2002102024	Hayes, Sean	768921506	06/19/2002	06/19/2002	06/01/2001	Reimburse Employee (N	Claimant	Ford, JoAnn	5.00
08/27/2002	2002102024	Hayes, Sean	768921506	06/19/2002	06/19/2002	06/01/2001	Physician	ADELBERG ASSOCIATED MED GI	Ford, JoAnn	652.63
08/27/2002	2002102024	Hayes, Sean	768921506	06/19/2002	06/19/2002	06/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Ford, JoAnn	8.05
03/14/2003	2002102024	Hayes, Sean	768921506	11/18/2002	11/18/2002	06/01/2001	Applicant Medical Legal	MICHAEL BRONSHVAG MD INC	Ford, JoAnn	1,547.98
03/14/2003	2002102024	Hayes, Sean	768921506	11/18/2002	11/18/2002	06/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Ford, JoAnn	12.50
03/17/2003	2002102024	Hayes, Sean	768921506	01/17/2003	01/17/2003	06/01/2001	Physician	ADELBERG ASSOCIATES MEDIC	Ford, JoAnn	141.08
03/17/2003	2002102024	Hayes, Sean	768921506	01/17/2003	01/17/2003	06/01/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Ford, JoAnn	3.75
<b>Claim Number Total: 7</b>										<b>2,370.99</b>
<b>Claim Number : 2002120288</b>										
09/12/2002	2002120288	Wayne, Bruce	344186524	10/17/2002	10/17/2002	04/11/2001	Reimburse Employee (N	Claimant	Jefferson, Laurie	15.00
09/17/2002	2002120288	Wayne, Bruce	344186524	09/08/2002	09/08/2002	04/11/2001	AOE/COE Investigation	JAMES K WESSON	Jefferson, Laurie	747.00
10/18/2002	2002120288	Wayne, Bruce	344186524	09/17/2002	09/17/2002	04/11/2001	Copywork	COMPEX LEGAL SERVICES INC	Jefferson, Laurie	101.05
11/20/2002	2002120288	Wayne, Bruce	344186524	10/30/2002	10/30/2002	04/11/2001	Defense Medical Legal	REVELS CAYTON MD	Jefferson, Laurie	2,448.37
11/20/2002	2002120288	Wayne, Bruce	344186524	10/30/2002	10/30/2002	04/11/2001	Med Bill Review	DIVERSIFIED HEALTHCARE SER	Jefferson, Laurie	12.50
<b>Claim Number Total: 5</b>										<b>3,323.92</b>
<b>Grand Total: 6,093</b>										<b>1,654,480.17</b>

**VOS Reporting Tool**

File Criteria Requests Query Group Window Help



**Report Configuration**

Report Group: Custom - WC

Request:

Report Title	Selection Criteria	Group/Sort Criteria	Request Name
OSHA300 Org Codes And Descriptions	<i>End of Period Claimant Type</i>	Claim Number	
WC Claim Log Injury Details with Td Rate	<i>Insured</i>	Claimant Name	
WC Claim Partial Financial Detail	<i>Line of Insurance</i>	Insured	
	<i>Reporting History Period</i>	Organization 1	
	Claim Number	Organization 1 Code:Desc	
	Claimant Name	Organization 2	
	Incident Date	Organization 2 Code:Desc	
	Organization 1	Organization 3	
	Organization 1 Code:Desc	Organization 3 Code:Desc	
	Organization 2	OSHA Reporting Location	
	Organization 2 Code:Desc		
	Organization 3		
	Organization 3 Code:Desc		
	OSHA Reporting Location		
	Under Reserved		

Report Heading Lines  
 Line 1:   
 Line 2:

The query is in progress, please wait...

ZZDEMOWCASSIST on astpxddb09 :

# OSHA's Form 300A

## Summary of Work-Related Injuries and Illnesses



All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

### Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
<u>1</u> (G)	<u>118</u> (H)	<u>17</u> (I)	<u>159</u> (J)

### Number of Days

Total number of days of job transfer or restriction	Total number of days away from work
<u>911.86</u> (K)	<u>15,444.02</u> (L)

### Injury and Illness Types

Total number of ... (M)			
(1) Injures	<u>0</u>	(4) Respiratory condition	<u>0</u>
(2) Musculoskeletal disorders	<u>0</u>	(5) Poisonings	<u>0</u>
(3) Skin disorders	<u>0</u>	(6) Hearing loss cases	<u>0</u>
		(7) All other illnesses	<u>0</u>

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 50 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistics, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

#### Establishment Information

Your establishment name ACE Company

Street P.O. Box 600

City Oakland State CA ZIP 94623

Industry description (e.g., Manufacture of motor truck; trailers)  
Public Utility

Standard Industrial Classification (SIC), if known (e.g., SIC 3715)  
SIC 4941

#### Employment Information

Annual average number of employees \_\_\_\_\_

Total hours worked by all employees last year \_\_\_\_\_

#### Sign Here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

\_\_\_\_\_  
Company executive Title

(\_\_\_\_\_) \_\_\_\_\_ / /  
Phone Date

# OSHA's Form 300

## Log of Work-Related Injuries and Illnesses

**Attention:** This form contains information relating to employee health and must be used in a manner that protects the confidentiality of employees to the extent possible while the information is being used for occupational safety and health purposes.

Year 2001  
U.S. Department of Labor  
Occupational Safety and Health Administration

You must record information about every work-related death and about every work-related injury or illness that involves loss of consciousness, restricted work activity or job transfer, days away from work, or medical treatment beyond first aid. You must also record significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. You must also record work-related injuries and illnesses that meet any of the specific recording criteria listed in 29 CFR Part 1904.8 through 1904.12. Feel free to use two lines for a single case if you need to. You must complete an Injury and Illness Incident Report (OSHA Form 301) or equivalent form for each injury or illness recorded on this form. If you're not sure whether a case is recordable, call your local OSHA office for help.

Establishment name ACE Company  
City Oakland State CA

Identify the person		Describe the case			Classify the case													
(A) Case No.	(B) Employee's name	(C) Job title (e.g., Welder)	(D) Date of injury or onset of illness	(E) Where the event occurred (e.g., Loading dock north end)	(F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill  (e.g., Second degree burns on right forearm from acetylene torch)	Using these four categories, check ONLY the most serious result for each case:				Enter the Number of days the injured or ill worker was:		Check the "injury" column or choose one type of illness:						
						Death	Days away from work	Job transfer or restriction	Other recordable cases	On job transfer or restriction	Away from work	(M) See the Legend Below						
						(G)	(H)	(I)	(J)	(K)	(L)	(1)	(2)	(3)	(4)	(5)	(6)	(7)

Insured : ACE Company

Organization 1 Code:Desc : 900A WAS-WasteACE Dept

Organization 2 Code:Desc : 913 Plant Operations

1995043252	Li, Mao	Wastewater Plant Operat	09/27/1995		Strain Lower Back Area Push / Pull	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00 days	11.00 days	<input type="checkbox"/>						
2000045320	Roberts, George	Wastewater Shift Supervi	09/30/1993	multiple locations	Asbestiosis Lungs Contact with Substances	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>						
2000045438	Edwards, Tonya	TC Senior Administrative	08/01/2000		Strain Shoulder(s) UNKNOWN Value from Tail Conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>						
2000045470	Young, Robert	Unknown from Tail Convr	08/06/2000		Strain Pelvis Push / Pull	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00 days	30.00 days	<input type="checkbox"/>						
2000045550	Kelley, Rocky	Unknown from Tail Convr	09/28/2000		Cumulative Trauma Ear(s) UNKNOWN Value from Tail Conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>						
2001073162	Gordon, Rachel	Wastewater Plant Operat	10/16/2001		Sprain Upper Arm Electrical Contact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>						

Organization 2 Code:Desc Total: 1 2 0 3 0.00 41.00 0 0 0 0 0 0 0 0 0 0 0 0 0

Public reporting burden for this collection of information is estimated to average 14 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistics, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Legend: 1- Injury 2- Musculoskeletal disorder 3- Skin disorder 4- Respiratory condition 5- Poisoning 6- Hearing loss 7- All other illnesses

# OSHA's Form 300

## Log of Work-Related Injuries and Illnesses

**Attention:** This form contains information relating to employee health and must be used in a manner that protects the confidentiality of employees to the extent possible while the information is being used for occupational safety and health purposes.



You must record information about every work-related death and about every work-related injury or illness that involves loss of consciousness, restricted work activity or job transfer, days away from work, or medical treatment beyond first aid. You must also record significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. You must also record work-related injuries and illnesses that meet any of the specific recording criteria listed in 29 CFR Part 1904.6 through 1904.12. Feel free to use two lines for a single case if you need to. You must complete an Injury and Illness Incident Report (OSHA Form 301) or equivalent form for each injury or illness recorded on this form. If you're not sure whether a case is recordable, call your local OSHA office for help.

Establishment name ACE Company  
 City Oakland State CA

Identify the person		Describe the case				Classify the case												
(A) Case No:	(B) Employee's name	(C) Job title (e.g., Welder)	(D) Date of injury or onset of illness	(E) Where the event occurred (e.g., Loading dock north end)	(F) Describe injury or illness, parts of body affected, and object/substance that directly injured or made person ill  (e.g., Second degree burns on right forearm from acetone torch)	Using these four categories, check ONLY the most serious result for each case:				Enter the Number of days the injured or ill worker was:		Check the "Injury" column or choose one type of illness:  (M) See the Legend Below						
						Death (G)	Days away from work (H)	Job transfer or restriction (I)	Other recordable cases (J)	On job transfer or restriction (K)	Away from work (L)	(1)	(2)	(3)	(4)	(5)	(6)	(7)

**Claim Number : 1984053698**

1984053698	Parker, Peter	Unknown from Tail Conv	12/04/1984		Burn insufficient info to Properly Identify Jumping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>											
Claim Number Total:											0	0	0	1	0.00	0.00	0	0	0	0	0	0	0

**Claim Number : 1984053906**

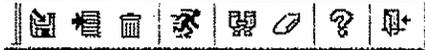
1984053906	Vanderbilt, Charlie	Unknown from Tail Conv	09/04/1984		Strain Chest Repetitive Action / Motion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>										
Claim Number Total:											0	0	0	1	0.00	0.00	0	0	0	0	0	0

**Claim Number : 1985053146**

1985053146	Vanderbilt, Charlie	Unknown from Tail Conv	08/22/1985		Strain Multiple Head UNKNOWN Value from Tail Conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00 days	0.00 days	<input type="checkbox"/>										
Claim Number Total:											0	0	0	1	0.00	0.00	0	0	0	0	0	0

Public reporting burden for this collection of information is estimated to average 14 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistics, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Legend: 1- Injury 2- Musculoskeletal disorder 3- Skin disorder 4- Respiratory condition 5- Poisoning 6- Hearing loss 7- All other illnesses



Report Group: <span style="border: 1px solid black; padding: 2px;">General</span>	Request: <span style="border: 1px solid black; padding: 2px;"> </span>
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Report Title	Selection Criteria	Group/Sort Criteria	Request Name
Claim Summary	<b>Line of Insurance</b>	<b>Claim Number</b>	<b>Reserve Total by Examiner</b>
Contact Total	Amount	Claimant Name	
Face Sheet Print	Cause	Claimant Status	
Fiscal Year Claim Summary	Claim Number	Claimant Type	
Litigation Summary	Claimant Name	Examiner	
Monthly Financial Summary	Claimant Status	Fiscal Year	
Notepad Print	Claimant Type	Fiscal Year (Group Prior 10)	
Payment Print	Client	Fiscal Year(Group Prior 5)	
Payment Print Alternate	Examiner	Incident Date	
Payment Total	Fiscal Year	Insured	
Payment Void Total	Fiscal Year (Group Prior 10)	Organization 1	
<b>Reserve Total</b>	Fiscal Year(Group Prior 5)	Policy Year	
Safety Activity	Incident Date	Policy Year(Group Prior 10)	
SIR Limit	Insured	Policy Year(Group Prior 5)	
Time Tracking Total	Insurer	Processed Date	
User Diary	Litigated		
Voucher Total	Organization 1		

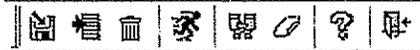
Report Heading Lines

Line 1:

Line 2:

The selection criteria has been reset. ZZDEMOWCASSIST on astpxddb09

Reserve Total



Report Group: <span style="border: 1px solid black; padding: 2px;">General</span>		Request: <span style="border: 1px solid black; padding: 2px;"> </span>																																																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Report Title</th> </tr> </thead> <tbody> <tr><td>Claim Summary</td></tr> <tr><td>Contact Total</td></tr> <tr><td>Face Sheet Print</td></tr> <tr><td>Fiscal Year Claim Summary</td></tr> <tr><td>Litigation Summary</td></tr> <tr><td>Monthly Financial Summary</td></tr> <tr><td>Notepad Print</td></tr> <tr><td>Payment Print</td></tr> <tr><td>Payment Print Alternate</td></tr> <tr><td>Payment Total</td></tr> <tr><td>Payment Void Total</td></tr> <tr style="background-color: #e0e0e0;"><td><b>Reserve Total</b></td></tr> <tr><td>Safety Activity</td></tr> <tr><td>SIR Limit</td></tr> <tr><td>Time Tracking Total</td></tr> <tr><td>User Diary</td></tr> <tr><td>Voucher Total</td></tr> </tbody> </table>	Report Title	Claim Summary	Contact Total	Face Sheet Print	Fiscal Year Claim Summary	Litigation Summary	Monthly Financial Summary	Notepad Print	Payment Print	Payment Print Alternate	Payment Total	Payment Void Total	<b>Reserve Total</b>	Safety Activity	SIR Limit	Time Tracking Total	User Diary	Voucher Total	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Selection Criteria</th> </tr> </thead> <tbody> <tr><td>Examiner</td></tr> <tr><td>Fiscal Year</td></tr> <tr><td>Fiscal Year (Group Prior 10)</td></tr> <tr><td>Fiscal Year(Group Prior 5)</td></tr> <tr><td>Incident Date</td></tr> <tr><td>Insured</td></tr> <tr><td>Insurer</td></tr> <tr><td>Litigated</td></tr> <tr><td>Organization 1</td></tr> <tr><td>Policy Year</td></tr> <tr><td>Policy Year(Group Prior 10)</td></tr> <tr><td>Policy Year(Group Prior 5)</td></tr> <tr><td>Processed Date</td></tr> <tr><td>Reported</td></tr> <tr><td>Represented</td></tr> <tr><td>Reserve Type</td></tr> <tr><td>Subrogated</td></tr> </tbody> </table>	Selection Criteria	Examiner	Fiscal Year	Fiscal Year (Group Prior 10)	Fiscal Year(Group Prior 5)	Incident Date	Insured	Insurer	Litigated	Organization 1	Policy Year	Policy Year(Group Prior 10)	Policy Year(Group Prior 5)	Processed Date	Reported	Represented	Reserve Type	Subrogated	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Group/Sort Criteria</th> </tr> </thead> <tbody> <tr style="background-color: #e0e0e0;"><td><b>Claim Number</b></td></tr> <tr><td>Claimant Name</td></tr> <tr><td>Claimant Status</td></tr> <tr><td>Claimant Type</td></tr> <tr><td>Examiner</td></tr> <tr><td>Fiscal Year</td></tr> <tr><td>Fiscal Year (Group Prior 10)</td></tr> <tr><td>Fiscal Year(Group Prior 5)</td></tr> <tr><td>Incident Date</td></tr> <tr><td>Insured</td></tr> <tr><td>Organization 1</td></tr> <tr><td>Policy Year</td></tr> <tr><td>Policy Year(Group Prior 10)</td></tr> <tr><td>Policy Year(Group Prior 5)</td></tr> <tr><td>Processed Date</td></tr> </tbody> </table>	Group/Sort Criteria	<b>Claim Number</b>	Claimant Name	Claimant Status	Claimant Type	Examiner	Fiscal Year	Fiscal Year (Group Prior 10)	Fiscal Year(Group Prior 5)	Incident Date	Insured	Organization 1	Policy Year	Policy Year(Group Prior 10)	Policy Year(Group Prior 5)	Processed Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Request Name</th> </tr> </thead> <tbody> <tr style="background-color: #e0e0e0;"><td><b>Reserve Total by Examiner</b></td></tr> </tbody> </table>	Request Name	<b>Reserve Total by Examiner</b>
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Report Heading Lines	Line 1:	<input type="text"/>
	Line 2:	<input type="text"/>

The selection criteria has been reset. ZZDEMOWCASSIST.on asp?xddb09

ACE Company  
 Reserve Total

By Organization

Processed	Claim Number	Claimant	Incident	Transaction Type	Reason	Examiner	Amount
<b>Organization 1 : ADM-Administration Dept.</b>							
10/09/97	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	1,500.00
10/09/97	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	(1,500.00)
10/13/97	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,654.32
11/10/97	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	12,215.09
12/04/97	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	9,126.70
01/06/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,054.68
02/10/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,830.18
03/10/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	4,197.72
04/07/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,160.23
05/12/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,840.29
06/05/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	4,284.18
07/02/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,923.42
08/07/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	15,049.18
09/17/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,273.45
10/26/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	9,914.57
11/10/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	9,033.49
12/08/98	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,632.67
01/08/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,145.31
02/05/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,137.16
03/08/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	19,168.42
04/09/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,374.37
05/10/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,633.02
06/11/99	1900045796	Cornell, Veronica	01/01/00	Expenses	Tail Conversion	Ford, Peter	941.50
06/21/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,350.39
07/21/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	5,029.82
08/16/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,678.32
09/17/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,503.45
10/12/99	1900045796	Cornell, Veronica	01/01/00	Expenses	Tail Conversion	Ford, Peter	791.00
10/20/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,784.93
11/22/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,763.87
12/20/99	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,868.29
01/25/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,177.29
02/18/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	10,127.59
03/20/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	12,014.10
04/29/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	9,042.55
05/10/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,311.57
06/13/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,487.29
06/28/00	1900045796	Cornell, Veronica	01/01/00	Expenses	Tail Conversion	Ford, Peter	1,517.50
07/08/00	1900045796	Cornell, Veronica	01/01/00	Expenses	Tail Conversion	Ford, Peter	1,256.25
08/25/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	3,397.36
09/26/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,676.43

## ACE Company Reserve Total

By Organization

Processed	Claim Number	Claimant	Incident	Transaction Type	Reason	Examiner	Amount
<b>Organization 1 : ADM-Administration Dept.</b>							
10/10/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	21,214.15
12/22/00	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,340.00
02/08/01	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,989.68
02/20/01	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,649.38
03/16/01	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	10,670.78
03/27/01	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	7,676.43
04/18/01	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	6,988.25
05/23/01	1900045796	Cornell, Veronica	01/01/00	Medical	Tail Conversion	Ford, Peter	12,136.87
02/18/02	2001101010	Kelley, Adriel	07/01/01	Medical	Bill Review 01/2002	Ford, Peter	28,644.35
03/14/02	2001101010	Kelley, Adriel	07/01/01	Medical	Bill Review 02/2002	Ford, Peter	11,199.38
07/25/02	2001101010	Kelley, Adriel	07/01/01	Medical	replacement check for voids	Ford, Peter	11,928.39
<b>Organization 1 Total: 52</b>							<b>379,805.61</b>
<b>Organization 1 : CUS-Customer Service Department</b>							
07/02/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	DHL billing for the month of April 2001	Ford, Peter	6,260.43
07/12/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	DHL billing for the month of April and May 2001	Ford, Peter	6,974.58
08/16/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	Initial Reserve	Ford, Peter	13,082.38
09/14/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	Bill Review from DHS for the month of August 2001	Ford, Peter	26,636.85
10/12/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	Bill Review for Month of September 2001	Ford, Peter	4,568.28
11/19/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	Bill Review for Month of October 2001	Ford, Peter	28,714.90
12/17/01	2000060306	Vanderbilt, Charlie	07/01/00	Medical	Bill review for month of December 2001	Ford, Peter	12,399.40
01/14/02	2000060306	Vanderbilt, Charlie	07/01/00	Medical	Bill review for month of December 2001	Ford, Peter	15,426.94
<b>Organization 1 Total: 8</b>							<b>114,063.76</b>
<b>Grand Total: 60</b>							<b>493,869.37</b>

# EXHIBIT D

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Santa Cruz Metropolitan  
Transit District



November 5, 2004

**COPY**

Jeannie Baulis, Vice President  
Octagon Risk Services  
2101 Webster Street, Suite 645  
Oakland CA 94612

Re: District RFP No 04-08 for Workers Compensation Claims Administration Services

Dear Ms. Baulis,

Because of the complexity of this request for proposal (RFP), the District requests an extension in time for the evaluation process. According to the proposal specifications, Part I, article 10:

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...

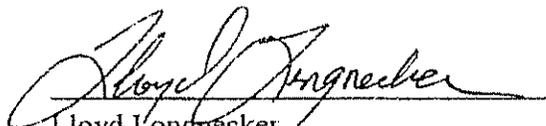
Ninety days from October 1, 2004 would be December 30, 2004. The District requests that you extend the effective period of your offer until February 28, 2005.

Additional Follow-up Questions:

1. Will your rates be adjusted if the District was to remove Medical Bill Review from your contract? If so, what would your new rates be? How would this effect your proposal?
2. The rates you offered to the District were based on a maximum number of claims received on an annual basis. Should the number of claims decrease, would your firm be open to including a price reduction factor in the new contract? If so, specify how rates would be reduced.

Please respond in writing to the follow-up questions and the request for an extension of the effective period of your proposal no later than November 15, 2004. If you have any questions or comments you can contact me by telephone at (831) 426-0199 or my email address is [llongncc@scmtd.com](mailto:llongncc@scmtd.com).

Sincerely,

  
Lloyd Longnecker  
District Buyer

120 Du Bois Street, Santa Cruz, CA 95060  
Fleet Maintenance (831) 469-1954 • Purchasing (831) 426-0199  
FAX (831) 469-1958



RISK SERVICES, INC.

November 11, 2004

Lloyd Longnecker  
District Buyer  
Santa Cruz Metropolitan Transit District  
120 Du Bois Street  
Santa Cruz, CA 95060

Re: District RFP No. 04-08 for Workers Compensation Claims Administration Services

Dear Mr. Longnecker:

Octagon Risk Services hereby agrees to extend our proposal for workers compensation claims services to February 28, 2005, as requested in your November 5 letter. We do ask that sufficient time be scheduled between the Districts' decision date and the effective date of the program to allow for an orderly transfer of claims should Octagon be fortunate enough to be selected as the District's TPA.

In response to your follow-up questions, Octagon offers the following:

1. Octagon prefers that Medical Bill Review should be handled by our vendor/partner; however, should the District select a different vendor, Octagon would need to build an electronic interface between the Valley Oak System we utilize and that of the Bill Review Company. Octagon would also revise its process flow accordingly. The only charges Octagon would make are to cover these technology and administrative costs. The costs would depend upon who the Bill Review company is and their system requirements.
2. Yes. Octagon will keep the District apprised of the number of claims reported prior to the renewal. Should the number of claims decrease to the extent of requiring less staff to manage claims and still maintain caseload maximums, Octagon will recalculate the renewal fee accordingly. Octagon pricing is based upon the number of claims and support staff required to fully manage claims. Our goal is to reduce the District's open inventory and work with the District to close new claims as quickly as possible while delivering benefits to the District's injured workers as required by California statutes. We are desirous of building a long term relationship with the District and view this request as reasonable.

Thank you for including Octagon in your bid process. We look forward to meeting with the selection panel on December 9 at our Oakland office.

Sincerely,

JEAN P. BAULIS  
Vice President  
Sales & Marketing

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT: CONSIDER AMENDING BROWN ARMSTRONG PAULDEN MCCOWN  
STARBUCK & KEETER ACCOUNTANCY CORPORATION  
CONTRACT**

## I. RECOMMENDED ACTION

**District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation to extend the term of the contract for one (1) additional year.**

## II. SUMMARY OF ISSUES

- The District has a contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation for financial audit and tax services.
- At the option of the District, this contract may be renewed for two (2) additional one-year terms under the same terms and conditions.
- District staff recommends that the Board of Directors authorize the General Manager to execute an amendment to the contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation to extend the contract one (1) additional year.

## III. DISCUSSION

The District's current contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation (Contractor) for financial audit and tax services is due to expire on February 28, 2005. Contractor has provided good service under this contract. An extension of the contract would be advantageous to the District. Section 4.01 of the contract allows the District the option to renew the contract under the same terms and conditions for two (2) additional one-year terms. On the Contractor's original proposal, pricing for the second and third option years was provided. Contractor had proposed the same rate for all three years. It is recommended that the Board of Directors authorize the General Manager to execute an amendment to the contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation to extend the contract one (1) additional year.

**IV. FINANCIAL CONSIDERATIONS**

Funds are available in the Finance budget for this amendment.

**V. ATTACHMENTS**

**Attachment A:** Contract Amendment

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
FIRST AMENDMENT TO PROFESSIONAL SERVICES CONTRACT FOR  
FINANCIAL AUDIT AND TAX SERVICES (03-11)**

This First Amendment to Professional Services Contract for Financial Audit and Tax Services is made effective March 1, 2005 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and BROWN ARMSTRONG PAULDEN MCCOWN STARBUCK & KEETER ACCOUNTANCY CORPORATION ("Contractor").

**I. RECITALS**

- 1.1 District and Contractor entered into a Contract for Financial Audit and Tax Services ("Contract") on March 1, 2004.
- 1.2 The purpose of this First Amendment is to renew the one-year term and extend the agreement for a one-year period, pursuant to the provisions of paragraph 4 of the Contract, which allows for two additional one-year terms upon mutual written consent. This fully executed Amendment constitutes mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

**II. SPECIFICATION CHANGES**

- 2.1 Paragraph 4.01 is amended to read as follows:

The term of this contract will be extended through February 28, 2006.

**III. COMPENSATION**

- 3.1 District agrees to compensate Contractor for Financial Audit and Tax Services at the rates quoted for the first option year as provided in Contractor's original proposal:

District Financial Audit Services, First Option Year: \$37,450.00

Preparation of Federal and State Tax Returns for Santa Cruz Civic Improvement Project,  
First Option Year: \$250.00

**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 First Amendment to the Contract

11.a1

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

Signed on \_\_\_\_\_

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
BROWN ARMSTRONG PAULDEN MCCOWN STARBUCK & KEETER ACCOUNTANCY  
CORPORATION

By \_\_\_\_\_  
Steven R. Starbuck

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

11.92

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**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 TWO HYBRID SEDANS, ONE DEDICATED CNG PICKUP TRUCK AND ONE BI-FUEL PICKUP 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 alternative fuel vehicles for the purchase of two each hybrid sedans, one each dedicated CNG pickup truck and one each bi-fuel pickup truck.**

## II. SUMMARY OF ISSUES

- The District has funding for the purchase of four replacement vehicles for use by Administrative Staff, Facilities Maintenance, and Fleet Maintenance.
- The State of California, Department of General Services has issued cooperative vehicle procurement contracts for the purchase of alternate fuel vehicles.
- 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 alternative fuel vehicles for the purchase of two each hybrid sedans, one each dedicated CNG pickup truck and one each bi-fuel pickup truck.

## III. DISCUSSION

The District has funding for the purchase of two (2) each sedans and two (2) pickup trucks under the Capital Improvement Project District Funded budget to replace existing staff vehicles. These vehicle purchases will replace Staff vehicles #8014, #8015, #8016 and pickup #907. Each year the State of California prepares a bid for vehicles, trucks, vans and utility vehicles. The resulting cooperative purchasing contract allows 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. For this procurement, the District will add all of the required federal clauses to comply with FTA Circular 4220.1E, Third Party Contracting Requirements. The State of California charges a contract usage fee of 2.56 % based on the purchase order total before tax and any offered cash discounts.

It is recommended that the Board authorize the General Manager to use the State Procurement Process for the purchase of two each hybrid sedans, one each dedicated CNG pickup truck and one each bi-fuel pickup truck for a total amount not to exceed \$108,000.

#### **IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the Capital Improvement Budget for Department 4100, Non-Revenue Vehicle Replacements, Budget Department 140002, and Budget Account 514070.

#### **V. ATTACHMENTS**

**Attachment A:** Vehicle Cost Summaries

## State of California Vehicle Contract Pricing

	Unit Price	Extended
<b>1. Two each Honda Hybrid Sedans</b>	\$ 20,336.00	\$ 40,672.00
Sales Tax @ 8.25%	\$ 1,677.72	\$ 3,355.44
Optional 6 Years, 100,000 Miles Bumper to Bumper Extended Warranty	\$ 745.00	\$ 1,490.00
Delivery Charges	\$ 125.00	\$ 250.00
State Contract Usage Fee of 2.56%	\$ 520.60	\$ 1,041.20
Total Procurement Cost	\$ 23,404.32	\$ 46,808.64

	Unit Price	Extended
<b>2. One each Regular Cab Dedicated CNG Pickup Truck</b>	\$ 23,330.00	\$ 23,330.00
Sales Tax @ 8.25%	\$ 1,924.73	\$ 1,924.73
Optional 6 Years, 100,000 Miles Basic Guard Extended Warranty	\$ 1,155.00	\$ 1,155.00
Delivery Charges	\$ 125.00	\$ 125.00
State Contract Usage Fee of 2.56%	\$ 597.25	\$ 597.25
Total Procurement Cost	\$ 27,131.97	\$ 27,131.97

	Unit Price	Extended
<b>3. One each Extended Cab Bi-Fuel Pickup Truck</b>	\$ 25,865.00	\$ 25,865.00
Sales Tax @ 8.25%	\$ 2,133.86	\$ 2,133.86
Optional 6 Years, 100,000 Miles Bumper to Bumper Extended Warranty	\$ 1,155.00	\$ 1,155.00
Delivery Charges	\$ 125.00	\$ 125.00
State Contract Usage Fee of 2.56%	\$ 662.14	\$ 662.14
Total Procurement Cost	\$ 29,941.01	\$ 29,941.01

**GRAND TOTAL FOR ALL VEHICLES** \$ 103,881.62

12.21

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR FURNISHING LUBRICATION PRODUCTS**

## I. RECOMMENDED ACTION

**District staff is recommending that the Board authorize the General Manager to enter into a two-year, firm fixed price contract with Western States Oil Company for the purchase of lubrication products.**

## 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 an invitation for bid for lubrication products on August 17, 2004. The District is a participating transit agency in this bid.
- Bids were opened on September 28, 2004.
- RTCC Contract No. 2004-879RTCC was awarded to Western States Oil Company, Inc. for the purchase of lubrication products.
- District staff recommends that the Board authorize the General Manager to enter into a contract with Western States Oil Company, Inc. for the purchase of lubrication products 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 RTCC member agencies.

RTCC bid documents were prepared and mailed in August to prospective bidders and legally advertised. On September 28, 2004 four bids were opened. Bids were evaluated with a recommendation that a contract be awarded to Western States Oil Company, Inc. as the lowest responsive bidder. District staff recommends that the Board authorize the General Manager to enter into a 2-year contract with Western States Oil Company, Inc. for the purchase of lubrication products in reference to the RTCC contract.

13.1

#### **IV. FINANCIAL CONSIDERATIONS**

Funding for the procurement of lubrication products is contained within the Fleet Maintenance operating budget. Annual estimated budget for lubrication products is \$10,000.

#### **V. ATTACHMENTS**

**Attachment A:** Contract with Western States Oil Company, Inc.

**Note:** The entire contract along with its exhibits are available for review at the Administration Office of METRO or online at [www.scmtd.com](http://www.scmtd.com)

2004-879RTCC

## CONTRACT FOR LUBRICATION PRODUCTS

THIS CONTRACT is made effective on March 29, 2004, between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and WESTERN STATES OIL COMPANY, 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 Lubrication Products

District requires the purchase of lubrication products 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 August 17, 2004, to obtain said goods for a period of two (2) years. This agreement, 2004-879RTCC, 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 1790 South 10<sup>th</sup> Street, San Jose, California. 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 November 4, 2004, 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.

13. a1

b) Exhibit B - Bid Abstract

c) Exhibit C – Contractor’s Bid Form

d) Exhibit D- Invitation for Bid, Contract No. 2004-879RTCC

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 November 3, 2006.

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 Vehicle Maintenance Program 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.

13. a2

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 hereinafter 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

Western States Oil Company  
1790 South 10<sup>th</sup> Street  
San Jose CA 95112

Attention: E.L. Curry  
General Manager

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: BATTERIES USA, INC.

By \_\_\_\_\_  
E.L. Curry  
General Manager

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

13.a3

## 2004-879RTCC

### CONTRACT FOR LUBRICATION PRODUCTS

THIS CONTRACT is made effective on March 29, 2004, between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and WESTERN STATES OIL COMPANY, 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 Lubrication Products

District requires the purchase of lubrication products 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 August 17, 2004, to obtain said goods for a period of two (2) years. This agreement, 2004-879RTCC, 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 1790 South 10<sup>th</sup> Street, San Jose, California. 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 November 4, 2004, 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.

- b) Exhibit B - Bid Abstract
- c) Exhibit C – Contractor’s Bid Form
- d) Exhibit D- Invitation for Bid, Contract No. 2004-879RTCC

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 November 3, 2006.

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 Vehicle Maintenance Program 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.

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

Western States Oil Company  
1790 South 10<sup>th</sup> Street  
San Jose CA 95112

Attention: E.L. Curry  
General Manager

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: BATTERIES USA, INC.

By \_\_\_\_\_  
E.L. Curry  
General Manager

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

LUBRICATION PRODUCTS

For the term of November 4, 2004, through November 3, 2006

CONTRACT

THIS CONTRACT is made and entered into this 4<sup>th</sup> day of November 2004 by and between 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 Western States Oil Company, 1790 S. 10<sup>th</sup> Street, San Jose, CA 95112 (hereinafter referred to as "Contractor")

THE PARTIES AGREE AS FOLLOWS:

1. SCOPE OF WORK

Contractor shall furnish to the District all labor, equipment, supplies, material and services as specified in and in full accordance with the Invitation for Bids issued by the District entitled:

LUBRICATION PRODUCTS NO. 2004-879RTCC

2. COMPONENT PARTS

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. 2004-879RTCC
- C. Contractor's submitted Bid Form

3. PERIOD OF PERFORMANCE

Contractor shall furnish lubrication products as specified in the Contract to commence November 4, 2004 and continue through November 3, 2006

4. CONTRACT PRICE

The District agrees to pay the Contractor in accordance with the fixed rates on the submitted bid form with a not to exceed budget as follows:

TS-1	\$27,750	Citgo Transgard Dexron III/Mercon	\$3.70	per	gallon	bulk
TS-1	\$10,175	Citgo Transgard Dexron III/Mercon	\$3.70	per	gallon	drum
TS-2	\$53,437.50	Mobil 1 Synthetic Transmission Fluid	\$14.25	per	gallon	bulk
TS-3	\$87,187.50	Castrol Transynd	\$23.25	per	gallon	drum
TS-7	\$63,085	Mobil Aero HF	\$9.25	per	gallon	drum
TS-8	\$1,270.50	Exxon Nuto H 46	\$3.30	per	gallon	drum
TS-9	\$12,852	Mobilube HD Plus 85W-140	\$5.95	per	pound	barrel
TS-10	\$3,141.60	Exxon Superflo 5W-30	\$3.57	per	gallon	drum
TS-11	\$2,352	Citgo Premium Lithium EP 2	\$.84	per	pound	barrel

The combined budgeted ceiling price is \$261,251.10, for the term of this contract

LUBRICATION PRODUCTS  
For the term of November 4, 2004, through November 3, 2006

---

CONTRACT

This amount shall include costs for materials, delivery, and any other costs necessary to provide the lubrication products. The District and the Contractor must mutually agree upon any adjustments in payment. Invoice should be submitted by the Contractor in accordance with the delivery schedule of the contract, to AC Transit Accounts Payable, P.O. Box 28507, Oakland, CA. 94604 **Please reference the Contract Number and the Purchase Order Number on each invoice.**

5. 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.

6. SEVERABILITY

If any provision of the Contract is declared void or unenforceable, such provision shall be deemed severed from this agreement, which shall otherwise remain in full force and effect.

7. 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.

8. 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.

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LUBRICATION PRODUCTS

For the term of November 4, 2004, through November 3, 2006

CONTRACT

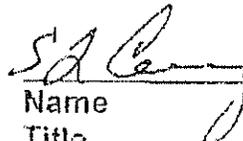
IN WITNESS WHEREOF, the parties have executed this Contract on the dates set forth below.

