City of Palo Alto
City Council Staff Report

Report Type: Consent Calendar
Meeting Date: 1/18/2011

Title: Contract with MV Transportation

Subject: Approval of a Contract with MV Transportation in the Amount of $480,744 to Provide Community Shuttle Service for the Crosstown Shuttle Route for up to Three Years and Amendment to the Peninsula Corridor Joint Powers Board Agreement to Terminate Provision of Crosstown Shuttle Route Service

From: City Manager

Lead Department: Planning and Community Environment

Recommendation
Staff recommends that Council:
1. Approve and authorize the City Manager or designee to execute the attached contract with MV Transportation in the amount of $480,744 for the provision to operate the City's Crosstown Shuttle Route for up to three years, and
2. Amend the Peninsula Corridor Joint Powers Board (JPB) Agreement to terminate provision of Crosstown Shuttle Route Service.

Background
In 1999, the City and the Peninsula Corridor Joint Powers Board (JPB) amended the existing shuttle bus program contract, to add community shuttle bus service for the Crosstown Shuttle and Embarcadero Shuttle routes.

The Embarcadero Shuttle connects the business parks on the east side of the City along Embarcadero Road to the University Avenue Caltrain Station. A special run of the Embarcadero shuttle serves Jordan Middle School during the morning and afternoon bell schedule. The Embarcadero Shuttle is funded 75% by Caltrain and 25% by the City.

The Crosstown Shuttle provides a north-south transit connection from Charleston Road to the University Avenue Caltrain station along Middlefield Road and several community neighborhoods. This route serves both JLS and Jordan middle schools during the morning and afternoon bell schedules. The Crosstown Shuttle route is funded 100% by the City.

Staff has tried to work with JPB staff in recent years to develop a more comprehensive shuttle agreement to better indemnify the City from shuttle incidents and require more comprehensive response from the contractor. A revised agreement could not be reached with JPB that addresses these issues. Therefore, a request for proposals for Crosstown shuttle services was...
issued in mid-August 2010. The City will continue to contract with the JPB for the Embarcadero Shuttle, which is part of the Caltrain peak hour commuter shuttle program and is subsidized heavily by the JPB.

**Discussion**
The work to be performed under the contract is to provide all equipment, staffing and materials necessary to provide shuttle services for up to three years to operate the City's Crosstown Shuttle.

**Summary of Request for Proposal Process**
The City issued a Request for Proposal (RFP) for shuttle service providers for the Crosstown Shuttle route in August 2010 and invited all of the respondents to participate in the panel interviews. One of the respondents, (Compass Transportation), though, opted not to participate in the panel interviews because they could not provide a shuttle that met the requirements of the RFP, so only four providers were interviewed.

The original proposals were reviewed by City staff from the Transportation Division and Police Department. The panel oral interviews were conducted by staff from the Transportation Division, Police Department, and the Santa Clara Valley Transportation Authority.

The evaluation criteria utilized during the proposal and panel oral interview include: overall quality and completeness of the proposal; technical expertise of the company in performing the work (including experience in providing public transportation shuttle services and knowledge of regulations and codes regarding shuttle services); staffing and project organization; shuttle route operator training curriculum; and cost to the City, including price and competitiveness of the total price.

Two firms were selected for additional vendor site interviews, MV Transportation and Parking Company of America (PCA), to inspect the vendor’s maintenance facilities and to better understand their ability to respond to emergency service requests and their ability to properly store the shuttle during evenings and weekends. MV Transportation was identified as the most responsive, most experienced, and best suited vendor to provide community shuttle bus services for the Crosstown Shuttle route.

A summary of the Crosstown Shuttle Service Provider RFP process is provided in Table 1.

<table>
<thead>
<tr>
<th>Proposal Information</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Project Term</td>
<td>36 months</td>
</tr>
<tr>
<td>Number of Proposals Mailed</td>
<td>15</td>
</tr>
<tr>
<td>Total Days to Respond to Proposal</td>
<td>21 days</td>
</tr>
</tbody>
</table>

January 18, 2011
(ID # 1312)
Pre-proposal Bidder’s Conference
Number of Company Attendees at Pre-proposal Meeting
Number of Proposals Received:

<table>
<thead>
<tr>
<th>RFP Respondents (alphabetical)</th>
<th>Location (City, State)</th>
<th>Panel Interview?</th>
<th>Vendor Site Interview?</th>
<th>Preferred Vendor?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bauer’s</td>
<td>San Francisco, CA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>2. Compass Transportation</td>
<td>South San Francisco, CA</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3. MV Transportation</td>
<td>San Francisco, CA</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. PCA Management</td>
<td>East Palo Alto, CA</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>5. TransMetro</td>
<td>San Francisco, CA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Preferred Crosstown Shuttle Route Vendor: MV Transportation

MV Transportation’s proposal provides the City with two new, fully dedicated 2010 gas powered - 30 passenger shuttle buses for the Crosstown Shuttle route with one of the buses dedicated for emergency use and peak-hour service availability. The firm proposes to perform a pre trip inspection before entering service and preventive maintenance inspection on each vehicle within each 6,000 miles. MV Transportation also proposes to provide a total of 83.75 hours of training to the proposed driver. The new service also comes with expanded performance report tools including a GPS-based tracking system that will allow users to track the bus online to help schedule travel time to designated pick-up stations. MV Transportation also provides free schedule and map preparation services including printing, for inclusion within the shuttles, and has agreed to “wrap” the buses similar to the recent Embarcadero shuttle “map” unveiled at City Hall.

MV Transportation’s cost proposal includes an hourly rate cost structure, as requested by the City during the RFP process, and because of the availability of a second shuttle, the City has negotiated an expanded half-hour service during the morning and afternoon school commute period for both JLS and Jordan Middle Schools. This will restore the half-hour service lost during the budget reductions earlier this summer for the school commute period.

The amendment to the JPB agreement will eliminate the service MV Transportation will now provide and will reduce the total contract amount by $71,208 for remainder of the FY 2010-11.

**Next Steps**
Staff anticipates MV Transportation will commence operations on the Crosstown shuttle route on February 28, 2011. Staff has notified the JPB of the expected start date for the new shuttle operator.

January 18, 2011
(ID # 1312)
Resource Impact
The 2010-11 operating budget provides $257,264 for the Embarcadero and Crosstown shuttle operations, including a $59,146 carryover from the previous year. Table 2 provides the estimated annual costs for the Palo Alto Shuttle program including Crosstown Shuttle expenses from the proposed provider and the existing Embarcadero Shuttle expenditures that will continue through the JPB contract.

