



City of Palo Alto

City Council Staff Report

(ID # 10856)

Report Type: Consent Calendar

Meeting Date: 12/16/2019

Summary Title: Shuttle Service Contract

Title: Approval of Contract Number C20174897 With Transmetro for the Operation of the Existing Palo Alto Crosstown Shuttle Service With Total Compensation Not-to-Exceed \$1,139,347.50 Over a Three-Year Term

From: City Manager

Lead Department: Transportation

Recommendation:

Staff recommends that the City Council approve and authorize the City Manager or designee to execute the General Services Agreement with Transmetro with a maximum contract amount of \$1,139,347.50 for the operation of the existing Palo Alto Crosstown Shuttle (CTS) service for up to three years.

Background:

The current Palo Alto Crosstown Shuttle (CTS) provides a free north-south shuttle service from the Palo Alto Transit Center to Crescent Park, Midtown, the Charleston Rd. area, and several community centers, libraries, senior centers, and schools in between. The shuttle currently operates Monday through Friday, excluding some holidays and is funded by the City. Ridership is approximately 4,900 passenger trips per month, consisting mostly of middle school students and senior citizens.

In January 2011, the City Council approved a three-year contract with MV Transportation to operate the CTS until February 2014, later extended through June 2014. In July 2014, after another competitive solicitation process, MV Transportation was again selected to provide CTS service for a three-year term until June 2017, subsequently extended through June 2019. On June 24, 2019, Council approved a further extension of the contract term for six months through December 2019 to allow the completion of the Request for Proposal (RFP) process. (See staff report online here: <https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=44615.74&BlobID=72149>.)

Discussion:

Council approval of the contract with Transmetro as the new shuttle services provider will allow for the continued operation of the Crosstown Shuttle without a gap in service. A new Request for Proposal (RFP) for the CTS was released on April 11, 2019. A summary of the CTS RFP process is provided in Table 1.

Table 1 – Crosstown Shuttle RFP Process

Proposal Information		Details
Request for Proposal Released		April 11, 2019
Pre-proposal Teleconference		April 17, 2019
Request for Proposal Submittal		May 14, 2019
Total Days to Respond to Proposal		27 days
Number of Proposals Received:		4

RFP Respondents (Alphabetical)	Location (City, State)	Panel Interview?
Arjuna Transportation	Fairfield, CA	Yes
El Paseo	Santa Clara, CA	Yes
MV Transportation	Dallas, TX	Yes
Transmetro	San Francisco, CA	Yes
Preferred Vendor:		Transmetro

Transmetro’s proposal provides the City with two fully dedicated 2018 CNG 30-passenger shuttle buses. All Transmetro drivers are required to complete 60 hours of training on safety, road proficiency, and vehicle inspection. The new service also comes with expanded performance reporting and customer service tools such as real-time shuttle information, automatic passenger counters, and a 24-hour emergency contact number. Transmetro will provide these features and transit service at a lower hourly rate than the City’s current vendor. Transmetro’s proposal included all necessary services, and in some instances, Transmetro exceeded the City’s specifications. Transmetro also provided the lowest priced proposal.

Transmetro’s proposed unit price per hour of service is \$75. In contrast, the current 6-month contract extension with MV Transportation specifies an hourly rate of \$86.474. For the year ending in August 2019, the MV contract has yielded Crosstown shuttle ridership of 58,939 and a cost per passenger trip of \$6.94. Assuming the same level of ridership, the proposed contract with Transmetro would yield a cost per passenger trip of \$5.68. The cost per trip would decrease if the new vendor attracts higher ridership. While the current contractor has worked

with City staff to resolve issues with service delivery and quality, the new vendor offers service enhancements at a lower price point. Given Transmetro’s new data collection tools and customer service experience, staff looks forward to working with the new vendor to improve ridership.