ALAMEDA-CONTRA COSTA  
TRANSIT DISTRICT:

CONTRACTOR:

  
Rick Fernandez  
General Manager

11/19/04  
Date

  
SA Cery  
Title

11-29-04  
Date

Approved as to Form:

  
Kenneth O. Scheidig  
General Counsel

11-16-04  
Date

# EXHIBIT - B

Bid summary prices revised per product approval 11-4-04

			9/28/2004			Western States Oil	Western States Oil	CL Bryant	CL Bryant	Golden Gate Petroleum	Golden Gate Petroleum	Bay Counties Pitcock Petroleum	Bay Counties Pitcock Petroleum	Coast Oil Co.
2004-879RTCC														
Santa Cruz Metropolitan Transit														
TS-1	ATF	Citgo Transgard Dexron III/Mercon	1450	gl	Bulk	\$3.7000	\$5,365.00	\$7.3000	\$10,585.00	\$6.5100	\$9,439.50	\$6.9700	\$10,106.50	No Quote
TS-2	SYNTHETIC ATF	Mobil 1 Synthetic Transmission Fluid		gl										
TS-3	SYNTHETIC ATF (TES-295)	Castrol TranSynd		gl										
TS-4	30W-40 ENG. OIL	Exxon XD-3 Oil 30W & 40W		gl										
TS-5	15W-40 ENG. OIL NAT. GAS	Citgo Pacemaker 1615 or nat gas 15W-4	350	gl	Bulk	\$5.1000	\$1,785.00	\$4.2500	\$1,487.50	\$8.3500	\$2,922.50	\$3.8500	\$1,347.50	No Quote
TS-6	15W-40 ENG. OIL CNG	Citgo Pacemaker 1615		gl										
TS-7	AVIATION HYDRAULIC FLUID	Mobil Aero HF		gl										
TS-8	ISO 46 HYDRAULIC FLUID	Exxon Nuto H 46		gl										
TS-9	85W-140 GEAR OIL	Mobilube HD Plus 85W-140	3200	lb	Barrels	\$0.5950	\$1,904.00	\$0.6750	\$2,160.00	\$0.7600	\$2,432.00	\$0.6900	\$2,208.00	No Quote
TS-10	5W-30 GAS ENGINE OIL (Drums)	Exxon Superflow 5W-30	165	gl	Drums	\$3.5700	\$589.05	\$3.7500	\$618.75	\$5.7700	\$952.05	\$3.2800	\$541.20	No Quote
TS-11	CHASSIS LUBRICANT (Barrels)	Citgo Premium Lithium EP 2		gl										
TS-12	WHEEL BEARING GREASE	Citgo Lithoplex MP 2	120	lb	Keg	\$1.0700	\$128.40	\$1.1000	\$132.00	\$1.1700	\$140.40	\$1.1050	\$132.60	No Quote
Totals							\$9,771.45		\$14,983.25		\$15,886.45		\$14,335.80	No Quote

EXHIBIT - B

2004-879RTCC						
Santa Cruz Metropolitan Transit						
		bulk		drum		barrels
TS-1	ATF	1450	gl		gl	lb
TS-2	SYNTHETIC ATF		gl		gl	lb
TS-3	SYNTHETIC ATF (TES-295)		gl		gl	lb
TS-4	30W-40 ENG. OIL		gl		gl	lb
TS-5	15W-40 ENG. OIL NAT. GAS	350	gl		gl	lb
TS-6	15W-40 ENG. OIL CNG		gl		gl	lb
TS-7	AVIATION HYDRAULIC FLUID		gl		gl	lb
TS-8	ISO 46 HYDRAULIC OIL		gl		gl	lb
TS-9	85W-140 GEAR OIL		gl		gl	3200 lb
TS-10	5W-30 GAS ENGINE OIL		gl	165	gl	lb
TS-11	CHASSIS LUBRICANT		gl		gl	120 lb
TS-12	WHEEL BEARING GREASE		gl			
	Totals					

					Western States Oil	Western States Oil	CL Bryant	CL Bryant	Golden Gate Petroleum	Golden Gate Petroleum	Bay Counties Pitcock Petroleum	Bay Counties Pitcock Petroleum	Coast Oil Co.	
2004-879RTCC			9/28/2004											
<b>AC TRANSIT</b>														
TS-1	ATF	Citgo Transgard Dexron III/Mercon	7500	gl	Bulk	\$3,7000	\$27,750.00	\$7,3000	\$54,750.00	\$6,5100	\$48,825.00	\$6,9700	\$52,275.00	No Quote
TS-1	ATF	Citgo Transgard Dexron III/Mercon	2750	gl	Drums	\$3,7000	\$10,175.00	\$7,3000	\$20,075.00	\$6,9900	\$19,222.50	\$6,9700	\$19,167.50	No Quote
TS-2	SYNTHETIC ATF	Mobil 1 Synthetic Transmission Fluid	3750	gl	Bulk	\$14,2500	\$53,437.50	\$15,2500	\$57,187.50	\$15,2000	\$57,000.00	\$14,0900	\$52,837.50	No Quote
TS-3	SYNTHETIC ATF (TES-295)	Castrol TranSynd	3750	gl	Bulk	\$23,2500	\$87,187.50	\$23,5000	\$88,125.00	\$16,9500	\$63,562.50	\$14,9000	\$55,875.00	No Quote
TS-4	30W-40 ENG. OIL	Exxon XD-3 Oil 30W & 40W		gl										
TS-5	15W-40 ENG. OIL NAT. GAS	Citgo Pacemaker 1615 or nat.gas 15W-40		gl										
TS-6	15W-40 ENG. OIL CNG	Citgo Pacemaker 1615		gl										
TS-7	AVIATION HYDRAULIC FLUID	Mobil Aero HF	6820	gl	Drums	\$9,2500	\$63,085.00	\$9,5000	\$64,790.00	\$10,5500	\$71,951.00	\$8,7900	\$59,947.80	No Quote
TS-8	ISO 46 HYDRAULIC FLUID	Exxon Nuto H 46	385	gl	Drums	\$3,3000	\$1,270.50	\$2,9500	\$1,135.75	\$4,9000	\$1,886.50	\$2,5800	\$993.30	No Quote
TS-9	85W-140 GEAR OIL	Mobilube HD Plus 85W-140	21600	lb	Barrels	\$0,5950	\$12,852.00	\$0,6750	\$14,580.00	\$0,7600	\$16,416.00	\$0,6900	\$14,904.00	No Quote
TS-10	5W-30 GAS ENGINE OIL (Drums)	Exxon Superflow 5W-30	880	gl	Drums	\$3,5700	\$3,141.60	\$3,7500	\$3,300.00	\$5,7700	\$5,077.60	\$3,2800	\$2,886.40	No Quote
TS-11	CHASSIS LUBRICANT (Barrels)	Citgo Premium Lithium EP 2	2800	gl	Barrels	\$0,8400	\$2,352.00	\$1,1000	\$3,080.00	\$1,1700	\$3,276.00	\$1,0420	\$2,917.60	No Quote
TS-12	WHEEL BEARING GREASE	Citgo Lithoplex MP 2		lb	Keg									
<b>Totals</b>							\$261,251.10		\$307,023.25		\$287,217.10		\$261,804.10	No Quote

			9/28/2004		Western States Oil	Western States Oil	CL Bryant	CL Bryant	Golden Gate Petroleum	Golden Gate Petroleum	Bay Counties Pitcock Petroleum	Bay Counties Pitcock Petroleum	Coast Oil Co.	
2004-879RTCC														
Golden Gate Transit														
TS-1	ATF	Citgo Transgard Dexron III/Mercon	55	gal	Drums	\$3.7000	\$203.50	\$7.3000	\$401.50	\$6.9900	\$384.45	\$6.9500	\$382.25	No Quote
TS-2	SYNTHETIC ATF	Mobil 1 Synthetic Transmission Fluid		gal					\$0.00					
TS-3	SYNTHETIC ATF (TES-295)	Castrol TranSynd	275	gal	Drums	\$23.2500	\$6,393.75	\$23.5000	\$6,462.50	\$16.9500	\$4,661.25	\$14.5900	\$4,012.25	No Quote
TS-4	30W-40 ENG. OIL	Exxon XD-3 Oil 30W & 40W	495	gal	Drums	\$3.6500	\$1,806.75	\$3.6000	\$1,782.00	\$5.8800	\$2,910.60	\$3.6200	\$1,791.90	No Quote
TS-5	15W-40 ENG. OIL NAT. GAS	Citgo Pacemaker 1615 or nat.gas 15W-40		gal										
TS-6	15W-40 ENG. OIL CNG	Citgo Pacemaker 1615		gal										
TS-7	AVIATION HYDRAULIC FLUID	Mobil Aero HF	55	gal	Drums	\$9.2500	\$508.75	\$9.5000	\$522.50	\$10.5500	\$580.25	\$8.8500	\$486.75	No Quote
TS-8	ISO 46 HYDRAULIC FLUID	Exxon Nuto H 46		gal					\$0.00					
TS-9	85W-140 GEAR OIL	Mobilube HD Plus 85W-140	12000	lb	Barrels	\$0.5950	\$7,140.00	\$0.6750	\$8,100.00	\$0.7600	\$9,120.00	\$0.6690	\$8,028.00	No Quote
TS-10	FW-30 GAS ENGINE OIL	Exxon Superflow 5W-30	550	gal	Drums	\$3.5700	\$1,963.50	\$3.7500	\$2,062.50	\$5.7700	\$3,173.50	\$3.3200	\$1,826.00	No Quote
TS-11	CHASSIS LUBRICANT	Citgo Premium Lithium EP 2	275	gal	Barrels	\$0.8400	\$231.00	\$1.1000	\$302.50	\$1.1700	\$321.75	\$1.1050	\$303.88	No Quote
TS-12	WHEEL BEARING GREASE	Citgo Lithoplex MP 2	240	lb	Keg	\$1.0700	\$256.80	\$1.1000	\$264.00	\$1.1700	\$280.80	\$1.1050	\$265.20	No Quote
Totals							\$18,504.05		\$19,897.50		\$21,432.60		\$17,096.23	No Quote

EXHIBIT -C-

INVITATION FOR BIDS

SIGN AND RETURN THIS PAGE

AC TRANSIT DISTRICT
Purchasing Department
10626 International Blvd.
Oakland, CA 94603

CONTRACT PROPOSAL NO.: 2004-879RTCC

Date: August 17, 2004

TITLE: LUBRICATION PRODUCTS

BIDS WILL BE OPENED at 10626 International Blvd. by 2 P.M. September 28, 2004

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:

2004

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: WESTERN STATES OIL COMPANY
Business street address: 1790 S. 10TH ST. Telephone: 408 292-1041
SAN JOSE CA 95112
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: TOM LOPES DIST. INC (dba WESTERN STATES OIL Co.)

Signed \_\_\_\_\_ Typed Name \_\_\_\_\_ Title \_\_\_\_\_

Signed [Signature] Typed Name E.L. CURRY Title GM

Incorporated under the laws of the State of CA

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

BID FORM

Estimated yearly usage of Lubricant Products

AC Transit

	TS-1	TS-2	TS-3	TS-4	TS-5	TS-6	TS-7	TS-8	TS-9	TS-10	TS-11	TS-12
Bulk Quantities	7500gl	3750gl	3750gl									
Unit cost	3.70 x	14.25 x	19.00 x									
Totals	\$27,750	\$53,437.50	\$71,250									
Drum (55 gl) rate	2750gl						6820gl	385gl		880gl		
Barrel (per lb) rate									21,600lb		2800lb	
Unit cost	x 3.70						x 8.05	x 3.30	x .595	x 3.57	x .84	
Totals	\$10,175						\$54,901	\$1,270.50	\$12,852	\$3,141.60	\$2,352	

- TS-1 AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE) - CITGO TRANSGARD DEXRON III / MERCON
- TS-2 SYNTHETIC AUTOMATIC TRANSMISSION FLUID - MOBIL 1 SYNTHETIC ATF
- TS-3 SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL) - CITGO QUATRASYN SYNTHETIC TRANSMISSION FLUID
- TS-4 HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS EXXON XD-3 30W & 40W ENGINE OIL
- TS-5 CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS - CITGO PACEMAKER 1615 OR CITGO CITCARD
- TS-6 DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS - CITGO PACEMAKER 1615 NATURAL GAS 15W-40
- TS-7 AVIATION HYDRAULIC FLUID - CHEVRON AVIATION HYDRAULIC FLUID A
- TS-8 ISO 46 HYDRAULIC OIL - EXXON NUTO H 46
- TS-9 HEAVY DUTY GEAR OIL, SAE 85W-140 MOBILUBE HD PLUS 85W-140
- TS-10 GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30 EXXON SUPERFLO 5W-30
- TS-11 CHASSIS LUBRICANT - CITGO PREMIUM LITHIUM EP2
- TS-12 WHEEL BEARING GREASE - CITGO LITHOPLEX MP 2

NOTE

② IF CHEVRON AVIATION HYDRAULIC A NOT APPROVED BY AC TRANSIT, THEN SUBSTITUTE MOBIL AERO HF @ \$9.25/GAL.

NOTE

① IF CITGO QUATRASYN NOT APPROVED BY A.C. TRANSIT FOR TS-3, THEN SUBSTITUTE CASTROL TRANSYND @ \$23.25/GAL.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

BID FORM

Estimated yearly usage of Lubricant Products

Golden Gate Transit

	TS-1	TS-2	TS-3	TS-4	TS-5	TS-6	TS-7	TS-8	TS-9	TS-10	TS-11	TS-12
<b>Bulk Quantities</b>												
Unit cost												
<b>Totals</b>												
<b>Drum (55 gl) rate</b>	55 gl		275gl	495gl			55gl			550gl	275gl	
<b>Barrel (per lb) rate</b>									12000lb			240lb
Unit cost	x 3.70		x 19.00	x 3.65			x 8.05		x .595	x 3.57	x .84	x 1.07
<b>Totals</b>	\$203.50		\$5,225	\$1,806.75			\$442.75		\$7,140	\$1,963.50	\$231	\$256.80

- TS-1 AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE)
- TS-2 SYNTHETIC AUTOMATIC TRANSMISSION FLUID
- TS-3 SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL)
- TS-4 HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS
- TS-5 CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS
- TS-6 DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS
- TS-7 AVIATION HYDRAULIC FLUID
- TS-8 ISO 46 HYDRAULIC OIL
- TS-9 HEAVY DUTY GEAR OIL, SAE 85W-140
- TS-10 GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30
- TS-11 CHASSIS LUBRICANT
- TS-12 WHEEL BEARING GREASE

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

BID FORM

Estimated yearly usage of Lubricant Products

**Santa Cruz Metropolitan Transit**

	TS-1	TS-2	TS-3	TS-4	TS-5	TS-6	TS-7	TS-8	TS-9	TS-10	TS-11	TS-12
<b>Bulk Quantities</b>	1450gl				350gl							
Unit cost	x 3.70				x 5.10							
<b>Totals</b>	\$ 5,365				\$ 1,785							
<b>Drum (55 gl) rate</b>										165gl		
<b>Barrel (per lb) rate</b>									3200lb			120lb
Unit cost									x .595	x 3.57		x 1.07
<b>Totals</b>									\$ 1,904	\$ 589.50		\$ 128.40

TS-1 AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE)

TS-2 SYNTHETIC AUTOMATIC TRANSMISSION FLUID

TS-3 SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL)

TS-4 HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS

TS-5 CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS

TS-6 DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS

TS-7 AVIATION HYDRAULIC FLUID

TS-8 ISO 46 HYDRAULIC OIL

TS-9 HEAVY DUTY GEAR OIL, SAE 85W-140

TS-10 GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30

TS-11 CHASSIS LUBRICANT

TS-12 WHEEL BEARING GREASE

---

# Facsimile Cover Sheet

**To:** Al DeNurra  
**Company:** A C Transit  
**Phone:** 510/577-8809  
**Fax:** 510/577-8809  
3

**From:** Lee Curry  
**Company:** Western States Oil Company  
**Phone:** 408/351-2322 925/200-9270-cell  
**Fax:** 408/298-6784

**Date:** 9/30/04

**Pages including this  
cover page:** 6

Attached per your request to Everett Yee is a copy of the Voith Service Bulletin #013O. The transmission fluids used in our bid were Citgo Transgard ATF Dexron III / Mercon for TS-1 (#9 in Voith SB #013O) and Mobil 1 Synthetic ATF for TS-2 (#18 in Voith SB #013O).

I spoke with Stuart Hoffman on the telephone yesterday and have since contacted the oil manufacturers (Citgo Petroleum and ExxonMobil Corp.) to secure the additional information to support the products we bid. This information will be forthcoming shortly.

The product we proposed for TS-3 (Citgo Quatrasyn Transmission Fluid) may require a meeting with your technical folks. The Citgo technical representative has reserved Thursday or Friday (10/7-8) if necessary. If A C Transit does not approve the Citgo Quatrasyn for TS-3, then our proposed product is the Castrol Transynd which we also included in the bid. My objective is to bring forth the optimal products for your consideration.

Thank you.

C: Everett Yee

**Western States Oil Co.**  
GAS • DIESEL • LUBES

**Western States Oil Company**  
Service Fuel and Lubricants Distributor



Lee Curry, General Manager  
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Synthetics



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Citgard  
Transgard ATF  
Vacuum Pump Oils  
Compressor Oils  
Cutting Fluids  
Gas Engine Oils  
2 Cycle Oils



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Antifreeze  
Automotive Chemicals  
Wiper Blades  
ATF Flushing Machines  
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- Toyota  
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- Mercedes Benz

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Dalian, PRC.



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GASOLINE  
DIESEL  
MOTOR OILS

September 27, 2004

AC Transit District  
Purchasing Department  
10626 International Blvd  
Oakland CA 94603

Title: Lubrication Products  
Contract Bid #2004-879RTCC

Thank you for the opportunity to present our lubrication proposal. The table shows the proposed product, package style and price (product data sheets and MSDS attached).

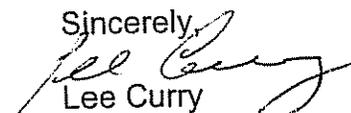
TS #	Proposed Product	Package Style	Price
1	Citgo Transgard Dexron III / Mercon	Bulk/Drum	\$ 3.70 /G
2	Mobil 1 Synthetic ATF	Bulk	\$14.25 /G
3	Citgo Quatrasyn Synthetic Transmission Fluid	Bulk/Drum	\$19.00 /G
*3	Castrol TranSynd	Bulk/Drum	\$23.25 /G
4	Exxon XD-3 Engine Oil 30W & 40W	Drum	\$ 3.65 /G
5	Citgo Pacemaker 1615 or Citgo Citgard Natural Gas 15W-40	Bulk/Drum	\$ 5.10 /G
6	Citgo Pacemaker 1615	Bulk/Drum	\$ 5.10 /G
7	Chevron Aviation Hydraulic Fluid A	Drum	\$ 8.05 /G
*7	Mobil Aero HF	Drum	\$ 9.25 /G
8	Exxon Nuto H 46	Drum	\$ 3.30 /G
9	Mobilube HD Plus 85W-140	Drum	\$0.595 /LB
10	Exxon Superflo 5W-30	Drum	\$ 3.57 /G
11	Citgo Premium Lithium EP 2	Drum	\$ 0.84 /LB
12	Citgo Lithoplex MP 2	Keg	\$ 1.07 /LB

- \* TS-3 – If Citgo Quatrasyn not approved by A C Transit use Castrol TranSynd
- TS-7 – If Chevron Aviation Fluid A not approved by A C Transit use Mobil Aero HF

Payment terms are 2% - 15 days, net 30 days. Pricing is on a delivered basis and excludes applicable excise taxes and sales tax.

Western States Oil Company is a Minority Business Enterprise pursuant to California Public Utilities Commission General Order 156, copy attached.

It is our commitment to provide quality products, technical support and friendly service that exceed your expectations. Should you have any questions or need additional information, please contact me @ 408/292-1041. Thank you for your consideration.

Sincerely,  
  
 Lee Curry  
 General Manager



*Women Minority Business Enterprise Clearinghouse*  
Public Utilities Commission - State of California

January 25, 2002

STIEVE LOPES  
WESTERN STATES OIL, CO.  
1790 S. 10TH STREET  
SAN JOSE, CA 95112-

CHS Verification Order Number: 98FN0022

In accordance with General Order 156 and the Clearinghouse Operational Guidelines, WMBE status has been verified and approved for your firm, as follows:

MBE

This status enables your firm to participate as a WMBE, in procurement programs for the public utilities doing business in the State of California who are signatories to the WMBE Clearinghouse

This verification status is valid with the following conditions:

- (1) You must notify the Clearinghouse of any change in ownership and/or control of your firm within 30 days of the change. Failure to notify the Clearinghouse violates section 8285 of the Public Utilities Code which is cited in the application.
- (2) The Clearinghouse may reconsider your WMBE status:
  - (a) If it is determined that such status was knowingly obtained by false, misleading or incorrect information.
  - (b) If, in a formal opinion, the California Public Utilities Commission determines that the WMBE verification criteria under which you were deemed to be eligible is no longer valid.
- (3) The Clearinghouse may request additional information or conduct on-site visits at any time during the term of your verification.
- (4) If the Clearinghouse verifies you under the Comparable Agency Verification process, you must submit proof of recertification by the comparable agency prior to the comparable agency's expiration date to maintain eligibility. Please note, however, that WMBEs are required to submit application forms at least once every three years. Due to this stipulation, the expiration date of the attached certificate may not match the date of your comparable agency certificate.

We wish you success in your future business development.

Karen Woo  
VERIFICATION ANALYST

David Moulton  
PROJECT DIRECTOR

*WMBE CLEARINGHOUSE - Administered by ASIAN, Inc. pursuant to PUC General Order 156*

1670 Pine Street  
San Francisco, CA 94109  
Toll Free: 800-359-7998  
Tel: 415-928-6892 Fax: 415-921-0182

4605 Lankershim Blvd., Ste 418  
North Hollywood, CA 91602  
Toll Free: 800-869-7385  
Tel: 818-623-9797 Fax: 818-623-9799

WOMEN & MINORITY BUSINESS ENTERPRISE (WMBE)  
CLEARINGHOUSE

CERTIFICATE OF ELIGIBILITY

VERIFICATION EXPIRATION DATE: 1/24/05

The Women & Minority Business Enterprise (WMBE) Clearinghouse hereby certifies that it has audited and verified the eligibility of WESTERN STATES OIL CO. of SAN JOSE, CA as a MBE pursuant to California Public Utilities Commission (CPUC) General Order 156 and the terms and conditions stipulated in the Verification Application Package. This Certificate shall be valid only with the Clearinghouse seal affixed hereto.

Eligibility must be maintained at all times and renewed within thirty (30) days upon any changes of ownership or control. The Clearinghouse may reconsider WMBE status if it is determined that such status was obtained by false, misleading or incorrect information. Failure to comply may violate Section 8285 of the Public Utilities Code cited in the Verification Application which can result in a denial of eligibility. Deverification may occur if, in a formal opinion, the California Public Utilities Commission determines that a WMBE Verification criterion under which eligibility was awarded becomes invalid. The Clearinghouse may request additional information or conduct on-site visits during the term of verification to verify eligibility.

This certification is valid only for the period that the above named firm remains eligible as determined by the Clearinghouse. Utility companies may direct inquiries concerning this Certificate to the WMBE Clearinghouse at (800)869-7385 in Los Angeles and (800)359-7998 in San Francisco.

WON:98FN0022

January 25, 2002



Voith Turbo

### DIWA Service Bulletin

Service Bulletin #0130  
Replaces Service Bulletin #013N

Issued Date: July 06, 2004  
Revised Date: July 06, 2004

Transmissions: All DIWA

**Subject:** Automatic Transmission Fluids (ATF) for DIWA Transmissions – Approved Oils and Change Intervals

**Purpose:** This document provides a detailed list of Approved ATF Oils for use in the Voith transmission for all DIWA models, procedures to approve additional oils for use, guide lines on oil change intervals, information on extended oil change intervals.

**Reference:** AN #55.6335.32 & 55.6336.32 (NOT relevant to North America)

#### APPROVED OILS

See Approved Automatic Transmission Fluid list on page 4 of this service bulletin. **Note:** This list is current as of the revision date found in the header of this document and may be changed as new oil information becomes available.

**NOTE: USE OF OILS NOT ON THE APPROVED TRANSMISSION FLUID LIST COULD HAVE ADVERSE EFFECTS ON THE TRANSMISSION AND VOID WARRANTY.**

#### ADDITIONAL OIL APPROVAL PROCEDURES

If the oil you are using is not on the approved list:

1. Have your oil supplier fill out the "Data Sheet for Automatic Transmission Fluids", which is the last page of this document. **Note: if all spaces for the required information on this sheet are not filled in completely the application will be rejected and returned to you.**
2. Submit the completed form to Voith Turbo, Inc. for approval consideration along with a 1 pint sample of the virgin oil and a laboratory analysis report on the original product. The analysis will cover the following items: Acid Number (ASTM D664 mod), Viscosity at 40 and 100 deg C, Metals (Fe, Al, Cr, Cu, Pb, Sn, Ni, Ag, Si, Na, B, Zn, P, Ca, Mg, Ba, Mo, K) **All information supplied will be kept strictly confidential.**
3. Voith will notify you of approval/non-approval after review

**Oil and Filter Drain Intervals on DIWA.2 and DIWA.3 Transmissions with Spin-on Filters Installed.**

***36,000 Mile Oil Change Intervals are defined in the attached list:***

1. Use of a **36,000 MILE MINERAL BASE OR SEMI-SYNTHETIC TRANSMISSION FLUID:**
  - a. The **Oil Change** interval is **36,000 MILES OR 1 (ONE) YEAR**, whichever comes first
  - b. The spin-on **Filter Change** interval is **18,000 MILES OR 6 (SIX) MONTHS**, whichever comes first



Voith Turbo

**DIWA Service Bulletin**

**Service Bulletin #013O**  
**Replaces Service Bulletin #013N**

**Issued Date: July 06, 2004**  
**Revised Date: July 06, 2004**

*72,000 Mile Oil Change Intervals are defined in the attached list:*

2 Use of a **72,000 MILE SYNTHETIC TRANSMISSION FLUID;**

- a. The **Oil Change** interval is **72,000 MILES OR 2 (TWO) YEARS**, whichever comes first.
- b. **Filter Change** interval is **18,000 MILES OR 6 (SIX) MONTHS**, which ever comes first.

3 Requirements for 72,000 mile oil change intervals while units are in warranty:

- a. Oil sampling and analysis of the ATF for each transmission at the oil filter change (18,000 miles maximum)
- b. Analysis results are compared to the standards established in Service Bulletin Number 4A
- c. If irregularities are found in the oil, follow resample guidelines provided by your analysis company.
- d. If irregularities continue in future oil samples, your oil analysis company will recommend the course of action. This may include pulling the oil pan and conducting a bottom end inspection of the transmission
- e. In the event there is a warrantable problem with the transmission, Voith Turbo, Inc will require the following information for evaluation:
  - i. A copy of the current oil analysis along with the past three analysis reports for comparison and evaluation **ALL** oil analysis sheets must be available for evaluation by Voith **Failure or inability to provide these records will result in voiding of all warranties. THERE WILL BE NO EXCEPTIONS.**
  - ii. Oil type {Company Name, Product Name & Approval Number (If available)}

**Oil and Filter Drain Intervals on All Newly Delivered and Newly Rebuilt Transmissions.**

Oil and filter changes for new and rebuilt transmissions are outlined as follows:

- 1 Initial Oil and Filter Changes are made at the time of receipt of the vehicle or rebuild of transmission up to a **maximum of 2,500 miles**
- 2. The second oil and filter changes are made at a maximum of 9,000 miles after the first oil and filter change **up to 11,500 miles maximum.**
- 3 Standard or extended oil change intervals will commence after the second oil and filter change

**NOTE:** By using a genuine Voith oil filter, you are ensured of proper oil filtration and protection of your transmission.

**NOTE:** Updates to the approval list will be provided in future releases of Service Bulletin 13.



Voith Turbo

## DIWA Service Bulletin

Service Bulletin #0130  
Replaces Service Bulletin #013N

Issued Date: July 06, 2004  
Revised Date: July 06, 2004

Oil and Filter Drain Intervals on DIWA.3E Transmissions with Filter Installed in Oil Pan.

*36,000 Mile Oil Change Intervals are defined in the attached list:*

1. Use of a 36,000 MILE MINERAL BASE OR SEMI-SYNTHETIC TRANSMISSION FLUID;

a. The **OIL Change** interval is **36,000 MILES OR 1 (ONE) YEAR**, whichever comes first

b. **Filter Change** interval is **36,000 MILES OR 6 (SIX) MONTHS**, whichever comes first

*72,000 Mile Oil Change Intervals are defined in the attached list:*

2. Use of a 72,000 MILE SYNTHETIC TRANSMISSION FLUID;

a. The **OIL and Filter Change** interval is **72,000 MILES OR 2 (TWO) YEARS**, whichever comes first

b. **Filter Change** interval is **72,000 MILES OR 2 (TWO) YEARS**, whichever comes first.

**PLEASE NOTE ABOVE:** These transmissions have an internal filter. This type of filter has NO separate change interval from the oil. The filter MUST be changed in accordance with your oil changes intervals.



Voith Turbo

DIWA Service Bulletin

Service Bulletin #0130  
Replaces Service Bulletin #013N

Issued Date: July 06, 2004  
Revised Date: July 06, 2004

For Voith model transmissions: DIWA D851.2&.3 & .3E; D854.2&.3; D854G; D863.2&.2W7; &.3; D864.3 &.3E; D864G and D884.3E

**Note:** The information contained on this list is certified to be current as of the date listed in the issued document field and is accurate only to the limits of the information supplied by the oil manufacturers and on file with Voith Turbo In York PA as the revised document date. This list may be changed or modified at any time without notice if the technical information regarding the oils and supplied to Voith by the oil manufacturers is updated or modified by the oil manufacturers.

	COMPANY NAME (Marketer)	BRAND NAME	Approval Number	Class Base	Drain Interval
1	76 Lubricants	76 Mercon V ATF	H36011	Mineral	36,000
2	Amsoil Inc.	Amsoil ATF	E25112	Synthetic	72,000
3	BP Oil and Exploration	Autran Dexron III®/ Mercon	F30135	Mineral	36,000
4	Castrol Ltd. Heavy Duty Lube	TranSynd ATF	G34010	Synthetic	72,000
5	Chevron Texaco Global Lubricants	Chevron Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
6	Chevron Texaco Global Lubricants	Texaco Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
7	Chevron Texaco Global Lubricants	Chevron ATF MERCON V	G 34555	Mineral	36,000
8	Chevron Texaco Global Lubricants	Texaco Havoline ATF MERCON V	G34555	Mineral	36,000
9	Citgo Petroleum Corporation	Transgard Dexron® III/ Mercon	G34059	Mineral	36,000
10	Coastal Unilube Inc.	Coastal Dexron III/ Mercon	F30310	Mineral	36,000
11	Cofram Lubricants	Sintofluid	ISO 46-GL4	Semi-Synthetic	36,000
12	Cognis Corp	Emgard 2803 Synthetic ATF	G34494	Synthetic	36,000
13	Conoco Phillips	Mercon V ATF	H36011	Mineral	36,000
14	Delta Petroleum Co.	Mercon V2000	G 34095	Mineral	36,000
15	Exxon Mobil Corp Fairfax Va.	Aamco Synthetic Blend ATF	G34015	Mineral	36,000
16	Exxon Mobil Corp Fairfax Va.	Superflow Synthetic ATF	G34015	Mineral	36,000
17	Exxon Mobil Corp Fairfax Va.	Mobile ATF 220	D21611	Mineral	36,000
18	Exxon Mobil Corp Fairfax Va.	Mobil 1 Synthetic ATF	G34036	Synthetic	36,000
19	Fuchs Lubricants Co	Sintofluid III MTA	H36310	Synthetic	72,000
20	Fuchs Lubricants Co	Titan ATF 3000	D22173	Mineral	36,000
21	Fuchs Lubricants Co	Titan ATF 4000	F30105	Mineral	36,000
22	Fuchs Lubricants Co	Titan ATF 5000	E25112	Synthetic	72,000
23	Kendall	Mercon V ATF	H36011	Mineral	36,000
24	Petro Canada Lubricants	Petro Canada ATF	H36007	Synthetic	72,000
25	Phillips 66	Mercon V ATF	H36011	Mineral	36,000
26	Shell Canada	Donax TG	G34026	Mineral	36,000

<b>VOITH TURBO</b>	<b>Data sheet for Automatic Transmission Fluids</b>																																			
<b>For use in transmissions DIWA, DIWA.2, DIWA.3, DIWA.3E, DIWA.5</b>																																				
<p>Basically, only oils according to Dexron II or Dexron III specification are approved for use in our transmissions. The introduction into our "Service Bulletin 13" will be done according to the data received by the oil marketer without further tests Oils that do not correspond with the above mentioned specifications will not be accepted.</p> <p>The following details are required:</p> <p><b>General data</b></p> <p>oil marketer: _____  name of product: _____</p> <p>base oil: <b>compound</b> <span style="float:right">mass</span></p> <p>base oil 1: _____ [%]  base oil 2: _____ [%]  base oil 3: _____ [%]  base oil 4: _____ [%]</p> <p>additive manufacturer: _____  Dexron-no II or III: _____ Package no: _____ [%]</p> <p>Rebrand / Reblend of: _____</p> <p>Market region: Europe <input type="checkbox"/> North America <input type="checkbox"/> South America <input type="checkbox"/> Africa <input type="checkbox"/> Asia/Australia <input type="checkbox"/></p> <p><b>Characteristic values</b></p> <p>apparent viscosity at -40°C acc. to DIN 51398 (Brookfield): _____ [mPa.s]  kinematic viscosity acc to DIN 51662 at 40°C: _____ [mm²/s]  at 100 °C: _____ [mm²/s]  Index of viscosity acc to DIN ISO 2909: _____ [-]  total acid number TAN acc to ASTM D 664: _____ [mgKOH/g]  flash point acc to Cleveland and DIN ISO 2592: _____ [°C]</p> <p><b>Test results</b></p> <p>FZG Test A/B, 3/90 (DIN 51354) achieved failure load stage (min. LS 11): _____ [LS]  KV @ 100°C (=212°F) after shear (DIN 51350-6 KRL/C) (min 5.3 mm²/s): _____ [mm²/s]</p> <p>Freudenberg Test with materials ACM 80 and FPM 80 at 168 h / 95 °C (= 203 °F) and 150 °C (= 302 °F):</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>new</th> <th>168 h / 95° (203°F)</th> <th>new</th> <th>168 h / 150° (302°F)</th> </tr> </thead> <tbody> <tr> <td>ACM 80</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Hardness [Shore]</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Volume [%]</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FPM 80</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Hardness [Shore]</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Volume [%]</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Deviations from materials and test conditions are to be stated respectively</p> <p>If the stated information corresponds with our required data, the ATF will be introduced into our "Lists of Lubricants" and it will be approved in written form. The approval is limited to 24 months. After written confirmation given to Voith, that the product has not changed, a new approval for further 24 months is done.</p> <p><b>Safety instruction:</b> Each change of components of the product referring to base oil, additive package or added components will terminate the approval. It may be re-approved after a new audit by Voith.</p> <p>Date: _____ Signature: _____</p>			new	168 h / 95° (203°F)	new	168 h / 150° (302°F)	ACM 80					Hardness [Shore]					Volume [%]					FPM 80					Hardness [Shore]					Volume [%]				
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Voith Turbo GmbH & Co KG D-89522 Heidenheim	<b>DIWA</b>	55.8252.16 2004-03																																		



Sunday, October 03, 2004

To: Al DeNurra-AC Transit

Reference: CITGO Product Data for AC Transit Bid

You requested additional data on CITGO products bid by Western States Oil Company.

- 1. TS-1 Automatic Transmission Fluid, Mineral Base:
  - a. GM Lic. # G34059
  - b. Voith approval number-based on GM Lic. #G34059 (See Attached Voith Service Bulletin #0130
  - c. Allison C-4 Approval-C4-29903800
- 2. TS-3 Replacement-Synthetic Automatic Transmission Fluid
  - a. QuatraSyn-See attached data
  - b. Equivalent to or exceeds Allison TES-295 requirements
- 3. TS-5 Cummins Heavy Duty Natural Gas/LPG Engine Oil 15W-40 Specifications-See attached approval letters

Specifications	Pacemaker 1615	Citgard Natural Gas Engine Oil 15W-40
Sulfated Ash	.45	.55
TBN	5.4	5.2
TAN	.5	.8
Phosphorus	270	702
Zinc	330	778
Calcium	1300	1200
Copper Corrosion	NA	1A
Lead Increase	NA	<50
Tin Increase	NA	<20

See attached Product Information Sheets on the above CITGO products.

  
 Roger Littlejohn  
 Technical Services Manager  
 CITGO Petroleum

**VOITH****Voith Turbo****DIWA Service Bulletin**

Service Bulletin #0130  
Replaces Service Bulletin #013N

Issued Date: July 06, 2004  
Revised Date: July 06, 2004

For Voith model transmissions: DIWA D851.2&.3 & .3E; D854.2&.3; D854G; D863.2&.2W7; &.3; D864.3 &.3E; D864G and D884.3E

**Note:** The information contained on this list is certified to be current as of the date listed in the issued document field and is accurate only to the limits of the information supplied by the oil manufacturers and on file with Voith Turbo in York PA as the revised document date. This list may be changed or modified at any time without notice if the technical information regarding the oils and supplied to Voith by the oil manufacturers is updated or modified by the oil manufacturers.

	<b>COMPANY NAME (Marketer)</b>	<b>BRAND NAME</b>	<b>Approval Number</b>	<b>Class Base</b>	<b>Drain Interval*</b>
1	76 Lubricants	76 Mercon V ATF	H36011	Mineral	36,000
2	Amsoil Inc.	Amsoil ATF	E25112	Synthetic	72,000
3	BP Oil and Exploration	Autran Dexron III/ Mercon	F30135	Mineral	36,000
4	Castrol Ltd. Heavy Duty Lube	TranSynd ATF	G34010	Synthetic	72,000
5	Chevron Texaco Global Lubricants	Chevron Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
6	Chevron Texaco Global Lubricants	Texaco Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
7	Chevron Texaco Global Lubricants	Chevron ATF MERCON V	G 34555	Mineral	36,000
8	Chevron Texaco Global Lubricants	Texaco Havoline ATF MERCON V	G34555	Mineral	36,000
9	Citgo Petroleum Corporation	Transgard Dexron® III/ Mercon	G34059	Mineral	36,000
10	Coastal Unilube Inc.	Coastal Dexron III/ Mercon	F30310	Mineral	36,000
11	Cofram Lubricants	Sintofluid	ISO 46-GL4	Semi-Synthetic	36,000
12	Cognis Corp	Emgard 2803 Synthetic ATF	G34494	Synthetic	36,000
13	Conoco Phillips	Mercon V ATF	H36011	Mineral	36,000
14	Delta Petroleum Co.	Mercon V2000	G 34095	Mineral	36,000
15	Exxon Mobil Corp Fairfax Va.	Aamco Synthetic Blend ATF	G34015	Mineral	36,000
16	Exxon Mobil Corp Fairfax Va.	Superflow Synthetic ATF	G34015	Mineral	36,000
17	Exxon Mobil Corp Fairfax Va.	Mobile ATF 220	D21611	Mineral	36,000
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25	Phillips 66	Mercon V ATF	H36011	Mineral	36,000
26	Shell Canada	Donax TG	G34026	Mineral	36,000

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OIL SUPPLIER	PRODUCT BRAND
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 15W-4
CHEVRON U.S.A. INC.	CHEVRON RPM HDMO SAE 15W-40
CHEVRON U.S.A. INC.	CHEVRON DELO 400 PLUS MOTOR OIL SAE 5
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 30
CHEVRON U.S.A. INC.	CHEVRON RPM HDMO SAE 30
CHEVRON U.S.A. INC.	CHEVRON AUTOMATIC TRANSMISSION FLUI
CHEVRON U.S.A. INC.	CHEVRON DRIVE TRAIN FLUID HD
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON AUTOMATIC TRANSMISSION FLUI
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON AUTOMATIC TRANSMISSION FLUI
CHRYSLER CANADA LTD.	CHRYSLER MOPAR TURBO XD 15W-40 DIESEL
CHRYSLER CANADA LTD.	MOPAR TURBO XD 15W-40 DIESEL ENGINE C
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCOI
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCOI
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCOI
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCOI
CIA BRASIL DE PETROLEO	ULTRAMOD TURBO 30
CIA.BRASILLEIRA PETROLEO IPIRANGA	ISAMATIC III
CITGO PETROLEUM CORP.	CITGO TRANSPower FLUID, 10W
CITGO PETROLEUM CORP.	CITGO TRANSPower FLUID, SAE 10W
CITGO PETROLEUM CORP.	CITGO TRANSPower FLUID, SAE 30
CITGO PETROLEUM CORP.	CITGO TRANSPower, 30
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 10W-30
CITGO PETROLEUM CORP.	CITGARD 600 MOTOR OIL SAE 15W-40
CITGO PETROLEUM CORP.	CITGARD 600 MOTOR OIL SAE 30
CITGO PETROLEUM CORP.	CITGARD 500 SAE 30
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUI
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUI
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUI
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUI
COASTAL UNILUBE INC.	COASTAL PREMIUM DEXRON III / MERCON /
COASTAL UNILUBE INC.	COASTAL UNILUBE
COASTAL UNILUBE INC.	COASTAL UNILUBE DEXRON III / MERCON
COASTAL UNILUBE INC.	UNILUBE DEXRON III MERCON ATF
COASTAL UNILUBE INC.	UNILUBE DEXRON III MERCON ATF
COFRAN RECHERCHE SARL	COFRAN SINTOFLUID
COGNIS CORPORATION	EMGARD 2803 SYNTHETIC DEXRON-III/MERI
COMPANHIA BRASILEIRA DE PETROL	ULTRAMOD TURBO CT SAE 30
COMPANIA GENERAL DE LUBRICANTE	EXXOLUBE XD-3 30
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SA
CONOCO INC.	POWERDRIVE 44 SAE 10W
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SA
CONOCO INC.	POWERDRIVE 44 SAE 30
CONOCO INC.	FLEET HD MOTOR OIL SAE 10W
CONOCO INC.	FLEET HD MOTOR OIL SAE 15W-40
CONOCO INC.	HD FLEET SUPREME ENGINE OIL SAE 15W-
CONOCO INC.	FLEET HD MOTOR OIL SAE 30
CONOCO INC.	CONOCO HYDROCLEAR DEXRON III/MERCC
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSM
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSM
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSM
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSM
CONOCO INC.	HYDROCLEAR DEXRON III / MERCON ATF
CONOCO INC.	HYDROCLEAR MERCON V / DEXRON III ATF

**"Pour on the Productivity"**

Ask your nearest Allison distributor or dealer about TranSyndtm Synthetic At

Attention: **Al DeNurra**

Date: 10/3/2004

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Company: AC Transit

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Number of Pages: 24

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Fax Number: 1,510-577-8839

---

Voice Number:

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From: **Roger Littlejohn**

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Company: CITGO Petroleum Corp.