Table 2 – Palo Alto Shuttle Program Estimated 3-Year Expenditure

<table>
<thead>
<tr>
<th>Crosstown Shuttle</th>
<th>Hours of Operation</th>
<th>Cost for Year 1</th>
<th>Cost for Year 2</th>
<th>Cost for Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Regular Hourly Service</td>
<td>2,455</td>
<td>$124,271*</td>
<td>$139,984</td>
<td>$138,855</td>
</tr>
<tr>
<td>Mon - Fri, 10 Hrs/Day, 52 wks/yr (minus holidays)</td>
<td>($60.18/Hour)</td>
<td>($57.02/Hour)</td>
<td>($56.56/Hour)</td>
<td></td>
</tr>
<tr>
<td>• New Peak-Hour School Commute Service</td>
<td>360</td>
<td>$21,665</td>
<td>$20,527</td>
<td>$20,362</td>
</tr>
<tr>
<td>School Days, 1 Hr in AM &amp; PM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• GPS-Based Web Service</td>
<td>$30/month</td>
<td>$360</td>
<td>$360</td>
<td>$360</td>
</tr>
<tr>
<td>• Bus wrap service (One Time Expenditure)</td>
<td></td>
<td>$2,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Contingency</td>
<td></td>
<td>$11,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Estimated Annual Costs: $160,296 $160,871 $159,577

<table>
<thead>
<tr>
<th>Embarcadero</th>
<th>Hours of Operation</th>
<th>Cost for Year 1</th>
<th>Cost for Year 2</th>
<th>Cost for Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Regular Hourly service (25% City Share Shown)</td>
<td>3036</td>
<td>$49,668</td>
<td>$49,668</td>
<td>$49,668</td>
</tr>
</tbody>
</table>

Estimated Annual Palo Alto Shuttle Program Costs: $209,964 $210,539 $209,242

The existing agreement with the Joint Powers Board will be reduced by $71,208 so that funds with the new shuttle provider can be made available to begin service on February 28, 2011. The contract with MV Transportation will be on a calendar year contract versus fiscal-year contract due to the start of service.

Policy Implications
This request is consistent with existing Council direction to continue the Palo Alto shuttle project, and will allow for recovery of some of the service time lost due to budget reductions, particularly at the afternoon school commute.
Environmental Review
On August 2, 1999, the City Council approved a Negative Declaration for the shuttle project. Shuttle service will remain the same; the proposed change in operator would not result in any new significant environmental impact.

ATTACHMENTS:
- Attachment A: Agreement with MV Transportation for Shuttle Services (PDF)
- Attachment B: Amendment to Agreement No. S0114750 with Peninsula Corridor Joint Powers Board (PDF)

Prepared By: Ruchika Aggarwal
Department Head: Curtis Williams
City Manager Approval: James Keene, City Manager

January 18, 2011
(ID # 1312)
ATTACHMENT A

CITY OF PALO ALTO CONTRACT NO. C11138195

AGREEMENT BETWEEN THE CITY OF PALO ALTO AND MV TRANSPORTATION, INC.
FOR PROFESSIONAL SERVICES
PROVISION OF BUS SHUTTLE SERVICE

This Agreement is entered into on this 28th day of February, 2011, by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and MV TRANSPORTATION, INC., a California Corporation, located at 4620 Westamerica Drive, Fairfield, CA 94534, (PH) (707) 863-8980 ("CONTRACTOR").

RECITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to provide Bus Shuttle Service between the Palo Alto Caltrain Station and destinations throughout the City of Palo Alto ("Project") and desires to engage a CONTRACTOR to provide the shuttle service for this Project ("Services").

B. CONTRACTOR has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONTRACTOR to provide the Services as more fully described in Exhibit "A", attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, this Agreement, the parties agree:

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONTRACTOR shall perform the Services described in Exhibit "A" in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

SECTION 2. TERM.

The term of this Agreement shall be from the date of its full execution through February 28, 2014, unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONTRACTOR shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONTRACTOR in a reasonably prompt and timely manner.
based upon the circumstances and direction communicated to the CONTRACTOR. CITY’s agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONTRACTOR.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONTRACTOR for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, shall not exceed Four Hundred Eighty Thousand Seven Hundred Forty Four Dollars ($480,744.00). In the event Additional Services are authorized, the total compensation for services and reimbursable expenses shall not exceed Four Hundred Eighty Thousand Seven Hundred Forty Four Dollars ($480,744.00). The applicable rates and schedule of payment are set out in Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONTRACTOR shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibit “A”.

SECTION 5. INVOICES. In order to request payment, CONTRACTOR shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONTRACTOR’s billing rates (set forth in Exhibit “C-1”). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONTRACTOR’s payment requests shall be subject to verification by CITY. CONTRACTOR shall send all invoices to the City’s project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONTRACTOR or under CONTRACTOR’s supervision. CONTRACTOR represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONTRACTOR represents that it, its employees and subcontractor, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONTRACTOR under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform
Services under this Agreement. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONTRACTOR shall correct, at no cost to CITY, any and all errors, omissions, or ambiguities in the work product submitted to CITY, provided CITY gives notice to CONTRACTOR. If CONTRACTOR has prepared plans and specifications or other design documents to construct the Project, CONTRACTOR shall be obligated to correct any and all errors, omissions or ambiguities discovered prior to and during the course of construction of the Project. This obligation shall survive termination of the Agreement.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONTRACTOR shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of the CITY’s stated construction budget, CONTRACTOR shall make recommendations to the CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONTRACTOR, and any person employed by or contracted with CONTRACTOR to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of the CITY.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONTRACTOR are material considerations for this Agreement. CONTRACTOR shall not assign or transfer any interest in this Agreement nor the performance of any of CONTRACTOR’s obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

SECTION 12. SUBCONTRACTING.

☐ Option A: No Subcontractor: CONTRACTOR shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

☐ Option B: Subcontracts Authorized: Notwithstanding Section 11 above, CITY agrees that subcontractors may be used to complete the Services. The subcontractors authorized by CITY to perform work on this Project are: Inspection Services, Inc.