Vendor	Current: MV Transportation	Proposed: Transmetro
Annual Cost	\$408,791.25	\$334,822.50
Ridership (2018-19)	58,939	58,939
Cost per Rider	\$6.94	\$5.68

It should be noted that VTA announced in mid-November that it would activate the New Service Plan beginning December 28th, 2019. This realignment of VTA resources will result in changes to bus routes in Palo Alto. To provide options to address gaps in VTA service, staff intend to return to Council this spring with options for expanding the shuttle program that can be included in the FY2021 budget process including a comparison of an on-demand option to the option of funding routes identified in the City’s Transit Vision Plan. See the August 14, 2017 staff report for the City’s Transit Vision Plan: <https://www.cityofpaloalto.org/civicax/filebank/documents/60890>. VTA’s New Service Plan webpage can be found at this website: <http://newtransitplan.vta.org/>.

Policy Implication

The continuing operation of the shuttle service is consistent with policies set forth in the City’s Comprehensive Plan including,

Goal T-1:

Create a sustainable transportation system, complemented by a mix of land uses, that emphasizes walking, bicycling, use of public transportation and other methods to reduce GHG emissions and the use of single-occupancy motor vehicles.

Policy T-1.13:

Encourage services that complement and enhance the transportation options available to help Palo Alto residents and employees make first/last mile connections and travel within the city for daily needs without using a single-occupancy vehicle, including shuttle, taxi and ridesharing services.

Policy T-1.14:

Continue the Palo Alto Free Shuttle Program and work with partners to enhance service by increasing frequency and prioritizing destinations of value to the community, including health centers, parks, schools, senior centers and shopping areas and other places where residents gather.

Goal T-7:

Provide mobility options that allow people who are transit dependent to reach their destinations.

Policy T-7.4:

Collaborate with transit and shuttle providers including VTA, AC Transit, SamTrans, Stanford Marguerite Shuttle, Palo Alto Free Shuttle, Dumbarton Express Bus Service and Caltrain in the provision of service that is accessible to seniors and people with disabilities.

Resource Impact:

The Office of Transportation Fiscal Year 2020 Adopted Operating Budget includes sufficient funding to continue services for the Crosstown Shuttle Route for this fiscal year. Funding for subsequent years of the contract is subject to the annual appropriation of funds through the budget process. As discussed above, staff anticipates evaluating options to address VTA’s changes in service delivery and will return to City Council as part of budget development as appropriate.

Timeline:

Upon City Council approval, staff will execute Contract No. C20174897. Staff anticipates executing the contract by end of the year as our current contract with MV Transportation is set to expire on December 31, 2019.

Stakeholder Engagement

This item is to continue an existing service and does not seek to make changes to the Crosstown Shuttle route or frequencies. Stakeholder engagement for the Crosstown Shuttle occurs on an on-going basis via rider surveys, customer service communications, and updates to the Palo Alto shuttle website.

Environmental Review:

This program is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations since it can be seen with certainty that there is no possibility the continuation of an existing shuttle service would have a significant effect on the environment.

Attachments:

Attachment A – Contract No. C20174897 General Services Agreement with Transmetro

Attachments:

- Attachment A: Transmetro Shuttle Service Contract (C20174897)

CITY OF PALO ALTO CONTRACT NO. C20174897

GENERAL SERVICES AGREEMENT

THIS AGREEMENT made and entered into on the _____, by and between the **CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”)**, and **Transmetro**, a California corporation, located at 3931 Alemany Blvd., Suite 2003-221, San Francisco CA 94132, Telephone No. (415) 513-5777 (**“CONTRACTOR”**). In consideration of their mutual covenants, the parties hereto agree as follows:

1. SERVICES. CONTRACTOR shall provide or furnish the services (the “Services”) described in the Scope of Services, attached at Exhibit A.

2. EXHIBITS. The following exhibits are attached to and made a part of this Agreement:

- “A” - Scope of Services
- “B” - Schedule of Performance
- “C” – Schedule of Fees
- “D” - Insurance Requirements

CONTRACT IS NOT COMPLETE UNLESS ALL INDICATED EXHIBITS ARE ATTACHED.

3. TERM.

The term of this Agreement is from January 1, 2020 to December 31, 2022 inclusive, subject to the provisions of Sections R and W of the General Terms and Conditions.

4. SCHEDULE OF PERFORMANCE. CONTRACTOR shall complete the Services within the term of this Agreement in a reasonably prompt and timely manner based upon the circumstances and direction communicated to CONTRACTOR, and if applicable, in accordance with the schedule set forth in the Schedule of Performance, attached at Exhibit B. Time is of the essence in this Agreement.