---

Fax Number: 916-408-1802

---

Voice Number: 916-408-1803

---

Subject: CITGO Product Information

---

**Comments:**

Attached is the CITGO Product Information requested. Originals were sent by Fedex.

Roger Littlejohn  
Technical Services Manager  
Citgo Petroleum  
916-408-1803



Sunday, October 03, 2004

To: Al DeNurra-AC Transit

Reference: CITGO Product Data for AC Transit Bid

You requested additional data on CITGO products bid by Western States Oil Company.

1. TS-1 Automatic Transmission Fluid, Mineral Base:
  - a. GM Lic. # G34059
  - b. Voith approval number-based on GM Lic. #G34059 (See Attached Voith Service Bulletin #0130)
  - c. Allison C-4 Approval-C4-29903800
2. TS-3 Replacement-Synthetic Automatic Transmission Fluid
  - a. QuatraSyn-See attached data
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Calcium	1300	1200
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See attached Product Information Sheets on the above CITGO products.

  
 Roger Littlejohn  
 Technical Services Manager  
 CITGO Petroleum



**Voith Turbo**

**DIWA Service Bulletin**

**Service Bulletin #0130  
Replaces Service Bulletin #013N**

**Issued Date: July 06, 2004  
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For Voith model transmissions: DIWA D851.2&.3 & .3E; D854.2&.3; D854G; D863.2&.2W7; &.3; D884.3 &.3E; D884G and D884.3E

**Note:** The information contained on this list is certified to be current as of the date listed in the issued document field and is accurate only to the limits of the information supplied by the oil manufacturers and on file with Voith Turbo in York PA as the revised document date. This list may be changed or modified at any time without notice. If the technical information regarding the oils and supplied to Voith by the oil manufacturers is updated or modified by the oil manufacturers.

	<b>COMPANY NAME (Marketer)</b>	<b>BRAND NAME</b>	<b>Approval Number</b>	<b>Class Base</b>	<b>Drain Interval</b>
1	76 Lubricants	76 Mercon V ATF	H36011	Mineral	36,000
2	Amaoil Inc.	Amaoil ATF	E25112	Synthetic	72,000
3	BP Oil and Exploration	Aufran Dexron III/ Mercon	F30135	Mineral	36,000
4	Castrol Ltd. Heavy Duty Lube	TranSynd ATF	G34010	Synthetic	72,000
5	Chevron Texaco Global Lubricants	Chevron Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
6	Chevron Texaco Global Lubricants	Texaco Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
7	Chevron Texaco Global Lubricants	Chevron ATF MERCON V	G 34555	Mineral	36,000
8	Chevron Texaco Global Lubricants	Texaco Havoline ATF MERCON V	G34555	Mineral	36,000
9	Citgo Petroleum Corporation	Transgard Dexron® III/ Mercon	G34059	Mineral	36,000
10	Coastal Unilube Inc.	Coastal Dexron III/ Mercon	F30910	Mineral	36,000
11	Cofram Lubricants	Sintofluid	ISO 46-GL4	Semi-Synthetic	36,000
12	Cognis Corp	Emgard 2803 Synthetic ATF	G34484	Synthetic	36,000
13	Conoco Phillips	Mercon V ATF	H36011	Mineral	36,000
14	Delta Petroleum Co.	Mercon V2000	G 34095	Mineral	36,000
15	Exxon Mobil Corp Fairfax Va.	Aamco Synthetic Blend ATF	G34015	Mineral	36,000
16	Exxon Mobil Corp Fairfax Va.	Superflow Synthetic ATF	G34015	Mineral	36,000
17	Exxon Mobil Corp Fairfax Va.	Mobile ATF 220	D21611	Mineral	36,000
18	Exxon Mobil Corp Fairfax Va.	Mobil 1 Synthetic ATF	G34036	Synthetic	36,000
19	Fuchs Lubricants Co	Sintofluid III MTA	H36310	Synthetic	72,000
20	Fuchs Lubricants Co	Titan ATF 3000	D22173	Mineral	36,000
21	Fuchs Lubricants Co	Titan ATF 4000	F30105	Mineral	36,000
22	Fuchs Lubricants Co	Titan ATF 5000	E25112	Synthetic	72,000
23	Kendall	Mercon V ATF	H36011	Mineral	36,000
24	Petro Canada Lubricants	Petro Canada ATF	H36007	Synthetic	72,000
25	Phillips 66	Mercon V ATF	H36011	Mineral	36,000
26	Shell Canada	Donax TG	G34028	Mineral	36,000

**C4 Approved Fluids List**  
**Allison Transmission Division**  
**General Motors Corporation**  
 (2/12/01)  
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OIL SUPPLIER	PRODUCT BRAND NAME	GM LICENSE NO.	API	OIL TYPE	GRADE	MARKET PLACE	APPROVAL No.
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 15W-40		CE/SG		15W-40	1,2	C4-10660288
CHEVRON U.S.A. INC.	CHEVRON RPM HOMO SAE 15W-40		CF4/SH		15W-40	1	C4-21092285
CHEVRON U.S.A. INC.	CHEVRON DELO 400 PLUS MOTOR OIL SAE 30		CE/SG		30	1,2	C4-12850380
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30		CF2/SH		30	1	C4-21812485
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30		CF2/SH		30	1	C4-22232586
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 30		CE/SG		30	1,2	C4-10790288
CHEVRON U.S.A. INC.	CHEVRON RPM HOMO SAE 30		CE/SH		30	1	C4-20822184
CHEVRON U.S.A. INC.	CHEVRON AUTOMATIC TRANSMISSION FLUID	F-30158			ATF	1,2	C4-18671894
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON DRIVE TRAIN FLUID HD			C-4 Only	30	1,2	C4-18701894
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON AUTOMATIC TRANSMISSION FLUID	F-30108			ATF	1,2,3,8,11	C4-20062094
CHRYSLER CANADA LTD.	CHRYSLER MOPAR TURBO XD 16W-40 DIESEL ENGINE OIL		CF4/SH	C-4 Only	16W-40	1,2	C4-29088688
CHRYSLER CANADA LTD.	MOPAR TURBO XD 15W-40 DIESEL ENGINE OIL		CF4/SH		15W-40	2	C4-21432306
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30766			ATF	1,2,8	C4-24963007
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	G-34438			ATF	1,2,8	C4-26103600
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30227			ATF	2	C4-18821783
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30349			ATF	2	C4-18701788
CIA BRASIL DE PETROLEO	ULTRAMO TURBO 30		CF		30	6	C4-29403700
CIA BRASILEIRA PETROLEO IPBRANGA	ISNATIC III	G-34202			ATF	6	C4-29963800
CITGO PETROLEUM CORP.	CITGO TRANSPOWER FLUID 10W			C-4 Only	10W	1,2	C4-20011884
CITGO PETROLEUM CORP.	CITGO TRANSPOWER FLUID SAE 10W			C-4 Only	10W	1,2,5,8,8	C4-10841182
CITGO PETROLEUM CORP.	CITGO TRANSPOWER FLUID SAE 30			C-4 Only	30	1,2,5,8,8	C4-18831182
CITGO PETROLEUM CORP.	CITGO TRANSPOWER 30			C-4 Only	30	1,4,5,8	C4-18711894
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 10W-30		CE/SG		10W-30	1,2,4,5,8,8	C4-11020188
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 15W-40		CE/SG		15W-40	1,2,4,5,8,8	C4-11030189
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 30		CE/SG		30	1,2,4,5,8,8	C4-11010189
CITGO PETROLEUM CORP.	CITGARD 500 SAE 30		CE/SG		30	1,2,4,5,8,8,11	C4-17111292
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	G-34068			ATF	1	C4-29903800
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30167			ATF	1,2,4,5,8,8	C4-22902806
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30336			ATF	1,2,5,8,8	C4-21172285
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30165			ATF	1,2,8,8	C4-22912806
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	G-34108			ATF	1,2,3,4,5,5,7,8,11	C4-28848988
COASTAL UNILUBE INC.	COASTAL PREMIUM DEXRON III/MERCON ATF	F-30375			ATF	1,4,5,8,8,11	C4-21642308
COASTAL UNILUBE INC.	COASTAL UNILUBE	F-30491			ATF	1,2,3,4,5,8,8,11	C4-22862598
COASTAL UNILUBE INC.	COASTAL UNILUBE DEXRON III/MERCON	F-30204			ATF	12	C4-10691783
COASTAL UNILUBE INC.	UNILUBE DEXRON III/MERCON ATF	F-30310			ATF	12	C4-18931894
COASTAL UNILUBE INC.	UNILUBE DEXRON III/MERCON ATF				ATF	12	C4-11640288
COFRAN RECHERCHE SARL	COFRAN SINTOFLUID	G-34494		C-4 Only	ATF	72	C4-28483700
COGNIS CORPORATION	EMGARD 2803 SYNTHETIC DEXRON-III/MERCON FLUID			C-4 Only	30	8	C4-27683598
COMPANHIA BRASILEIRA DE PETROL	ULTRAMO TURBO CT SAE 30		CF2/SH		30	6,8,11	C4-21502986
COMPANIA GENERAL DE LUBRICANTE	EXXOLUBE XD-3 20		CF2/SH		30	1,2,4,5,8,7,8,11	C4-28533388
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SAE 10W			C-4 Only	10W	1,2,4,5,8,7,8,11	C4-28533388
CONOCO INC.	POWERDRIVE 44 SAE 10W			C-4 Only	10W	1,8	C4-17621292
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SAE 30			C-4 Only	30	1,2,4,5,8,7,8,11	C4-28643388
CONOCO INC.	POWERDRIVE 44 SAE 30			C-4 Only	30	1,8	C4-17481282
CONOCO INC.	FLEET HD MOTOR OIL SAE 10W		CF		10W	1,2	C4-23022806
CONOCO INC.	FLEET HD MOTOR OIL SAE 15W-40		CF/SH		15W-40	1,2	C4-22602598
CONOCO INC.	HD FLEET SUPREME ENGINE OIL SAE 15W-40		CF4/SH		15W-40	1,2,8	C4-21082288
CONOCO INC.	FLEET HD MOTOR OIL SAE 30		CF4/SH		30	1,2	C4-22622598
CONOCO INC.	CONOCO HYDROCLEAR DEXRON III/MERCON ATF	F-30728			ATF	1,2,8,11	C4-24852887
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30118			ATF	1	C4-22142488
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30456			ATF	1,2	C4-22662598
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30578			ATF	1,2	C4-22732598
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30168			ATF	1,2,8	C4-18741884
CONOCO INC.	HYDROCLEAR DEXRON III / MERCON ATF	F-30371			ATF	1,2,8	C4-24802987
CONOCO INC.	HYDROCLEAR MERCON V / DEXRON III ATF	G-34078			ATF	1,2	C4-29048698

**"Pour on the Productivity"**

Ask your nearest Allison distributor or dealer about TransSyndin Synthetic Automatic Transmission Fluid



**CITGO QuatraSyn™ Synthetic  
Transmission Fluid**



**What Is It?**

- QuatraSyn™ Synthetic Transmission Fluid is engineered with a proprietary combination of synthetic base stocks and additives. This synergistic combination of components is designed to work in harmony with the transmission components while offering the very best in fluid life and performance.



 **QuatraSyn™ Qualities**

- Extended drain and filter change intervals resulting in reduced oil cost.
- Outstanding low temperature performance
- Excellent thermal and oxidation stability
- Contains No Viscosity Modifiers resulting in high shear stability
- Outstanding hydrolytic stability
- Unique formulation offers low traction coefficients which can result in increased fuel economy



 **Applications**

- QuatraSyn™ Synthetic Transmission Fluid is designed for use in:
  - School Buses and Vans
  - Refuse Fleets
  - Commercial Trucks and Vehicles
  - Motor Homes
  - Emergency Vehicles
  - On/Off Highway Vehicles
  - Inter/IntraCity Buses
  - Light Duty Pickup Trucks and Passenger Cars





 **QuatraSyn™ Synthetic Transmission Fluid**

QuatraSyn™ meets the performance requirements of:

- GM Vehicles calling for Dexron III
- Ford Vehicles calling for Mercon
- Ford Vehicles calling for Mercon V
- Allison C-4
- Allison TES 295
- VOITH, DIWA Transmission Service Bulletin #0130



*Mystik*

 **Synthetic Lubricants Warranty**

**SYNTHETIC LUBRICANTS WARRANTY**

CITGO Petroleum Corporation guarantees that its Synthetic Lubricants meet the performance requirements of the equipment for which they are recommended. CITGO Petroleum Corporation further warrants that its Synthetic Lubricants meet the standards and specifications set forth on the product packaging and Product Information Sheets. In the event that the Synthetic Lubricants fail to conform with this warranty, CITGO shall be responsible for the reasonable costs of repairs for all damages to equipment in which it was used, which are directly caused by such failure. It is expressly agreed that CITGO is not responsible for any indirect or consequential damages.

In order to claim under this Warranty you will be required to submit a sample of the Synthetic Lubricant from the failed equipment to CITGO as well as records showing that the equipment has been maintained in a preventative maintenance program which meets the equipment manufacturer's recommendations, and that the Synthetic Lubricant was used in accordance with the operating instructions of the manufacturer of the equipment or vehicle. CITGO reserves the right to examine the failed equipment parts. Call 800-248-4GMW if you have an equipment problem.

Customer Name: \_\_\_\_\_

City/State: \_\_\_\_\_

  
*Paul Rudolph*  
General Manager, Lubricants Marketing      Date: \_\_\_\_\_

*Mystik*



### QuatraSyn™ Synthetic Transmission Fluid

QuatraSyn™ ATF QFM 168-985 Fluid		
Viscosity		
cSt @ 100°C	7.3	7.27
cSt @ 40°C	38.31	38.83
Viscosity Index	171	168
Pour Point, °C	<-68	-65
Brookfield cP @ -40°C	8200	8180
CCS, cP @ -30°C	2260	2510
Noack Volatility, % Loss	0.5	11.1
4-Ball Wear, mm at 40KG	0.48	0.5
Oxidation Stability RPVOT, min.	1861	1094
Sulfated Ash, %	0.01	0.1
Total Base Number	1.85	1.87
Total Acid Number	1.03	1.29
Shear Stability		
KRL Shear, CEC L-45-20, % Loss	3.04	5.32
HT/HS, Viscosity @ 150°C	2.68	2.57

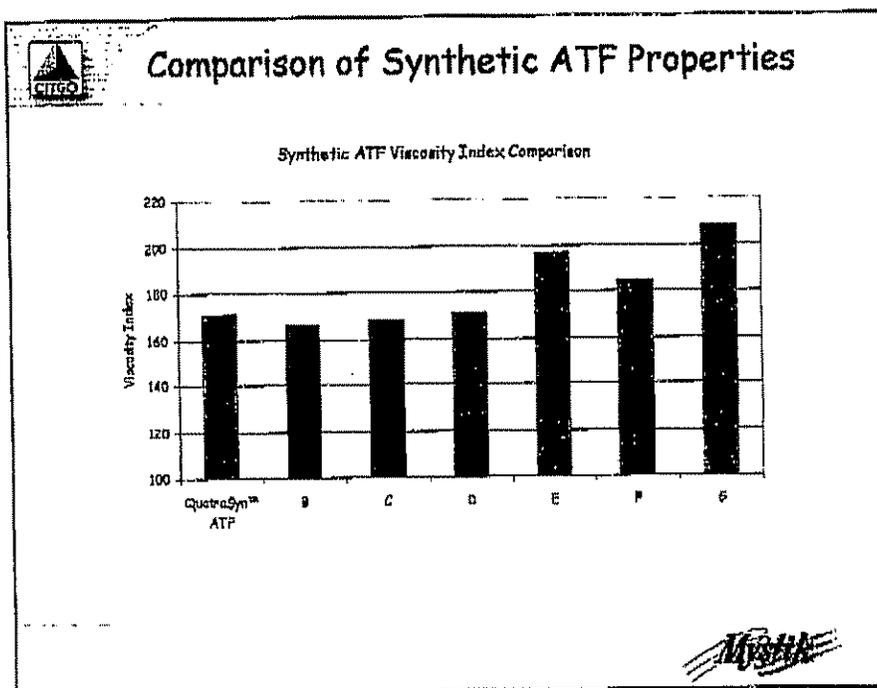
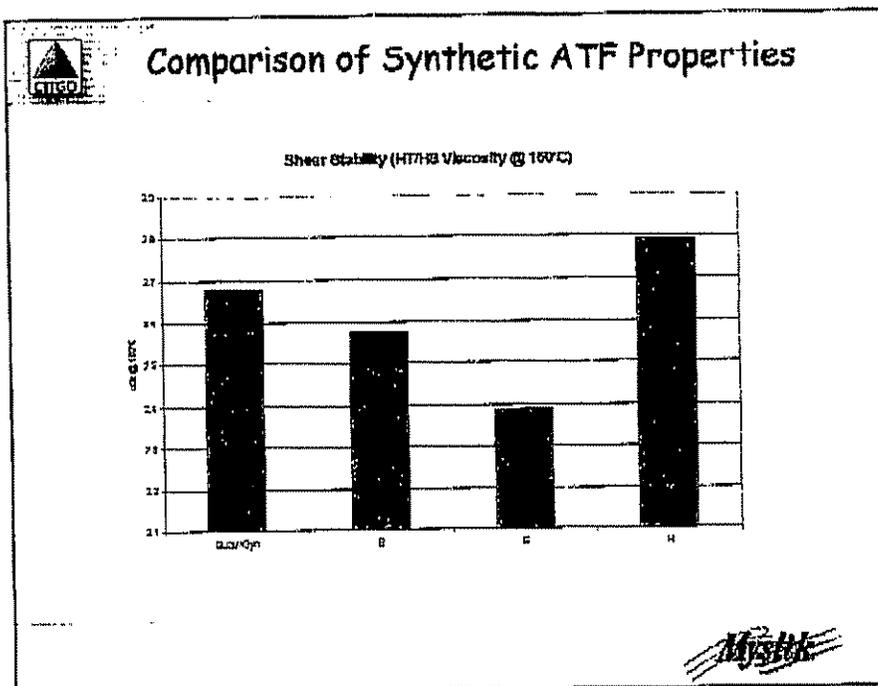
\*\*\*CEM TES-286 Fluid Purchased at Local Swiss Allison Dealer

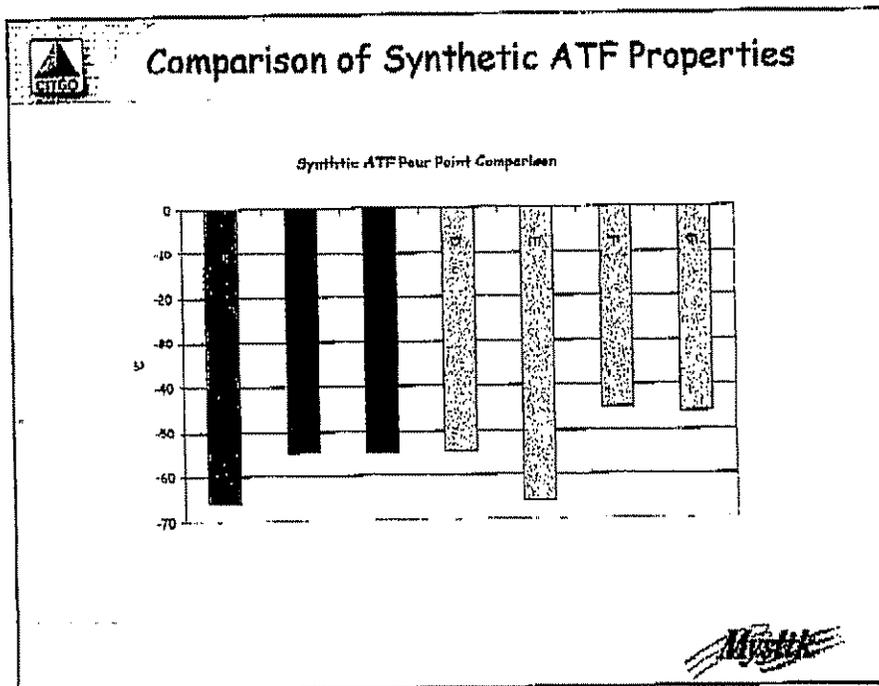
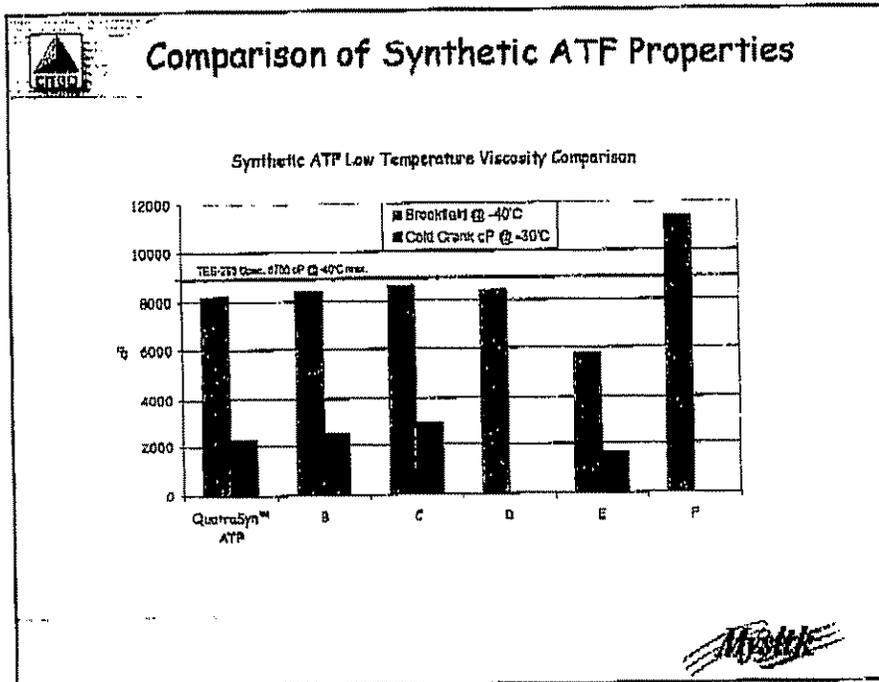


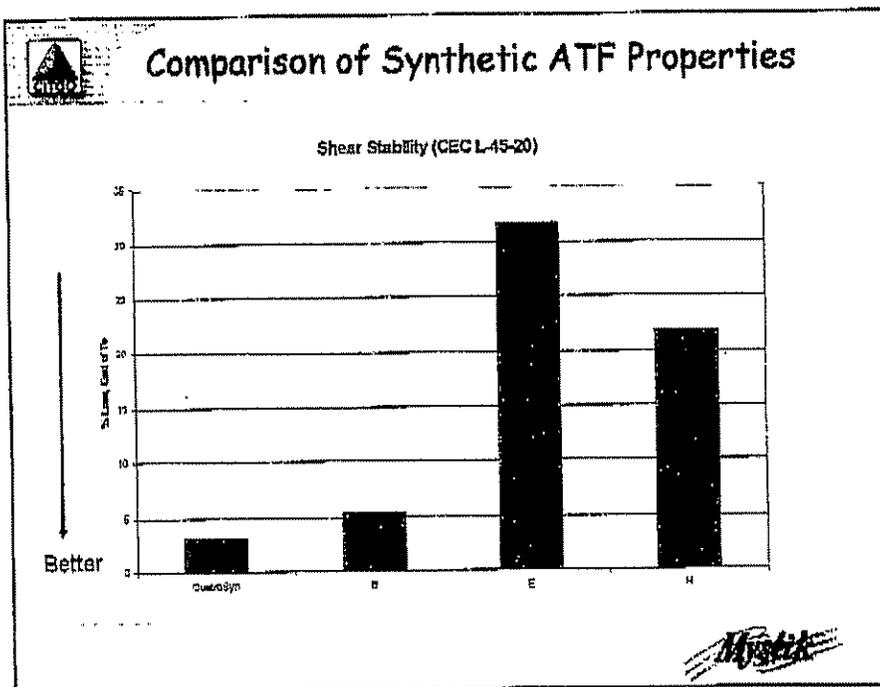
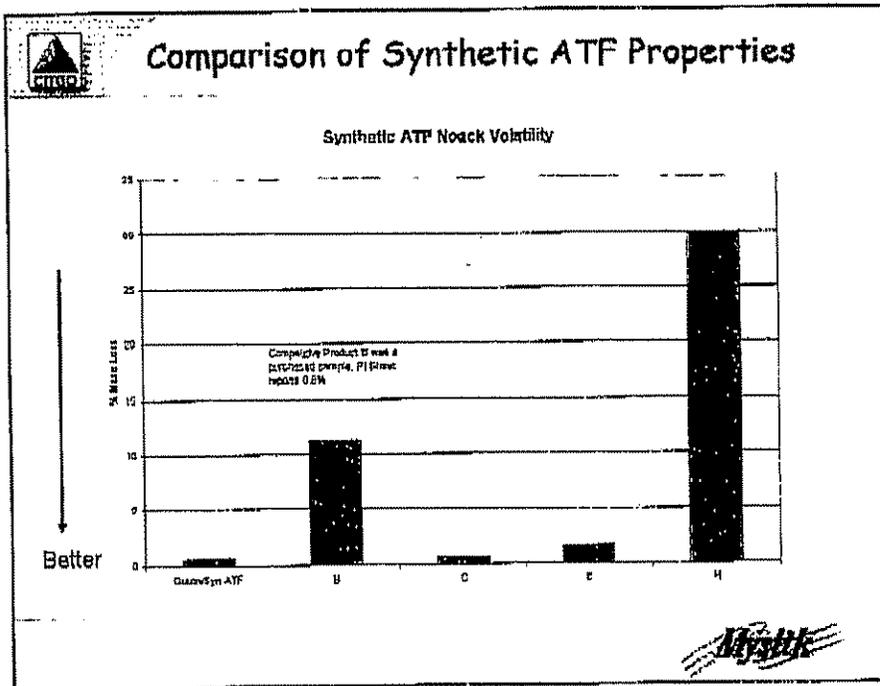

### Comparison of ATF Properties

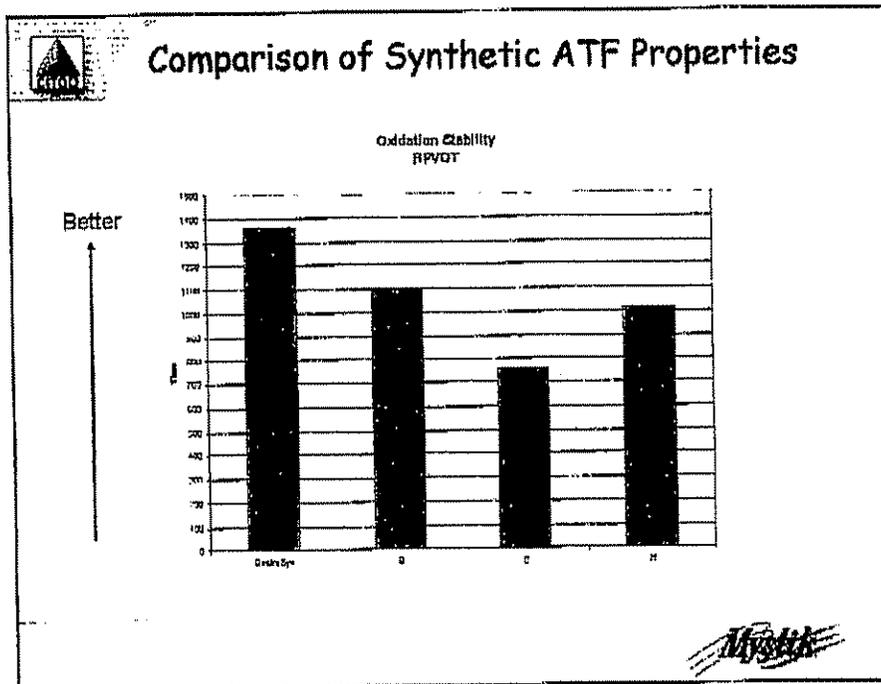
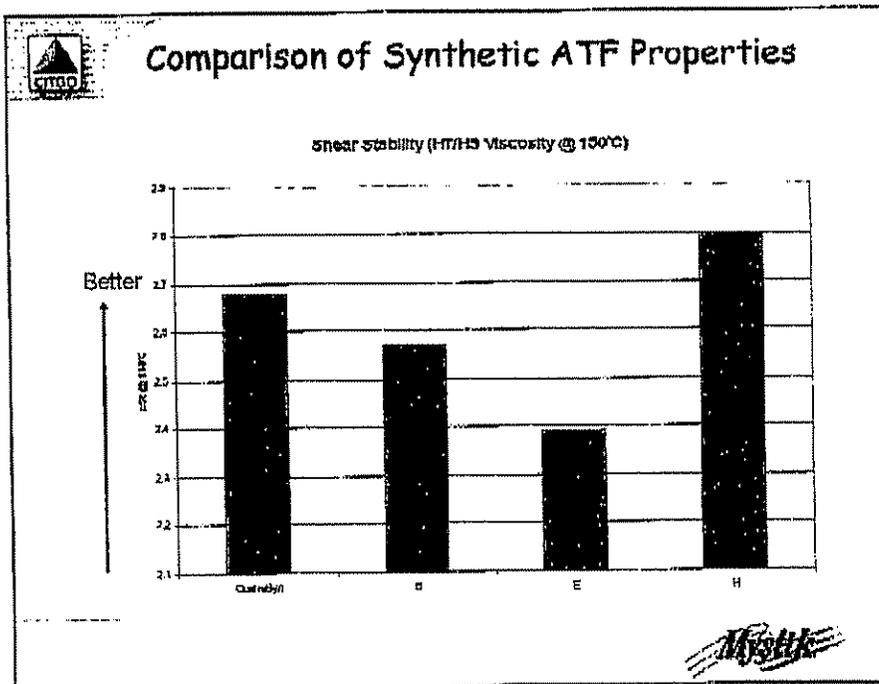
	QuatraSyn	OEM TES-286 Code B	Leading Synthetic ATF Code E	Leading Semi-Syn Mercon V Code H
Viscosity				
cSt @ 100°C	7.25	7.27	7.85	8.03
cSt @ 40°C	36.31	36.83	36.16	35.64
Viscosity Index	161	166	197	209
Pour Point °C	<-66	-65	<-66	-48
Brookfield, cP @ -40°C	8200	8190	8720	9785
CCS, cP @ -30°C	2260	2510	1620	N.D.
Noack Volatility, % Loss	0.5	11.1	1.6	29.7
4-Ball Wear, mm at 40kg	0.48	0.5	0.48	0.61
Oxidation Stability RPVOT, min.	1864	1094	757	1016
Shear Stability				
KRL Shear, CEC L-45-20, % Loss	3.04	5.32	31.77	21.84
HT/HS, Viscosity @ 150°C	2.68	2.57	2.39	2.79











**Cummins Inc.**  
Box 3005  
Columbus, Indiana  
47202-3005



December 20, 2002

David Clark  
CITGO Petroleum Corporation  
P.O. Box 3758  
Tulsa, Oklahoma 74102

Dear David,

**CONFORMANCE TO CES 20074 ENGINE OIL SPECIFICATION**

Results from tests according to CES 20074 have been presented to Cummins. In view of the results I would like to give the following comments.

The results have been found to be within the CES 20074 limits and hence oils formulated as stated in your request can be labeled as conformance to CES 20074.

The oils shall be used per the ambient temperature and SAE grade guidelines in the engine specific Operation and Maintenance (O & M) manual, as well as, in any Cummins service documents.

Please notify Cummins Inc. if the formulation of this product changes.

Brand Name: CITGARD NATURAL GAS 15W40  
SAE Grade: 15W40

I hope this information will be of assistance to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Warren A. Totten'.

Warren A. Totten  
Fuels and Lubricants

**DISCLAIMER:** Product registration means the manufacturer or marketer has faithfully collected information pertinent to the requirements of the specification, and with the full intention to conform to the specification. However, it is still the responsibility of the manufacturer or marketer to ensure satisfactory performance of its products in all aspects at all times. Registration for CES 20074 does not waive product liability of the manufacturer or marketer. Cummins does not warrant the performance of non-Cummins products, registered or not.

Phone: 812-377-6000  
Facsimile: 812-377-3334

Revision Date: February 25, 2002

**DETROIT DIESEL**

A DaimlerChrysler Company



Friday, June 20, 2003

Mr. David Clark  
CITGO  
4500 S. 129<sup>th</sup> E. Ave.  
Tulsa, OK 74134

Dear Mr. Clark:

Subject: Applicability of Citgard Natural Gas SAE 15W-40 Engine Oil In  
DDC Series 50G and S60G Engines

Thank you for providing information about the Citgard Natural Gas SAE 15W-40 Engine Oil product for use in natural gas fueled engines. Based upon the information provided, this engine oil has been formulated with OLOA 1255Z. Field testing with this additive technology in DDC engines has shown it to perform similarly to OLOA 1255, therefore oils formulated with OLOA 1255Z at 10.81 % mass treat rate in Group I and II base stocks with a non-dispersant viscosity Index improver are acceptable for use in DDC Series 50G and Series 60G engines.

Thank you for providing the documentation for my review. Please contact me at 313-592-5970 should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Mesfin Belay".

Mesfin Belay  
Fuels and Lubricants

cc:  
T. Bistue  
D. Karineami  
G. Lysinger  
J. Reinhart  
J. Zhu

Detroit Diesel Corporation 13400 Outer Drive, West / Detroit, Michigan 48239-4001 / Telephone: 313-592-5000

DaimlerChrysler Powersystems



**DETROIT DIESEL**  
CORPORATION



April 26, 2000

Mr. Richard J. Patrick  
Product Specialist  
Citgo Petroleum  
P.O. Box 3758  
Tulsa, OK 74102-3758

Dear Dick

Subject: Citgo Pacemaker 1615 15W-40 for Detroit Diesel Corp. Series 50G engines

In response to your inquiry regarding the engine oil requirements for DDC Series 50G natural gas fueled engines and the possible use of Citgo Pacemaker 1615 15W-40. Since no industry performance category exists for identification of the proper engine oils for these engines DDC has adopted a list of recommended oils based on field experience and their performance in the engine during product development.

To accommodate the needs of transit customers other oils have been identified which use identical additive technology. Therefore oils formulated with OLOA 1255 at a 10.1% mass treatment rate have been accepted as alternates to the recommended products listed in DDC publication 7SE272. I have received written communication that Citgo Pacemaker 1615 15W-40 is formulated with OLOA 1255 at the prescribed treatment rate. Based upon this information, Pacemaker 1615 can be recommended for this service. I have recommended that customers confirm the chemical profile as:

Calcium - 1200 ppm, Phosphorous - 280ppm, Zinc - 303 ppm, and TBN (D2896) - 5.1.

Should this information be inaccurate, please notify me as soon as possible. If you have any further comments or questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Danny E. Larkin".

Danny E. Larkin  
Fuels and Lubricants

cc:

World Headquarters - 13400 Outer Drive West / Detroit Michigan 48239-4001 / Telephone 313-592-5000



# P R O D U C T I N F O R M A T I O N

## CITGO CITGARD® NATURAL GAS 15W40 ENGINE OIL



Date 02/04

- DESCRIPTION:** CITGARD® Natural Gas 15W40 Engine Oil is specially formulated for compressed natural gas (CNG) engines in transit operation. It is available as an SAE 15W-40 viscosity grade. Building on CITGO's long heritage of outstanding gas engine oils for stationary applications, CITGARD® NATURAL GAS 15W40 ENGINE OIL provides the protection needed in today's demanding mobile CNG applications.
- QUALITIES:** CITGARD® Natural Gas 15W40 Engine Oil is formulated with base stocks specially selected for compressed natural gas operation, proven additives and a shear stable VI improver. This unique combination provides protection against deposits in the higher temperature natural gas combustion chamber. Liner and tappet wear protection far exceed original equipment manufacturers requirements. CITGO's combination of components provides excellent cold pumpability, foam protection, exceptional oxidation and nitration control, overall engine cleanliness, and reduced oil consumption.
- APPLICATIONS:** CITGARD® Natural Gas 15W40 Engine Oil exceeds the requirements for Cummins Engine Company CES 20074 and is recommended for Cummins L-10, "B" and "C" series CNG engines. CITGARD® NATURAL GAS 15W40 ENGINE OIL is recommended for applications of Detroit Diesel included in their 79E272 publication, including Series 50G and 60G natural gas engines. Mack Trucks and John Deere also call for this quality of oil in their natural gas fueled engines. CITGARD® NATURAL GAS 15W40 ENGINE OIL is also suitable for use with other gaseous fuels such as liquefied natural gas and LPG. Always consult your owner's manual for correct oil recommendations.