CONTRACTOR shall be responsible for directing the work of any subcontractors and for any compensation due to subcontractors. CITY assumes no responsibility whatsoever concerning compensation. CONTRACTOR shall be fully responsible to CITY for all acts and omissions of a subcontractor. CONTRACTOR shall change or add subcontractors only with the prior approval of the city manager or his designee.
SECTION 13. PROJECT MANAGEMENT. CONTRACTOR will assign Joe Escobedo, Vice President, as Principal in Charge, to have supervisory responsibility for the performance, progress, and execution of the Services and John Murphy as Project Manager, to represent CONTRACTOR during the day-to-day work on the Project. If circumstances cause the substitution of the project manager, or any other key personnel for any reason, the appointment of a substitute project manager and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONTRACTOR, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

The City’s Project Manager is Ruchika Aggarwal, Planning and Community Environment Department, 250 Hamilton Avenue, Palo Alto, CA 94301, Telephone: (650) 617-3136. The Project Manager will be CONTRACTOR’s point of contact with respect to performance, progress and execution of the Services. The CITY may designate an alternate project manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. Upon delivery, all work product, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents, other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONTRACTOR agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in CITY, and CONTRACTOR waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONTRACTOR nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONTRACTOR makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

SECTION 15. AUDITS. CONTRACTOR will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONTRACTOR’s records pertaining to matters covered by this Agreement. CONTRACTOR further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 16. INDEMNITY.

16.1. To the fullest extent permitted by law, CONTRACTOR shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements (“Claims”) resulting from, arising out of or in any manner related to performance or nonperformance by CONTRACTOR, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.
16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONTRACTOR to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

16.3. The acceptance of CONTRACTOR’s services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, provision, ordinance or law.

SECTION 18. INSURANCE.

18.1. CONTRACTOR, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONTRACTOR and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best’s Key Rating Guide ratings of A-:VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONTRACTOR retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY’s Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification, CONTRACTOR shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY’s Purchasing Manager during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONTRACTOR’s liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONTRACTOR will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.
19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONTRACTOR. Upon receipt of such notice, CONTRACTOR will immediately discontinue its performance of the Services.

19.2. CONTRACTOR may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONTRACTOR shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONTRACTOR or its contractors, if any, or given to CONTRACTOR or its contractors, if any, in connection with this Agreement. Such materials will become the property of CITY.

19.4. Upon such suspension or termination by CITY, CONTRACTOR will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONTRACTOR, CITY will be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR’s services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 19.4, 20, and 25.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
City of Palo Alto
Post Office Box 10250
Palo Alto, CA 94303

With a copy to the Purchasing Manager

To CONTRACTOR: Attention of John Murphy, Vice President
at the address of CONTRACTOR recited above

SECTION 21. CONFLICT OF INTEREST.

21.1. In accepting this Agreement, CONTRACTOR covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would

conflict in any manner or degree with the performance of the Services.

21.2. CONTRACTOR further covenants that, in the performance of this Agreement, it will not employ subcontractors, contractors or persons having such an interest. CONTRACTOR certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California.

21.3. If the Project Manager determines that CONTRACTOR is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONTRACTOR shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 22. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONTRACTOR certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONTRACTOR acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONTRACTOR shall comply with the City’s Environmentally Preferred Purchasing policies which are available at the City’s Purchasing Department, incorporated by reference and may be amended from time to time. CONTRACTOR shall comply with waste reduction, reuse, recycling and disposal requirements of the City’s Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, CONTRACTOR shall comply with the following zero waste requirements:

- All printed materials provided by CONTRACTOR to City generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by the City’s Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.

- Goods purchased by CONTRACTOR on behalf of the City shall be purchased in accordance with the City’s Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Office.

- Reusable/returnable pallets shall be taken back by the CONTRACTOR, at no additional cost to the City, for reuse or recycling. CONTRACTOR shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.
SECTION 24. NON-APPROPRIATION

24.1. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 25. MISCELLANEOUS PROVISIONS.

25.1. This Agreement will be governed by the laws of the State of California.

25.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

25.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys’ fees paid to third parties.

25.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

25.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and CONTRACTORs of the parties.

25.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

25.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

25.8. If, pursuant to this contract with CONTRACTOR, City shares with CONTRACTOR personal information as defined in California Civil Code section 1798.81.5(d) about a California resident ("Personal Information"), CONTRACTOR shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONTRACTOR shall not use Personal Information for direct marketing purposes.

Professional Services
Rev June 2, 2010
purposes without City’s express written consent.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

City Manager (Required on contracts over $85,000)
Purchasing Manager (Required on contracts over $25,000)
Contracts Administrator (Required on contracts under $25,000)

APPROVED AS TO FORM:

Senior Asst. City Attorney
(Required on Contracts over $25,000)

MV TRANSPORTATION SERVICES, INC.

By: __________________________
Name: _________________________
Title: __________________________

Attachments:
EXHIBIT “A”: SCOPE OF WORK
EXHIBIT “B”: SCHEDULE OF PERFORMANCE
EXHIBIT “C”: COMPENSATION
EXHIBIT “C-I”: SCHEDULE OF RATES
EXHIBIT “D”: INSURANCE REQUIREMENTS
EXHIBIT “A”
SCOPE OF SERVICES

I. BACKGROUND

The City of Palo Alto (CITY) currently operates a Palo Alto Shuttle Program that provides shuttle bus service between the Palo Alto Caltrain station and city destinations and neighborhoods. The shuttle routes operate Monday through Friday, excluding some holidays. The Palo Alto shuttle program began in December 1999 to provide convenient local shuttle services to Palo Alto residents, employees and businesses. The program has been expanded and modified, but in uninterrupted operation since that time. The shuttle routes connect residential neighborhoods, senior residences and services, middle schools, libraries, recreation facilities, community centers, shopping districts, the downtown and Caltrain. The shuttle is free of charge for all riders.

II. OVERVIEW

It is the intent of the CITY to award a contract for a three (3) year term, with a not to exceed CPI annual increase, to furnish Palo Alto shuttle services, in accordance with the specifications included herein. Contractor shall be responsible for providing all personnel and equipment needed for the service. The vehicles used to provide the shuttle service must comply with California Air Resources Board (CARB) and Bay Area Air Quality Management District (BAAQMD) mandates and policies that govern mass public transit and public shuttle services. Zero-emission, hybrid and alternative-fuelled vehicles are encouraged and preferred, but not required, for all or a portion of the service.

Information herein and pertaining to the Palo Alto shuttle with regard to service hours, days of service, schedules, ridership, vehicle demands, routes and route capacity requirements are based on estimates and are subject to change. CITY staff has developed this information for purposes of general planning and providing a service framework. However, CONTRACTOR shall maintain a reasonable level of flexibility that will allow for alterations to shuttle routes and schedules, as the demand for shuttle services and economic conditions affecting the transit agency change over the contract term.