5. COMPENSATION FOR ORIGINAL TERM. CITY shall pay and CONTRACTOR agrees to accept as not-to-exceed compensation for the full performance of the Services and reimbursable expenses, if any:

The total maximum lump sum compensation of dollars (\$)); **OR**

The sum of dollars (\$)) per hour, not to exceed a total maximum compensation amount of dollars (\$)); **OR**

- A sum calculated in accordance with the fee schedule set forth at Exhibit C, not to exceed a total maximum compensation amount of One Million One Hundred Thirty-Nine Thousand Three Hundred Forty-Seven Dollars and Fifty Cents. (\$1,139,347.50).

CONTRACTOR agrees that it can perform the Services for an amount not to exceed the total maximum compensation set forth above. Any hours worked or services performed by CONTRACTOR for which payment would result in a total exceeding the maximum amount of compensation set forth above for performance of the Services shall be at no cost to CITY.

- CITY has set aside the sum of zero dollars (\$0.00) for Additional Services. CONTRACTOR shall provide Additional Services only by advanced, written authorization from the City Manager or designee. CONTRACTOR, at the CITY's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONTRACTOR's proposed maximum compensation, including reimbursable expense, for such services. Compensation shall be based on the hourly rates set forth above or in Exhibit C (whichever is applicable), or if such rates are not applicable, a negotiated lump sum. CITY shall not authorize and CONTRACTOR shall not perform any Additional Services for which payment would exceed the amount set forth above for Additional Services. Payment for Additional Services is subject to all requirements and restrictions in this Agreement.

6. COMPENSATION DURING ADDITIONAL TERMS.

- CONTRACTOR'S compensation rates for each additional term shall be the same as the original term; **OR**
- CONTRACTOR's compensation rates shall be adjusted effective on the commencement of each Additional Term. The lump sum compensation amount, hourly rates, or fees, whichever is applicable as set forth in section 5 above, shall be adjusted by a percentage equal to the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland- San Jose area, published by the United States Department of Labor Statistics (CPI) which is published most immediately preceding the commencement of the applicable Additional Term, which shall be compared with the CPI published most immediately preceding the commencement date of the then expiring term. Notwithstanding the foregoing, in no event shall CONTRACTOR's compensation rates be increased by an amount exceeding five percent of the rates effective

during the immediately preceding term. Any adjustment to CONTRACTOR's compensation rates shall be reflected in a written amendment to this Agreement.

7. CLAIMS PROCEDURE FOR "9204 PUBLIC WORKS PROJECTS". For purposes of this Section 7, a "9204 Public Works Project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. Public Contract Code Section 9204 mandates certain claims procedures for Public Works Projects, which are set forth in "Appendix __ Claims for Public Contract Code Section 9204 Public Works Projects".

This project is a 9204 Public Works Project and is required to comply with the claims procedures set forth in Appendix __, attached hereto and incorporated herein.

OR

This project is not a 9204 Public Works Project.

8. INVOICING. Send all invoices to CITY, Attention: Project Manager. The Project Manager is Sylvia Star-Lack, Office of Transportation, Telephone: (650) 329-2546. Invoices shall be submitted in arrears for Services performed. Invoices shall not be submitted more frequently than monthly. Invoices shall provide a detailed statement of Services performed along with monthly ridership logs during the invoice period and are subject to verification by CITY. CITY shall pay the undisputed amount of invoices within 30 days of receipt.

GENERAL TERMS AND CONDITIONS

A. ACCEPTANCE. CONTRACTOR accepts and agrees to all terms and conditions of this Agreement. This Agreement includes and is limited to the terms and conditions set forth in sections 1 through 8 above, these general terms and conditions and the attached exhibits.

B. QUALIFICATIONS. CONTRACTOR represents and warrants that it has the expertise and qualifications to complete the services described in Section 1 of this Agreement, entitled "SERVICES," and that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified, to the extent such licensing or certification is required by law, to perform the Services. CITY expressly relies on CONTRACTOR's representations regarding its skills, knowledge, and certifications.