### TYPICAL PROPERTIES:

#### CITGARD® NATURAL GAS 15W40 ENGINE OIL

SAE Grade	15W-40
Material Code	632015001
API Service Category	CD
Gravity, ASTM D 4052, °API	29.5
Pounds Per Gallon	7.3
Flash Point, ASTM D92, °F, (°C)	437, (225)
Viscosity ASTM D445, cSt at 40°C	124
cSt at 100°C	15
Viscosity Index, ASTM D2270	125
Pour Point, ASTM D97, °F, (°C)	-17, (-27)
Sulfated Ash, ASTM D 872, %	0.56
Total Base Number, ASTM D2896	5.3

CITGO Petroleum Corporation • 800/248-4684 • Houston, Texas • Made In USA  
C10128

**TYPICAL PROPERTIES:**

**CITGO PACEMAKER® GAS ENGINE OIL 1600 SERIES**

	1615	1630	1640	1640LP
<b>Product Name</b>	1615	1630	1640	1640LP
<b>SAE Grade</b>	15W-40	30	40	40
<b>Material Code</b>	632047001	632045001	632046001	632048001
<b>Gravity, ASTM D 4052, °API</b>	29	29	28	28
<b>Pounds Per Gallon</b>	7.35	7.36	7.4	7.4
<b>Flash Point, COC, ASTM D 92, °F (°C)</b>	440 (227)	466 (241)	473 (245)	480 (249)
<b>Fire Point, COC, ASTM D 92, °F (°C)</b>	512 (267)	509 (265)	650 (288)	552 (289)
<b>Viscosity, ASTM D 445, cSt at 40°C</b>	115	92	130	132
<b>cSt at 100°C</b>	19.7	10.9	13.4	13.6
<b>ASTM D 2161, SUS at 100°F</b>	570	500	680	692
<b>SUS at 210°F</b>	74	63	73	74
<b>Viscosity Index, ASTM D 2270</b>	123	97	97	98
<b>Pour Point, ASTM D 97, °F (°C)</b>	-27 (-33)	-16 (-27)	5 (-15)	-16 (-27)
<b>Color, ASTM D 1500</b>	8.0	8.0	8.0	8.0
<b>Carbon Residue, % (base stock)</b>	0.02	0.02	0.02	0.02
<b>Sulfated Ash, ASTM D 874, m%</b>	0.45	0.45	0.45	0.45
<b>Total Base No., ASTM D 2896</b>	5.4	5.4	5.4	5.4
<b>Phosphorous, ppm</b>	280	280	280	280

# P R O D U C T I N F O R M A T I O N

## CITGO PACEMAKER® GAS ENGINE OIL 1600 SERIES



Date 02/04

**DESCRIPTION:** CITGO Pacemaker® Gas Engine Oil 1600 Series oils are superior low ash, low phosphorus gas engine oils with a balanced advanced additive package to meet API CD quality performance and non-selective catalytic converter requirements. These new generation oils deliver a superior level of cleanliness — with excellent wear protection with a low ash formula that complies with manufacturers' warranties.

Formulated with the latest generation additives and highest quality base stocks available, CITGO Pacemaker® Gas Engine Oil 1600 Series oils are unsurpassed in performance.

- QUALITIES:**
- Contain special dispersants and detergents to insure a cleaner, longer running engine.
  - Control deposits and minimize wear of pistons, rings, and liners.
  - Retain TBN to neutralize combustion acids from sour gas.
  - Effectively control oxidation and nitration which create sludge that thickens the oil, plugs filters and causes excessive foaming.
  - Minimize valve recession to provide longer head life.

**APPLICATIONS:** CITGO Pacemaker® Gas Engine Oil 1600 Series oils are low ash oils suitable for a wide range of engines operating on virtually any variation of natural or synthetic gas, gas from digester or landfill sources or fuels containing low levels of sulfur and chlorofluorocarbons (CFC). **Note:** In high CFC/sour gas applications, an oil with a higher base reserve may be required.

These oils are recommended for high and medium speed 4-cycle engines manufactured by Caterpillar, Waukesha, Superior, Cooper-Bessemer, Cummins, Dresser-Rand (Categories I, II and III), as well as low-speed engines manufactured by Cooper-Bessemer and Worthington D4-Cycle.

CITGO Pacemaker® Gas Engine Oil 1640LP is a specialty formulated SAE 40 grade product that exhibits superior low temperature properties, compared with other monograde oils. This low pour product is particularly well suited for applications where improved low temperature fluidity is needed, but a monograde oil is recommended by the engine manufacturer.

- CUSTOMER BENEFITS:**
- Cleaner pistons
  - Minimum oil viscosity increase
  - Low wear
  - Improved TBN retention
  - Catalyst compatible
  - Clean crankcases and top decks
  - Reduced valve recession

CITGO Petroleum Corporation • 800/248-4684 • Houston, Texas • Made In USA  
C10071

**TYPICAL PROPERTIES:****CITGO QuatraSyn Synthetic ATF**

---

Material Code	632493001
Gravity, ASTM D 237, °API	37.1
Specific Gravity, D 4052	0.839
Pounds per Gallon	6.99
Flash Point ASTM D 92, °F (°C)	492 (222)
Viscosity ASTM D 445,	
cSt at 100°C	7.25
cSt at 40°C	36.48
Viscosity Index	171
Brookfield Viscosity ASTM D-2983	
cP at -40°C	8,200
cP at -20°C	1,025
Pour Point ASTM D-97, °F (°C)	<-87 (<-66)
Total Acid Number, ASTM D 864, mg KOH/gm	1.03
4-Ball Wear, ASTM D-2266	0.48
40kg, 1200 rpm, 1 hour,	
Cold Cranking Simulator, ASTM D 5293, cP at -30°C	2260

# PRODUCT INFORMATION



## CITGO QuatraSyn Transmission Fluid

Date 07/04

**DESCRIPTION:** CITGO's QuatraSyn Synthetic Transmission Fluid is the next generation in automatic transmission fluids. QuatraSyn is engineered to offer extended service intervals and remain stable under extremely severe operating conditions.

**QUALITIES:** CITGO's QuatraSyn Synthetic Transmission Fluid is engineered with a proprietary combination of synthetic base stocks and additives. This synergistic combination of components is designed to work in harmony with the transmission components while offering the very best in fluid life and performance. CITGO's QuatraSyn Synthetic Transmission Fluid provides:

- Extended drain and filter change intervals resulting in reduced oil disposal cost.
- Outstanding low temperature performance.
- Excellent thermal and oxidation stability resulting in better transmission performance through a reduction in sludge and deposit formation.
- QuatraSyn contains NO viscosity modifiers, resulting in high shear stability.
- QuatraSyn unique formulation offers low traction coefficients which can result in increased fuel economy.

**APPLICATIONS:** CITGO's QuatraSyn Synthetic Transmission Fluid is intended for use in the following universal powershift and automatic transmission applications:

- School Buses and Vans
- Refuse Fleets
- Commercial Trucks and Vehicles
- Motorhomes
- Emergency Vehicles
- On/Off-Highway Vehicles
- Inter/Intracity Buses
- Light Duty Pickup Trucks and Passenger Cars

CITGO's QuatraSyn Synthetic Transmission Fluid meets the OEM requirements for most domestic transmissions and is recommended for use in applications which call for the products meeting the following specifications:

Allison TE8 285  
Voith Transmissions

Allison C-4  
ZF Transmissions

QuatraSyn is recommended for use in all GM and Ford Transmissions except those calling for Ford SP-1, Ford Type F and all CVT Fluids.



*Mystik*

Sunday, October 03, 2004

To: Al DeNurra-AC Transit

Reference: CITGO Product Data for AC Transit Bid

You requested additional data on CITGO products bid by Western States Oil Company.

1. TS-1 Automatic Transmission Fluid, Mineral Base:
  - a. GM Lic. # G34059
  - b. Voith approval number-based on GM Lic. #G34059 (See Attached Voith Service Bulletin #0130
  - c. Allison C-4 Approval-C4-29903800
2. TS-3 Replacement-Synthetic Automatic Transmission Fluid
  - a. QuatraSyn-See attached data
  - b. Equivalent to or exceeds Allison TES-295 requirements
3. TS-5 Cummins Heavy Duty Natural Gas/LPG Engine Oil 15W-40 Specifications-See attached approval letters

Specifications	Pacemaker 1615	Citgard Natural Gas Engine Oil 15W-40
Sulfated Ash	.45	.55
TBN	5.4	5.2
TAN	.5	.8
Phosphorus	270	702
Zinc	330	778
Calcium	1300	1200
Copper Corrosion	NA	1A
Lead Increase	NA	<50
Tin Increase	NA	<20

See attached Product Information Sheets on the above CITGO products.

  
 Roger Littlejohn  
 Technical Services Manager  
 CITGO Petroleum

QPL-5606-31

CAGE CODE	MANUFACTURER'S DESIGNATION	TEST OR QUALIFICATION REFERENCE	MANUFACTURER'S NAME AND ADDRESS
8Y842	Technolube FB003	MLB 01-04 16 Jul 01	Lubricating Specialties Company Technolube Products Division 8015 Paramount Blvd Pico Rivera, CA 90660-4888  <i>Plant:</i> 3365 E. Slauson Ave. Vernon, CA 90058
F4101	Hydraunycoil FH 51	MLB 01-06 26 Sep 01	Nyco SA 66, Avenue Des Champs-Elysees 51, Rue de Ponthieu 75008 Paris France  <i>Plant:</i> Societe Touraisienne de Produits Chimiques Z.I. de Tournai Ouest Rue de l'Ancienne Potence, 22 7503 Tournai Belgium
0HDS4	Petronomics Plus	MLB 02-27 4 Sep 02	<i>Distributed by:</i>  Petronomics Mfg. Group, Inc. P.O. Box 644 Hutchison, KS 67504-0644
07950	Royco 756	MLB 02-12 6 Mar 02	Royal Lubricants, Inc. P.O. Box 518 215 Merry Lane East Hanover NJ 07936-3920
3AD00	SENT-5606	MLB 00-10 3 Jan 01	Sentinel Canada Div SLC/LCLS 7300 Rue St-Jacques Montreal, Quebec H4B 1W1 Canada

CAGE CODE	MANUFACTURER'S DESIGNATION	TEST OR QUALIFICATION REFERENCE	MANUFACTURER'S NAME AND ADDRESS
KA832	AeroShell Fluid 41	MLB 02-19 29 May 02	<i>Distributed by:</i> Shell Aviation Ltd. Shell Centre York Road London SE1 7NA United Kingdom

ExxonMobil Lubricants &  
Petroleum Specialties  
255 27th Avenue  
San Francisco, California 94121  
(415) 752-2439  
john.a.ragunas@exxonmobil.com

John A. Ragunas  
Northern California Territory Manager  
Commercial Vehicle Lubricants



September 30, 2004

Mr. Al DeNurra, Senior Buyer  
Alameda - Contra Costa Transit District  
10626 International Boulevard  
Oakland, California 94603

**SUBJECT: Lubrication Products, Contract Proposal No. 2004-879RTCC**

Dear Mr. DeNurra:

Tom Lopes Distributing Co. (dba Western States Oil), a local ExxonMobil lubricants and petroleum specialties distributor, has forwarded to me your request for product information to support their recent bid proposal. The following is provided in response to that request:

**TS-2, Synthetic Automatic Transmission Fluid**

Mobil 1 Synthetic ATF has undergone industry testing and has obtained the following OEM approvals:

- GM Dexron III: G-34036
- Voith: G34036
- Allison C-4: C4-18921793

**TS-4, Heavy Duty Diesel Engine Oils**

Exxon XD-3 30 and Exxon XD-3 40 have been tested in accordance with applicable ASTM and SAE procedures, and demonstrate the following properties:

- Alkalinity (ASTM D2896): 7.3
- Zinc: 1410 ppm
- Phosphorus: 1280 ppm

**TS-7, Aviation Hydraulic Fluid**

Please refer to the attached Qualified Products List (QPL) 5606-31 issued by the Air Force Materiel Command. U.S Military Specification MIL-H-5606G was declared "Inactive for New Design" in March 1996 and has been superseded by U.S. Military Specification MIL-PRF-5606. Mobil Aero HF meets both U.S. Military Specifications, MIL-H-5606G and MIL-PRF-5606 (Reference MLB 02-22).

Sincerely,

John A. Ragunas

QUALIFICATIONS CERTIFIED  
September 2002

QPL-5606-31  
6 September 2002  
SUPERSEDING  
QPL-5606-30  
29 March 1996

**QUALIFIED PRODUCTS LIST**  
**OF**  
**PRODUCTS QUALIFIED UNDER SPECIFICATION**  
**MIL-PRF-5606**  
**HYDRAULIC FLUID, PETROLEUM BASE,**  
**AIRCRAFT, MISSILE, AND ORDNANCE**

*Effective 29 March 1996, MIL-H-5606G has been declared "Inactive for New Design."  
This QPL is applicable on all acquisitions to which MIL-H-5606 or MIL-PRF-5606 is  
applied, other than for use in new designs.*

This list has been prepared for use by or for the Government in the acquisition of products covered by the subject specification. Such listing of a product is not intended to, and does not, connote endorsement of the product by the Department of Defense. All products listed herein have been qualified under the requirements for the product as specified in the latest effective issue of the applicable specification. The list is subject to change without notice; revision or amendment of this list will be issued as necessary. The listing of a product does not release the contractor from compliance with the specification requirements. Products are qualified for five years from the qualification approval date.

THE ACTIVITY RESPONSIBLE FOR THIS QUALIFIED PRODUCTS LIST IS THE AIR FORCE MATERIEL COMMAND, ASC/ENOI, BLDG 560, 2530 LOOP ROAD WEST, WRIGHT-PATTERSON AFB OH 45433-7101. THE ACTIVITY RESPONSIBLE FOR QUALIFICATION APPROVAL IS AFRL/MLBT, BLDG 654, 2941 P STREET, WRIGHT-PATTERSON AFB OH 45432-7750.

AMSC N/A

FSC 9150

DISTRIBUTION STATEMENT A. Approved for public release; distribution is unlimited.

QPL-5606-31

CAGE CODE	MANUFACTURER'S DESIGNATION	TEST OR QUALIFICATION REFERENCE	MANUFACTURER'S NAME AND ADDRESS
0JWS4	Arpolube 5606	MLB 02-27 4 Sept 02	<p><i>Distributed by:</i></p> <p>Arpol Petroleum Company 2275 Tucker Industrial Rd. Tucker, GA 30084</p>
98308	Brayco Micronic 756	MLB 02-15 21 Mar 02	<p>Castrol Industrial North America Endurance Technology 1001 West 31<sup>st</sup> Street Downers Grove, IL 60515</p> <p><i>Plant:</i></p> <p>5511 District Blvd. Los Angeles, CA 90040</p>
04BH0	<p>Chevron Aviation Hydraulic Fluid G</p> <p>Texaco Aircraft Hydraulic Oil 5606G</p>	<p>MLB 01-08 5 Oct 01</p> <p>MLB 01-08 5 Oct 01</p>	<p><i>Distributed by:</i></p> <p>ChevronTexaco Global Lubricants 6101 Bollinger Canyon Rd., T3066 San Ramon, CA 94583</p>
1PWD8	Invarol FJ 13	MLB 99-02 15 Jun 99	<p>ESSO Saf 2, rue des Martinets 92569 Rueil-Malmaison Cedex, France</p> <p><i>Plant:</i></p> <p>ESSO Raffinage S.A.F. Usines Lubrifiants de Port-Jerome/Gravenchon BP70 Notre-Dame-de-Gravenchon 76330 France</p> <p><i>Distributed by:</i></p> <p>Exxon Mobil Corp. 3225 Gallows Rd. Fairfax, VA 22037</p>
1PWD8	Mobil Aero HF	MLB 02-22 6 Aug 02	<p><i>Distributed by:</i></p> <p>Exxon Mobil Corporation 3225 Gallows Road Fairfax, VA 22037</p>

## Al DeNurra

---

To: john.a.ragunas@exxonmobil.com  
Subject: RE: Santa Cruz & Golden Gate Transit

John: My office is working on their behalf. Our Technical Services Dept. will advise if the products meet the IFB's spec. The other agencies will award their own contracts.

FYI  
Lloyd Longnecker Santa Cruz Metropolitan Transit 831 426-0199  
Yvonne Pierce Golden Gate Transit 415 257-4481

Regards,  
Al

-----Original Message-----

From: john.a.ragunas@exxonmobil.com  
[mailto:john.a.ragunas@exxonmobil.com]  
Sent: Friday, October 01, 2004 11:39 AM  
To: adenurra@actransit.org  
Subject: Santa Cruz & Golden Gate Transit

Al: Can you provide contacts for these two bids? Is your office working the due diligence on their behalf, or are they handling directly?

Thank you.

John A. Ragunas  
CVL Territory Manager, Northern California  
ExxonMobil Lubricants & Petroleum Specialties Company

255 27th Avenue  
San Francisco, CA 94121  
(415) 752-2439 office  
(415) 359-3755 cell

## Al DeNurra

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CVL Territory Manager, Northern California  
ExxonMobil Lubricants & Petroleum Specialties Company

255 27th Avenue  
San Francisco, CA 94121  
(415) 752-2439 office  
(415) 359-3755 cell

TRANSMISSION VERIFICATION REPORT

TIME : 08/09/2004 03:25  
NAME :  
FAX :  
TEL :  
SER.# : BROK2J718039

DATE, TIME	08/09 03:25
FAX NO./NAME	916505933672
DURATION	00:00:21
PAGE(S)	01
RESULT	OK
MODE	STANDARD ECM

Aug-09-04 10:17A BERNARD HODES GROUP

65059332122

P.01



TO: AID.  
Fr: Leslie L ad for approval.

Prepared For: Al Denurra  
AC Transit  
FAX: 510 577-8839

From: Leslie Lafond  
Email: llafond@pa.hodes.com  
Phone: 650-264-1130  
FAX: 650-593-3672

## Invitation for Bids (IFB) 2004-879RTCC Alameda-Contra Costa Transit District

---

Media: Oakland Tribune  
Run Date(s): 8/17/2004  
Estimate: \$729.84  
Ad type/IO: Incolumn/46582  
Key: Legal

Alameda-Contra Costa Transit District of California, on behalf of the Regional Transit Coordinating Council Procurement Committee (RTCC), is requesting fixed bids for the purchase of Lubrication Products. IFB 2004-879RTCC will be available on or after August 17th, 2004 at this web address:

---

Please reply with changes/final approval  
by 3 pm.

12

<http://www.actransit.org/purchasing/acpronet/index.wu4?action=viewprocs>.

Select the procurement you are interested in. You must have Adobe Acrobat Reader to view the file. If an



TO: Al D.  
Fr: Leslie L ad for approval

Prepared For: Al Denurra  
AC Transit  
FAX: 510 577-8839

From: Leslie Lafond  
Email: llafond@pa.hodes.com  
Phone: 650-264-1130  
FAX: 650-593-3672

### Invitation for Bids (IFB) 2004-879RTCC Alameda-Contra Costa Transit District

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Media: Oakland Tribune  
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Estimate: \$729.84  
Ad type/IO: Incolumn/46582  
Key: Legal

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Please reply with changes/final approval by 3 pm.  
12

<http://www.actransit.org/purchasing/acpronet/index.wu4?action=viewprocs>

Select the procurement you are interested in. You must have Adobe Acrobat Reader to view the file. If an addendum has been issued, you must be a registered ASC Pronet User to download it. If you are not a registered user, request an Online Purchasing Vendor Account. A fixed price bid must be received on or before 2:00pm on Septemeber 28, 2004, by Al DeNurra, Senior Buyer, AC Transit, 10626 International Blvd., Oakland, CA 94603. Phone: 510-577-8809.

TO: Leslie

OK

Thanks  
AL D.

510 577-8809

## Al DeNurra

---

**From:** webmaster@actransit.org  
**Sent:** Monday, August 09, 2004 4:52 PM  
**To:** adenurra@actransit.org  
**Subject:** Procurement Vendor Contact Info

adenurra@actransit.org  
Message-Id: <20040809155115.SM01280@mizar2>

Information regarding your procurement, "Lubrication Products Invitation for Bid" was sent to the following vendors:

Amtecol, Inc.  
Peter Nguyen, Sales Manager  
5102081888, 5106270001, petern@amtecol.com

BC stocking Distributing  
Chris Jones, General Manager  
8008085823, 7074552921, chris@bcstocking.com

bcstocking  
Brett Leggitt, General Manager  
5102154191, 5102154194, leggittb@scoil.com

First Automotive Dist.  
George Macchia, Vice President  
6502449400, 6502449370, jmsmgm@aol.com

Melrose Ford, Inc.  
Dan Durigan, Fleet Manager  
5105348520, 5105339490, fairwind@pacbell.net

Morris Material Handling  
Ron Heemskerk, Service Inspection Sales  
5103524720, 5103523424, rheemskerk@morriscranes.com

San Francisco Petroleum  
Linda Meza, Territory Manager  
4156215226, 4155523836, lindasfp@yahoo.com

vehicle maintenance program, inc  
Penny Brooks, President  
5613626080, 5613627994, sales@vmpparts.com

World Wide Petroleum, Inc.  
Fred H. Jackson, President  
7143684630, 7143684637, fredJ@gowwp.com

Al DeNurra

---

To: Bill Livingston; Carol Babington  
Cc: Anne Fudge; Joan Strahan  
Subject: IFB 2004-879RTCC

August 3, 2004

Hi Bill, Carol, Ann,

I mailed you IFB 2004-879RTCC, Lubrication Products, this afternoon. If possible, please expedite your review as the target date for mailing this bid is Monday, 8-10-04.

Regards,

Al DeNurra x8809

Hi Carol, Ann

Please let me know when this IFB is sent to the GM's office.

Thank you,

Al

## Al DeNurra

---

**To:** Joan Strahan  
**Subject:** FW: Invitation for Bid 2004-879RTCC

Joan,

Stewart intended to cc: you and not J Martin.

Stewart spoke with Lee Curry, Western States Oil about Technical Specs and I spoke with Everette Yee about sending those specs within a couple days.

Regards,

Al

-----Original Message-----

**From:** Stuart Hoffman  
**Sent:** Wednesday, September 29, 2004 3:09 PM  
**To:** Al DeNurra; Joan Martin  
**Cc:** Bob Bithell  
**Subject:** Invitation for Bid 2004-879RTCC

Al,

Per our discussion I have reviewed the apparent low bidder and found the following items omitted from the vender Western Sates Oil Company:

TS-1

There was no proof of authenticity documents provided by the vender providing approval numbers from Voith and Allison.

TS-2

There was no proof of authenticity documents provided by the vender providing approval numbers from Voith and Allison.

TS-3

There was no proof of authenticity documents provided by the vender providing approval numbers from Voith and Allison.

TS-4

Did not provide all specification information requested. Please review TS-4 for all specifications requested

TS-5

Did not provide all specification information requested. Please review TS-5 for all specifications requested

TS-6

Citco 1615 OK

TS-7

Chevron Aviation Hydraulic Fluid type A I will investigate for acceptance. The H-5606G specification was supplied by EXXON as an alternate.

TS-8

Exxon Nuto H46 id OK if provided.

TS-9

OK

TS-10

OK

TS-11

OK

TS-12

OK

**Al DeNurra**

---

**From:** Mohammed Iqbal [mohammed@surah.com]  
**Sent:** Tuesday, October 05, 2004 10:02 AM  
**To:** ADeNurra@actransit.org

al;  
good morning;  
here are the pricing;  
1: 077-02983 ( ms access 2003 lic , access 2003 win 32) qty 10  
Description ACCESS 2003 ENG BUS-6.0 WIN  
M/S P/N 077-02884  
Unit Price \$194.79  
2: E85-00345 ( win xp pro upgrade lic) qty 10  
Description UPG WINDOWS XP PROFESSIONAL BUS-6.0  
M/S P/N E85-00425  
Unit Price \$172.00

if you are going for bid, pls let me know, i will try and improve the pricing  
thanks and regards  
mohammed

convenience. Service must be marked on airbill.

FedEx Service:

FedEx. PRIORITY OVERNIGHT TUE

emp: 116460 040CT04

TRK# 8458 5466 2107 FORH 0200

Deliver By: 05OCT04 A1

94603 -CA-US

OAK WA OAKA



FedEx. USA Airbill Express

FedEx Tracking Number 845854662107

1 From  
 Date 10-3-04  
 Sender's Name Roger Littlejohn Phone 916 405 1803  
 Company Citgo Petroleum  
 Address 3227 Green Springs Way  
 City Roseville State CA ZIP 95747

2 Your Internal Billing Reference

3 To  
 Recipient's Name AL De Nuvra Phone 510 577-5809  
 Company AC TRANSIT  
 Address 10626 INTERNATIONAL BLVD  
 City OAKLAND State CA ZIP 94603

To "HOLD" at FedEx location, print FedEx address.  
 We cannot deliver to P.O. boxes or P.O. ZIP codes.



0200

4a Express Package Service  
 FedEx Priority Overnight (Next business morning)  
 FedEx Standard Overnight (Next business afternoon)  
 FedEx First Overnight (Earliest next business morning delivery to select locations)  
 FedEx 2Day (Second business day)  
 FedEx Express Saver (Third business day)

4b Express Freight Service  
 FedEx 1Day Freight\* (Next business day)  
 FedEx 2Day Freight (Second business day)  
 FedEx 3Day Freight (Third business day)

5 Packaging  
 FedEx Envelope\*  
 FedEx Pak\* (Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak)  
 Other

6 Special Handling  
 SATURDAY Delivery (Available ONLY for FedEx Priority Overnight, FedEx 2Day, FedEx 1Day Freight, and FedEx 2Day Freight to select ZIP codes)  
 HOLD Weekday at FedEx Location (Not available for FedEx First Overnight)  
 HOLD Saturday at FedEx Location (Available only for FedEx Priority Overnight and FedEx 2Day to select locations)  
 Does this shipment contain dangerous goods? (One box must be checked)  
 No  
 Yes (As per attached Shipper's Declaration)  
 Yes (Shipper's Declaration not required)  
 Dry Ice (Dry Ice, 9, UN 1845)  
 Cargo Aircraft Only

7 Payment Bill to:  
 Sender (Acct. No. in Section 1 will be billed)  
 Recipient  
 Third Party  
 Credit Card  
 Cash/Check

Total Packages 1  
 Total Weight 0.00  
 Total Declared Value\* \$ 0.00  
 Total Charges  
 Credit Card Auth.

8 Release Signature  
 Sign to authorize delivery without obtaining signature.

By signing you authorize us to deliver this shipment without obtaining a signature and agree to indemnify and hold us harmless from any resulting claims. Questions? Visit our Web site at fedex.com or call 1.800.Go.FedEx® 800.463.3339. Rec. Date 10/01/04 (157512-0151-300) FedEx.com

446



Sunday, October 03, 2004

To: Al DeNurra-AC Transit

Reference: CITGO Product Data for AC Transit Bid

You requested additional data on CITGO products bid by Western States Oil Company.

1. TS-1 Automatic Transmission Fluid, Mineral Base:
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Calcium	1300	1200
Copper Corrosion	NA	1A
Lead Increase	NA	<50
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See attached Product Information Sheets on the above CITGO products.

  
Roger Littlejohn  
Technical Services Manager  
CITGO Petroleum

## DIWA Service Bulletin

Service Bulletin #0130  
Replaces Service Bulletin #013N

Issued Date: July 06, 2004  
Revised Date: July 06, 2004

For Voith model transmissions: DIWA D851.2&.3 & .3E; D854.2&.3; D854G; D863.2&.2W7; &.3; D864.3 &.3E; D864G and D884.3E

**Note:** The information contained on this list is certified to be current as of the date listed in the issued document field and is accurate only to the limits of the information supplied by the oil manufactures and on file with Voith Turbo in York PA as the revised document date. This list may be changed or modified at any time without notice if the technical information regarding the oils and supplied to Voith by the oil manufacturers is updated or modified by the oil manufacturers.

	<i>COMPANY NAME (Marketer)</i>	<i>BRAND NAME</i>	<i>Approval Number</i>	<i>Class Base</i>	<i>Drain Interval*</i>
1	76 Lubricants	76 Mercon V ATF	H36011	Mineral	36,000
2	Amsoil Inc.	Amsoil ATF	E25112	Synthetic	72,000
3	BP Oil and Exploration	Autran Dexron III@/ Mercon	F30135	Mineral	36,000
4	Castrol Ltd. Heavy Duty Lube	TranSynd ATF	G34010	Synthetic	72,000
5	Chevron Texaco Global Lubricants	Chevron Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
6	Chevron Texaco Global Lubricants	Texaco Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
7	Chevron Texaco Global Lubricants	Chevron ATF MERCON V	G 34555	Mineral	36,000
8	Chevron Texaco Global Lubricants	Texaco Havoline ATF MERCON V	G34555	Mineral	36,000
9	Cltgo Petroleum Corporation	Transgard Dexron@ III/ Mercon	G34059	Mineral	36,000
10	Coastal Unilube Inc.	Coastal Dexron III/ Mercon	F30310	Mineral	36,000
11	Cofram Lubricants	Sintofluid	ISO 46-GL4	Semi-Synthetic	36,000
12	Cognis Corp	Emgard 2803 Synthetic ATF	G34494	Synthetic	36,000
13	Conoco Phillips	Mercon V ATF	H36011	Mineral	36,000
14	Delta Petroleum Co.	Mercon V2000	G 34095	Mineral	36,000
15	Exxon Mobil Corp Fairfax Va.	Aamco Synthetic Blend ATF	G34015	Mineral	36,000
16	Exxon Mobil Corp Fairfax Va.	Superflow Synthetic ATF	G34015	Mineral	36,000
17	Exxon Mobil Corp Fairfax Va.	Mobile ATF 220	D21611	Mineral	36,000
18	Exxon Mobil Corp Fairfax Va.	Mobil 1 Synthetic ATF	G34036	Synthetic	36,000
19	Fuchs Lubricants Co	Sintofluid III MTA	H36310	Synthetic	72,000
20	Fuchs Lubricants Co	Titan ATF 3000	D22173	Mineral	36,000
21	Fuchs Lubricants Co	Titan ATF 4000	F30105	Mineral	36,000
22	Fuchs Lubricants Co	Titan ATF 5000	E25112	Synthetic	72,000
23	Kendall	Mercon V ATF	H36011	Mineral	36,000
24	Petro Canada Lubricants	Petro Canada ATF	H36007	Synthetic	72,000
25	Phillips 66	Mercon V ATF	H36011	Mineral	36,000
26	Shell Canada	Donax TG	G34026	Mineral	36,000

**C4 Approved Fluids List**  
**Allison Transmission Division**  
**General Motors Corporation**  
(2/12/01)  
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OIL SUPPLIER	PRODUCT BRAND NAME	GM LICENSE No.	API	OIL TYPE	GRADE	MARKET PLACE	APPROVAL No.
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 15W-40		CE/SG		15W-40	1,2	C4-10800289
CHEVRON U.S.A. INC.	CHEVRON RPM HDMO SAE 15W-40		CF4/SH		15W-40	1	C4-21092295
CHEVRON U.S.A. INC.	CHEVRON DELO 400 PLUS MOTOR OIL SAE 30		CE/SG		30	1,2	C4-12850390
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30		CF2/SH		30	1	C4-21912495
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30		CF2/SH		30	1	C4-22232596
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 30		CE/SG		30	1,2	C4-10790289
CHEVRON U.S.A. INC.	CHEVRON RPM HDMO SAE 30		CE/SH		30	1	C4-20922194
CHEVRON U.S.A. INC.	CHEVRON AUTOMATIC TRANSMISSION FLUID	F-30159			ATF	1,2	C4-19571894
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON DRIVE TRAIN FLUID HD			C-4 Only	30	1,2	C4-19701894
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON AUTOMATIC TRANSMISSION FLUID	F-30108			ATF	1,2,6,8,11	C4-26052094
CHRYSLER CANADA LTD.	CHRYSLER MOPAR TURBO XD 15W-40 DIESEL ENGINE OIL			C-4 Only	15W-40	1,2	C4-29083699
CHRYSLER CANADA LTD.	MOPAR TURBO XD 15W-40 DIESEL ENGINE OIL		CF4/SH		15W-40	2	C4-21432295
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30766			ATF	1,2,8	C4-24963097
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	G-34438			ATF	1,2,8	C4-29183699
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30227			ATF	2	C4-18621793
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30249			ATF	2	C4-18701793
CIA BRASIL DE PETROLEO	ULTRAMO TURBO 30		CF		30	6	C4-29403700
CIA BRASIL DE PETROLEO	ISAMATIC III	G-34202			ATF	6	C4-29953800
CITGO PETROLEUM CORP.	CITGO TRANSPower FLUID, 10W			C-4 Only	10W	1,2	C4-20011994
CITGO PETROLEUM CORP.	CITGO TRANSPower FLUID, SAE 10W			C-4 Only	10W	1,2,5,6,8	C4-16641192
CITGO PETROLEUM CORP.	CITGO TRANSPower FLUID, SAE 30			C-4 Only	30	1,2,5,6,8	C4-16631192
CITGO PETROLEUM CORP.	CITGO TRANSPower, 30			C-4 Only	30	1,4,5,6	C4-19711894
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 10W-30		CE/SG		10W-30	1,2,4,5,6,8	C4-11020189
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 15W-40		CE/SG		15W-40	1,2,4,5,6,8	C4-11030189
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 30		CE/SG		30	1,2,4,5,6,8	C4-11010189
CITGO PETROLEUM CORP.	CITGARD 500 SAE 30		CE/SG		30	1,2,4,5,6,8,11	C4-17111292
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	G-34059			ATF	1	C4-29903800
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30167			ATF	1,2,4,5,6,8	C4-22902696
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30338			ATF	1,2,5,6,8	C4-21172295
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30165			ATF	1,2,6,8	C4-22912696
COASTAL UNILUBE INC.	COASTAL PREMIUM DEXRON III / MERCON ATF	G-34196			ATF	1,2,3,4,5,6,7,8,11	C4-28643699
COASTAL UNILUBE INC.	COASTAL UNILUBE	F-30376			ATF	1,4,5,6,8,11	C4-21542395
COASTAL UNILUBE INC.	COASTAL UNILUBE DEXRON III / MERCON	F-30491			ATF	1,2,3,4,5,6,8,11	C4-22682696
COASTAL UNILUBE INC.	UNILUBE DEXRON III MERCON ATF	F-30204			ATF	12	C4-18881793
COASTAL UNILUBE INC.	UNILUBE DEXRON III MERCON ATF	F-30310			ATF	12	C4-19931994
COFRAN RECHERCHE SARL	COFRAN SINTOFLUID			C-4 Only	ATF	3,4,5,6,7,8	C4-11840289
COGNIS CORPORATION	EMGARD 2803 SYNTHETIC DEXRON-III/MERCON FLUID	G-34494			ATF	12	C4-29463700
COMPANHIA BRASILEIRA DE PETROL	ULTRAMO TURBO CT SAE 30			C-4 Only	30	6	C4-27583599
COMPANIA GENERAL DE LUBRICANTE	EXXOLUBE XD-3 30		CF2/SH		30	6,8,11	C4-21902495
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SAE 10W			C-4 Only	10W	1,2,4,5,6,7,8,11	C4-26533398
CONOCO INC.	POWERDRIVE 44 SAE 10W			C-4 Only	10W	1,8	C4-17521292
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SAE 30			C-4 Only	30	1,2,4,5,6,7,8,11	C4-26543398
CONOCO INC.	POWERDRIVE 44 SAE 30			C-4 Only	30	1,8	C4-17481292
CONOCO INC.	FLEET HD MOTOR OIL SAE 10W		CF		10W	1,2	C4-23022696
CONOCO INC.	FLEET HD MOTOR OIL SAE 15W-40		CE/SH		15W-40	1,2	C4-22602596
CONOCO INC.	HD FLEET SUPREME ENGINE OIL SAE 15W-40		CF4/SH		15W-40	1,2,8	C4-21082295
CONOCO INC.	FLEET HD MOTOR OIL SAE 30		CF4/SH		30	1,2	C4-22622596
CONOCO INC.	CONOCO HYDROCLEAR DEXRON III/MERCON ATF	F-30729			ATF	1,2,6,8,11	C4-24852997
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30118			ATF	1	C4-22142495
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30456			ATF	1,2	C4-22652596
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30576			ATF	1,2	C4-22732596
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30158			ATF	1,2,8	C4-19741894
CONOCO INC.	HYDROCLEAR DEXRON III / MERCON ATF	F-30371			ATF	1,2,8	C4-24902997
CONOCO INC.	HYDROCLEAR MERCON V / DEXRON III ATF	G-34076			ATF	1,2	C4-29043699

**"Pour on the Productivity"**

Ask your nearest Allison distributor or dealer about **TranSyndm Synthetic Automatic Transmission Fluid**



## CITGO QuatraSyn™ Synthetic Transmission Fluid



### What Is It?

- QuatraSyn™ Synthetic Transmission Fluid is engineered with a proprietary combination of synthetic base stocks and additives. This synergistic combination of components is designed to work in harmony with the transmission components while offering the very best in fluid life and performance.





## QuatraSyn™ Qualities

- Extended drain and filter change intervals resulting in reduced oil cost.
- Outstanding low temperature performance
- Excellent thermal and oxidation stability
- Contains No Viscosity Modifiers resulting in high shear stability
- Outstanding hydrolytic stability
- Unique formulation offers low traction coefficients which can result in increased fuel economy

*Mystik*



## Applications

- QuatraSyn™ Synthetic Transmission Fluid is designed for use in:
  - School Buses and Vans
  - Refuse Fleets
  - Commercial Trucks and Vehicles
  - Motor Homes
  - Emergency Vehicles
  - On/Off Highway Vehicles
  - Inter/IntraCity Buses
  - Light Duty Pickup Trucks and Passenger Cars



*Mystik*



## QuatraSyn™ Synthetic Transmission Fluid

- QuatraSyn™ meets the performance requirements of:
  - GM Vehicles calling for Dexron III
  - Ford Vehicles calling for Mercon
  - Ford Vehicles calling for Mercon V
  - Allison C-4
  - Allison TES 295
  - VOITH, DIWA Transmission Service Bulletin #0130



*Mystik*



## Synthetic Lubricants Warranty

### SYNTHETIC LUBRICANTS WARRANTY

CITGO Petroleum Corporation guarantees that its Synthetic Lubricants meet the performance requirements of the equipment for which they are recommended. CITGO Petroleum Corporation further warrants that its Synthetic Lubricants meet the standards and specifications set forth on the product packaging and Product Information Sheets. In the event that the Synthetic Lubricants fail to conform with this Warranty, CITGO shall be responsible for the reasonable costs of repairs for all damages to equipment in which it was used, which are directly caused by such failure. It is expressly agreed that CITGO is not responsible for any indirect or consequential damages.