Crosstown shuttle route is as follows:

- Crosstown Shuttle operates from the Downtown Palo Alto shuttle stop on Lytton Avenue at Alma Street via Lytton, Webster, Channing, Newell, North California, Middlefield Road, Loma Verde Avenue, East Meadow, and Middlefield Road to the terminus at 455 E. Charleston Road and back in reverse direction to the Palo Alto Caltrain station. The Crosstown shuttle serves two middle schools (Jordan and JL Stanford,) four community facilities (Main Library, Mitchell Park Library and Community Center, Palo Alto Art Center), Downtown, Midtown and Charleston shopping districts, and several senior housing sites.. The shuttle carries 200-250 passengers daily. Total run time for the round trip is approximately 50 minutes.
III. **SCOPE OF WORK**

Contractor to operate the shuttle routes in accordance with the schedules and route design established by CITY. The schedules, hours of operation and routes may occasionally be altered by CITY.

**SECTION 1: PALO ALTO SHUTTLE SERVICE**

**A. Service Hours and Days**

Palo Alto Shuttle Services under the contract are scheduled to begin on award of contract and operate approximately 254 days per calendar year.

<table>
<thead>
<tr>
<th>Shuttle Route</th>
<th>Operating Hours</th>
<th>Total Service Hours/Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crosstown Shuttle</td>
<td>7:40 a.m. – 5:20 p.m.</td>
<td>9.6667</td>
</tr>
</tbody>
</table>

**B. Service Increases and Reductions**

CITY reserves the right to increase, reduce, or modify shuttle service as CITY may find necessary or appropriate in response to changes in ridership or CITY’s annual budget. Any such additions, reductions or modifications shall be compensated at the hourly rates agreed upon by Contractor and CITY. CITY will give Contractor at least thirty (30) days notice for shuttle service changes such as adding, deleting or modifying service. Contractor will be expected to acquire any additional vehicles as well as hiring and training new personnel necessary for providing expanded Palo Alto Shuttle service. If Contractor requires additional time beyond 30-days to acquire the necessary vehicles and personnel, Contractor must contact CITY in writing within five (5) business days of receipt of CITY’s written request for the expanded service. Contractor and CITY must then mutually agree on a new date for fulfilling CITY’s request to add service, however, under no circumstances shall that date be more than 75 days from the date of City’s written request for additional service. Contractor may elect to provide the requested service change in less than 30-days if they are able and CITY agrees. Contractor must maintain sufficient staffing of bus operators to operate all routes at all times.

**SECTION 2: DELIVERABLES**

**A. Vehicle Requirements**

Contractor shall provide a sufficient number of buses that seat a minimum of twenty-five (25), including at least one dedicated spare to be used as a stand-by vehicle. Contractor shall also have the capability to provide additional vehicles for any service expansion requested by CITY at a later date. All vehicles used on the Palo Alto shuttle route must first be approved and accepted by CITY before placed in service. Additionally, Contractor is responsible for ensuring that all Palo...
Alto Shuttle vehicles meet the applicable California Air Resources Board (CARB) and Bay Area Air Quality Management District (BAAQMD) air emissions standards for public transit fleets at all times.

At commencement of service, all vehicles used for Palo Alto Shuttle services shall be no more than three (3) years old and have incurred fewer than 50,000 miles on engine and transmission, unless prior written approval from CITY has been received. CITY may inspect, accept and/or reject vehicles prior to commencement of services. All vehicles used at the start of the contract must adhere to the vehicle requirements contained in the next section, “Type of Vehicle.”

- **Type of Vehicle:**

The following types of vehicles may be placed in service on the Palo Alto Shuttle routes during the contract term.

a. An alternative fuel vehicle (CNG, LNG, propane, electric);
b. A hybrid-electric vehicle;
c. A post-1994 diesel vehicle with a CARB-certified particulate matter filter installed (this option requires the use of ultra-low-sulphur-fuel not exceeding 15 parts per million); or

Each Palo Alto Shuttle vehicle shall further meet the following criteria:

a. Every vehicle in operation shall be accessible to disabled patrons and be equipped with proper wheelchair restraints, complying with the Americans with Disabilities Act regulations.
b. Vehicle signage and logos, provided by Contractor, shall be displayed as directed by CITY; any other signage requires CITY approval.
c. Each vehicle shall be equipped with safety equipment that meets California Highway Patrol standards.
d. Each vehicle shall be equipped with a working communications system linking the vehicle with its operating facility. The communications system must be operable in all locations on the routes specified. Two-way communications must be possible at all times during all service hours.
e. Each vehicle providing Palo Alto Shuttle service shall have fully functioning and properly maintained heating and air-conditioning.
f. Each vehicle shall have stanchions and overhead grab rails for standing passengers.
g. Each vehicle shall have the potential to be equipped with a bicycle rack.

- **Vehicle Licensing:**

The Contractor shall keep all vehicles fully licensed and inspected as required by state and local government and regulatory agencies. The Contractor shall further comply with all federal, state and local vehicle registration, permitting, operating, emissions and regulatory requirements, restrictions and laws.

- **Vehicle Safety/Inspections:**
The vehicles shall comply with all applicable Department of Transportation Motor Vehicle Safety Standards. The Contractor shall perform and document daily safety inspections of vehicles prior to beginning each day's service. The "pre" and "post" operation inspections shall, at a minimum, comply with California Code of Regulations, Title 13 and may be subject to approval by CITY. Vehicles shall be repaired or replaced within 30 minutes of breakdown. Vehicles failing the daily inspection shall not be used in service until the failure and its cause(s) are corrected. All replaced vehicles must display the proper signage as directed by CITY.

CITY reserves the right but has no obligation to ensure that vehicles are being maintained properly and are in safe operating condition. CITY may inspect vehicles at any time and may bar a vehicle from service, if it determines that the safety or operation of the vehicle is impaired, until the problem(s) are corrected. CITY may also bar a vehicle from service, if it fails to comply with the maintenance, operating and emissions standards dictated by federal, state and local mandates.

Contractor must also ensure that the maintenance/repair facility and equipment used for maintenance and repair of all Palo Alto Shuttle vehicles are in compliance with all federal, state and local laws. CITY reserves the right to inspect all facilities and equipment used for Palo Alto Shuttle maintenance and repair activities and require that they be replaced or improved to ensure operational efficiency of the shuttle vehicles and the safety of employees and passengers. Additionally, the Contractor shall be in receipt of a current CHP Terminal Inspection Report at all times.