To make a claim under this Warranty, you will be required to submit a sample of the Synthetic Lubricant from the failed equipment to CITGO as well as records showing that the equipment has been maintained in a preventative maintenance program which meets the equipment manufacturer's recommendations, and that the Synthetic Lubricant was used in accordance with the operating instructions of the manufacturer of the equipment or vehicle. CITGO reserves the right to examine the failed equipment parts. Call 800-248-4684 if you have an equipment problem.

Customer Name: \_\_\_\_\_

City, State: \_\_\_\_\_



CITGO Marketer Name

*Paul Rudolph*  
General Manager, Lubricants Marketing

Date

*Mystik*



# QuatraSyn™ Synthetic Transmission Fluid

QuatraSyn™ ATF/OEM TES-295 Fluid		
Viscosity		
cSt @ 100°C	7.3	7.27
cSt @ 40°C	36.31	36.83
Viscosity Index	171	166
Pour Point, °C	<-66	-65
Brookfield cP @ -40°C	8200	8190
CCS, cP @ -30°C	2260	2510
Noack Volatility, % Loss	0.5	11.1
4-Ball Wear, mm at 40KG	0.48	0.5
Oxidation Stability		
RPVOT, min	1361	1094
Sulfated Ash, %	0.01	0.1
Total Base Number	1.85	1.87
Total Acid Number	1.03	1.29
Shear Stability		
KRL Shear, CEC L-45-20, % Loss	3.04	5.32
HT/HS, Viscosity @ 150°C	2.68	2.57

OEM TES-295 Fluid Purchased at Local Tulsa Allison Dealer



## Comparison of ATF Properties

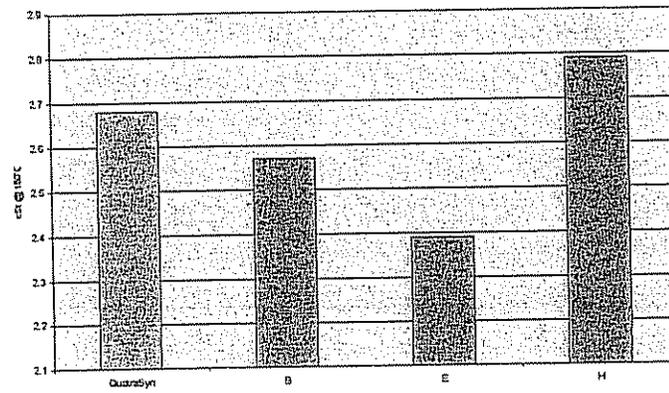
	QuatraSyn	OEM TES-295 Code B	Leading Synthetic ATF Code E	Leading Semi-Syn Mercon V Code H
Viscosity				
cSt @ 100°C	7.25	7.27	7.85	8.03
cSt @ 40°C	36.31	36.83	36.16	35.64
Viscosity Index	161	166	197	209
Pour Point °C	<-66	-65	<-66	-48
Brookfield, cP @ -40°C	8200	8190	5720	9785
CCS, cP @ -30°C	2260	2510	1620	ND
Noack Volatility, % Loss	0.5	11.1	1.6	29.7
4-Ball Wear, mm at 40kg	0.48	0.5	0.48	0.61
Oxidation Stability				
RPVOT, min.	1364	1094	757	1016
Shear Stability				
KRL Shear, CEC L-45-20, % Loss	3.04	5.32	31.77	21.84
HT/HS, Viscosity @ 150°C	2.68	2.57	2.39	2.79





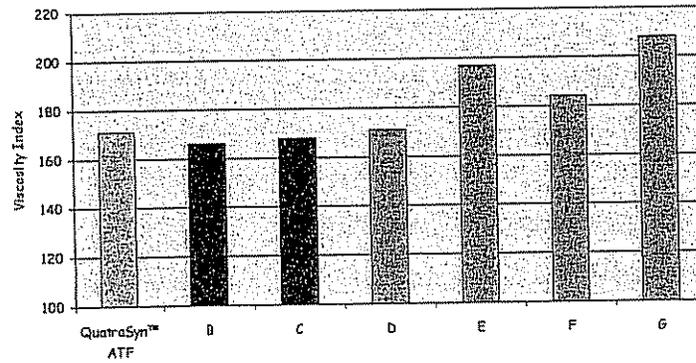
## Comparison of Synthetic ATF Properties

Shear Stability (HT/HS Viscosity @ 150°C)



## Comparison of Synthetic ATF Properties

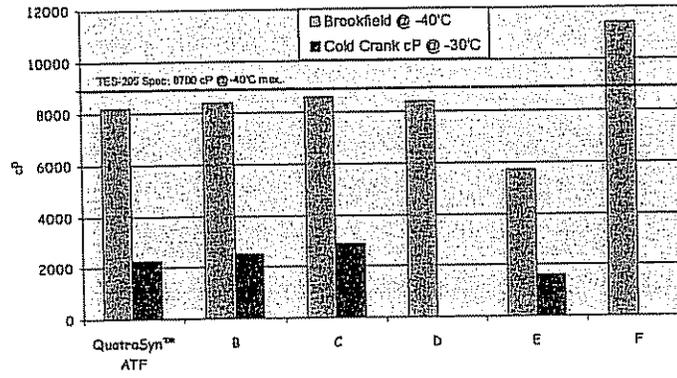
Synthetic ATF Viscosity Index Comparison





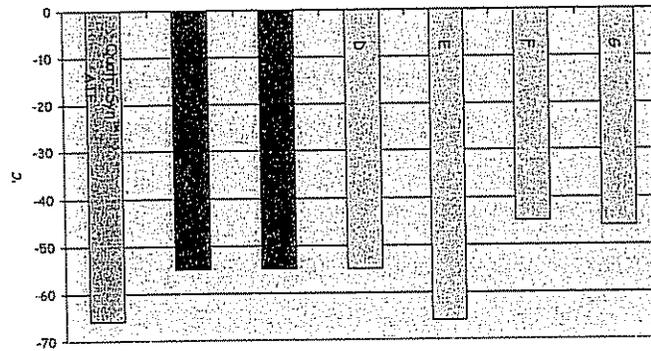
## Comparison of Synthetic ATF Properties

### Synthetic ATF Low Temperature Viscosity Comparison



## Comparison of Synthetic ATF Properties

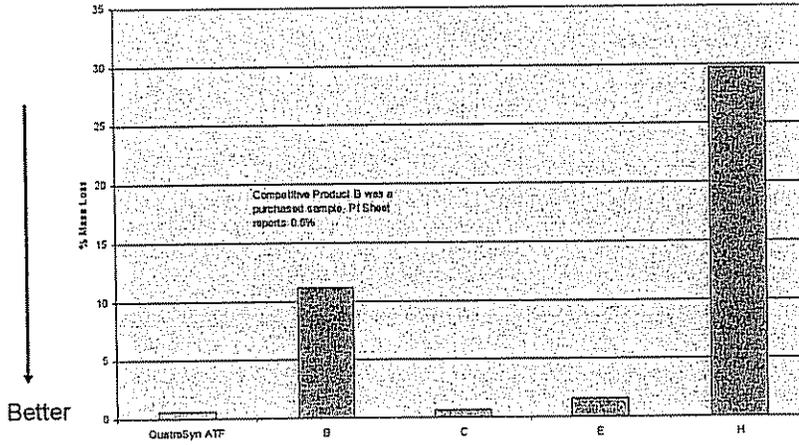
### Synthetic ATF Pour Point Comparison





## Comparison of Synthetic ATF Properties

### Synthetic ATF Noack Volatility

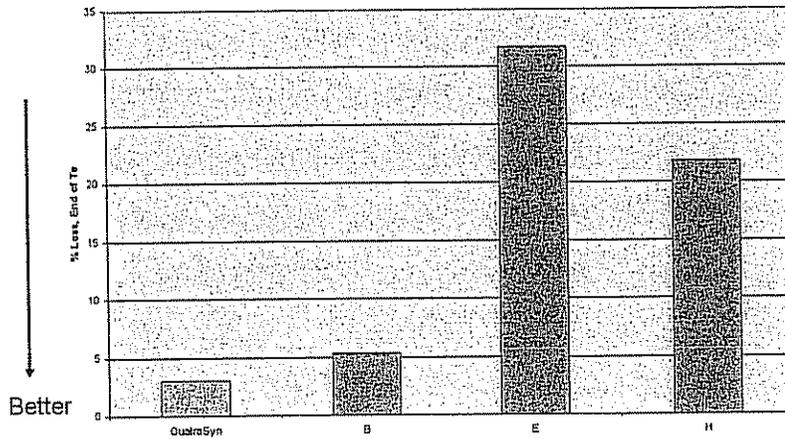


*Mystik*



## Comparison of Synthetic ATF Properties

### Shear Stability (CEC L-45-20)

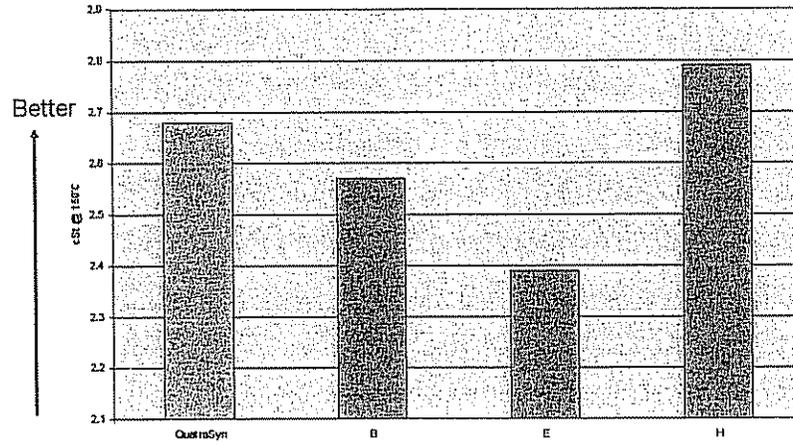


*Mystik*



## Comparison of Synthetic ATF Properties

Shear Stability (HT/HS Viscosity @ 150°C)

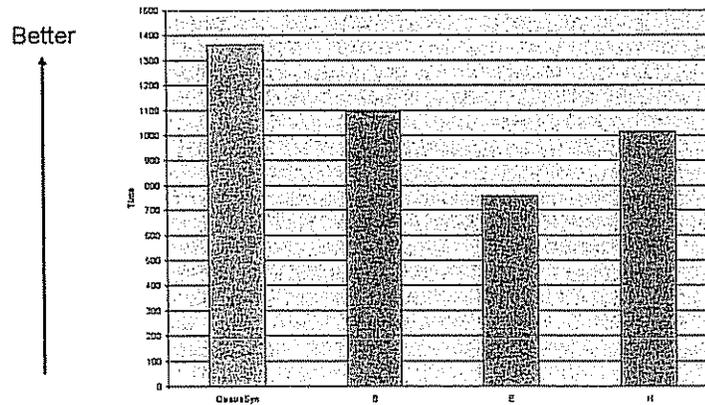


*Mystik*



## Comparison of Synthetic ATF Properties

Oxidation Stability  
RPVOT



*Mystik*



April 26, 2000

Mr. Richard J. Patrick  
Product Specialist  
Citgo Petroleum  
P.O. Box 3758  
Tulsa, OK 74102-3758

Dear Dick

Subject: Citgo Pacemaker 1615 15W-40 for Detroit Diesel Corp. Series 50G engines

In response to your inquiry regarding the engine oil requirements for DDC Series 50G natural gas fueled engines and the possible use of Citgo Pacemaker 1615 15W-40. Since no industry performance category exists for identification of the proper engine oils for these engines DDC has adopted a list of recommended oils based on field experience and their performance in the engine during product development.

To accommodate the needs of transit customers other oils have been identified which use identical additive technology. Therefore oils formulated with OLOA 1255 at a 10.1% mass treatment rate have been accepted as alternates to the recommended products listed in DDC publication 7SE272. I have received written communication that Citgo Pacemaker 1615 15W-40 is formulated with OLOA 1255 at the prescribed treatment rate. Based upon this information, Pacemaker 1615 can be recommended for this service. I have recommended that customers confirm the chemical profile as:

Calcium - 1200 ppm, Phosphorous - 280ppm, Zinc - 303 ppm, and TBN (D2896) - 5.1.

Should this information be inaccurate, please notify me as soon as possible. If you have any further comments or questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Danny E. Larkin".

Danny E. Larkin  
Fuels and Lubricants

/

cc:



Friday, June 20, 2003

Mr. David Clark  
CITGO  
4500 S. 129<sup>th</sup> E. Ave.  
Tulsa, OK 74134

Dear Mr. Clark:

Subject: Applicability of Citgard Natural Gas SAE 15W-40 Engine Oil in  
DDC Series 50G and S60G Engines

Thank you for providing information about the Citgard Natural Gas SAE 15W-40 Engine Oil product for use in natural gas fueled engines. Based upon the information provided, this engine oil has been formulated with OLOA 1255Z. Field testing with this additive technology in DDC engines has shown it to perform similarly to OLOA 1255, therefore oils formulated with OLOA 1255Z at 10.81 % mass treat rate in Group I and II base stocks with a non-dispersant viscosity index improver are acceptable for use in DDC Series 50G and Series 60G engines.

Thank you for providing the documentation for my review. Please contact me at 313-592-5970 should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Mesfin Belay".

Mesfin Belay  
Fuels and Lubricants

cc:  
T. Bistue  
D. Karineami  
G. Lysinger  
J. Reinhart  
J. Zhu



Cummins Inc.  
Box 3005  
Columbus, Indiana  
47202-3005



December 20, 2002

David Clark  
CITGO Petroleum Corporation  
P.O. Box 3758  
Tulsa, Oklahoma 74102

Dear David,

**CONFORMANCE TO CES 20074 ENGINE OIL SPECIFICATION**

Results from tests according to CES 20074 have been presented to Cummins. In view of the results I would like to give the following comments.

The results have been found to be within the CES 20074 limits and hence oils formulated as stated in your request can be labeled as conformance to CES 20074.

The oils shall be used per the ambient temperature and SAE grade guidelines in the engine specific Operation and Maintenance (O & M) manual, as well as, in any Cummins service documents.

Please notify Cummins Inc. if the formulation of this product changes.

Brand Name: CITGARD NATURAL GAS 15W40  
SAE Grade: 15W40

I hope this information will be of assistance to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Warren A. Totten'.

Warren A. Totten  
Fuels and Lubricants

**DISCLAIMER:** Product registration means the manufacturer or marketer has faithfully collected information pertinent to the requirements of the specification, and with the full intention to conform to the specification. However, it is still the responsibility of the manufacturer or marketer to ensure satisfactory performance of its products in all aspects at all times. Registration for CES 20074 does not waive product liability of the manufacturer or marketer. Cummins does not warrant the performance of non-Cummins products, registered or not.

Phone: 812-377-5000  
Facsimile: 812-377-3334

Revision Date: February 25, 2002



## CITGO QuatraSyn Transmission Fluid

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Date 07/04

- DESCRIPTION:** CITGO's QuatraSyn Synthetic Transmission Fluid is the next generation in automatic transmission fluids. QuatraSyn is engineered to offer extended service intervals and remain stable under extremely severe operating conditions.
- QUALITIES:** CITGO's QuatraSyn Synthetic Transmission Fluid is engineered with a proprietary combination of synthetic base stocks and additives. This synergistic combination of components is designed to work in harmony with the transmission components while offering the very best in fluid life and performance. CITGO's QuatraSyn Synthetic Transmission Fluid provides:
- Extended drain and filter change intervals resulting in reduced oil disposal cost.
  - Outstanding low temperature performance.
  - Excellent thermal and oxidation stability resulting in better transmission performance through a reduction in sludge and deposit formation.
  - QuatraSyn contains NO viscosity modifiers, resulting in high shear stability
  - QuatraSyn unique formulation offers low traction coefficients which can result in increased fuel economy
- APPLICATIONS:** CITGO's QuatraSyn Synthetic Transmission Fluid is intended for use in the following universal powershift and automatic transmission applications:
- School Buses and Vans
  - Refuse Fleets
  - Commercial Trucks and Vehicles
  - Motorhomes
  - Emergency Vehicles
  - On/Off-Highway Vehicles
  - Inter/Intracity Buses
  - Light Duty Pickup Trucks and Passenger Cars
- CITGO's QuatraSyn Synthetic Transmission Fluid meets the OEM requirements for most domestic transmissions and is recommended for use in applications which call for the products meeting the following specifications:
- |                     |                  |
|---------------------|------------------|
| Allison TES 295     | Allison C-4      |
| Voith Transmissions | ZF Transmissions |
- QuatraSyn is recommended for use in all GM and Ford Transmissions except those calling for Ford SP-1, Ford Type F and all CVT Fluids.

TYPICAL PROPERTIES:

CITGO QuatraSyn Synthetic ATF

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Material Code	632493001
Gravity, ASTM D 237, °API	37.1
Specific Gravity, D 4052	0.839
Pounds per Gallon	6.99
Flash Point ASTM D 92, °F (°C)	432 (222)
Viscosity ASTM D 445,	
cSt at 100°C	7.25
cSt at 40°C	36.48
Viscosity Index	171
Brookfield Viscosity ASTM D-2983	
cP at -40°C	8,200
cP at -20°C	1,025
Pour Point ASTM D-97, °F (°C)	<-87 (<-66)
Total Acid Number, ASTM D 664, mg KOH/gm	1.03
4-Ball Wear, ASTM D-2266	0.48
40kg, 1200 rpm, 1 hour,	
Cold Cranking Simulator, ASTM D 5293, cP at -30°C	2260

# CITGO PACEMAKER® GAS ENGINE OIL 1600 SERIES



Date 02/04

**DESCRIPTION:** CITGO Pacemaker® Gas Engine Oil 1600 Series oils are superior low ash, low phosphorus gas engine oils with a balanced advanced additive package to meet API CD quality performance and non-selective catalytic converter requirements. These new generation oils deliver a superior level of cleanliness — with excellent wear protection with a low ash formula that complies with manufacturers' warranties.

Formulated with the latest generation additives and highest quality base stocks available, CITGO Pacemaker® Gas Engine Oil 1600 Series oils are unsurpassed in performance.

- QUALITIES:**
- Contain special dispersants and detergents to insure a cleaner, longer running engine.
  - Control deposits and minimize wear of pistons, rings, and liners.
  - Retain TBN to neutralize combustion acids from sour gas.
  - Effectively control oxidation and nitration which create sludge that thickens the oil, plugs filters and causes excessive foaming.
  - Minimize valve recession to provide longer head life

**APPLICATIONS:** CITGO Pacemaker® Gas Engine Oil 1600 Series oils are low ash oils suitable for a wide range of engines operating on virtually any variation of natural or synthetic gas, gas from digester or landfill sources or fuels containing low levels of sulfur and chlorofluorocarbons (CFC) **Note:** In high CFC/sour gas applications, an oil with a higher base reserve may be required.

These oils are recommended for high and medium speed 4-cycle engines manufactured by Caterpillar, Waukesha, Superior, Cooper-Bessemer; Cummins, Dresser-Rand (Categories I, II and III), as well as low-speed engines manufactured by Cooper-Bessemer and Worthington C4-Cycle.

CITGO Pacemaker® Gas Engine Oil 1640LP is a specially formulated SAE 40 grade product that exhibits superior low temperature properties, compared with other monograde oils. This low pour product is particularly well suited for applications where improved low temperature fluidity is needed, but a monograde oil is recommended by the engine manufacturer.

- |                               |                                  |                                  |
|-------------------------------|----------------------------------|----------------------------------|
| <b>CUSTOMER<br/>BENEFITS:</b> | • Cleaner pistons                | • Catalyst compatible            |
|                               | • Minimum oil viscosity increase | • Clean crankcases and top decks |
|                               | • Low wear                       | • Reduced valve recession        |
|                               | • Improved TBN retention         |                                  |



CITGO CITGARD® NATURAL GAS 15W40  
ENGINE OIL

Date 02/04

- DESCRIPTION:** CITGARD® Natural Gas 15W40 Engine Oil is specially formulated for compressed natural gas (CNG) engines in transit operation. It is available as an SAE 15W-40 viscosity grade. Building on CITGO's long heritage of outstanding gas engine oils for stationary applications, CITGARD® NATURAL GAS 15W40 ENGINE OIL provides the protection needed in today's demanding mobile CNG applications.
- QUALITIES:** CITGARD® Natural Gas 15W40 Engine Oil is formulated with base stocks specially selected for compressed natural gas operation, proven additives and a shear stable VI improver. This unique combination provides protection against deposits in the higher temperature natural gas combustion chamber. Liner and tappet wear protection far exceed original equipment manufacturer's requirements. CITGO's combination of components provides excellent cold pumpability, foam protection, exceptional oxidation and nitration control, overall engine cleanliness, and reduced oil consumption.
- APPLICATIONS:** CITGARD® Natural Gas 15W40 Engine Oil exceeds the requirements for Cummins Engine Company CES 20074 and is recommended for Cummins L-10, "B" and "C" series CNG engines. CITGARD® NATURAL GAS 15W40 ENGINE OIL is recommended for applications of Detroit Diesel included in their 7SE272 publication, including Series 50G and 60G natural gas engines. Mack Trucks and John Deere also call for this quality of oil in their natural gas fueled engines. CITGARD® NATURAL GAS 15W40 ENGINE OIL is also suitable for use with other gaseous fuels such as liquefied natural gas and LPG. Always consult your owner's manual for correct oil recommendations.

**TYPICAL PROPERTIES:****CITGARD® NATURAL GAS 15W40 ENGINE OIL**

SAE Grade	15W-40
Material Code	632015001
API Service Category	CD
Gravity, ASTM D 4052, °API	29.5
Pounds Per Gallon	7.3
Flash Point, ASTM D92, °F, (°C)	437, (225)
Viscosity ASTM D445, cSt at 40°C	124
cSt at 100°C	15
Viscosity Index, ASTM D2270	125
Pour Point, ASTM D97, °F, (°C)	-17, (-27)
Sulfated Ash, ASTM D 872, %	0.56
Total Base Number, ASTM D2896	5.3





# WESTERN STATES OIL CO.

1790 South Tenth Street  
San Jose, CA 95112  
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FAX (510) 895-5345

GASOLINE  
DIESEL  
MOTOR OILS

October 14, 2004

Al DeNurra, Senior Buyer  
A C Transit, Purchasing Dept.  
10626 International Blvd.  
Oakland, CA 94603

Subject: IFB 2004-879RTCC

The following information is being provided per your letter dated October 12, 2004 for IFB 2004-879RTCC.

TS-1 Citgo Transgard Dexron III / Mercon

Voith Approval Number G34059 *OK*  
Allison C-4 Approval Number 29903800 *OK*

TS-2 Mobil 1 Synthetic ATF

Voith Approval Number G34036 *OK*  
Allison C-4 Approval Number 18921793 *OK*

TS-3 Castrol TranSynd

Voith Approval Number G34010 *OK*  
Allison TES-295 Approval Number AN-011001 *OK*

TS-4 Exxon XD-3 30W and 40W

	<u>30W</u>	<u>40W</u>
API Classification	CF-2	CF-2
Sulfate Ash, % mass D874	0.8 %	0.8%
Alkalinity D2896	7.3	7.3 —
Viscosity Index	98	98
Pour Point C	-30	-30 —
Flash Point C	258	256
Total Base Number D2896	7.3	7.3 —
Zinc, ppm	1410	1410
Phosphorous, ppm	1280	1280 —

TS-5 Citgo Pacemaker 1615 for Cummins L-10G  
Citgo Natural Gas 15W-40 for Cummins B5.9G/LPG

	<u>Pace 1615</u>	<u>NG 15W-40</u>
Sulfated Ash, D874	0.45% —	0.55% —
TBN, D2896	5.4	5.2 —
TAN, D664	0.5	0.8 —
Phosphorous, ppm	270	702
Zinc, ppm	330	778
Calcium, ppm	1300	1200
Copper Corrosion, D130	N/A	1A
Lead Increase, D5968	N/A	<50
Tin Increase	N/A	<20

TS-7 Mobil Aero HF

Mil Spec H-5606G

TS-8 Exxon Nuto H 46

TS-9 Mobilube HD Plus 85W-140

TS-10 Exxon Superflo 5W-30

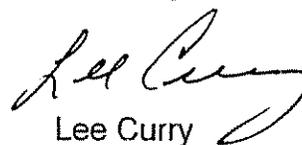
TS-11 Citgo Premium Lithium EP 2

TS-12 Citgo Lithoplex MP 2

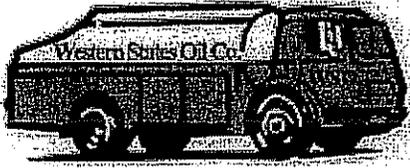
Attached are the Product Data sheets for each of the proposed products, as well as, the transmission manufacturer's (Voith and Allison) approved products bulletins, and the product manufacturer's (ExxonMobil, Citgo and Castrol) technical specifications which support the above information.

Should you have any questions or need additional information, please contact me @ 925/200-9270. Thank you.

Sincerely,



Lee Curry



# WESTERN STATES OIL CO.

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GASOLINE  
 DIESEL  
 MOTOR OILS

September 27, 2004

AC Transit District  
 Purchasing Department  
 10626 International Blvd  
 Oakland CA 94603

Title: Lubrication Products  
 Contract Bid #2004-879RTCC

Thank you for the opportunity to present our lubrication proposal. The table shows the proposed product, package style and price (product data sheets and MSDS attached).

TS #	Proposed Product	Package Style	Price
1	Citgo Transgard Dexron III / Mercon	Bulk/Drum	\$ 3.70 /G
2	Mobil 1 Synthetic ATF	Bulk	\$14.25 /G
<del>3</del>	<del>Citgo Quatrasyn Synthetic Transmission Fluid</del>	<del>Bulk/Drum</del>	<del>\$10.00 /G</del>
*3	Castrol TranSynd	Bulk/Drum	\$23.25 /G
4	Exxon XD-3 Engine Oil 30W & 40W	Drum	\$ 3.65 /G
5	Citgo Pacemaker 1615 (or) <u>Citgo Citgard Natural Gas 15W-40</u>	Bulk/Drum	\$ 5.10 /G
6	Citgo Pacemaker 1615	Bulk/Drum	\$ 5.10 /G
7	<del>Chevron Aviation Hydraulic Fluid A</del>	<del>Drum</del>	<del>\$ 8.05 /G</del>
*7	Mobil Aero HF	Drum	\$ 9.25 /G
8	Exxon Nuto H 46	Drum	\$ 3.30 /G
9	Mobilube HD Plus 85W-140	Drum	\$0.595 /LB
10	Exxon Superflo 5W-30	Drum	\$ 3.57 /G
11	Citgo Premium Lithium EP 2	Drum	\$ 0.84 /LB
12	Citgo Lithoplex MP 2	Keg	\$ 1.07 /LB

*our choice*  
*SA*

\* TS-3 – If Citgo Quatrasyn not approved by A C Transit use Castrol TranSynd  
 TS-7 – If Chevron Aviation Fluid A not approved by A C Transit use Mobil Aero HF

Payment terms are 2% - 15 days, net 30 days. Pricing is on a delivered basis and excludes applicable excise taxes and sales tax.

Western States Oil Company is a Minority Business Enterprise pursuant to California Public Utilities Commission General Order 156, copy attached.

It is our commitment to provide quality products, technical support and friendly service that exceed your expectations. Should you have any questions or need additional information, please contact me @ 408/292-1041. Thank you for your consideration.

Sincerely,  
  
 Lee Curry  
 General Manager

**C4 Approved Fluids List**  
**Allison Transmission Division**  
**General Motors Corporation**  
(2/12/01)  
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OIL SUPPLIER	PRODUCT BRAND NAME	GM LICENSE No.	API	OIL TYPE	GRADE	MARKET PLACE	APPROVAL No.
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 15W-40		CE/SG		15W-40	1,2	C4-10800289
CHEVRON U.S.A. INC.	CHEVRON RPM HDMO SAE 15W-40		CF4/SH		15W-40	1	C4-21092295
CHEVRON U.S.A. INC.	CHEVRON DELO 400 PLUS MOTOR OIL SAE 30		CE/SG		30	1,2	C4-12850390
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30		CF2/SH		30	1	C4-21912495
CHEVRON U.S.A. INC.	CHEVRON DELO 400 SAE 30		CF2/SH		30	1	C4-22232596
CHEVRON U.S.A. INC.	CHEVRON RPM DELO MOTOR OIL SAE 30		CE/SG		30	1,2	C4-10790289
CHEVRON U.S.A. INC.	CHEVRON RPM HDMO SAE 30		CE/SH		30	1	C4-20922194
CHEVRON U.S.A. INC.	CHEVRON AUTOMATIC TRANSMISSION FLUID	F-30159			ATF	1,2	C4-19571894
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON DRIVE TRAIN FLUID HD			C-4 Only	30	1,2	C4-19701894
CHEVRON U.S.A. PRODUCTS CO.	CHEVRON AUTOMATIC TRANSMISSION FLUID	F-30108			ATF	1,2,5,6,11	C4-20052094
CHRYSLER CANADA LTD.	CHRYSLER MOPAR TURBO XD 15W-40 DIESEL ENGINE OIL			C-4 Only	15W-40	1,2	C4-29083699
CHRYSLER CANADA LTD.	MOPAR TURBO XD 15W-40 DIESEL ENGINE OIL		CF4/SH		15W-40	2	C4-21432295
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30766			ATF	1,2,8	C4-24953097
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	G-34438			ATF	1,2,8	C4-29183699
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30227			ATF	2	C4-18621793
CHRYSLER CANADA LTD.	CHRYSLER MOPAR ATF DEXRON III/MERCON	F-30249			ATF	2	C4-18701793
CIA BRASIL DE PETROLEO	ULTRAMO TURBO 30		CF		30	6	C4-29403700
CIA.BRASILLEIRA PETROLEO IPIRANGA	ISAMATIC III	G-34202			ATF	6	C4-29953800
CITGO PETROLEUM CORP.	CITGO TRANSPOWER FLUID, 10W			C-4 Only	10W	1,2	C4-20011994
CITGO PETROLEUM CORP.	CITGO TRANSPOWER FLUID, SAE 10W			C-4 Only	10W	1,2,5,6,8	C4-16641192
CITGO PETROLEUM CORP.	CITGO TRANSPOWER FLUID, SAE 30			C-4 Only	30	1,2,5,6,8	C4-16631192
CITGO PETROLEUM CORP.	CITGO TRANSPOWER, 30			C-4 Only	30	1,4,5,6	C4-19711894
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 10W-30		CE/SG		10W-30	1,2,4,5,6,8	C4-11020189
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 15W-40		CE/SG		15W-40	1,2,4,5,6,8	C4-11030189
CITGO PETROLEUM CORP.	CITGARD 500 MOTOR OIL SAE 30		CE/SG		30	1,2,4,5,6,8	C4-11010189
CITGO PETROLEUM CORP.	CITGARD 500 SAE 30		CE/SG		30	1,2,4,5,6,8,11	C4-17111292
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	G-34059			ATF	1	C4-29903800
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30167			ATF	1,2,4,5,6,8	C4-22902696
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30338			ATF	1,2,5,6,8	C4-21172295
CITGO PETROLEUM CORP.	CITGO MP AUTOMATIC TRANSMISSION FLUID DEXRON-III/MERCON	F-30165			ATF	1,2,6,8	C4-22912696
COASTAL UNILUBE INC.	COASTAL PREMIUM DEXRON III / MERCON ATF	G-34196			ATF	1,2,3,4,5,6,7,8,11	C4-28643699
COASTAL UNILUBE INC.	COASTAL UNILUBE	F-30375			ATF	1,4,5,6,8,11	C4-21542395
COASTAL UNILUBE INC.	COASTAL UNILUBE DEXRON III / MERCON	F-30491			ATF	1,2,3,4,5,6,8,11	C4-22882596
COASTAL UNILUBE INC.	UNILUBE DEXRON III MERCON ATF	F-30204			ATF	12	C4-18881793
COASTAL UNILUBE INC.	UNILUBE DEXRON III MERCON ATF	F-30310			ATF	12	C4-19931994
COFRAN RECHERCHE SARL	COFRAN SINTOFLUID			C-4 Only	ATF	3,4,5,6,7,8	C4-11840289
COGNIS CORPORATION	EMGARD 2803 SYNTHETIC DEXRON-III/MERCON FLUID	G-34494			ATF	12	C4-29463700
COMPANHIA BRASILEIRA DE PETROL	ULTRAMO TURBO CT SAE 30			C-4 Only	30	6	C4-27583500
COMPANIA GENERAL DE LUBRICANTE	EXXOLUBE XD-3 30		CF2/SH		30	6,8,11	
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SAE 10W			C-4 Only			
CONOCO INC.	POWERDRIVE 44 SAE 10W						
CONOCO INC.	HYDROCLEAR (TM) POWERDRIVE FLUID SAE 30						
CONOCO INC.	POWERDRIVE 44 SAE 30						
CONOCO INC.	FLEET HD MOTOR OIL SAE 10W						
CONOCO INC.	FLEET HD MOTOR OIL SAE 15W-40						
CONOCO INC.	HD FLEET SUPREME ENGINE OIL SAE 15W-40						
CONOCO INC.	FLEET HD MOTOR OIL SAE 30						
CONOCO INC.	CONOCO HYDROCLEAR DEXRON III/MERCON ATF	F-30725					
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30118					
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30456					
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30578					
CONOCO INC.	DEXRON III / MERCON AUTOMATIC TRANSMISSION FLUID	F-30158					
CONOCO INC.	HYDROCLEAR DEXRON III / MERCON ATF	F-30371					
CONOCO INC.	HYDROCLEAR MERCON V / DEXRON III ATF	G-34076					

-TS-1

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APPROVALS

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**C4 Approved Fluids List**  
**Allison Transmission Division**  
**General Motors Corporation**  
(2/12/01)  
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OIL SUPPLIER	PRODUCT BRAND NAME	GM LICENSE No.	API	OIL TYPE	GRADE	MARKET PLACE	APPROVAL No.
MOBIL OIL CORP.	MOBIL AUTOMATIC TRANSMISSION FLUID 220			C-4 Only	ATF	3,4,5,7,9,10	C4-21132295
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF		10W	1,2	C4-15000691
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF/SF		10W	1,2	C4-25783197
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF		10W	1,2	C4-26723398
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF/SG		10W	3,4,5,6,7,8,9,10,11	C4-21742395
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF/SF		10W	3,4,5,6,7,8,9,10,11	C4-24782997
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF/SF		10W	4	C4-25823197
MOBIL OIL CORP.	MOBIL DELVAC 1310		CF		10W	4	C4-28423699
MOBIL OIL CORP.	MOBIL DELVAC HP 10		CF/SF		10W	3,4,5,6,7,8,9,10,11	C4-25303097
MOBIL OIL CORP.	MOBIL AGRI SUPER 10W-30		SF		10W-30	12	C4-24462896
MOBIL OIL CORP.	MOBIL AGRI 1 10W-40		SG		10W-40	12	C4-24362896
MOBIL OIL CORP.	MOBIL AGRI EXTRA 10W-40		SF		10W-40	12	C4-24482896
MOBIL OIL CORP.	MOBIL DELVAC MULTISERVICE 10W-40		CE/SF		10W-40	2,3,4,5,6,7,8,9,10,11	C4-15070791
MOBIL OIL CORP.	DELVAC 1200 SUPER		CE/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-13570490
MOBIL OIL CORP.	DELVAC 1300 SUPER		CE/SF		15W-40	3,4,5,6,7,8	C4-12950390
MOBIL OIL CORP.	DELVAC 1300 SUPER		CE/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-13450490
MOBIL OIL CORP.	DELVAC 1300 SUPER SAE 15W-40		CF4/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-13700590
MOBIL OIL CORP.	DETROIT DIESEL POWERGUARD 15W-40		CF		15W-40	1,2,6,8,9,10,11	C4-26283298
MOBIL OIL CORP.	MOBIL AGRI PRO 15W-40		SF		15W-40	12	C4-24372896
MOBIL OIL CORP.	MOBIL DELVAC 1200 SUPER		CF4/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-15520891
MOBIL OIL CORP.	MOBIL DELVAC 1200 SUPER 15W-40		CE/SG		15W-40	1,2	C4-11330289
MOBIL OIL CORP.	MOBIL DELVAC 1200 SUPER 15W-40		CE/SG		15W-40	1,2	C4-15830991
MOBIL OIL CORP.	MOBIL DELVAC 1200 SUPER 15W-40		CE/SG		15W-40	1,2	C4-15970991
MOBIL OIL CORP.	MOBIL DELVAC 1300 SUPER 15W-40		CE/SG		15W-40	1,2	C4-15150791
MOBIL OIL CORP.	MOBIL DELVAC 1300 SUPER 15W-40		CF4/SH		15W-40	1,2	C4-21412295
MOBIL OIL CORP.	MOBIL DELVAC 1300 SUPER 15W-40		CE/SF		15W-40	3,4,5,6,7,8,9,10,11	C4-15010691
MOBIL OIL CORP.	MOBIL DELVAC 1300 SUPER 15W-40		CE/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-15910991
MOBIL OIL CORP.	MOBIL DELVAC 1400 SUPER		CE/SF		15W-40	3,4,5,6,7,8,9,10,11	C4-14750691
MOBIL OIL CORP.	MOBIL DELVAC MX		CF4/SH		15W-40	3,4,5,6,7,8,9,10,11	C4-25523097
MOBIL OIL CORP.	MOBIL DELVAC SUPER 1300		CF4/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-15660991
MOBIL OIL CORP.	MOBIL DELVAC SUPER 1300		CF4/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-16281092
MOBIL OIL CORP.	MOBIL DELVAC SUPER 1300		CF4/SH		15W-40	3,4,5,6,7,8,9,10,11	C4-22192596
MOBIL OIL CORP.	MOBIL DELVAC SUPER 1300		CF4/SH		15W-40	3,4,5,6,7,8,9,10,11	C4-22402596
MOBIL OIL CORP.	MOBIL DELVAC SUPER 1300		CF4/SH		15W-40	3,4,5,6,7,8,9,10,11	C4-22472596
MOBIL OIL CORP.	VANELLUS C3 MULTIGRADE		CF/SG		15W-40	3,4,5,6,7,8,9,10,11	C4-26903498
MOBIL OIL CORP.	MOBIL DELVAC 1230		CE/SG		30	1,2	C4-12440390
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF		30	1,2	C4-14990691
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF4/SF		30	1,2	C4-24032896
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF/SF		30	1,2	C4-25793197
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF		30	1,2	C4-26713398
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF/SF		30	3,4,5,6,7,8,9,10,11	C4-15630891
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF/SG		30	3,4,5,6,7,8,9,10,11	C4-15650991
MOBIL OIL CORP.	MOBIL DELVAC 1330		CE/SG		30	3,4,5,6,7,8,9,10,11	C4-16431092
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF/SG		30	3,4,5,6,7,8,9,10,11	C4-21752395
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF2/SF		30	3,4,5,6,7,8,9,10,11	C4-23272696
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF2/SF		30	3,4,5,6,7,8,9,10,11	C4-24792997
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF		30	3,4,5,6,7,8,9,10,11	C4-26053298
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF/SF		30	4	C4-25833197
MOBIL OIL CORP.	MOBIL DELVAC 1330		CF		30	4	C4-28433699
MOBIL OIL CORP.	MOBIL DELVAC HP 30		CF/SF		30	3,4,5,6,7,8,9,10,11	C4-25313097
MOBIL OIL CORP.	MOBIL AGRI SUPER 20W-40		SF		40	12	C4-24472896
MOBIL OIL CORP.	MOBIL 1 SYNTHETIC AUTOMATIC TRANSMISSION FLUID	F-30126			ATF	12	C4-18921793
MOBIL OIL CORP.	MOBIL AUTOMATIC TRANSMISSION FLUID	F-30107			ATF	12	C4-19321894
MOBIL OIL CORP.	MOBIL AUTOMATIC TRANSMISSION FLUID	F-30127			ATF	12	C4-20832194

-TS-2

**"Pour on the Productivity"**

Ask your nearest Allison distributor or dealer about TranSynDTM Synthetic Automatic Transmission Fluid



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*Warranty Information*

*Frequently Asked Questions*

*Publications*

*Diagnostic Tools*

*Fluids*

*Service Tips*

*Training*

## TES- 295 Approved Fluids

When seeking a fluid for your Allison transmission that is TES 295 approved do not fall to the claims of some companies that claim that their product is TES-295 approved. The statements infer that these products "are designed to meet", "are equivalent to", "meet or exceed", etc. When determining whether or not a fluid is TES-295 approved, look and/or ask for one of two things:

- The Allison TES-295 approval number
- The Allison Approved logo

**Table Of Contents**

- FLUIDS
- C 4 Approved Fluids
- TES- 295 Approved Fluids
- TranSynd™
- TranSynd™ RD for Off Highway
- Oil Analysis
- Engineering Specifications for Fluids

TS-3 →

TES 295 Approval Number	Approved Marketer	Product Brandname
AN-011001	Castrol Heavy Duty Lubricants	TranSynd
AN-031002	BP	Autran Syn 295
AN-031003	Cognis Corporation	Emgard 2805
AN-031004	International Truck & Engine Company	Fleetrite Synthetic ATF



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Voith Turbo

**DIWA Service Bulletin**

Service Bulletin #0130

Issued Date: July 06, 2004

Replaces Service Bulletin #013N

Revised Date: July 06, 2004

Transmissions: All DIWA

**Subject:** Automatic Transmission Fluids (ATF) for DIWA Transmissions – Approved Oils and Change Intervals

**Purpose:** This document provides a detailed list of Approved ATF Oils for use in the Voith transmission for all DIWA models, procedures to approve additional oils for use, guide lines on oil change intervals, information on extended oil change intervals.

**Reference:** AN #55.6335.32 & 55.6336.32 (NOT relevant to North America)

**APPROVED OILS**

See Approved Automatic Transmission Fluid list on page 4 of this service bulletin. **Note:** This list is current as of the revision date found in the header of this document and may be changed as new oil information becomes available.

**NOTE: USE OF OILS NOT ON THE APPROVED TRANSMISSION FLUID LIST COULD HAVE ADVERSE EFFECTS ON THE TRANSMISSION AND VOID WARRANTY.**

**ADDITIONAL OIL APPROVAL PROCEDURES**

If the oil you are using is not on the approved list:

- 1 Have your oil supplier fill out the "Data Sheet for Automatic Transmission Fluids", which is the last page of this document. **Note: if all spaces for the required information on this sheet are not filled in completely the application will be rejected and returned to you.**
- 2 Submit the completed form to Voith Turbo, Inc for approval consideration along with a 1 pint sample of the virgin oil and a laboratory analysis report on the original product. The analysis will cover the following items: Acid Number (ASTM D664 mod), Viscosity at 40 and 100 deg C, Metals (Fe, Al, Cr, Cu, Pb, Sn, Ni, Ag, Si, Na, B, Zn, P, Ca, Mg, Ba, Mo, K) **All information supplied will be kept strictly confidential.**
- 3 Voith will notify you of approval/non-approval after review

**Oil and Filter Drain Intervals on DIWA.2 and DIWA.3 Transmissions with Spin-on Filters Installed.**

*36,000 Mile Oil Change Intervals are defined in the attached list:*

- 1 Use of a **36,000 MILE MINERAL BASE OR SEMI-SYNTHETIC TRANSMISSION FLUID;**
  - a The **Oil Change** interval is **36,000 MILES OR 1 (ONE) YEAR**, whichever comes first
  - b The spin-on **Filter Change** interval is **18,000 MILES OR 6 (SIX) MONTHS**, whichever comes first



Voith Turbo

**DIWA Service Bulletin****Service Bulletin #0130****Issued Date: July 06, 2004****Replaces Service Bulletin #013N****Revised Date: July 06, 2004***72,000 Mile Oil Change Intervals are defined in the attached list:*

- 2 Use of a **72,000 MILE SYNTHETIC TRANSMISSION FLUID;**
  - a The **Oil Change** interval is **72,000 MILES OR 2 (TWO) YEARS**, whichever comes first
  - b **Filter Change** interval is **18,000 MILES OR 6 (SIX) MONTHS**, which ever comes first
  
- 3 Requirements for 72,000 mile oil change intervals while units are in warranty:
  - a Oil sampling and analysis of the ATF for each transmission at the oil filter change (18,000 miles maximum)
  - b Analysis results are compared to the standards established in Service Bulletin Number 4A
  - c If irregularities are found in the oil, follow resample guidelines provided by your analysis company
  - d If irregularities continue in future oil samples, your oil analysis company will recommend the course of action. This may include pulling the oil pan and conducting a bottom end inspection of the transmission
  - e In the event there is a warrantable problem with the transmission, Voith Turbo, Inc. will require the following information for evaluation:
    - i A copy of the current oil analysis along with the past three analysis reports for comparison and evaluation. **ALL** oil analysis sheets must be available for evaluation by Voith. Failure or inability to provide these records will result in voiding of all warranties. **THERE WILL BE NO EXCEPTIONS.**
    - ii Oil type {Company Name, Product Name & Approval Number (If available)}

**Oil and Filter Drain Intervals on All Newly Delivered and Newly Rebuilt Transmissions.**

Oil and filter changes for new and rebuilt transmissions are outlined as follows.

- 1 Initial Oil and Filter Changes are made at the time of receipt of the vehicle or rebuild of transmission up to a **maximum of 2,500 miles**
- 2 The second oil and filter changes are made at a maximum of 9,000 miles after the first oil and filter change **up to 11,500 miles maximum**
- 3 Standard or extended oil change intervals will commence after the second oil and filter change

**NOTE:** By using a genuine Voith oil filter, you are ensured of proper oil filtration and protection of your transmission**NOTE:** Updates to the approval list will be provided in future releases of Service Bulletin 13

# VOITH

Voith Turbo

## DIWA Service Bulletin

Service Bulletin #0130

Replaces Service Bulletin #013N

Issued Date: July 06, 2004

Revised Date: July 06, 2004

### Oil and Filter Drain Intervals on DIWA.3E Transmissions with Filter Installed in Oil Pan.

*36,000 Mile Oil Change Intervals are defined in the attached list:*

- 1 Use of a 36,000 MILE MINERAL BASE OR SEMI-SYNTHETIC TRANSMISSION FLUID;
  - a The **Oil Change** interval is **36,000 MILES OR 1 (ONE) YEAR**, whichever comes first
  - b **Filter Change** interval is **36,000 MILES OR 6 (SIX) MONTHS**, whichever comes first

*72,000 Mile Oil Change Intervals are defined in the attached list:*

- 2 Use of a 72,000 MILE SYNTHETIC TRANSMISSION FLUID;
  - a The **Oil and Filter Change** interval is **72,000 MILES OR 2 (TWO) YEARS**, whichever comes first
  - b **Filter Change** interval is **72,000 MILES OR 2 (TWO) YEARS**, whichever comes first.

**PLEASE NOTE ABOVE:** These transmissions have an internal filter. This type of filter has NO separate change interval from the oil. The filter MUST be changed in accordance with your oil changes intervals.



Voith Turbo

## DIWA Service Bulletin

Service Bulletin #0130

Issued Date: July 06, 2004

Replaces Service Bulletin #013N

Revised Date: July 06, 2004

For Voith model transmissions: DIWA D851.2&.3 & .3E; D854 2&.3; D854G; D863.2&.2W7; &.3; D864.3 &.3E; D864G and D884.3E

**Note:** The information contained on this list is certified to be current as of the date listed in the issued document field and is accurate only to the limits of the information supplied by the oil manufacturers and on file with Voith Turbo in York PA as the revised document date. This list may be changed or modified at any time without notice if the technical information regarding the oils and supplied to Voith by the oil manufacturers is updated or modified by the oil manufacturers.

	COMPANY NAME (Marketer)	BRAND NAME	Approval Number	Class Base	Drain Interval*
1	76 Lubricants	76 Mercon V ATF	H36011	Mineral	36,000
2	Amsoil Inc.	Amsoil ATF	E25112	Synthetic	72,000
3	BP Oil and Exploration	Autran Dexron III®/ Mercon	F30135	Mineral	36,000
4	Castrol Ltd. Heavy Duty Lube	TranSynd ATF	G34010	Synthetic	72,000
5	Chevron Texaco Global Lubricants	Chevron Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
6	Chevron Texaco Global Lubricants	Texaco Synthetic ATF Heavy Duty	G34090	Synthetic	36,000
7	Chevron Texaco Global Lubricants	Chevron ATF MERCON V	G 34555	Mineral	36,000
8	Chevron Texaco Global Lubricants	Texaco Havoline ATF MERCON V	G34555	Mineral	36,000
9	Citgo Petroleum Corporation	Transgard Dexron® III/ Mercon	G34059	Mineral	36,000
10	Coastal Unilube Inc.	Coastal Dexron III/ Mercon	F30310	Mineral	36,000
11	Cofram Lubricants	Sintofluid	ISO 46-GL4	Semi-Synthetic	36,000
12	Cognis Corp	Emgard 2803 Synthetic ATF	G34494	Synthetic	36,000
13	Conoco Phillips	Mercon V ATF	H36011	Mineral	36,000
14	Delta Petroleum Co.	Mercon V2000	G 34095	Mineral	36,000
15	Exxon Mobil Corp Fairfax Va.	Aamco Synthetic Blend ATF	G34015	Mineral	36,000
16	Exxon Mobil Corp Fairfax Va.	Superflow Synthetic ATF	G34015	Mineral	36,000
17	Exxon Mobil Corp Fairfax Va.	Mobile ATF 220	D21611	Mineral	36,000
18	Exxon Mobil Corp Fairfax Va.	Mobil 1 Synthetic ATF	G34036	Synthetic	36,000
19	Fuchs Lubricants Co	Sintofluid III MTA	H36310	Synthetic	72,000
20	Fuchs Lubricants Co	Titan ATF 3000	D22173	Mineral	36,000
21	Fuchs Lubricants Co	Titan ATF 4000	F30105	Mineral	36,000
22	Fuchs Lubricants Co	Titan ATF 5000	E25112	Synthetic	72,000
23	Kendall	Mercon V ATF	H36011	Mineral	36,000
24	Petro Canada Lubricants	Petro Canada ATF	H36007	Synthetic	72,000
25	Phillips 66	Mercon V ATF	H36011	Mineral	36,000
26	Shell Canada	Donax TG	G34026	Mineral	36,000

- TS-3

- TS-1

- TS-2

<b>VOITH TURBO</b>	<b>Data sheet for Automatic Transmission Fluids</b>			
<b>For use in transmissions DIWA, DIWA.2, DIWA.3, DIWA.3E, DIWA.5</b>				
<p>Basically, only oils according to Dexron II or Dexron III specification are approved for use in our transmissions                  The introduction into our "Service Bulletin 13" will be done according to the data received by the oil marketer                  without further tests                  Oils that do not correspond with the above mentioned specifications will not be accepted</p> <p>The following details are required:</p>				
<b>General data</b>				
oil marketer:	.....			
name of product:	.....			
base oil:	compound	mass		
base oil 1:	.....	..... [%]		
base oil 2:	.....	..... [%]		
base oil 3:	.....	..... [%]		
base oil 4:	.....	..... [%]		
additive manufacturer:	.....			
Dexron-no II or III:	.....	Package no : ..... [%]		
Rebrand / Reblend of:	.....			
Market region:	Europe <input type="checkbox"/> North America <input type="checkbox"/> South America <input type="checkbox"/> Africa <input type="checkbox"/> Asia/Australia <input type="checkbox"/>			
<b>Characteristic values</b>				
apparent viscosity at -40°C acc. to DIN 51398 (Brookfield):	.....	[mPa s]		
kinematic viscosity acc. to DIN 51562 at 40°C:	.....	[mm²/s]		
	at 100 °C:	..... [mm²/s]		
index of viscosity acc. to DIN ISO 2909:	.....	[-]		
total acid number TAN acc. to ASTM D 664:	.....	[mgKOH/g]		
flash point acc. to Cleveland and DIN ISO 2592:	.....	[°C]		
<b>Test results</b>				
FZG Test A/B. 3/90 (DIN 51354) achieved failure load stage (min. LS 11):	.....	[LS]		
KV @ 100°C (=212°F) after shear (DIN 51350-6 KRL/C) (min. 5.3 mm²/s):	.....	[mm²/s]		
Freudenberg Test with materials ACM 80 and FPM 80 at 168 h / 95 °C (= 203 °F) and 150 °C (= 302 °F):				
	new	168 h / 95° (203°F)	new	168 h / 150° (302°F)
<b>ACM 80</b>				
Hardness [Shore]	.....	.....	.....	.....
Volume [%]	.....	.....	.....	.....
<b>FPM 80</b>				
Hardness [Shore]	.....	.....	.....	.....
Volume [%]	.....	.....	.....	.....
Deviations from materials and test conditions are to be stated respectively				
If the stated information corresponds with our required data, the ATF will be introduced into our "Lists of Lubricants" and it will be approved in written form. The approval is limited to 24 months. After written confirmation given to Voith, that the product has not changed, a new approval for further 24 months is done.				
Safety instruction: Each change of components of the product referring to base oil, additive package or added components will terminate the approval. It may be re-approved after a new audit by Voith.				
Date:	.....		Signature:	.....
Voith Turbo GmbH & Co. KG D-89522 Heidenheim		<b>DIWA</b>		55 6252 16 2004-03

QUALIFICATIONS CERTIFIED  
September 2002

QPL-5606-31  
6 September 2002  
SUPERSEDING  
QPL-5606-30  
29 March 1996

**QUALIFIED PRODUCTS LIST**  
OF  
PRODUCTS QUALIFIED UNDER SPECIFICATION  
**MIL-PRF-5606**

**HYDRAULIC FLUID, PETROLEUM BASE,  
AIRCRAFT, MISSILE, AND ORDNANCE**

*Effective 29 March 1996, MIL-H-5606G has been declared "Inactive for New Design."  
This QPL is applicable on all acquisitions to which MIL-H-5606 or MIL-PRF-5606 is  
applied, other than for use in new designs.*

This list has been prepared for use by or for the Government in the acquisition of products covered by the subject specification. Such listing of a product is not intended to, and does not, connote endorsement of the product by the Department of Defense. All products listed herein have been qualified under the requirements for the product as specified in the latest effective issue of the applicable specification. The list is subject to change without notice; revision or amendment of this list will be issued as necessary. The listing of a product does not release the contractor from compliance with the specification requirements. Products are qualified for five years from the qualification approval date.

THE ACTIVITY RESPONSIBLE FOR THIS QUALIFIED PRODUCTS LIST IS THE AIR FORCE MATERIEL COMMAND, ASC/ENOI, BLDG 560, 2530 LOOP ROAD WEST, WRIGHT-PATTERSON AFB OH 45433-7101. THE ACTIVITY RESPONSIBLE FOR QUALIFICATION APPROVAL IS AFRL/MLBT, BLDG 654, 2941 P STREET, WRIGHT-PATTERSON AFB OH 45432-7750.

AMSC N/A

FSC 9150

DISTRIBUTION STATEMENT A. Approved for public release; distribution is unlimited.

CAGE CODE	MANUFACTURER'S DESIGNATION	TEST OR QUALIFICATION REFERENCE	MANUFACTURER'S NAME AND ADDRESS
0JWS4	Arpolube 5606	MLB 02-27 4 Sept 02	<i>Distributed by:</i> Arpol Petroleum Company 2275 Tucker Industrial Rd. Tucker, GA 30084
98308	Brayco Micronic 756	MLB 02-15 21 Mar 02	Castrol Industrial North America Endurance Technology 1001 West 31 <sup>st</sup> Street Downers Grove, IL 60515  <i>Plant:</i> 5511 District Blvd. Los Angeles, CA 90040
04BH0	Chevron Aviation Hydraulic Fluid G  Texaco Aircraft Hydraulic Oil 5606G	MLB 01-08 5 Oct 01  MLB 01-08 5 Oct 01	<i>Distributed by:</i> ChevronTexaco Global Lubricants 6101 Bollinger Canyon Rd., T3066 San Ramon, CA 94583
1PWD8	Invarol FJ 13	MLB 99-02 15 Jun 99	ESSO Saf 2, rue des Martinets 92569 Rueil-Malmaison Cedex, France  <i>Plant:</i> ESSO Raffinage S.A.F. Usines Lubrifiants de Port-Jerome/Gravenchon BP70 Notre-Dame-de-Gravenchon 76330 France  <i>Distributed by:</i> Exxon Mobil Corp. 3225 Gallows Rd. Fairfax, VA 22037
1PWD8	Mobil Aero HF	MLB 02-22 6 Aug 02	<i>Distributed by:</i> Exxon Mobil Corporation 3225 Gallows Road Fairfax, VA 22037

TS-7 →

CAGE CODE	MANUFACTURER'S DESIGNATION	TEST OR QUALIFICATION REFERENCE	MANUFACTURER'S NAME AND ADDRESS
8Y842	Technolube FB003	MLB 01-04 16 Jul 01	Lubricating Specialties Company Technolube Products Division 8015 Paramount Blvd Pico Rivera, CA 90660-4888  <i>Plant:</i> 3365 E. Slauson Ave. Vernon, CA 90058
F4101	Hydraunycoll FH 51	MLB 01-06 26 Sep 01	Nyco SA 66, Avenue Des Champs-Elysees 51, Rue de Ponthieu 75008 Paris France  <i>Plant:</i> Societe Touraisienne de Produits Chimiques Z.I. de Tournai Ouest Rue de l'Ancienne Potence, 22 7503 Tournai Belgium
0HDS4	Petronomics Plus	MLB 02-27 4 Sep 02	<i>Distributed by:</i>  Petronomics Mfg. Group, Inc. P.O. Box 644 Hutchison, KS 67504-0644
07950	Royco 756	MLB 02-12 6 Mar 02	Royal Lubricants, Inc. P.O. Box 518 215 Merry Lane East Hanover NJ 07936-3920
3AD00	SENT-5606	MLB 00-10 3 Jan 01	Sentinel Canada Div SLC/LCLS 7300 Rue St-Jacques Montreal, Quebec H4B 1W1 Canada

QPL-5606-31

CAGE CODE	MANUFACTURER'S DESIGNATION	TEST OR QUALIFICATION REFERENCE	MANUFACTURER'S NAME AND ADDRESS
KA832	AeroShell Fluid 41	MLB 02-19 29 May 02	<i>Distributed by:</i> Shell Aviation Ltd. Shell Centre York Road London SE1 7NA United Kingdom

ExxonMobil Lubricants &  
Petroleum Specialties  
255 27th Avenue  
San Francisco, California 94121  
(415) 752-2439  
john.a.ragunas@exxonmobil.com

John A. Ragunas  
Northern California Territory Manager  
Commercial Vehicle Lubricants



September 30, 2004

Mr. Al DeNurra, Senior Buyer  
Alameda - Contra Costa Transit District  
10626 International Boulevard  
Oakland, California 94603

**SUBJECT: Lubrication Products, Contract Proposal No. 2004-879RTCC**

Dear Mr. DeNurra:

Tom Lopes Distributing Co. (dba Western States Oil), a local ExxonMobil lubricants and petroleum specialties distributor, has forwarded to me your request for product information to support their recent bid proposal. The following is provided in response to that request:

**TS-2, Synthetic Automatic Transmission Fluid**

Mobil 1 Synthetic ATF has undergone industry testing and has obtained the following OEM approvals:

- GM Dexron III: G-34036
- Voith: G34036
- Allison C-4: C4-18921793

**TS-4, Heavy Duty Diesel Engine Oils**

Exxon XD-3 30 and Exxon XD-3 40 have been tested in accordance with applicable ASTM and SAE procedures, and demonstrate the following properties:

- Alkalinity (ASTM D2896): 7.3
- Zinc: 1410 ppm
- Phosphorus: 1280 ppm

**TS-7, Aviation Hydraulic Fluid**

Please refer to the attached Qualified Products List (QPL) 5606-31 issued by the Air Force Materiel Command. U.S Military Specification MIL-H-5606G was declared "Inactive for New Design" in March 1996 and has been superseded by U.S Military Specification MIL-PRF-5606. Mobil Aero HF meets both U.S. Military Specifications, MIL-H-5606G and MIL-PRF-5606 (Reference MLB 02-22)

Sincerely,

*John A. Ragunas*



Sunday, October 03, 2004

To: Al DeNurra-AC Transit

Reference: CITGO Product Data for AC Transit Bid

You requested additional data on CITGO products bid by Western States Oil Company.

1. TS-1 Automatic Transmission Fluid, Mineral Base:
  - a. GM Lic. # G34059
  - b. Voith approval number-based on GM Lic. #G34059 (See Attached Voith Service Bulletin #0130)
  - c. Allison C-4 Approval-C4-29903800
2. TS-3 Replacement-Synthetic Automatic Transmission Fluid
  - a. QuatraSyn-See attached data
  - b. Equivalent to or exceeds Allison TES-295 requirements
3. TS-5 Cummins Heavy Duty Natural Gas/LPG Engine Oil 15W-40 Specifications-See attached approval letters

Specifications	Pacemaker 1615	Citgard Natural Gas Engine Oil 15W-40
Sulfated Ash	.45	.55
TBN	5.4	5.2
TAN	.5	.8
Phosphorus	270	702
Zinc	330	778
Calcium	1300	1200
Copper Corrosion	NA	1A
Lead Increase	NA	<50
Tin Increase	NA	<20

See attached Product Information Sheets on the above CITGO products.

  
Roger Littlejohn  
Technical Services Manager  
CITGO Petroleum

Cummins Inc.  
Box 3005  
Columbus, Indiana  
47202-3005



December 20, 2002

David Clark  
CITGO Petroleum Corporation  
P.O. Box 3758  
Tulsa, Oklahoma 74102

Dear David,

**CONFORMANCE TO CES 20074 ENGINE OIL SPECIFICATION**

Results from tests according to CES 20074 have been presented to Cummins. In view of the results I would like to give the following comments.

The results have been found to be within the CES 20074 limits and hence oils formulated as stated in your request can be labeled as conformance to CES 20074.

The oils shall be used per the ambient temperature and SAE grade guidelines in the engine specific Operation and Maintenance (O & M) manual, as well as, in any Cummins service documents.

Please notify Cummins Inc. if the formulation of this product changes.

Brand Name: CITGARD NATURAL GAS 15W40  
SAE Grade: 15W40

I hope this information will be of assistance to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. A. Totten'.

Warren A. Totten  
Fuels and Lubricants

**DISCLAIMER:** Product registration means the manufacturer or marketer has faithfully collected information pertinent to the requirements of the specification, and with the full intention to conform to the specification. However, it is still the responsibility of the manufacturer or marketer to ensure satisfactory performance of its products in all aspects at all times. Registration for CES 20074 does not waive product liability of the manufacturer or marketer. Cummins does not warrant the performance of non-Cummins products, registered or not.

Phone: 812-377-5000  
Facsimile: 812-377-3334

Revision Date: February 25, 2002



Friday, June 20, 2003

Mr. David Clark  
CITGO  
4500 S. 129<sup>th</sup> E. Ave.  
Tulsa, OK 74134

Dear Mr. Clark:

Subject: Applicability of Citgard Natural Gas SAE 15W-40 Engine Oil in  
DDC Series 50G and S60G Engines

Thank you for providing information about the Citgard Natural Gas SAE 15W-40 Engine Oil product for use in natural gas fueled engines. Based upon the information provided, this engine oil has been formulated with OLOA 1255Z. Field testing with this additive technology in DDC engines has shown it to perform similarly to OLOA 1255, therefore oils formulated with OLOA 1255Z at 10.81 % mass treat rate in Group I and II base stocks with a non-dispersant viscosity index improver are acceptable for use in DDC Series 50G and Series 60G engines.

Thank you for providing the documentation for my review. Please contact me at 313-592-5970 should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Mesfin Belay".

Mesfin Belay  
Fuels and Lubricants

cc:  
T. Bistue  
D. Karineami  
G. Lysinger  
J. Reinhart  
J. Zhu





April 26, 2000

Mr. Richard J. Patrick  
Product Specialist  
Citgo Petroleum  
P.O. Box 3758  
Tulsa, OK 74102-3758

Dear Dick

Subject: Citgo Pacemaker 1615 15W-40 for Detroit Diesel Corp. Series 50G engines

In response to your inquiry regarding the engine oil requirements for DDC Series 50G natural gas fueled engines and the possible use of Citgo Pacemaker 1615 15W-40. Since no industry performance category exists for identification of the proper engine oils for these engines DDC has adopted a list of recommended oils based on field experience and their performance in the engine during product development.

To accommodate the needs of transit customers other oils have been identified which use identical additive technology. Therefore oils formulated with OLOA 1255 at a 10.1% mass treatment rate have been accepted as alternates to the recommended products listed in DDC publication 7SE272. I have received written communication that Citgo Pacemaker 1615 15W-40 is formulated with OLOA 1255 at the prescribed treatment rate. Based upon this information, Pacemaker 1615 can be recommended for this service. I have recommended that customers confirm the chemical profile as:

Calcium - 1200 ppm, Phosphorous - 280ppm, Zinc - 303 ppm, and TBN (D2896) - 5.1

Should this information be inaccurate, please notify me as soon as possible. If you have any further comments or questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Danny E. Larkin".

Danny E. Larkin  
Fuels and Lubricants

/

cc:



**Mobil 1 Synthetic ATF**

Most Advanced Synthetic Automatic Transmission Fluid



**Product Description**

Mobil 1 Synthetic ATF is a synthetic fluid designed that meets the demanding requirements of modern passenger vehicles. The synthetic baseoil composition enables excellent performance even in the severest of operating conditions. It offers outstanding gear shifting and power transfer performance. Versus conventional ATF fluids, the inherently high viscosity index and stability of Mobil 1 Synthetic ATF protects against thermal breakdown at high operating temperatures, while still providing outstanding performance at ambient temperatures as low as -54° C.

**Features & Benefits**

Mobil 1 Synthetic ATF combines synthesised hydrocarbon base oils and a superior balanced additive system to provide significantly higher levels of performance above conventional fluids. This unique, advanced technology has demonstrated extended drain, long-term friction retention, and low-temperature capability. Further, it improves overall transmission durability and cleanliness. Key features and benefits include:

Features	Advantages and Potential Benefits
Enhanced, long-term frictional properties	Improves and extends transmission efficiency, smooth shifting performance and fuel economy
Exceptional thermal and oxidation stability	Keeps transmissions clean to extend life and performance even under severe driving conditions
Outstanding film-strength and anti-wear properties	Significant wear reduction and longer transmission life
Excellent low-temperature fluidity	Provides prompt and reliable lubrication at ambient temperatures down to -54° C
Exceptional shear stability	Viscosity retention even under the severest heavy duty, high temperature operating conditions
Compatible with mineral ATF fluids and all common seal materials	Reduced concern in top-off emergencies and excellent leakage control

**Applications**

- Mobil 1 Synthetic ATF is recommended for use in modern high performance automobiles, SUV's, SUT's, vans and other light trucks requiring Dexron III and Ford Mercon performance levels.
- Suitable for use in older vehicles which originally required Ford Type H and Type CJ fluids.
- Off-highway, heavy duty transmissions requiring Allison C-4, Caterpillar TO-2 performance
- Not recommended for Chrysler Type 7176 ATF.

**Specifications & Approvals**

Mobil 1 Synthetic ATF has the following builder approvals:	
Allison C-4	
Ford Mercon	
General Motors Dexron III	

Mobil 1 Synthetic ATF is recommended for use in	
---	--

applications requiring:	
Caterpillar TO-2	
Vickers 35VQ25 Vane Pump Test	
Sundstrand Piston Pump Test	

**Typical Properties**

Mobil 1 Synthetic ATF	
Viscosity, ASTM D 445	
cSt @ 40° C	34
cSt @ 100° C	7.6
Brookfield Viscosity, ASTM D 5293	
-cP @ -40° C	5190
Viscosity Index, ASTM D 2270	199
Pour Point, °C, ASTM D 97	-54
Flash Point, °C, ASTM D 92	236
Density @15° C kg/l, ASTM D 4052	a
Colour	Red

**Health & Safety**

Based on available information, this product is not expected to produce adverse effects on health when used for the intended application and the recommendations provided in the Material Safety Data Sheet (MSDS) are followed. MSDS's are available upon request through your sales contract office, or via the Internet. This product should not be used for purposes other than its intended use. If disposing of used product, take care to protect the environment.

*The Mobil logotype, the Pegasus design and Mobil 1 ATF are trademarks of Exxon Mobil Corporation, or one of its subsidiaries*

06-2003

Exxon Mobil Corporation  
3225 Gallows Road  
Fairfax, VA 22037  
1-800-Mobil25 (662-4525)



Due to continual product research and development, the information contained herein is subject to change without notification. Typical Properties may vary slightly. This product data sheet is based on global product data sheets for use with products purchased in the U.S.  
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TS-3  
ALTERNATIVE



TranSynd™



## Product Data Sheet

### DESCRIPTION

TranSynd™ is a premium, synthetic, universal powershift and automatic transmission fluid. TranSynd™ is engineered to remain stable under the most severe conditions.

### FEATURES AND BENEFITS

- Excellent thermal and oxidation stability resists deposit formation
- High viscosity index synthetic base fluids provide superior high/low temperature performance
- Excellent shear stability
- Excellent corrosion and foaming resistance
- Reduced used oil disposal costs
- Extended drain intervals
- Extended filter change intervals
- Compatible with most other automotive transmission fluids and seals
- One fluid for year-round use in all geographic locations

### APPLICATION

The unique formulation of TranSynd™ can be used in a variety of applications:

- Inter/intracity buses
- Vans, school buses
- Refuse fleets
- Emergency vehicles
- Commercial vehicles and trucks
- Motorhomes
- On/Off-highway vehicles
- Light Duty Pickup Trucks and Passenger cars where DEXRON®-III is approved

In addition, TranSynd™ meets or exceeds the performance requirements set forth by OEMs and listed or approved under the following specifications:

- DEXRON®-III (G-34010)
- Allison TES-295 (AN-011001)
- Allison C-4 (27403598)
- Voith Transmission
- ZF Transmissions

### HEALTH & SAFETY

Material Safety Data Sheets are available. These can be obtained from the address on this document.

### CUSTOMER SERVICE AND SALES SUPPORT

Place order, order inquiry, Data sheets, MSDS, pricing

## TYPICAL PROPERTIES

Viscosity, ASTM D-445, cSt @40°C (104°F)	38.9
@100°C (212°F)	7.3
Brookfield Viscosity, ASTM D-2983, cP@-40°C (-40°F)	8,400
Viscosity Index, ASTM D-2270	168
Specific Gravity, ASTM D-287, @ 16°C (60°F)	0.85
Flash Point, ASTM D-92, °C/°F	235/455
Fire Point, ASTM D-92, °C/°F	274/525
Pour Point, ASTM D-97, °C/°F	-55/-67
Total Acid Number, ASTM D-664, mg KOH/gm	1
4-Ball Wear, ASTM D-2266, 40kg, 1200 rpm, 1hr and 75°C (167°F), scar dia. Mm	0.44
NOACK Evaporative Loss, DIN 51581 1 hr, 150°C (302°F), wt%	0.62
Cold Cranking Simulator Viscosity, ASTM D-5293, cP @ -30°C (-22°F)	2,900

Revised: 10/13/03

## Exxon XD-3 Monogrades

Premium Diesel Engine Oils



### Product Description

Exxon XD-3 20, 30, 40 and 50 are premium diesel engine oils blended from high quality base oils and a balanced additive system to meet or exceed the lubrication protection requirements of American diesel engine builders. They are specifically formulated using a versatile blend of ashless dispersants, metallic detergents, and inhibitor chemistry to control oxidation, wear, corrosion and rust. Exxon XD-3 Monogrades are especially suited for two-cycle applications.

### Features & Benefits

Modern diesel engines in moderate to heavy-duty applications place increasing demands on engine lubricants. The reliability built into Exxon XD-3 Monogrades deliver excellent protection, especially in 2-cycle designs, as well as older naturally aspirated models and gasoline engines. The key benefits include:

- Protects against oil thickening, high temperature deposits, and corrosion
- Effective TBN reserve to neutralize corrosive acids and control deposits
- Low sulfated ash content to minimize valve deposits extending valve life

### Applications

- Diesel powered equipment from leading American manufacturers
- On-highway light and heavy-duty trucking
- Off-highway industries including: construction, mining, quarrying, and agriculture
- Two-cycle applications

### Specifications & Approvals

Exxon XD-3 Monogrades meet the following industry specifications:	20	30	40	50
API CF	X	X	X	X
API CF-2		X	X	X

Exxon XD-3 Monogrades are recommended for use in applications requiring:	20	30	40	50
API SF	X	X	X	X

### Typical Properties

Exxon XD-3 Monogrades	20	30	40	50
SAE Grade	20	30	40	50
Viscosity, ASTM D 445				
cSt @ 40°C	66	110	160	223
cSt @ 100°C	8.5	12.0	15.5	19.5
Viscosity Index, ASTM D 2270	98	98	98	99
Sulfated Ash, wt%, ASTM D 874	0.8	0.8	0.8	0.8
Total Base #, mg KOH/g,	7.3	7.3	7.3	7.3

ASTM:D:2896				
Pour Point, °C. ASTM D 97	-30	-30	-30	-27
Flash Point, °C, ASTM D 92	250	258	256	264
Density @ 15°C kg/l, ASTM D 4052	0.89	0.892	0.894	0.898

**Health & Safety**

Based on available information, this product is not expected to produce adverse effects on health when used for the intended application and the recommendations provided in the Material Safety Data Sheet (MSDS) are followed. MSDS's are available upon request through your sales contract office, or via the Internet. This product should not be used for purposes other than its intended use. If disposing of used product, take care to protect the environment.

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TS-5 & TS-6

P R O D U C T I N F O R M A T I O N

CITGO PACEMAKER® GAS ENGINE OIL 1600 SERIES



Date 02/04

**DESCRIPTION:** CITGO Pacemaker® Gas Engine Oil 1600 Series oils are superior low ash, low phosphorus gas engine oils with a balanced advanced additive package to meet API CD quality performance and non-selective catalytic converter requirements. These new generation oils deliver a superior level of cleanliness — with excellent wear protection with a low ash formula that complies with manufacturers' warranties.

Formulated with the latest generation additives and highest quality base stocks available, CITGO Pacemaker® Gas Engine Oil 1600 Series oils are unsurpassed in performance.

- QUALITIES:**
- Contain special dispersants and detergents to insure a cleaner, longer running engine.
  - Control deposits and minimize wear of pistons, rings, and liners.
  - Retain TBN to neutralize combustion acids from sour gas.
  - Effectively control oxidation and nitration which create sludge that thickens the oil, plugs filters and causes excessive foaming.
  - Minimize valve recession to provide longer head life.

**APPLICATIONS:** CITGO Pacemaker® Gas Engine Oil 1600 Series oils are low ash oils suitable for a wide range of engines operating on virtually any variation of natural or synthetic gas, gas from digester or landfill sources or fuels containing low levels of sulfur and chlorofluorocarbons (CFC). **Note:** In high CFC/sour gas applications, an oil with a higher base reserve may be required.

These oils are recommended for high and medium speed 4-cycle engines manufactured by Caterpillar, Waukesha, Superior, Cooper-Bessemer; Cummins, Dresser-Rand (Categories I, II and III), as well as low-speed engines manufactured by Cooper-Bessemer and Worthington C4-Cycle.

CITGO Pacemaker® Gas Engine Oil 1640LP is a specially formulated SAE 40 grade product that exhibits superior low temperature properties, compared with other monograde oils. This low pour product is particularly well suited for applications where improved low temperature fluidity is needed, but a monograde oil is recommended by the engine manufacturer.

- CUSTOMER BENEFITS:**
- Cleaner pistons
  - Minimum oil viscosity increase
  - Low wear
  - Improved TBN retention
  - Catalyst compatible
  - Clean crankcases and top decks
  - Reduced valve recession



TS-5

P R O D U C T I N F O R M A T I O N

CITGO CITGARD® NATURAL GAS 15W40 ENGINE OIL



Date 02/04

DESCRIPTION: CITGARD® Natural Gas 15W40 Engine Oil is specially formulated for compressed natural gas (CNG) engines in transit operation. It is available as an SAE 15W-40 viscosity grade. Building on CITGO's long heritage of outstanding gas engine oils for stationary applications, CITGARD® NATURAL GAS 15W40 ENGINE OIL provides the protection needed in today's demanding mobile CNG applications.

QUALITIES: CITGARD® Natural Gas 15W40 Engine Oil is formulated with base stocks specially selected for compressed natural gas operation, proven additives and a shear stable VI improver. This unique combination provides protection against deposits in the higher temperature natural gas combustion chamber. Liner and tappet wear protection far exceed original equipment manufactures requirements. CITGO's combination of components provides excellent cold pumpability, foam protection, exceptional oxidation and nitration control, overall engine cleanliness, and reduced oil consumption.