• **Vehicle Maintenance:**

The Contractor, at its expense, shall maintain all vehicles used for the shuttle service, at a minimum, in accordance with manufacturer's specifications and/or in accordance with the State's vehicle maintenance standards. Where duplicate standards/regulations exist, the Contractor shall be required to maintain vehicles in accordance with the stricter standards. Vehicles shall be cleaned and maintained as stated in the section, Performance Standards and Liquidated Damages Charges. Maintenance records shall be kept for all vehicles and shall be available for CITY inspection during normal office hours (8 a.m. to 5 p.m.).

Contractor shall provide a maintenance plan describing how and where vehicles will be maintained and any maintenance system or procedures that will be utilized. All fuels, lubricants, parts, materials, etc., required for the performance of the service, shall be supplied by the Contractor at Contractor's expense and may be subject to specification and approval by CITY.

• **Air Emissions:**

The vehicles used for provision of Palo Alto Shuttle services must not emit particulate matter (PM), Nitrous Oxide (NOx) and other air pollutants, indicated by the California Air Resources Board (CARB) and the Bay Area Air Quality Management District (BAAQMD), in amounts that exceed the maximum level(s) mandated by them. (See "Type of Vehicle" paragraph in this
Should Contractor choose to use diesel-powered vehicles, as approved by CARB and the BAAQMD only, Contractor must use ultra-low-sulphur diesel fuel that does not exceed fifteen parts per million.

Unless otherwise instructed, all Palo Alto Shuttle operators shall turn off the vehicle’s engine if the idle time will exceed five minutes.

- **Wheelchair Lifts:**

Contractor shall maintain all wheelchair lifts and safety devices in full operating condition and ensure that wheelchair lifts be cycled twice daily, once prior to beginning the service day, and once again at the end of the service day. During all preventative maintenance inspections, the lift shall be checked to ensure it is capable of lifting 600 pounds. Any required maintenance or repair work shall be performed before a vehicle can be put into service.

- **Spare Vehicles:**

The Contractor shall have at its disposal a sufficient number of spare vehicles available to meet service requirements, including one dedicated spare vehicle as a stand-by vehicle.

- **Vehicle Damage:**

All cosmetic damage to vehicles shall be repaired in a high quality manner and in an expeditious manner. Damaged vehicles shall immediately be removed from service until such repairs are completed and replaced with another vehicle that meets the vehicle and signage requirements indicated in the service contract.

- **Vehicle Signage:**

Vehicles shall have a paint and decal scheme as directed by CITY. Vehicles shall display signage as directed and approved by CITY, when providing Palo Alto Shuttle services.

The Contractor shall provide the following at its sole expense: 1) A head-sign stating “FREE SHUTTLE”; 2) A display of the CITY logo and paint/decal scheme on the rear and sides of the vehicle; 3) side-mounted placards that identify the specific route served; 4) other special logos on the side-mounted placards or on other locations as specified, and; 5) other signage, decals, or paint schemes as specified by CITY. CITY will only provide specifications and/or artwork for such signage, decals, logos, and paint schemes. Contractor shall then procure vehicle signage and decals, at Contractor’s sole cost, after receiving direction and approval from CITY.

Signs shall be maintained in prime condition throughout the contract period. CITY shall have the right to require the Contractor, at any time during the contract period and at Contractor’s sole expense, to replace any signage and/or logos that are torn, faded, frayed along the edges, obsolete, or otherwise deemed unacceptable by CITY for professional display.
Contractor must meet all Federal, State and local regulations regarding vehicle identification and signage. All marked vehicles are subject to approval by CITY before being placed in service. Furthermore, all signage and logos associated with the Palo Alto Shuttle service must be removed or completely covered, should any of the designated shuttle vehicles be used to perform other contracted services that are unrelated to the Palo Alto Shuttle service.

- **On Board Schedule Rack:**

Contractor shall supply and install CITY approved schedule rack on board any vehicle providing shuttle service that is contracted by CITY. Schedules and other promotional literature shall be provided by CITY.

- **On Board Advertising:**

Any advertising on either the interior or exterior of the shuttle vehicles, while in service, is strictly prohibited. Any advertising already on vehicles must be removed prior to entering into CITY Service. However, CITY reserves the right to review this policy at a later date and implement on-board advertising.

**C. Personnel Requirements:**

CONTRACTOR shall be solely responsible for the provision and the satisfactory work performance of all its employees, including subcontracted personnel, contributing to the Palo Alto Shuttle service. The Contractor shall be solely responsible for payment of all employee and/or subcontractor wages and benefits. Without any additional expense to CITY, the Contractor shall comply with the requirements of employee liability, equal employment, Worker’s Compensation, unemployment insurance, Social Security, income tax and all other applicable laws.

- **Removal of Contract Personnel:**

CITY reserves the right to demand the removal of any personnel, furnished by the Contractor, from providing shuttle services for reasonable cause. The Contractor shall not, without prior written notice to CITY, remove or re-assign the key management personnel identified in its proposal, (i.e. Project Manager) at any time, prior to or after execution of the Agreement. CITY has the right to approve of any proposed substitute or replacement of such key management personnel.

- **Use of Subcontractors:**

The Contractor shall obtain CITY’s written consent before entering into any subcontract affecting the Palo Alto Shuttle service. Before implementation of the service contract, Contractor shall identify any potential subcontractors for this project and their role in the provision of service.
• **Project Manager:**

Contractor shall designate a Project Manager, specifically assigned to the provision of Palo Alto Shuttle service, who shall oversee the day-to-day operation of the service, as well as serve as a daily point of contact. The Project Manager shall fulfill reporting requirements, address service and operator issues, respond to complaints, and ensure that daily service requirements are met.

• **Route Supervisor:**

Contractor shall designate a Route Supervisor for coordinating, monitoring and overseeing the day-to-day operations of shuttle service in the field. The Route Supervisor shall be responsible for communicating special instructions from CITY to all shuttle vehicle operators and ensuring that the instructions are fulfilled accordingly. The Route Supervisor duty may be fulfilled by a Lead Operator.

CITY staff, at their discretion, may supervise the Palo Alto Shuttle operations. Contractor shall inform all shuttle drivers that operational instructions from CITY staff must be fully executed. CITY staff shall notify Contractor of any special instructions provided to the shuttle operators which may impact service hours.

• **Drivers:**

The Contractor shall supply a sufficient number of properly qualified personnel to operate the vehicles and to provide the Services required. All drivers furnished by Contractor for the Services shall comply with the following:

i. Appearance – Each of the Contractor’s drivers shall, at all times while on duty, in the performance of the services, be neatly, professionally and cleanly dressed in a required uniform, including identification badge.

ii. Driver and Passenger Conduct Standards:
   1. Drivers shall maintain a courteous and cooperative attitude in their contact with the public.
   2. Drivers shall only provide accurate and correct information to customers. Project Manager is responsible for providing personnel with the most updated and accurate information regarding the Palo Alto Shuttle service on a daily basis or more frequent.
   3. Each driver shall carry a timepiece accurate to within one minute, reset to the exact time prior to beginning any CITY Service.
   4. Drivers and passengers shall not smoke on board or near the shuttle vehicles.
   5. There shall be no operation of audio devices by drivers or passengers, with the exception that headphone systems are allowed to be played by passengers.
   6. Drivers shall not use communication devices of any kind, including cellular telephones or bluetooth headsets, for any purpose while driving or attending to passengers. These devices shall only be used while the driver is stopped at a designated bus stop or other safe location.
7. Shoes and shirts shall be required of all passengers.
8. No eating or drinking shall be allowed on board the vehicles.

Drivers shall enforce these conduct standards, in order to maintain a comfortable and safe environment for all Palo Alto Shuttle patrons.

iii. Language Proficiency – A level of proficiency in the English language, sufficient for speaking effectively and clearly with passengers and for preparing required written logs and reports, is required. CITY has the right to request the Contractor to remove any personnel from the Palo Alto Shuttle project that cannot demonstrate an acceptable level of English proficiency.

iv. Licensing and Other Requirements
1. Contractor shall comply with the Immigration Reform and Control Act (IRCA), which requires all employers to verify the authorization of its employees to work in the United States. It is illegal to knowingly hire, recruit or refer an unauthorized alien to work in the U.S.

2. All drivers shall be properly licensed in the State of California to provide this type of service. A written record from the State Department of Motor Vehicles shall be submitted to CITY semi-annually for each driver, beginning at the start of the contract period, and then kept on file. Drivers shall possess a Class “B” Drivers License, with applicable endorsements mandated by the State of California for the type of vehicle operated. All drivers shall comply with all relevant State of California codes and standards.

v. Future Standards – At such time as they may be implemented, drivers shall comply with any future standards, which may be required of drivers operating the Services.

vi. Distribution of Promotional Materials and Surveys – Upon CITY’s request, drivers shall be required to hand out CITY promotional materials or surveys to passengers. CITY shall supply all such materials.

vii. Criminal Conviction Disclosure – Contractor shall, prior to assignment of any driver to operate a vehicle in CITY Service, require the driver to complete a questionnaire form approved by CITY disclosing the driver’s criminal conviction record, if any. All completed questionnaires must be delivered to CITY for verification. If the completed form discloses no convictions that would bar the driver from CITY service, the driver may be assigned to duties under the Agreement, subject to CITY’s verification of the record. Failure to disclose material information or the significant misstatement of the driver’s record shall disqualify the driver from operating a vehicle under the Agreement. In addition, Contractor shall immediately report to CITY any drivers who are arrested for public offenses while providing shuttle services, including being cited for moving traffic violations, and immediately take all reasonable steps to ensure passenger and vehicle safety in the event of such a violation.
viii. Training – All drivers shall be required to receive, and have successfully completed, the minimum current drivers training required by the California Department of Motor Vehicles for the type of vehicle operated. All costs associated with driver training shall be the responsibility of the Contractor. The Contractor is responsible for ensuring that each driver is properly acquainted with the requirements of the program, his/her responsibilities as a driver, and assisting passengers with special needs and disabilities.

ix. Logs/Trip Sheets – Drivers shall be required to maintain vehicle logs or trip sheets for each day of service, to include passenger counts and incident reports. See Records and Reports Requirements section for additional requirements.

x. Driver Suitability Requirements – A driver may be disqualified from operating a vehicle under this Agreement for criminal misconduct if he/she has been convicted of one or more of the following offenses:
1. Operating a motor vehicle while under the influence of alcohol, amphetamines or narcotic drugs, formulations of amphetamines or derivatives of narcotic drugs.
2. A crime involving the transportation, possession, sale or possession for sale, or unlawful use of amphetamines, narcotic drugs, formulations of amphetamines or derivatives of narcotic drugs.
3. A felony or misdemeanor involving moral turpitude.
4. A felony or serious misdemeanor involving violence.
5. Leaving the scene of a traffic accident, which resulted in personal injury or death.
6. A felony involving the use of motor vehicle.

xi. Sex Offenses – A driver shall be disqualified from operating a vehicle for conduct resulting in the following:
1. Any person determined to be a mentally disordered sex offender under the provisions of Article I (commencing with Section 6300) of Chapter 2, Part 2, division 6 of the Welfare and Institutions Code or under similar provisions of law of any other state.
2. Any person required to register as a sex offender under the provisions of Section 290 of the Penal Code or under similar provisions of law of any other state.

xii. Driving Offenses – A driver shall be disqualified from providing shuttle service, if any of the following circumstances exist:
1. Conviction of more than three (3) moving violations within the last three years.
2. Driver’s license suspended or revoked license may not participate.

xiii. Drug/Alcohol Abuse -- In accordance with Department of Transportation (DOT) requirements, the Contractor shall, at its own expense, assure that all drivers, mechanics and other safety sensitive personnel performing Services are free from alcohol misuse and/or the abuse of drugs; including amphetamines, opiates, cocaine, PCP, marijuana and the misuse/abuse of prescription drugs, formulations of amphetamines or derivatives of narcotic drugs, while on the job and/or performing safety sensitive duties.
The Contractor will require its prospective safety sensitive employees who may be assigned to perform work under this contract undergo pre-employment drug testing. Safety sensitive employees shall also be subject to post-accident testing, probable cause testing, and random testing as required by applicable law. Such drug and alcohol tests will comply with all applicable regulations. If an employee fails a random, post-accident, or probable cause test, the Contractor shall inform the CITY’s Project Manager of the failure and of the actions taken within 24-hours of the event.

xiv. Usage of Vehicles -- It is prohibited for drivers to allow friends, family or relatives to ride aboard shuttles unless they are actually using the service to get to a Palo Alto Shuttle destination.

• Office Staff:

The Contractor shall supply a sufficient number of employees to staff the contractor’s office at all required times and perform all necessary tasks associated with the service, including responding to calls for information or assistance from the public or city staff. The Contractor shall be responsible for training these employees and ensuring that all program policies and procedures are understood and enforced. During all times when vehicles are on the road for this program, the Contractor shall staff the office with at least one person trained to perform radio dispatching functions, monitor the telephone and handle any issues associated with CITY Service.