APPLICATIONS: CITGARD® Natural Gas 15W40 Engine Oil exceeds the requirements for Cummins Engine Company CES 20074 and is recommended for Cummins L-10, "B" and "C" series CNG engines. CITGARD® NATURAL GAS 15W40 ENGINE OIL is recommended for applications of Detroit Diesel included in their 7SE272 publication, including Series 50G and 60G natural gas engines. Mack Trucks and John Deere also call for this quality of oil in their natural gas fueled engines. CITGARD® NATURAL GAS 15W40 ENGINE OIL is also suitable for use with other gaseous fuels such as liquefied natural gas and LPG. Always consult your owner's manual for correct oil recommendations.

TYPICAL PROPERTIES:

CITGARD® NATURAL GAS 15W40 ENGINE OIL

SAE Grade	15W-40
Material Code	632015001
API Service Category	CD
Gravity, ASTM D 4052, °API	29.5
Pounds Per Gallon	7.3
Flash Point, ASTM D92, °F, (°C)	437, (225)
Viscosity ASTM D445, cSt at 40°C	124
cSt at 100°C	15
Viscosity Index, ASTM D2270	125
Pour Point, ASTM D97, °F, (°C)	-17, (-27)
Sulfated Ash, ASTM D 872, %	0.56
Total Base Number, ASTM D2896	5.3



Color	Red	Red	Red
Gravity, API	29	29	34.5
Specific Gravity, 60 °F/60 °F	0.882	0.882	0.852
Pour Point, °C	-60 max	-60 max	-55 max
Flash Point, COC, °C	93 min	-	205 min
Flash Point, PMCC, °C	-	82 min	-
Acid Number, mg KOH/g	0.03 (0.2 max)	0.03 (0.2 max)	0.03 (0.1 max)
Barium Content, ppm	-	10 max (1)	10 max
Kinematic Viscosity, cSt			
@205 °C	-	-	1.1 (1.0 min)
@ 100 °C	5.1	5.1 (4.9 min)	3.5 (3.45 min)
@ 40 °C	13.9	13.9 (13.2 min)	14.1 (14.0 min)
@ -40 °C	460 (500 max)	460 (600 max)	2000 (2200 max)
@ -54 °C	1950	1950 (2500 max)	-
@ 130 °F	10.7 (10.0 min)	-	-
Viscosity Index	370	370	128
Low Temperature Stability			
72 hours at -54 °C	Pass	Pass	-
72 hours at -40 °C	-	-	Pass
Copper Corrosion, 72 hours at 135 °C	2e max	2e max	-
Oxidation Corrosion Stability 168 hours at 135 °C	Pass	Pass	Pass
Water Content, ppm	50 (100 max)	50 (100 max)	50 (100 max)
4-Ball Wear Scar, mm 1 hour, 1200 rpm, 75 °C, 40 kg	0.8 (1.0 max)	0.8 (1.0 max)	0.56 (0.65 max)
Evaporation Loss, wt %			
6 hours at 71 °C	15 (20 max)	15 (20 max)	-
6.5 hours at 205 °C	-	-	13 (20 max)
Particle Count			
5-15 microns		10000 max	10000 max
15-25 microns		1000 max	1000 max
25-50 microns		150 max	150 max
50-100 microns		20 max	20 max
100+ microns		5 max	5 max
Particulate		0.3 max	0.3 max

Contamination, mg/100 mL			
Filtration Time, minutes/100 mL		6 (15 max)	6 (15 max)
Foam, ASTM D892 Seq I, mL/mL	30/0 (65/0 max)	30/0 (65/0 max)	10/0 (65/0 max)
Nitrile Rubber L Swell, % 168 hours at 70 °C	19.0 to 30.0	19.0 to 30.0	18.0 to 30.0
Shear Stability, ASTM D 2603 Option B, % Loss in KV at 40 °C	15 max	15 max	-
Bulk Modulus, Isothermal Secant at 40 °C, 4,000 psig	200,000 min	200,000 min	-
Bulk Modulus, psi Isothermal Secant at 40 °C, 10,000 psig	-	-	200,000 min

#### Health & Safety

Based on available toxicological information, this product is not expected to produce adverse effects on health when used and handled properly. Information on use and handling, as well as health and safety information, can be found in the Material Safety Data Sheet (MSDS) which can be obtained from your local distributor or via the Internet on <http://www.exxonmobil.com/lubes>

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**ExxonMobil**  
Aviation Lubricants



Cincinnati Machine P-68				X
Cincinnati Machine P-70				
Cincinnati Machine P-69				
Meets or Exceeds the following industry specifications	Exxon Nuto H 46	Exxon Nuto H 68	Exxon Nuto H 100	Exxon Nuto H 150
AFNOR NF-E 48-690/1	X	X	X	X
AFNOR NF-E 48-603 HM	X	X	X	X
Denison HF-0	X	X	X	X
Vickers I-286-S	X	X		
Vickers M-2950-S	X	X		
DIN 51524 PART 2	X	X	X	
ISO 11158 TYPE HM	X	X	X	X
Cincinnati Machine P-68				
Cincinnati Machine P-70	X			
Cincinnati Machine P-69		X		

Has the following builder approvals	Exxon Nuto H 10	Exxon Nuto H 15	Exxon Nuto H 22	Exxon Nuto H 32
Denison HF-0				X
Cincinnati Machine				
P-68				x
P-69				
P-70				

Has the following builder approvals	Exxon Nuto H 46	Exxon Nuto H 68	Exxon Nuto H 100	Exxon Nuto H 150
Denison HF-0	X	X	X	
Cincinnati Machine				
P-68				
P-69		x		
P-70	x			

Typical Properties

Nuto H Series	Exxon Nuto H 10	Exxon Nuto H 15	EXXON Nuto H 22	Exxon Nuto H 32
ISO Viscosity Grade	10	15	22	32
Viscosity, ASTM D 445, cSt @ 40°C				
cSt @ 40°C	10	15	22	32
cSt @ 100°C	2.71	3.45	4.42	5.4
Viscosity Index, ASTM D 2270	97	96	105	104
Copper Strip Corrosion,	1A	1A	1A	1A

ASTM D 130				
Rust Characteristics, ASTM D 665B	Pass	Pass	Pass	Pass
Pour Point, °C, ASTM D 97	-36	-24	-24	-24
Flash Point, °C, ASTM D 92	170	182	206	212
Density 15°C, ASTM D 1298, kg/L	0.85			0.872
Demulsibility time (minutes) to 3ml emulsion;				
@ 54°C	15	10	15	15
@ 82°C	-	-	-	-
Nuto H Series	Exxon Nuto H 46	Exxon Nuto H 68	Exxon Nuto H 100	Exxon Nuto H 150
ISO Viscosity Grade	46	68	100	150
Viscosity, ASTM D 445, cSt @ 40°C				
cSt @ 40°C	46	68	100	150
cSt @ 100°C	6.7	8.5	11.1	14.6
Viscosity Index, ASTM D 2270	104	107	95	95
Copper Strip Corrosion, ASTM D 130	1A	1A	1A	1A
Rust Characteristics, ASTM D 665B	Pass	Pass	Pass	Pass
Pour Point, °C, ASTM D 97	-24	-18	-15	-18
Flash Point, °C, ASTM D 92	226	234	242	258
Density 15°C, ASTM D 1298, kg/L	0.876	0.882	0.884	0.887
Demulsibility time (minutes) to 3ml emulsion;				
@ 54°C	15	20	-	-
@ 82°C	-	-	10	5

#### Health & Safety

Based on available information, this product is not expected to produce adverse effects on health when used for the intended application and the recommendations provided in the Material Safety Data Sheet (MSDS) are followed. MSDS's are available upon request through your sales contract office, or via the Internet. This product should not be used for purposes other than its intended use. If disposing of used product, take care to protect the environment.

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**Mobilube HD Plus 80W-90, 85W-140**

Extra High Performance Commercial Gear Lubricants



**Product Description**

Mobilube HD Plus 80W-90 and 85W-140 are extra high performance commercial gear lubricants formulated from select base oils and an advanced additive system. These lubricants are engineered for performance in heavy-duty commercial transmissions, axles, and final drives where extreme pressures and shock loading are expected. They provide excellent chemical and thermal stability at elevated bulk oil temperatures, good performance at low temperatures, and have demonstrated good rust protection resulting from water contamination and wet conditions. They provide excellent performance where API GL-5 and MT-1 service is required.

**Features & Benefits**

Today's heavy equipment applications place higher performance demands on drive train lubricants. Higher speeds, higher torque, and heavier loads require improved formulations to maximise equipment life and optimise operating costs. Longer service intervals place additional demands on the gear lubricant. Mobilube HD Plus gear lubricants are engineered to meet these challenges. The key benefits include:

Features	Advantages and Potential Benefits
Excellent thermal stability and resistance to high temperature oxidation	Extended gear and bearing life due to minimal deposits and longer seal life
Good protection against low speed/high torque wear and against high speed scoring	Increased load carrying capability and reduced operating costs
Excellent rust, staining, and corrosion protection	Reduced wear and longer component life
Effective low temperature lubrication	Reduced wear and ease of start-up
Wide multipurpose capability	Reduced number of gear lubricants to simplify inventory and minimize misapplication
Good resistance to foaming	Maintains film strength for effective lubrication
Compatible with typical automotive seals and gaskets	Minimum leakage and reduced contamination

**Applications**

- Heavy-duty manual transmissions, axles, and final drives requiring API GL-5 and MT-1 level performance
- On-highway light and heavy-duty trucks, busses, vans, and cars
- Off-highway industries including: construction, mining, quarrying, and agriculture
- Other heavy-duty industrial and automotive applications involving hypoid and other gears operating under conditions where high speed/shock load, high speed/low torque, and/or low speed/high torque conditions prevail
- Mobilube HD Plus gear lubricants are intended for initial fill, top-off, and refill of enclosed commercial gearing in manual or semiautomatic transmissions where gear lubricants are recommended including drive axles and final drives
- Not recommended for applications requiring API GL-4 Level performance
- Not intended for transmissions for which engine oil or automatic transmission fluids are recommended

**Specifications & Approvals**

Mobilube HD Plus Gear Oil meets the following industry specifications:	80W-90	85W-140
API GL-5	X	X
API MT-1	X	X

Mobilube HD Plus Gear Oil has the following builder approvals:	80W-90	85W-140
Mack GO-J	X	X

Mobilube HD Plus Gear Oil has the following military specifications	80W-90	85W-140
MIL-PRF-2105E quality level	X	X

**Typical Properties**

Mobilube HD Plus		
SAE Grade	80W-90	85W-140
Viscosity, ASTM D 445		
cSt @ 40°C	139	333
cSt @ 100°C	14.5	25.4
Viscosity Index, ASTM D 2270	103	99
Pour Point, °C, ASTM D 97	-27	-18
Flash Point, °C, ASTM D 92	210	230
Density @ 15°C kg/l, ASTM D 4052	0.895	0.903

**Health & Safety**

Based on available information, this product is not expected to produce adverse effects on health when used for the intended application and the recommendations provided in the Material Safety Data Sheet (MSDS) are followed. MSDS's are available upon request through your sales contract office, or via the Internet. This product should not be used for purposes other than its intended use. If disposing of used product, take care to protect the environment.

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**Exxon Superflo 5W-20, 5W-30, 10W-30, 10W-40, 20W-50**

High Quality Multi-grade Passenger Vehicle Engine Oils

**Product Description**

Exxon Superflo 5W-20, 5W-30, 10W-30, 10W-40, 20W-50 are high quality conventional engine oils, which meet the latest industry service fill standards required in today's gasoline and diesel automobile engines.

**Features & Benefits**

Exxon Superflo 5W-20, 5W-30, 10W-30, 10W-40, 20W-50 keep engines running reliably through a combination of high quality conventional mineral oils and a premium additive system. Exxon Superflo 5W-20, 5W-30, 10W-30, 10W-40, 20W-50 protect engines from build up of harmful deposits, sludge and varnish and friction fighting agents fight wear helping extend an engine's life for years of dependable service. Select grades, 5W-20, 5W-30, 10W-30 are specially formulated providing fuel savings benefits. Key features and benefits:

- Good overall consistent and dependable protection helps minimise cost of ownership
- Good thermal and oxidation stability prevents the formation of abrasive engine deposits, sludge and varnish.
- Friction fighting antiwear formulation system helps extend engine life and in ILSAC GF3 viscosity grades promotes fuel savings
- High viscosity index with shear stabilised viscosity modifiers provide consistent and dynamic protection for normal and high stress driving

**Applications**

Exxon Superflo 5W-20, 5W-30, 10W-30, 10W-40, 20W-50 are specifically recommended for use in all types of vehicles and driving conditions. Exxon Superflo 5W-20, 5W-30, 10W-30, 10W-40, 20W-50 are excellent choices for passenger cars, light trucks, SUVs and vans.

**Specifications & Approvals**

Exxon Superflo meets or exceeds the following industry specifications:	5W-20	5W-30	10W-30	10W-40	20W-50
API	SL,SJ	SL,SJ	SL,SJ	SL,SJ	SL,SJ
ILSAC	GF3	GF3	GF3		
Ford	M2C-153H				

**Typical Properties**

Exxon Superflo	5W-20	5W-30	10W-30	10W-40	20W-50
SAE Grade	5W-20	5W-30	10W-30	10W-40	20W-50
Viscosity, ASTM D 445					
cSt @ 40° C	47	62	70	96	172
cSt @ 100° C	8.3	10.4	10.4	14.1	19.0
Viscosity Index, ASTM D 2270	153	158	135	147	125
Sulfated Ash, wt%, ASTM D 874	0.87	0.74	0.74	0.74	0.74
HTHS Viscosity, mPas @ 150° C, ASTM D4683	A	3.1	3.1	3.7	4.8
Pour Point, °C, ASTM D 97	-30	-30	-33	-33	-21
Flash Point, °C, ASTM D 92	224	228	228	228	240

Density @15° C kg/l. ASTM D 4052	0.858	0.858	0.876	0.875	0.888
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**Health & Safety**

Based on available information, this product is not expected to produce adverse effects on health when used for the intended application and the recommendations provided in the Material Safety Data Sheet (MSDS) are followed. MSDS's are available upon request through your sales contract office, or via the Internet. This product should not be used for purposes other than its intended use. If disposing of used product, take care to protect the environment.

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P R O D U C T I N F O R M A T I O N



CITGO PREMIUM LITHIUM E.P. GREASES

Date 01/04

**DESCRIPTION:** CITGO Premium Lithium E.P. Greases are premium quality, lithium-12 greases containing extreme pressure, antiwear, antioxidant and anticorrosion additives. These greases are formulated with high quality base stocks. They do not contain molybdenum disulfide (moly).

CITGO Premium Lithium E.P. Greases are available in NLGI Grades 0, 1 and 2 and as a Semifluid.

**BENEFITS:** The smooth, buttery texture of the grease in conjunction with high quality mineral oil provides excellent pumpability over a wide temperature range. The extreme pressure agent provides the protection required to handle severe conditions characterized by high shock loads. Oxidation and corrosion inhibitors, and a high quality soap yield a product with excellent shear stability, load carrying properties, corrosion resistance and oxidation stability. The combination of these properties makes CITGO Premium Lithium E.P. Greases extremely versatile, thereby reducing the number of products required. Substantial reductions in storage and handling costs are possible with these universal products, while at the same time reducing potential of costly equipment failures associated with misapplication of product.

The service temperature range of these greases is 5°F to 250°F continuous, with peak intermittent temperatures up to 300°F.

**APPLICATIONS:** CITGO Premium Lithium E.P. Greases are recommended for the lubrication of both journal and anti-friction bearings in a wide variety of applications such as electric motors, gear couplings, metallurgical industry equipment and general industrial machinery.

CITGO Premium Lithium E.P. Greases are particularly adaptable for centralized lubrication systems and for bulk handling systems, both for bulk truck delivery and portable containers.

They are approved under Chrysler Specification MS-3701 and Cincinnati Machine P-64/P-72.

NLGI Grades 1 and 2 meet the ASTM D 4950 requirements for Chassis Grease Category LB and Wheel Bearing Grease Category GB. Cartridge labels will display the NLGI Certification Mark for Chassis Lubricant shown here.



TYPICAL PROPERTIES:

CITGO PREMIUM LITHIUM E.P. GREASES

Name NLGI Grade	Semi-Fluid 00-000	EP-0 0	EP-1 1	EP-2 2
Material Code	655771001	655210001	655211001	655212001
Soap	Lithium	Lithium	Lithium	Lithium
Texture	Buttery	Buttery	Buttery	Buttery
Color	Dark Amber	Dark Amber	Dark Amber	Dark Amber
Dropping Point, Min., ASTM D 566, °F (°C)	—	—	350 (177)	350 (177)
Penetration at 77°F, ASTM D 217				
Worked 60 strokes	425-455	355-385	310-340	265-295
Rust Prevention, ASTM D 1743	Pass	Pass	Pass	Pass
Copper Corrosion, ASTM D 4048	1b Max	1b Max	1b Max	1b Max
Timken OK Load, lbs.	40	40	40	40
Four-Ball EP, Weld, ASTM D 2596, Kgs	250	250	250	250
Oxidation Inhibitor	Yes	Yes	Yes	Yes
Base Fluid Viscosities				
Viscosity, ASTM D 445, cSt at 40°C	173	173	173	173
cSt at 100°C	14.9	14.9	14.9	14.9
ASTM D 2161, SUS at 100°F	914	914	915	915
SUS at 210°F	79	79	79	79
Viscosity Index	83	83	83	83



## CITGO LITHOPLEX® GREASES

Date 01/04

**DESCRIPTION:** The CITGO Lithoplex® Grease family represents the latest technology in greases. All Lithoplex® greases contain extreme pressure (EP) additives. They are suitable for use at higher temperatures than conventional greases.

**QUALITIES:** CITGO Lithoplex® Greases of all grades and types are multipurpose greases incorporating the following characteristics:

**Excellent Work Stability** – Extremely stable lithium complex formula retains its consistency even in the most severe service.

**Oxidation and Rust Resistance** – Special additives protect machinery components from rust and corrosion, thereby extending equipment service life in the presence of moisture or high temperatures.

**Extreme Pressure and Anti-Wear Protection** – Additives provide excellent extreme pressure and anti-wear protection under severe conditions.

**APPLICATIONS:** **Lithoplex® MP** greases are compatible with conventional lithium soap greases. They contain extreme pressure (EP) additives and molybdenum disulfide (moly) to minimize wear in heavily-loaded components. These greases satisfy a wide range of industrial and automotive applications including bearings, ball joints and bushings. Three NLGI consistencies are available.

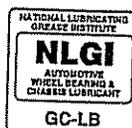
**Lithoplex® CM** greases contain moly – three percent – to meet equipment manufacturer's requirements. Polymer imparts an adhesive quality and provides improved water resistance. For severely shock-loaded components such as those found in construction and mining, the additional moly provides an extra margin of protection against wear. Applications include construction and mining equipment, fifth wheels, etc.

**Lithoplex® HM** greases are designed to provide excellent protection under extreme conditions and high-temperature applications. They contain five percent moly in addition to rust and corrosion inhibitors to protect machinery components, thereby extending equipment service life in the presence of moisture or high temperatures. Applications include construction and mining equipment, industrial equipment, fifth wheels, etc.

**Lithoplex® RT** greases were developed for applications where an especially tenacious grease is needed. Their red color and tacky, moly-free formula make them ideal for higher-temperature or problem applications. They are excellent for use in industrial equipment in which an adhesive grease is preferred.

**Lithoplex® ST** is a high-temperature grease offering exceptional water resistance, and is specifically designed to serve well in steel mill applications where equipment may be exposed to excessive amounts of water. It has a heavy base oil for good film protection, to accommodate shock loads, and to maintain consistency.

**Lithoplex® MP 1, MP 2, RT 1 and RT 2** meet the ASTM D 4950 requirements for Wheel Bearing Grease Category GC and Chassis Grease Category LB. Labels display the NLGI Certification Mark for Automotive Wheel Bearing & Chassis Lubricant shown here.



**TYPICAL PROPERTIES:**

**CITGO LITHOPLEX® GREASES**

NLGI Grade	MP			CM		HM			RT		ST
	0	1	2	1	2	0	1	2	1	2	2
Material Code	655342001	655341001	655340001	655351001	655352001	655355001	655356001	655357	655343001	655344001	655367001
Color, appearance	Gray	Gray	Gray	Gray/Black	Gray/Black	Gray/Black	Gray/Black	Gray	Red	Red	Dark Green
Texture	Smooth	Smooth	Smooth	Adhesive	Adhesive	Tacky	Tacky	Stringy	Tacky	Tacky	Buttery
Penetration, ASTM D 217, 60 strokes	355-385	310-340	265-295	310-340	265-295	355-385	310-340	265-295	310-340	265-295	275-295
Four-Ball EP, Weld, ASTM D 2596, kgs.	315	315	315	400	400	500	500	500	250	250	500
Load Wear Index, Kgf	55	58	58	64	64	64	64	64	48	48	62
Four-Ball Wear, mm Scar, ASTM D 2266 40 kgs. load	0.50	0.45	0.45	0.40	0.45	0.45	0.40	0.40	0.42	0.42	0.40
Rust Prevention Test, ASTM D 1743	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Water Resistance, 175°F, ASTM D 1264, % Loss	8.3	5.0	2.0	2.0	2.0	-	2.0	7.5 max.	5.3	2.0	1.4
Dropping Point, ASTM D 2265, °F	-	500	550	500	550	-	500	500	500	550	430
Base Fluid Viscosities											
cSt at 40°C	232	232	232	286	376	376	376	376	533	533	540
cSt at 100°C	17.7	17.7	17.7	21.9	26.1	26.1	26.1	-	37.4	37.4	30
Molybdenum Disulfide	0.5	0.5	0.5	3.0	3.0	5.0	5.0	5.0	-	-	-

INVITATION FOR BIDS

CONTRACT PROPOSAL NO.: 2004-879RTCC

AC TRANSIT DISTRICT  
Purchasing Department  
10626 International Blvd.  
Oakland, CA 94603

Date: August 17, 2004

TITLE: LUBRICATION PRODUCTS

BIDS WILL BE OPENED at 10626 International Blvd. by 2 P.M. September 28, 2004

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:

2004

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 informalties 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:

- a. Discount period must be at least 30 days.

- b. 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.
- c. 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.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

**18. SCOPE OF WORK/BID COMMENTS**

The Alameda Contra-Costa Transit District, acting on behalf of the Regional Transit Coordinating Council Procurement Committee (RTCC), is soliciting bids for Lubrication Products. This contract provides for purchase and delivery of Lubrication Products to participating RTCC agencies, as specified in the Technical Specifications of this bid.

All bidders must provide each participating RTCC Agency with unit costs for each line item showing an estimated yearly usage of Lubrication Products on the BID FORMS.

Each participating RTCC Agency must have a bid to evaluate in the event that multiple awards are made.

**19. TYPE OF CONTRACT**

- A. This is a two (2) year, firm fixed price, indefinite quantity contract.
- B. 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. Seller shall be bound to the prices on the Bid Form for the duration of the Contract term.

**20. TERM OF CONTRACT**

- A. The contract with each RTCC Agency shall be for two (2) years. Bid prices shall be firm for the term of the Contract.
- B. 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 each RTCC Agency.
- C. 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 Seller 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

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

mutually agreed to or by remedy at law, shall in no way relieve the Seller of any such obligations to the remaining RTCC Agencies.

**21. DELIVERY LOCATIONS**

- Daytime delivery locations:
- AC Transit  
Receiving Dock Central Maintenance Facility  
10626 International Boulevard  
Oakland, CA 94603
  
  - AC Transit  
Emeryville, Division 2  
1177 - 47<sup>th</sup> Street  
Emeryville, CA 94608
  
  - AC Transit  
Richmond, Division 3  
2016 Mac Donald Avenue  
Richmond, CA 94801
  
  - AC Transit  
East Oakland, Division 4  
1100 Seminary Avenue  
Oakland, CA 94621
  
  - AC Transit  
Hayward, Division 6  
1728 Sabre Street  
Hayward, CA 94545
  
  - Golden Gate Transit (GGT)  
San Rafael  
1011 Andersen Drive  
San Rafael, CA 94901
  
  - Golden Gate Transit (GGT)  
Novato  
801 Golden Gate Place  
Novato, CA 94947
  
  - Golden Gate Transit (GGT)  
Santa Rosa  
3225 Industrial Drive  
Santa Rosa, CA 95401

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

Golden Gate Transit (GGT)  
350 - 8<sup>th</sup> Street  
San Francisco, CA 94103

Santa Cruz Metropolitan Transit District  
(SCMTD)  
Maintenance Facility  
138 Golf Club Drive  
Santa Cruz, CA 95060

Santa Cruz Metropolitan Transit District  
(SCMTD)  
Operations Facility  
1200 River Street  
Santa Cruz, CA 95060

Santa Cruz Metropolitan Transit District  
(SCMTD)  
Maintenance Facility  
111 Dubois Street  
Santa Cruz, CA 95060

**22. DELIVERY**

Delivery of all items is required within three (3) days of placement of order.

**23. BILLING AND INVOICING**

Bidder/Seller shall render invoices in triplicate with purchase order numbers provided to participating RTCC Agencies billing addresses listed below:

AC Transit  
P.O. Box 28507  
Oakland, CA 94604

Golden Gate Bridge District (GGBD)  
1011 Andersen Drive.  
San Rafael, CA 94901

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

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

**24. RESERVATION OF RIGHTS**

The Invitation For Bids (IFB) does not commit AC Transit to award a contract, to pay any costs incurred in the preparation or presentation of a bid, or to procure or contract for services. AC Transit shall not be liable for any costs incurred by bidders in the preparation of bids or for any work performed in connection with bid preparation. AC Transit reserves the right, at its sole discretion, to reject any and all bids and/or to waive any minor informalities or irregularities in any bid or in the bidding process.

**25. BIDDER'S/SELLER'S STATUS**

Neither the Bidder/Seller nor any party contracting with the Bidder/Seller shall be deemed to be an agent or employee of the District. The Bidder/Seller is and shall be an independent contractor, and the legal relationship of any person performing work for the Bidder/Seller shall be one solely between said parties.

**26. STATEMENT OF EXPERIENCE AND QUALIFICATIONS**

- A. The Bidder/Seller may be required upon request of the District to prove to its satisfaction that the Bidder/Seller has the skill and experience and the necessary facilities and financial resources to perform the contract in a satisfactory manner and within the required time.
- B. A copy of the bidder's most recent Annual Financial Statement may be required.
- C. The District may reject the bid of any Bidder/Seller deemed not to possess the minimum qualifications to perform the work hereunder.

**27. COORDINATION, INTERPRETATION AND EXAMINATION OF CONTRACT DOCUMENTS**

- A. The General Conditions, Instructions and Information for Bidders, Special Conditions, Scope of Work, Technical Specifications and Performance Specifications and all supplementary documents are essential parts of the contract, and a requirement occurring in one is binding as though occurring in all. The documents are intended to be complementary and to provide for a complete work.
- B. In the event of inconsistencies between requirements contained in the different contract documents, the Scope of Work, Technical Specifications and Performance Specifications shall govern over the Special Conditions and General Conditions, Instructions and Information for Bidders. In case of inconsistencies between the Special Conditions and the General

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

Conditions, Instructions and Information for Bidders, the Special Conditions shall take precedence.

- C. Should it appear that the Scope of Work, Technical Specifications or Performance Specifications are not sufficiently detailed or explained in the contract documents, the Bidder shall apply to the District in writing for such written explanations as may be necessary and shall conform to them as part of the Contract. In the event of any doubt or question arising respecting the true meaning of the contract documents, written clarification shall be sought from the District, which decision shall be final.
- D. The Bidder/Seller shall thoroughly examine all of the contract documents and determine the nature and location of the work, the general and local conditions and all other matters which can in any way affect the work under this Contract.

**28. NON-COLLUSION AFFIDAVIT**

By submitting a bid, the bidder shall represent and warrant that such bid is genuine and not sham or collusive or made in the interest or in behalf of any person not herein named, and that the bidder has not, directly or indirectly, induced or solicited any other bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure to the bidder an advantage over any other bidder.

**29. PENALTY FOR COLLUSION**

If at any time it shall be found that the person, firm or corporation to whom a contract has been awarded has, in presenting any bid or bids colluded with any other party or parties, then the contract so awarded shall be null and void and the Contractor and his bondsmen shall be liable to the District for all loss or damage which the District may suffer thereby and the Board of Directors may advertise for a new contract for said labor, supplies, materials or equipment.

**30. CHANGES BY BIDDER/SELLER**

If the Bidder/Seller, on account of conditions developing during the performance of the contract, finds it impracticable to comply strictly with these Technical Specification and applies in writing for a modification of requirements, such change may be authorized only in writing by the District, if not detrimental to the District and if without additional cost to the District.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

**31. CHANGES BY DISTRICT**

- A. In case work, materials or equipment shall be required which are not mentioned, specified or indicated or otherwise provided for herein, the Contractor shall, if ordered in writing by the District, do and perform such work and furnish such materials or equipment at the Bidder's catalog prices, less discounts ordinarily allowed to users of such materials or equipment or at regular labor charges less customary discount, or both.
- B. In case any work, materials or equipment which are mentioned, specified or indicated or otherwise provided for in the contract or in the specifications forming a part of the contract shall be required to be omitted from, in or about the work, the Bidder/Seller shall, if ordered by the District, omit the performance of such work and the furnishing of such materials or equipment. A deduction shall be made from the amount to be paid to the Bidder/Seller in an amount which the District and Contractor shall determine and mutually agree to be the reasonable value of such work, materials or equipment, and such determination and agreement shall be final and conclusive upon the Bidder/Seller.
- C. It is understood, however, that the amount of work, materials or equipment required by the Contract shall not, in accordance with the above provisions referring to additions and omissions, be increased or diminished so as to substantially alter the general character or extent of the contract.

**32. INSURANCE**

It is strongly recommended that bidders confer with their respective insurance carriers and/or brokers to determine in advance of bid submission the availability of insurance, Certificates and Endorsements as prescribed and provided herein. If an apparent low bidder fails to comply strictly with the insurance requirements, that bidder may be disqualified from award of the contract. Bidder/Seller shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages for property which may arise from or in connection with the performance of the work hereunder by the Bidder/Seller, bidder's/seller's agents, representatives, employees or subcontractors. The District reserves the right to alter, amend, increase or otherwise modify the insurance requirements stated herein.

- A. Minimum Scope of Insurance

Coverage shall be least as broad as:

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

1. General Liability: Coverage is to be equal to Insurance Services Office Commercial General Liability Occurrence Form CG 0001.
2. Automotive Liability: Coverage should be equal to Insurance Services Office Business Auto Form CA 0001 (01/87) covering Automobile Liability, code1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

**B. Minimum Limits of Insurance**

Bidder/Seller shall maintain no less than:

1. General Liability - \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. If an aggregate limit is used, either a separate aggregate limit shall apply to this project/location or the aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability - \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers' Compensation: Workers' Compensation limits as required by the State of California and Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

**C. Deductible and/or Self-Insured Retention**

Any deductibles and/or self-insured retention must be declared to and approved by the District. The District reserves the option to: 1) Require the insurer to reduce or eliminate such deductibles and self-insured retention as to the District, and/or: 2) Require the Bidder to procure a bond guaranteeing the payment of any deductible or self-insured retention of losses, related investigations, claims, administration, and defense expenses.

**D. Other Insurance Provisions**

The policies are to contain, or are to be endorsed to contain, the following provisions:

1. General Liability and Automotive Liability policies:

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

- a. The District, its officers, officials, or employees are to be covered as insured as respects: liability arising out of activities performed by on behalf of the Bidder/Seller; products and completed operations of the Bidder/Seller; premises owned, occupied or used by the Proposer. The coverage shall contain no special limitation on the scope of protection afforded to the District, its officers, officials, or employees.
  - b. For any claims related to this agreement, the Bidder's/Seller's insurance coverage shall be primary insurance as respects the District, its officers, officials, and employees. Any insurance or self-insurance maintained by the District, its officers, officials, or employees shall be in excess of the Proposer's insurance and shall not contribute with it.
  - c. Any failure with reporting provisions of the policies including breaches of warranties, shall not affect coverage provided to the District, its officers, officials, or employees.
  - d. The Bidder's/Seller's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurers liability.
2. **Workers' Compensation and Employers Liability**  
  
The insurer shall agree to waive all rights of subrogation against the District, its officers, officials, or employees, for losses arising from work performed by the Bidder/Seller for the District.
3. **All Coverage**
    - a. Each policy required shall be endorsed to state that the coverage shall not be suspended, voided, canceled by either party, reduced in coverage or limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to the District addressed to Risk Manager, Alameda-Contra Costa Transit District, 1600 Franklin Street, Oakland, California 94612.
    - b. Each policy is to be on an "Occurrence" form. "Claims Made" form requires prior approval by the District as well as Bidder/Seller being required to provide acceptable evidence of the policy's retroactive date, and will be also required to maintain the coverage with the same retroactive date for a

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

period of not less than five (5) years following termination of services under the agreement. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "retro date" prior to the contract effective date, the contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

4. Acceptability of Insurance

Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A : VII".

5. Verification of Coverage

Bidder/Seller shall furnish the District with appropriate Certificates of Insurance and with original Endorsements effecting coverage required. The Certificates and Endorsements are to be signed by a person authorized by the insurer to bind coverage. The Certifications and Endorsements are to be received and approved by the District prior to the commencement of any work under the Agreement. The District reserves the right to require complete, certified copies of all required insurance policies at any time.

6. Other Requirements

- a. Should any work under this Agreement be sublet, the Bidder/Seller shall require each subcontractor of any tier to comply with all of the Agreement's insurance provisions and provide proof of such compliance to the District.
- b. These insurance requirements are not intended to and shall not in any manner limit or otherwise qualify the liabilities and obligations otherwise assumed by the Bidder/Seller under this Agreement, including but not limited to the provisions concerning indemnification.
- c. Compliance with these insurance requirements is considered a material part of the Agreement, and breach of any provision may, at the option of the District, be considered a material breach of the Agreement and result in action by the District to withhold payment and/or terminate the Agreement.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

**33. DAMAGES**

All loss or damage arising from any unforeseen obstruction or difficulties, either natural or artificial, which may be encountered in the prosecution of the work, or the furnishing of the supplies, materials or equipment, or from any action of the elements prior to the final acceptance of the work, or of the supplies, materials or equipment, or from any act or omission not authorized by these specifications or the part of the Bidder/Seller or any agent or person employed by it, shall be sustained by the Bidder/Seller.

**34. DEFECTIVE OR DAMAGED WORK**

Any material or equipment found to be damaged or defective at the time of delivery shall be repaired, replaced or corrected by the Bidder/Seller hereunder without additional cost to the District.

If the Bidder/Seller shall fail to comply promptly with any order of the District to repair, replace or correct damaged or defective work, then the District shall, upon written notice to the Contractor, have the authority to deduct the cost thereof from any compensation due or to become due the Bidder/Seller. Nothing in this section shall limit or restrict the provisions of the performance warranty as set forth in the General Conditions Instructions and Information for Bidders/Sellers.

**35. ASSIGNMENT AND SUBCONTRACTING**

The Bidder/Seller shall not assign, transfer, convey, subcontract or otherwise dispose of the Bidder/Seller or any part of it without obtaining in advance the written consent of the District.

**36. PROTEST PROCEDURES**

Protest Before Bid Opening

A. 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.

B. Protest of Award

A Bidder/Seller (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 relative to the seeking, evaluating and/or awarding of a procurement

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

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.

Copies of the District's Procurement Protest Procedures should be obtained from the District's 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 BID PROTEST PROCEDURES MAY RESULT IN REJECTION OF THE PROTEST.

**37. CORRESPONDENCE**

All correspondence must show **Contract Bid Number 2004-879RTCC**.

**38. COST AND PRICING DATA**

In the event there is only bid, cost and pricing data shall be submitted to the District by the bidder.

**39. DRUM REMOVAL**

It is the contractor's responsibility to pick up empty drums with secured bungs, per Department of Transportation regulations, at the time of delivery of a new shipment. Failure to do so may subject supplier to a \$1.00 per drum per day storage charge taken as a credit against invoices.

**40. BRAND NAME AND PRODUCTS**

- A. 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 items. Wherever such names appear, the term "or approved equal" is considered to follow.
- B. Specifying a brand name, components and/or equipment in this specification shall not relieve the supplier from their responsibility to produce the product in accordance with the warranty and contractual requirements. The supplier is responsible for notifying the authority of any inappropriate brand names, component and/or equipment that may be called for in the specification, and to propose a suitable substitute or consideration.
- C. If your product brand is not listed in paragraph 1, **QUALIFIED PRODUCTS**, of this IFB's Technical Specifications, contact Stuart Hoffman, Technical Services, at (510) 577-8853 or Bob Bithell, Technical Services Manager, at (510) 577-8874, for product brand consideration as an approved equal.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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**SPECIAL CONDITIONS**

Upon approval of your product brand, it will be the responsibility of the Bidder/Seller to obtain a written acknowledgement from the District's Technical Services Department and forward it to Al DeNurra, Senior Buyer, Purchasing Department, stating your product brand is an approved equal.

**41. 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](http://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.

**42. FURTHER INFORMATION**

Prospective bidders may contact Al DeNurra, (510) 577-8809, between the hours of 7:00 a.m. and 3:30 p.m., Monday through Friday, holidays excepted, for further information. Any technical questions should be directed to Mr. Bob Bithell, Technical Services Administrator, (510) 577-8874 or Stuart Hoffman, Technical Services Supervisor, at (510) 577-8853.

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LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

1. **QUALIFIED PRODUCTS**

The following listed lubrication brands and manufacturers have been approved for purchase by all participating RTCC Agencies. Any Bidder/Seller submitting quotations for this IFB must supply lubrication products from these brands only.

**BRAND**  
Arco  
Benke Lubricants  
Chevron  
Citgo  
Exxon  
Minuteman Lubricants  
Mobil  
Pennzoil  
Shell  
Texaco  
Unocal

2. **EXPERIENCE AND QUALIFICATIONS**

Any Bidder/Seller submitting quotations for this IFB must provide technical assistance and technical expertise regarding any product furnished under this contract. The Bidder/Seller may be required, upon request, to prove that it has the skill, experience and expertise as well as the necessary facilities and ample financial resources to perform the contract in a satisfactory manner and within the required time. The adequacy of such proof shall be determined by the RTCC.

3. **RESPONSIBILITY**

The Bidder/Seller shall furnish information for materials which require added safety precautionary instructions as they relate to their handling and safe storage. Hazardous types of materials included in this category are toxic, flammable, and non-flammable materials, etc. The Bidder/Seller shall furnish Material Safety Data Sheets (MSDS) prior to shipment.

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LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

TECHNICAL SPECIFICATIONS

A technical specification designation with number(s) (TS – x, or TS- xx) and descriptions reference the lubricant products in the below table.