D. Records and Reports Requirements:

• Routine Reports:

Contractor shall compile, prepare and furnish to CITY the following records and reports in a format approved by CITY. These records and reports shall be submitted on a monthly basis with billing information. CITY reserves the right to withhold payment if the required reports are not included with the billing information by the due date established by CITY at the onset of the contract.

i. Billing Information (in CITY-specified format)
ii. Actual/Scheduled number of service operating hours and miles of each route and vehicle
iii. Level of usage by disabled passengers
iv. Complete explanation of all accidents, incidents, complaints and unusual events
v. Driver’s daily passenger logs, which must include daily passenger counts (on/off per stop/route, totals)

Other Reports that shall be provided by Contractor as required by this Agreement include the following:

i. Maintenance Records – vehicle number, dates, types of service, etc., daily vehicle availability, summary of vehicle road failures (as requested)
ii. State Department of Motor Vehicles record of each driver (semi-annually)
iii. California Highway Patrol (CHP) Pull-Notice System Reports (as required)
iv. California Highway Patrol (CHP) Terminal Inspection Report  
v. Substance Abuse Control Program reports (as required)  
vi. Vehicle reports verifying compliance with CARB and the BAAQMD (as requested)  
vii. Passenger Surveys provided by CITY (as requested)  
viii. Report on Vehicle Compliance with the CARB to include engine type, vehicle model and year, odometer readings, fuel used, and vehicle size for each shuttle used to provide Palo Alto Shuttle services (prior to start of service and annually thereafter, or as requested)

- **Records Requirements:**  
The Contractor shall be responsible for properly maintaining separate records and summaries for this Service as deemed necessary by CITY and/or for CITY’s submission to federal and/or state agencies. Contractor shall comply with all federal, state and local mandates regarding record retention.

- **Maintenance and Ownership of Records:**  
All reports, records, and data relating to this Agreement shall be the property of CITY subject to the requirements of Section 14 of the contract.

D. **Miscellaneous Requirements:**

- **Fares:**  
This Palo Alto Shuttle service shall be free of charge to all passengers. No fares shall be collected.

- **Gratuities:**  
The Contractor and its employees and or subcontractors are prohibited from soliciting or accepting any tips or gifts of any kind while operating a vehicle in CITY Service.

- **Meetings:**  
CITY plans to hold meetings on an as-needed basis for the purpose of discussing service problems and proposed solutions and to maintain open and frequent communications. Unless otherwise notified, the Contractor’s Project Manager shall attend all meetings.

- **Facilities:**  
The Contractor shall provide suitable maintenance and storage facilities with which to operate the Service. All furnishings, equipment and supplies are the responsibility of the Contractor.

- **Safety/Emergency Preparedness/Security Requirements:**
The Contractor shall provide for the safety of passengers by any and all reasonable means, including but not limited to: driver training, retraining, and monitoring; vehicle maintenance; maintaining order in and around vehicles; providing safety and emergency procedures. Each vehicle shall be equipped with a fire extinguisher and appropriate first-aid kit furnished by Contractor.

E. Performance Standards and Liquidated Damage Charges:

With this award of the Palo Alto Shuttle service contract, it is agreed upon by both parties that strict adherence to the schedule of operations in rendering the public service, called for by these specifications, is of the essence. The Contractor shall abide by the performance standards stated herein and shall be liable for the stated liquidated damage charges in the event of their breech. Liquidated damage charges may be waived at the discretion of CITY. Any liquidated damage charges imposed or other assessments may be deducted from Contractor's invoice for services. In addition to any liquidated damage remedy, CITY reserves the right to terminate the Agreement for any reasonable cause, especially for failure to maintain performance standards.

Specific performance standards and the assessments that will be imposed for non-performance are listed below.

- **On-Time Performance:**

  Standard: Contractor shall be on time for all trips to ensure a smooth and efficient transfer of passengers between the Palo Alto trains and the Palo Alto Shuttles. Contractor shall have all Palo Alto Shuttles staged and ready to receive passengers at least ten (10) minutes before start of each service day.

  1. Non-performance: Missing a trip entirely is considered as not providing the required service. CITY shall not pay for missed trips. A $100.00 penalty per trip that was missed entirely shall be assessed.

  2. Non-performance: Departing a shuttle terminus stop ten (10) or more minutes later than the scheduled departure time published in the time guide. Penalty: $100.00 shall be assessed for each late departure.

  3. Non-performance: Departing a shuttle terminus stop before the scheduled pick-up time at that location. Penalty: $100.00 shall be assessed for each early departure.

- **Vehicle Maintenance:** Contractor shall maintain vehicle equipment in proper operating condition.

  Non-performance: Schedules that operate using a vehicle with a cracked windshield, inoperative safety devices, inoperative heater/air conditioner, illegal tire tread, or other significant defects are unacceptable. Penalty: $250.00 per day shall be assessed.

- **Safety Standard:** Contractor shall maintain all vehicles used in CITY Service in compliance with all applicable federal and state safety standards.
Non-performance: In the case that the vehicle operating authority falls under the California Public Utilities Commission (CPUC), and if the CPUC revokes the permits to operate the vehicles in this Service, as a result of unsatisfactory inspection ratings by the CHP, they shall not operate. Penalty: $500.00 per vehicle per day. Penalty shall be assessed until a satisfactory inspection report is obtained.

- **Vehicle Appearance**: Contractor shall maintain the upkeep and cleanliness of all vehicles.
  
  i. At a minimum, interiors shall be swept, mopped, and wiped down daily, including the driver and dash areas.
  
  ii. At a minimum, exteriors shall be washed twice weekly with more frequent washings as required during periods of rainy weather, including polishing of windshields and cleaning of wheels.
  
  iii. At a minimum, all vehicles shall be completely detailed twice a month including, but not limited to, the driver’s area, dashboard, windows, ceiling, walls, floors and seats.

Non-performance: A vehicle that has not been cleaned as described above. Penalty: $100.00 per day will be assessed.

- **Vehicle Signage**: Contractor shall ensure that the vehicle displays the required signage appropriately on the vehicle.

  1. Non-performance: Vehicles that operate without the proper signage. Penalty: $100 per day without the proper signage will be assessed.
  
  2. Non-performance: Vehicles that operate with improperly placed signage. Penalty: $100 per day with the improperly placed signage.
  
  3. Non-performance: Vehicles that operate service unrelated to the Palo Alto Shuttle Program while displaying signage and/or logos that reference the Palo Alto Shuttle services. Penalty: $100 will be assessed per vehicle per incident.

- **Vehicles – Disabled Accessibility**: Each vehicle shall be accessible to disabled persons through wheelchair lifts, ramps or other approved method.

Non-performance: Schedules that operate without a working wheelchair lift shall be considered as having not operated. CITY shall not pay for missed trips. Penalty: $250.00 per vehicle trip will be assessed.

- **Vehicles – Emissions Compliance**: All vehicles used to provide Palo Alto Shuttle service shall comply with the vehicle type, fuel requirements, and emissions standards required by the California Air Resources Board (CARB) at all times.
1. Non-performance: The use of non-compliant vehicles for Palo Alto Shuttle service any time during the contract period will result in penalties to the Contractor. Penalty: $500 per day that the non-compliant vehicle operates.

- **Report Submissions:** Contractor must submit all reports required by CITY, as listed in Section C of the Scope of Work, by the date established by CITY at the onset of the contract.
  1. Non-performance: Submitting required reports beyond the deadline for submission. Penalty: Withholding payments of Contractor’s monthly invoices until reports are received by CITY.
  2. Non-performance: Deliberately reporting falsified information on a report submitted to CITY. Penalty: Withholding payments of Contractor’s monthly invoices until accurate information is received by CITY.
EXHIBIT B  
SCHEDULE OF PERFORMANCE

It is agreed upon by both parties that strict adherence to the schedule of operations in rendering the public service, called for by these specifications, is of the essence.

Contractor shall be on time for all trips to ensure a smooth and efficient transfer of passengers between the Palo Alto trains and the Palo Alto Shuttles. Contractor shall have all Palo Alto Shuttles staged and ready to receive passengers at least ten (10) minutes before start of each service day.

A. **Service Hours and Days**

Palo Alto Shuttle Services under the contract are scheduled to begin on award of contract and shall operate Monday through Friday with the exception of these holidays - New Years Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Thursday and Friday, and Christmas Day, approximately 254 days per calendar year.

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<thead>
<tr>
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<td>7:40 a.m. – 5:20 p.m.</td>
<td>9.6667</td>
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</tbody>
</table>
EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONTRACTOR for professional services performed in accordance with the terms and conditions of this Agreement, and completed to the reasonable satisfaction of the CITY, as described in Exhibit A, Scope of Services, an amount not to exceed

<table>
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<tr>
<th>Year</th>
<th>Vehicle Service Rate per Hour</th>
<th>Projected Annual Service Hours</th>
<th>Total Annual Cost for Shuttle Services</th>
<th>Other Misc Costs(GPS, Bus Wrap, etc.)</th>
<th>Contingency</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$480,744.00</strong></td>
</tr>
</tbody>
</table>
EXHIBIT “C-1”
SCHEDULE OF RATES

<table>
<thead>
<tr>
<th>POSITION TITLE</th>
<th>HOURLY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Technician</td>
<td>$20.63</td>
</tr>
<tr>
<td>Vehicle Service Worker</td>
<td>$9.00</td>
</tr>
</tbody>
</table>
# EXHIBIT “D”
## INSURANCE REQUIREMENTS

Contractors to the City of Palo Alto (City), at their sole expense, shall for the term of the contract obtain and maintain insurance in the amounts for the coverage specified below, afforded by companies with an Best's Key Rating of A-VII, or higher, licensed or authorized to transact insurance business in the state of California.

Award is contingent on compliance with City's insurance requirements, as specified, below:

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>TYPE OF COVERAGE</th>
<th>REQUIREMENT</th>
<th>MINIMUM LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>WORKER’S COMPENSATION</td>
<td>STATUTORY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>EMPLOYER’S LIABILITY</td>
<td>STATUTORY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td></td>
<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td></td>
<td>BODILY INJURY &amp; PROPERTY DAMAGE COMBINED</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>NO</td>
<td>PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE</td>
<td>ALL DAMAGES</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

The City of Palo Alto is to be named as an additional insured: Contractor, at its sole cost and expense, shall obtain and maintain, in full force and effect throughout the entire term of any resultant agreement, the insurance coverage herein described, insuring not only Contractor and its subconsultants, if any, but also, with the exception of workers' compensation, employer's liability and professional insurance, naming as additional insureds City, its council members, officers, agents, and employees.

I. INSURANCE COVERAGE MUST INCLUDE:
   A. A PROVISION FOR A WRITTEN THIRTY DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND
   B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR’S AGREEMENT TO INDEMNIFY CITY.
   C. DEDUCTIBLE AMOUNTS IN EXCESS OF $5,000 REQUIRE CITY’S PRIOR APPROVAL.

II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO “ADDITIONAL INSUREDS”
   A. PRIMARY COVERAGE
   WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSUREDS.
   B. CROSS LIABILITY
THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSURED, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

NOTICES SHALL BE MAILED TO:

PURCHASING AND CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303
This Amendment No. 17 to Agreement No. S0114750 ("Contract") is entered into January 19, 2011, by and between the CITY OF PALO ALTO, a charter city and a municipal corporation of the State of California ("EMPLOYER"), and PENINSULA CORRIDOR JOINT POWERS BOARD, a JOINT POWERS AGENCY ("JPB"), located at 12501 San Carlos Avenue, San Carlos, CA 94070 ("JPB").

RECITALS:

WHEREAS, the Agreement was entered into between the parties for the provision of Regular Shuttle Services, Expanded Shuttle Services and Midday Shuttle Service; and

WHEREAS, the parties wish to amend the Agreement to terminate the provision of the Midday and Expanded Shuttle Service;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 7 is hereby added to the Agreement to read as follows:

7. TERMINATION OF MIDDAY AND EXPANDED SHUTTLE SERVICE

Effective February 28, 2011, "JPB" shall cease to provide the Midday and Expanded Bus Service as described in Section 1 of the Agreement for the Crosstown Shuttle Service. Last day of these Services shall be February 25, 2011. Employer's obligation to pay all costs and expenses pertaining to the provision of Midday and Expanded Service shall cease with termination of that Service.

Regular shuttle service to the Embarcadero Shuttle, and Employer's obligation to pay for such Service, shall continue unaffected as established in the Agreement.

Except as herein modified, all other provisions of the Agreement, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.
CITY OF PALO ALTO

APPROVED:

City Manager

APPROVED AS TO FORM:

Senior Asst. City Attorney

PENINSULA CORRIDOR JOINT POWERS BOARD

By: ______________________

Name: ____________________

Title: _____________________