TS-1	AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE)
TS-2	SYNTHETIC AUTOMATIC TRANSMISSION FLUID
TS-3	SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL)
TS-4	HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS
TS-5	CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS
TS-6	DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS
TS-7	AVIATION HYDRAULIC FLUID
TS-8	ISO 46 HYDRAULIC OIL
TS-9	HEAVY DUTY GEAR OIL, SAE 85W-140
TS-10	GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30
TS-11	CHASSIS LUBRICANT
TS-12	WHEEL BEARING GREASE

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-1

**Automatic Transmission Fluid, (Mineral Base)**

Automatic transmission fluids must meet or exceed GM Dexron III oil requirements. All bidders must provide documents that provide a valid GM Dexron III license number and Voith approval number for the product offered. In addition the Dexron III fluid must also meet or exceed the manufacturer's performance requirements for Allison C-4 and Voith transmissions. Proof of authenticity documents must be supplied from the vendor providing all approval numbers.

Applications: Heavy duty and automotive automatic transmissions

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-2

**Synthetic Automatic Transmission Fluid**

Synthetic automatic transmission fluids must meet or exceed GM Dexron III oil requirements. All bidders must provide documents that provide a valid GM Dexron III license number and Voith approval number for the product offered. In addition the Dexron III fluid must also meet or exceed the manufacturer's performance requirements for Allison C-4 and Voith transmissions. Proof of authenticity documents must be supplied by the vender providing all approval numbers.

Applications: Heavy duty and automotive automatic transmissions

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-3

**Synthetic Automatic Transmission Fluid, (TES-295 Approval)**

Synthetic automatic transmission fluids must be approved for Allison specification for severe duty and extended drain intervals (TES-295). All bidders must provide documents that provide a valid GM Dexron III license number, Allison C4 approval number, and Voith approval number for the product offered. In addition the Dexron III fluid must also meet or exceed the manufacturer's performance requirements for Allison C-4 and Voith transmissions. Proof of authenticity documents must be supplied from the vender for all approval numbers.

Applications: Heavy duty and automotive automatic transmissions

LUBRICATION PRODUCTS  
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TECHNICAL SPECIFICATIONS

TS-4

Heavy Duty Diesel Engine Oil 30W & 40W Engine Oil Requirements

	30W Engine Oil	40W Engine Oil
API Classification	CF-2	CF-2
Sulfated Ash, % mass (ASTM D 874)	1.0 % Max.	1.0 % Max.
Alkalinity (ASTM D2896)	7.0 min.	7.0 min.
Viscosity Index	95	95
Pour Point C, Max	-18	-15
Flash Point C, Min	220	225
Total Base Number (ASTM D 2896)	7.0 –10.0	7.0 –10.0
Zinc, ppm	Above 700	Above 700
Phosphorous, ppm	700 ppm min.	700 ppm min.

All oils must be properly refined to meet the above specifications. All testing is to be performed in accordance with applicable ASTM and SAE procedures.

To assure quality of engine oil in bulk quantities, all bidders must demonstrate they follow API Recommended Practice 1525 for handling bulk engine oils.

All deliveries will require a control sample to which future shipments can be compared.

Applications: Heavy duty diesel engines

LUBRICATION PRODUCTS  
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TECHNICAL SPECIFICATIONS

TS-5

**CUMMINS HEAVY DUTY NATURAL GAS / LPG ENGINE OIL 15W-40 ENGINE  
OIL REQUIREMENTS**

<b>Specification</b>	<b>Cummins L-10G</b>	<b>Cummins B5.9G/LPG</b>
Sulfated Ash (ASTM D874)	Less than 0.5% Mass	Between 0.4-0.6% Mass
TBN (ASTM D2896)	Between 5.0 and 5.5	More than 4.5
TAN (ASTM D664)	Between 0.5 and 0.7	Between 0.5 and 1.5
Phosphorous	250-350 PPM	650-850 PPM
Zinc	250-350 PPM	700-900 PPM
Calcium	900-1300 PPM	900-1300 PPM
Copper Corrosion (ASTM D130)	N/A	Less than 3
Lead Increase (ASTM D5968)	N/A	Less than 120 PPM
Tin Increase	N/A	Less than 50 PPM

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TECHNICAL SPECIFICATIONS

TS-6

DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS

<b>Oil Company</b>	<b>Product Name</b>
Mobil Oil Company	Delvac Super GEO 15W-40
Exxon Company	Busgard GEO 15W40 Ester Super
Union 76 Products Company	76 Triton 5005 GEO 76 Firebird 5005 GEO 76 Triton VGEO
Citgo Petroleum Corporation	Pacemaker 1615
Pennzoil Products Company	Pennzoil GEO XHD 15W-40
Benke Lubricants	JAX Premium CNG Oil
Texaco Lubricants	Geotex LA 15W-40
Chevron Products Company	Chevron HDAX RPM 15W-40
Minuteman Lubricants – Agip	Agip Gas Engine Oil 15W-40
Shell International	Rimula

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-7

**Aviation Hydraulic Fluid**

The Aviation Hydraulic Fluid supplied shall meet or exceed U.S. Mil Spec H-5606G. Fluid must be suitable for use as required by Lift-U Lift and Ricon Lift.

Application: Wheelchair lifts

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-8

**ISO 46 Hydraulic Oil**

Hydraulic oil must meet or exceed Denison HF-O, Vickers M-2950-S, and DIN 51524 Part 2 approvals and recommendations.

Application: Van Hool transit coach hydraulic systems.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-9

HEAVY DUTY GEAR OIL, SAE 85W – 140

The gear oil supplied for this application shall be of the extreme pressure, multi-grade type. This gear oil shall meet API Service Codes MT-1 and GL-5.

Applications: Differentials

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-10

**Gasoline Engine Multigrade Engine Oil 5W-30**

The motor oil supplied for this application shall meet the requirements for API code SL 5W-30.

Applications: Non-revenue automotive applications. New Flyer fan drive systems.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-11

**Chassis Lubricant**

All chassis lubricant supplied for this procurement shall be of the National Lubrication & Grease Institute (N.L.G.I.) certification category "LB" or approved equal as established in ASTM D 4950 automotive grease standards.

Application: Chassis lubrication

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

TS-12

**Wheel Bearing Grease**

All wheel bearing lubricants supplied for this procurement shall be of the N.L.G.I. certification category "GC" or approved equal as established in ASTM D 4950 automotive grease standards.

Application: Wheel bearings.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

**Description of National Lubrication Grease Institute**

In the past, the diversity of specifications for automotive service greases, as established by the original equipment manufacturer (OEM), made it difficult for the marketer of lubricating greases to make available all the many specified products. Finally, the Society of Automotive Engineers, the American Society for Testing and Materials and NLGI, forming a tripartite group, all played their respective roles in establishing ASTM D 4950 as a standard for automotive service greases. As a result, OEM's, suppliers and consumers have a common language to use when describing lubricating greases for automotive service.

ASTM D 4950 includes specifications for two category groups: chassis lubricants (letter "L" prefix) and wheel bearing lubricants (letter "G" prefix). Performance classifications within these groups result in two letter designations for chassis greases (LA and LB) and three for wheel bearing greases (GA, GB, and GC) The automotive industry is in general agreement that the highest performance category, to date, in each group (LB and GC) is suitable for service re-lubrication.

Following the development of these categories, the Institute implemented its NLGI service classification as a means of identifying to the consumer the two highest performance levels: GC and LB; the combination, GC-LB, represents a multi-purpose category. In the future, NLGI will revise the system concurrently with any changes made to ASTM D 4950.

To facilitate easy, accurate identification to all users, NLGI has made available to the industry an identifying symbol, i.e., the NLGI Certification Mark, to be displayed on grease packaging. Those OEM owner's manuals that illustrate this mark will advise users to use only those greases carrying this mark on the label.

The license to use the NLGI Certification Mark is available to both NLGI members and non-members. Further information on the application procedure can be obtained from NLGI.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

**History and Procedure**

National Lubricating Grease Institute Certification Mark History: It has long been recognized that the diversity of specifications for Automotive Service Greases, established by the Original Equipment Manufacturer (O.E.M), have made it difficult, if not impossible, for the marketer of lubricating greases to make available all the many specified products. With the issuance of ASTM D 4950 Standard Classification and Specification for Automotive Service Grease, it became not only possible but convenient to offer the products needed to provide proper service of automotive equipment. ASTM D 4950 includes specifications for two Category Groups: chassis lubricants (letter designation L) and wheel bearing lubricants (letter designation G). Performance Classifications within these Groups result in two letter designations for chassis greases (LA and LB), and three for wheel bearing greases (GA, GB, and GC). The automotive industry is in general agreement that the highest performance classification, to date, in each group (LB and GC) is suitable for service re-lubrication.

To facilitate communicating this information to users, NLGI has developed an identifying symbol, i.e., the NLGI Certification Mark. The OEMs Owner's Manuals, most of which refer to this Mark, advise users to use those greases carrying this Mark on the label. It is, therefore, advantageous for marketers of automotive grease to incorporate the Mark into their product label.

Since only the highest performance classification is acceptable to O.E.M's, only products meeting LB and GC standards are authorized to use the Mark. Should any future changes occur in ASTM 4950, NLGI will similarly revise its highest performance classifications for the Mark. Below are three versions of the Mark:

**Who should apply?** Ideally, application should be made by the copyright owner of a brand name, but other authorized users of a brand name may apply if the owner does not. If the owner does apply, other users of the brand name need not. (See "Products" Definition.)

**Procedure for Application:** Provide one copy each of NLGI Forms A and Q plus two copies of Form C. Send to NLGI Headquarters with the non-refundable Application Fee. This Application Fee opens and maintains the file for each company. NLGI members pay the Application Fee whenever an Application Form is submitted; non-members pay the Application Fee annually. (See Fee Schedule.)

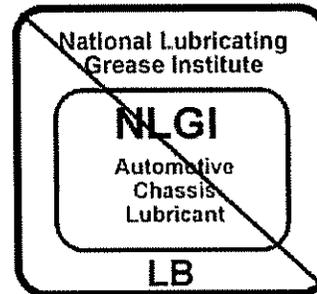
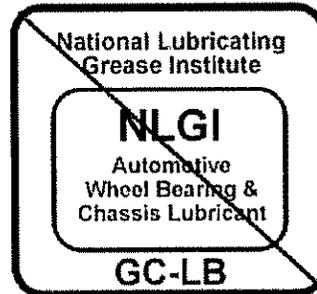
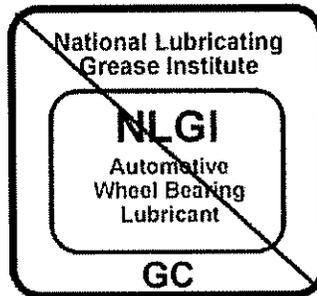
NLGI will review the Application and Qualification statements, and, assuming acceptance, will advise the applicant and request payment of the Certification Mark User Fee. (See Fee Schedule.)

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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TECHNICAL SPECIFICATIONS

Upon receipt of the Certification Mark User Fee, NLGI will return to the applicant an executed copy of the Certification Mark User Agreement, and camera-ready, reproducible proofs of the Mark. The Certification Mark User Fee extends for one year from date of approval.



LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

BID FORM

Estimated yearly usage of Lubricant Products

AC Transit

	TS-1	TS-2	TS-3	TS-4	TS-5	TS-6	TS-7	TS-8	TS-9	TS-10	TS-11	TS-12
<b>Bulk Quantities</b>	7500gl	3750gl	3750gl									
Unit cost	x	x	x									
<b>Totals</b>	\$	\$	\$									
<b>Drum (55 gl) rate</b>	2750gl						6820gl	385gl		880gl		
<b>Barrel (per lb) rate</b>									21,600lb		2800lb	
Unit cost	x						x	x	x	x	x	
<b>Totals</b>	\$						\$	\$	\$	\$	\$	

- TS-1 AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE)
- TS-2 SYNTHETIC AUTOMATIC TRANSMISSION FLUID
- TS-3 SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL)
- TS-4 HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS
- TS-5 CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS
- TS-6 DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS
- TS-7 AVIATION HYDRAULIC FLUID
- TS-8 ISO 46 HYDRAULIC OIL
- TS-9 HEAVY DUTY GEAR OIL, SAE 85W-140
- TS-10 GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30
- TS-11 CHASSIS LUBRICANT
- TS-12 WHEEL BEARING GREASE

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

BID FORM

Estimated yearly usage of Lubricant Products

Golden Gate Transit

	TS-1	TS-2	TS-3	TS-4	TS-5	TS-6	TS-7	TS-8	TS-9	TS-10	TS-11	TS-12
<b>Bulk Quantities</b>												
Unit cost												
<b>Totals</b>												
<b>Drum (55 gl) rate</b>	55 gl		275gl	495gl			55gl			550gl	275gl	
<b>Barrel (per lb) rate</b>									12000lb			240lb
Unit cost	x		x	x			x		x	x	x	x
<b>Totals</b>	\$		\$	\$			\$		\$	\$		\$

TS-1 AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE)

TS-2 SYNTHETIC AUTOMATIC TRANSMISSION FLUID

TS-3 SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL)

TS-4 HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS

TS-5 CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS

TS-6 DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS

TS-7 AVIATION HYDRAULIC FLUID

TS-8 ISO 46 HYDRAULIC OIL

TS-9 HEAVY DUTY GEAR OIL, SAE 85W-140

TS-10 GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30

TS-11 CHASSIS LUBRICANT

TS-12 WHEEL BEARING GREASE

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

BID FORM

Estimated yearly usage of Lubricant Products

**Santa Cruz Metropolitan Transit**

	TS-1	TS-2	TS-3	TS-4	TS-5	TS-6	TS-7	TS-8	TS-9	TS-10	TS-11	TS-12
<b>Bulk Quantities</b>	1450gl				350gl							
Unit cost	x				x							
<b>Totals</b>	\$				\$							
<b>Drum (55 gl) rate</b>										165gl		
<b>Barrel (per lb) rate</b>									3200lb			120lb
Unit cost									x	x		x
<b>Totals</b>									\$	\$		\$

- TS-1 AUTOMATIC TRANSMISSION FLUID, (MINERAL BASE)
- TS-2 SYNTHETIC AUTOMATIC TRANSMISSION FLUID
- TS-3 SYNTHETIC AUTOMATIC TRANSMISSION FLUID, (TES-295 APPROVAL)
- TS-4 HEAVY DUTY DIESEL ENGINE OIL 30W & 40W ENGINE OIL REQUIREMENTS
- TS-5 CUMMINS HEAVY DUTY NATURAL GAS/ LPG ENGINE OIL 15W-40 ENGINE OIL REQUIREMENTS
- TS-6 DETROIT DIESEL APPROVED HEAVY DUTY 15W-40 CNG ENGINE OILS
- TS-7 AVIATION HYDRAULIC FLUID
- TS-8 ISO 46 HYDRAULIC OIL
- TS-9 HEAVY DUTY GEAR OIL, SAE 85W-140
- TS-10 GASOLINE ENGINE MULTIGRADE ENGINE OIL 5W-30
- TS-11 CHASSIS LUBRICANT
- TS-12 WHEEL BEARING GREASE

LUBRICATION PRODUCTS  
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CONTRACT

CONTRACTOR IS REQUIRED TO INCLUDE THESE PROVISIONS IN ANY  
SUBCONTRACTS UNDER THIS CONTRACT.

1. **NO OBLIGATION BY THE FEDERAL GOVERNMENT**

- A. The District 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.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

- 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 to audit the books, records, and accounts of the Recipient and its Subrecipient 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 contract between the Purchaser and the 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:

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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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 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.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

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.

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 closeout 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

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

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 and its 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 ENTERPRISE (DBE) POLICY**

- A. It is the policy of the district to ensure non-discrimination 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's construction, procurement and 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 of the DBE Program. In connection with the performance of this contract, the Contractor will cooperate with the District in meeting these commitments and objectives.
- B. The District, recipient of Federal financial assistance from the Federal Transit Administration (FTA) is committed to and has adopted a DBE

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

Program in accordance with federal regulations 49 CFR Part 26, issued by the U.S. Department of Transportation (U.S. DOT).

- 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:

"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 U.S. 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."

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 District's DBE Program may contact the District's DBE Representative at (510) 577-8818.

Prompt Payment to Subcontractors. In accordance with the District's DBE Program, the contractor shall pay any subcontractors approved by the District for work that has been satisfactorily performed no later than thirty (30) days from the date of contractor's receipt of progress payments 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 DOT, as set forth in FTA Circular 4220.1E, dated June 19, 2003, 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 this Contract. The Contractor shall not perform any 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.

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

9. **ENVIRONMENTAL PROTECTION**

The Recipient agrees to comply with all applicable requirements of 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 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.

10. **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.*).

11. **RECYCLED PRODUCTS**

The Contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

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LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

**THIS CONTRACT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2004 by, and between 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").

**THE PARTIES AGREE AS FOLLOWS:**

**1. SCOPE OF WORK**

Contractor shall furnish to the District all labor, equipment, supplies, material and services as specified in and in full accordance with the Contract Document issued by the District entitled:

**LUBRICATION PRODUCTS NO. 2004-879RTCC**

**2. COMPONENT PARTS**

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. 2004-879RTCC and any Addenda thereto
- C. Contractor's submitted Bid Form

**3. PERIOD OF PERFORMANCE**

Contractor shall furnish premium engine oil as specified in the Contract to commence Month/Day, 2004 and continue through Month/Day, 2006.

**4. CONTRACT PRICE**

The District agrees to pay the Contractor in accordance with the fixed rates on the submitted bid form with a budgeted ceiling of \$\_\_\_\_\_ per the term of this contract. This amount shall include costs for materials, delivery, and any other costs necessary to provide the lubrication products. The District and the Contractor must mutually agree upon any adjustments in payment. Invoices should be submitted in triplicate by the Contractor in accordance with the delivery schedule of the contract, to AC Transit Accounts Payable, P.O. Box 28507, Oakland, CA. 94604. **Please reference the Contract Number and the Purchase Order Number on the invoice.**

LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

5. **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.

6. **SEVERABILITY**

If any provision of the Contract is declared void or unenforceable, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

7. **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.

8. **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.

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LUBRICATION PRODUCTS  
FOR THE TERM MONTH/DAY, 2004 THROUGH MONTH/DAY, 2006

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CONTRACT

IN WITNESS WHEREOF, the parties have executed this Contract on the dates set forth below.

ALAMEDA-CONTRA COSTA  
TRANSIT DISTRICT:

CONTRACTOR:

---

Rick Fernandez  
General Manager

Date

Name  
Title

Date

Approved as to Form:

---

Kenneth C. Scheidig  
General Counsel

Date

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION TO CALTRANS FOR FY2005 RURAL OPERATING ASSISTANCE**

## I. RECOMMENDED ACTION

**Adopt a resolution authorizing the General Manager to submit a grant application to the California Department of Transportation to assist funding public transit operations in the non-urbanized part of Santa Cruz County.**

## II. SUMMARY OF ISSUES

- Each year, the Federal Transit Administration apportions federal funds through the state to assist public transit operators in non-urbanized areas.
- This year, Caltrans apportioned \$65,475 to Santa Cruz County.
- To receive these funds, the District must define operating projects for public transit service in the non-urbanized portion of the County and submit an application to the Caltrans Region 5 office.
- The attached resolution authorizes the General Manager to coordinate with public transit providers, submit an application and execute a grant agreement for financial assistance for public transit operation in rural Santa Cruz County.

## III. DISCUSSION

Under Chapter 49, United States Code Section 5311, the Federal Transit Administration grants financial aid to the states to support intercity public transit in non-urbanized areas. The State of California apportions the FTA Section 5311 funds each year to the counties. Caltrans apportioned \$65,475 to Santa Cruz County for FY 2005.

The Section 5311 funds are available only for public transit in non-urbanized areas, those areas within a county that lie beyond a designated urban area with over 50,000 population. As part of the grant application, the District develops a program of projects identifying the public transit service to be provided in the non-urbanized areas of Santa Cruz County. The Program of Projects is included as Attachment A. The District will make reasonable efforts to coordinate this project with social service agencies and other transit providers within the service area, although no public hearing is required.

14.1

Adopting the attached resolution will authorize the General Manager to submit an application to the Caltrans District 5 Office for FTA §5311 funds. The Santa Cruz County Regional Transportation Commission will adopt the program of projects for inclusion in the Regional Transportation Improvement Plan to be incorporated into the State Transportation Improvement Plan as required by the Section 5311 program.

**IV. FINANCIAL CONSIDERATIONS**

This grant will provide \$65,475 in operating revenue to the District. The District will contribute \$875,347.56 in local matching funds from the FY 2005 operating budget to fully fund the project.

**V. ATTACHMENTS**

**Attachment A:** Section 5311 Program of Projects

**Attachment B:** Resolution Authorizing FTA Section 5311 application

14.2

**STATE OF CALIFORNIA FTA SECTION 5311  
REGIONAL PROGRAM OF PROJECTS (POP) – FISCAL YEAR 2004/2005 – GRANT 23**

COUNTY/ REGION: Santa Cruz County  
 CALTRANS DISTRICT: 05  
 ORIGINAL SUBMISSION DATE 12/16/04 REVISION SUBMISSION DATE: \_\_\_\_\_

CARRYOVER:	\$	<u>00</u>
CURRENT APPORTIONMENT: (+)	\$	<u>65,475</u>
TOTAL FUNDS AVAILABLE: (=)	\$	<u>65,475</u>

**Section 5311 Regional Apportionment: Please see Section 5311 Handbook, Chapter III**

**NOTE: Do not list previously approved projects (ie projects listed in a prior grant).**

**PART I - OPERATING ASSISTANCE--** May apply for two years, but each year has to be listed separately.

SUBRECIPIENT	TIME PERIOD	FY	NET PROJECT COST	FEDERAL SHARE
1. <u>Santa Cruz Metropolitan Transit District</u>	<u>July 1, 2004</u> to <u>June 30, 2005</u>	<u>2005</u>	\$ <u>940,832.56</u>	\$ <u>65,475.00</u>
2. _____	July 1, _____ to June 30, _____	_____	\$ _____	\$ _____

**PART II - CAPITAL -** For vehicle procurement indicate quantity, vehicle size, vehicle length, passenger capacity, fuel type and expansion (E) or replacement (R).

SUBRECIPIENT	PROJECT DESCRIPTION	ESTIMATED COMPLETION DATE	NET PROJECT COST	FEDERAL SHARE
1. _____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	\$ _____	\$ _____
3. _____	_____	_____	\$ _____	\$ _____
<b>Section 5311 Regional-Apportionment - Total</b>			\$ <u>940,832.56</u>	\$ <u>65,475.00</u>

**Flexible Funds - CMAQ, STP, or Federalized STIP\*: Please see Section 5311 Handbook, Chapter IV**

**PART III – FLEXIBLE FUNDS -** Project description and associated dollar amounts must be consistent with attached Federally approved TIP page.

SUBRECIPIENT	PROJECT DESCRIPTION	FUND TYPE	FTIP PAGE ATTACHED	APPLICATION ATTACHED*	NET PROJECT COST	FEDERAL SHARE
1. _____	_____	_____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____	\$ _____	\$ _____
3. _____	_____	_____	_____	_____	\$ _____	\$ _____

\*Federalized STIP Projects must provide the date of the California Transportation Commission allocation approval.

<b>Flexible Fund – Total</b>	\$ _____	\$ _____
<b>Total Programmed</b>	\$ <u>940,832.56</u>	\$ <u>65,475.00</u>

14.a1

Attachment A

BEFORE THE BOARD OF DIRECTORS OF THE  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. \_\_\_\_\_

On the Motion of Director: \_\_\_\_\_

Duly Seconded by Director: \_\_\_\_\_

The Following Resolution is Adopted:

**A RESOLUTION  
AUTHORIZING AN APPLICATION  
TO THE CALIFORNIA DEPARTMENT OF TRANSPORTATION  
FOR  
FTA SECTION 5311 FY2005 RURAL OPERATING ASSISTANCE**

**WHEREAS**, the Federal Transit Act authorizes financial assistance to public transit operators in non-urbanized areas as directed by 49 CFR 5311; and

**WHEREAS**, the California Department of Transportation administers the Section 5311 program in California and allocates federal funds by formula to each county with intercity public transit between urban areas including more than 50,000 persons; and

**WHEREAS**, the Santa Cruz Metropolitan Transit District operates intercity public transit in Santa Cruz County and is the only public transit operator designated to receive federal financial assistance from the Section 5311 program; and

**WHEREAS**, all applications for financial assistance impose certain obligations upon the applicant, including the provision of local share costs of the project.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT:**

1. That the General Manager is authorized to submit an application to the State of California Department of Transportation on behalf of the Santa Cruz Metropolitan Transit District for financial assistance to operate public transit service in non-urbanized portion of Santa Cruz County.
2. That the General Manager is authorized to submit and file with this application all assurances and all supplemental information as required by the California Department of Transportation.
3. That the General Manager is designated to execute standard grant agreements with the California Department of Transportation on behalf of the Santa Cruz Metropolitan Transit District to obtain \$65,475 in FTA Section 5311 funds for Fiscal Year 2005 to assist with public transit operations in the non-urbanized portion of Santa Cruz County.

14. b 1

4. That the District has committed \$875,357.56 in local matching funds to the project.
5. That the Santa Cruz Metropolitan Transit District has, to the extent feasible, coordinated this project with other transportation providers and users in the region, including social service agencies capable of purchasing public transit.

**PASSED AND ADOPTED** this 28<sup>h</sup> day of January, 2005 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

**APPROVED** \_\_\_\_\_  
EMILY REILLY  
Chairperson

**ATTEST** \_\_\_\_\_  
LESLIE R. WHITE  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER  
District Counsel

14. b2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 17, 2004  
**TO:** Board of Directors  
**FROM:** Bryant J. Baehr, Manager of Operations  
**SUBJECT:** CONSIDERATION OF CALL STOP AUDIT REPORT

## 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.
- Staff contracted with Robert S. Bortnick & Associates, a private investigative firm, to conduct the audit.
- On July 25, 2003 the base programming of the Talking Bus was completed and implemented. There are 48 bus routes, approximately 1,050 bus stops and 3,622 call stops.

## III. DISCUSSION

At the November 2001 Board of Directors meeting staff was authorized to conduct quarterly call stop compliance audits. Staff contracted with Robert S. Bortnick & Associates, a private investigative firm, to conduct the audit. Robert S. Bortnick & Associates was authorized 100 hours to conduct a survey at a cost of \$5,000.00 each quarter. On July 25, 2003 the Talking Bus was activated on all routes encompassing 3,622 programmed call stops (trigger points). The Transit District has 48 routes serving approximately 1,050 bus stops. Each route has independent trigger points and call stops taking the number of programmed call stops and trigger points to 3,622.

**Attachment A details the results of the current audit.**

## IV. FINANCIAL CONSIDERATIONS

Randomly conducted call stop compliance audits cost approximately \$20,000 per year.

## V. ATTACHMENTS

**Attachment A:** Summary of Audit Results

**Attachment B:** Table of Results from Robert S. Bortnick & Associates dated October – December 2004.

15.1

**Summary of the call stop audit results:**

	April – May 2002	Aug 2002	Nov 2002	Feb / March 2003	April / May / June / July 2003	July – Sept 2003	October/ December 2003	January / March 2004	April / June 2004	July/Aug/ Sept 2004	Oct – Dec 2004
Call Stops observed	194	218	232	436	88 – Boardings	2,418	2,596	2,378	3,223	2855	2294
Call stops announced	186	190	232	398	88 – Operational Systems	2,305	2,558	2,371	3,165	2842	2258
Call stops not announced	8	28	0	38	0	113	38	7	58	11	36*
Percent of call stops completed	96%	88%	100 %	91.3%	0	95.3%	98.5%	99.7%	98.2%	99.6%	98.4
Percent of call stops not completed	4%	13%	0%	8.7%	0	4.7%	1.5%	.3%	1.8%	.4%	1.6

\*The investigative report cited 39 call stops missed. After conducting an audit of the call stops missed, three (3) missed call stops were eliminated due to inaccurate application of the call stop audit forms or the bus not performing a portion of a route that was counted as a missed stop.

One (1) bus operator was placed into the Board of Directors adopted disciplinary schedule for missed call stops.

15.91

ROBERT S. BORTNICK & ASSOCIATES  
PRIVATE INVESTIGATION

CRIMINAL/CIVIL  
CA. LIC. NO. P111733

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

ADA CALL STOP SURVEY RESULTS  
(OCTOBER – DECEMBER 2004)

Statistical Summary

Total number of trips surveyed	_____	75	
Total number of trips with talking buses	_____	75 (100%)	
Total number of call stops surveyed	_____	2,296	— 2294
Total number of call stops made	_____	2,257 (98%)	— 2258
Total number of call stops missed	_____	39	— 36

Key to Codes

E = external announcement failure  
H = head sign failure

M = missed call stops  
V = visual failure only

15. b1

Table of Results

<u>ROUTE</u>	<u>DATE</u>	<u>CALLS MADE</u>	<u>CALLS MISSED</u>	<u>NOTES</u>
3B – Mission & N Bridges	12/28/04	41	0	
4 – HW/Paradise/Emeline	12/27/04	29	1	M
7 – Beach/Lighthouse	12/30/04	26	0	
7N – Beach Nt/Cap Mall	10/19/04	33	0	
7N – Beach Nt/Cap Mall	10/26/04	33	0	V
7N – Beach Nt/Cap Mall	10/19/04	18	0	
7N – Beach Nt/Metro Ctr	12/29/04	18	0	
7N – Beach Nt/Metro Ctr	01/03/05	18	0	
10 – UC/High St	12/29/04	18	0	
13 – UC/Walnut	01/04/05	35	0	
15 – Laurel/West	01/04/05	29	0	
16 – Laurel/East	10/19/04	14	0	
16 – Laurel/East	10/20/04	17	0	
16 – Laurel/East	12/28/04	31	0	
16 – Laurel/East	01/02/05	31	0	
19 – UC/Lower Bay	10/20/04	23	0	
19 – UC/Lower Bay	10/20/04	15	0	
19 – Lower Bay/Wknd	01/02/05	41	0	
19 – UC/Lower Bay	10/19/04	15	0	
19 – UC/Lower Bay	12/27/04	38	0	
19 – UC/Lower Bay	12/29/04	17	0	
19 – UC/Lower Bay	01/04/05	38	0	
20 – UC/Westside	10/20/04	25	0	
20 – UC/Westside	01/02/05	49	0	
32 – Graham Hill	12/30/04	38	0	
35 – Hwy 9/Country Club	12/27/04	14	0	
35 – Hwy 9/Country Club	12/29/04	37	0	
35 – Santa Cruz	11/07/04	50	0	
35 – Santa Cruz	11/20/04	50	0	
35 – Santa Cruz	12/27/04	24	0	
35 – Santa Cruz	12/28/04	3	35	M, H
35 – Santa Cruz	12/29/04	24	0	
35 – Santa Cruz	01/03/05	37	3	M
35A – Glen Arbor/Mtn Str	11/05/04	47	0	
35A – Glen Arbor/Mtn Str	11/07/04	47	0	
35A – Glen Arbor/CClub	11/20/04	47	0	
35A – Hwy 9/Bear Crk/Sy	01/03/05	41	0	
35A – Hwy 9/Country Clu	12/28/04	46	0	
40 – Santa Cruz	01/02/05	15	0	
40 – Waddell Crk/Davnpt	01/02/05	12	0	
41 – Bonny Doon	12/30/04	33	0	
41 – Santa Cruz	12/30/04	27	0	

Table of Results

<u>ROUTE</u>	<u>DATE</u>	<u>CALLS MADE</u>	<u>CALLS MISSED</u>	<u>NOTES</u>
54 – Aptos/La Selva Bch	11/07/04	48	0	
54 – Aptos/La Selva Bch	11/20/04	50	0	
54 – Capitola Mall	11/07/04	44	0	
54 – Capitola Mall	11/20/04	43	0	
54 – Capitola Mall	01/04/05	6	0	
66 – 17 <sup>th</sup> Ave/Cap Mall	10/18/04	32	0	
66 – 17 <sup>th</sup> Ave/Cap Mall	12/27/04	32	0	
66 – 17 <sup>th</sup> Ave/Cap Mall	01/02/05	32	0	
66 – 17 <sup>th</sup> Ave/SC	10/19/04	30	0	
66 – 17 <sup>th</sup> Ave/SC	01/07/04	30	0	
66 – 17 <sup>th</sup> Ave/SC	11/20/04	30	0	
66 – 17 <sup>th</sup> Ave/SC	01/02/05	30	0	
66 – 17 <sup>th</sup> Ave/SC	01/03/05	30	0	
66 – 17 <sup>th</sup> Ave/SC	01/04/05	30	0	
68 – Capitola Mall	11/07/04	25	0	E
68 – Capitola Mall	11/20/04	25	0	
69 – Capitola Road	12/29/04	20	0	
69 – Santa Cruz	01/03/05	18	0	
69A – Cap Rd/SC	01/02/05	39	0	
69A – Cap Rd/Watsonvl	12/28/04	39	0	
69N – Cap Mall/Cabrillo	10/19/04	20	0	
69N – Cap Mall/Cabrillo	01/03/05	19	0	
69N – SC/Cap Village	10/18/04	18	0	
69N – SC/Cap Village	10/26/04	18	0	
69W – Cabrillo/SC	12/27/04	18	0	
69W – Cabrillo/SC	01/03/05	18	0	
69W – Cabrillo/SC	01/04/05	37	0	
69W – Cabrillo/Watsnvl	01/02/05	39	0	
69W – Cabrillo/Watsnvl	01/03/05	19	0	
69W – Cabrillo/Watsnvl	01/04/05	12	0	
70 – Cabrillo	01/03/05	26	0	
71 – Clifford/SC	12/28/04	66	0	
71 – Pennsylvania/Wats	01/04/05	70	0	

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 28, 2005

**TO:** Board of Directors

**FROM:** Frank L. Cheng, Project Manager

**SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR DEMOLITION SERVICES TO NICA DMT INCORPORATED FOR STRUCTURES LOCATED ON 1122 RIVER STREET AND 120 GOLF CLUB DRIVE, SANTA CRUZ, INCLUDING THE WAIVER OF MINOR IRREGULARITIES**

## I. RECOMMENDED ACTION

**District Staff recommends that the Board of Directors authorize the General Manager to execute a contract to NICA DMT Incorporated for demolition of structures located at 1122 River Street and 120 Golf Club Drive, Santa Cruz, including the waiver of minor irregularities.**

## II. SUMMARY OF ISSUES

- Competitive procurement was conducted to solicit bids from qualified demolition firms.
- Six (6) firms submitted bids for the District's review.
- District staff has reviewed all submitted bids.
- District staff is recommending that a contract be established with NICA DMT Incorporated to provide demolition of two buildings and structures.

## III. DISCUSSION

This contract will consist of the demolition and removal of buildings and structures located at 1122 River Street, Santa Cruz and 120 Golf Club Drive, Santa Cruz. Demolition work consists of a waste management plan, temporary fencing (which will remain beyond contract completion under a lease-transfer agreement to the District), removal of identified hazardous materials, demolition of above and below grade construction elements, capping in place of existing utilities, and sandbagging to prevent runoff of demolition-created exposed silt.

On December 6, 2004, District Invitation for Bid, 04-11, was mailed to 47 demolition firms and was legally advertised. On January 21, 2005, bids were received and opened from six (6) firms. A list of firms and a summary of the bids received are provided in Attachment A. District staff has reviewed all submitted bids.

NICA DMT Incorporated (NICA) submitted the lowest bid. However, in determining whether the NICA bid can be determined to be responsive, NICA neglected to include on the Disadvantaged Business Enterprises (DBE) form, which was included in the Invitation for Bids (IFB), its DBE certification number and the date for such certification. This information was easily and quickly found by District staff through a search in the State DBE Database and did not affect the bid price.

Generally, public entities are required to put significant contracts out for competitive bidding and to award the contract to the lowest responsible bidder. A bidder is responsible if it can perform the contract as promised. A bid is responsive if it promises to do what the bidding instructions require. A basic rule of competitive bidding is that bids must conform to specifications, and that if a bid does not conform, it may not be accepted. However, it is further well established that a bid which substantially conforms to a call for bids may, though it is not strictly responsive, be accepted if the variance cannot have affected the amount of the bid or given the bidder an advantage or benefit not allowed other bidders or, in other words, if the variance is inconsequential. In this circumstance, it is recommended that the failure of NICA to provide the requested information be determined to be inconsequential and be waived as a minor irregularity. METRO's bid documents informs all bidders that minor irregularities may be waived by METRO in the awarding of the contract.

The Board should also be aware that METRO staff determined that this contract does not meet the technical requirements of the Subletting and Subcontracting Fair Practices Act (Public Contract Code Section 4100 et. seq), and therefore, METRO's specifications did not include a requirement that each of the bidder's subcontractors and their locations be set forth in the bids.

District staff is recommending that a contract be established with NICA DMT Incorporated to provide demolition of two buildings and structures in an amount not to exceed sixty- eight thousand, one hundred dollars (\$68,100). Contractor will provide all demolition services meeting all District specifications and requirements.

#### **IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the MetroBase budget.

#### **V. ATTACHMENTS**

**Attachment A:** Summary of bids received

<b>04-11 Demolition of Two Buildings and Structures</b>					
<b>Bid Results</b>					
	<b>Bid Item 1</b>	<b>Bid Item 2</b>	<b>Bid Item 3</b>	<b>Bid Item 4</b>	<b>Bid Item 5</b>
<b>Company</b>	<b>Demolition of 1122 River Street, Santa Cruz</b>	<b>Demolition of 120 Golf Club Drive, Santa Cruz</b>	<b>Total Contract price if both demolitions are awarded to one contractor.</b>	<b>Price per yard for additional concrete removal or credit for less concrete removal at 1122 River Street, Santa Cruz if estimates provided in specifications are not accurate upon actual demolition and removal.</b>	<b>Price per yard for additional concrete removal or credit for less concrete removal at 120 Golf Club Drive, Santa Cruz if estimates provided in specifications are not accurate upon actual demolition and removal.</b>
NICA DMT, Inc.	\$ 25,800.00	\$ 42,300.00	\$ 68,100.00	\$ 21.43	\$ 21.43
Randazzo Enterprises	\$ 33,520.00	\$ 45,000.00	\$ 78,520.00	\$ 34.00	\$ 35.00
HSR Inc.	\$ 48,940.00	\$ 59,460.00	\$ 105,392.00	\$ 10.00	\$ 10.00
Evans Brothers, Inc.	\$ 37,700.00	\$ 71,800.00	\$ 108,500.00	\$ 25.00	\$ 25.00
Soil Enterprises	\$ 35,775.00	\$ 112,475.00	\$ 148,250.00	\$ 50.00	\$ 50.00
A & S Metals	\$ 57,828.13	\$ 99,678.12	\$ 155,506.25	\$ 9.10	\$ 8.65