CONTRACTOR shall perform all work in accordance with generally accepted business practices and performance standards of the industry, including all federal, state, and local operation and safety regulations.

- C. INDEPENDENT CONTRACTOR.** It is understood and agreed that in the performance of this Agreement, CONTRACTOR and any person employed by CONTRACTOR shall at all times be considered an independent CONTRACTOR and not an agent or employee of CITY. CONTRACTOR shall be responsible for employing or engaging all persons necessary to complete the work required under this Agreement.
- D. SUBCONTRACTORS.** CONTRACTOR may not use subcontractors to perform any Services under this Agreement unless CONTRACTOR obtains prior written consent of CITY. CONTRACTOR shall be solely responsible for directing the work of approved subcontractors and for any compensation due to subcontractors.
- E. TAXES AND CHARGES.** CONTRACTOR shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of CONTRACTOR's business.
- F. COMPLIANCE WITH LAWS.** CONTRACTOR shall in the performance of the Services comply with all applicable federal, state and local laws, ordinances, regulations, and orders.
- G. PALO ALTO MINIMUM WAGE ORDINANCE.** CONTRACTOR shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as it may be amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONTRACTOR shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONTRACTOR shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code section 4.62.060.
- H. DAMAGE TO PUBLIC OR PRIVATE PROPERTY.** CONTRACTOR shall, at its sole expense, repair in kind, or as the City Manager or designee shall direct, any damage to public or private property that occurs in connection with CONTRACTOR's performance of the Services. CITY may decline to approve and may withhold payment in whole or in part to such extent as may be necessary to protect CITY from loss because of defective work not remedied or other damage to the CITY occurring in connection with CONTRACTOR's performance of the Services. CITY shall submit written documentation in support of such withholding

upon CONTRACTOR's request. When the grounds described above are removed, payment shall be made for amounts withheld because of them.

- I. WARRANTIES.** CONTRACTOR expressly warrants that all services provided under this Agreement shall be performed in a professional and workmanlike manner in accordance with generally accepted business practices and performance standards of the industry and the requirements of this Agreement. CONTRACTOR expressly warrants that all materials, goods and equipment provided by CONTRACTOR under this Agreement shall be fit for the particular purpose intended, shall be free from defects, and shall conform to the requirements of this Agreement. CONTRACTOR agrees to promptly replace or correct any material or service not in compliance with these warranties, including incomplete, inaccurate, or defective material or service, at no further cost to CITY. CONTRACTOR shall ensure regular operations of Services at all times. Replacement or correction of any material or service shall affect no more than one-round trip. The warranties set forth in this section shall be in effect for a period of one year from completion of the Services and shall survive the completion of the Services or termination of this Agreement.
- J. MONITORING OF SERVICES.** CITY may monitor the Services performed under this Agreement to determine whether CONTRACTOR's work is completed in a satisfactory manner and complies with the provisions of this Agreement.
- K. CITY'S PROPERTY.** Any reports, information, data or other material (including copyright interests) developed, collected, assembled, prepared, or caused to be prepared under this Agreement will become the property of CITY without restriction or limitation upon their use and will not be made available to any individual or organization by CONTRACTOR or its subcontractors, if any, without the prior written approval of the City Manager.
- L. AUDITS.** CONTRACTOR agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for three (3) years from the date of final payment, CONTRACTOR's records pertaining to matters covered by this Agreement. CONTRACTOR agrees to maintain accurate books and records in accordance with generally accepted accounting principles for at least three (3) following the terms of this Agreement.
- M. NO IMPLIED WAIVER.** No payment, partial payment, acceptance, or partial acceptance by CITY shall operate as a waiver on the part of CITY of any of its rights under this Agreement.
- N. INSURANCE.** CONTRACTOR, at its sole cost, shall purchase and maintain in full force during the term of this Agreement, the insurance coverage described at

Exhibit D. Insurance must be provided by companies with a Best's Key Rating of A:VII or higher and which are otherwise acceptable to CITY's Risk Manager. The Risk Manager must approve deductibles and self-insured retentions. In addition, all policies, endorsements, certificates and/or binders are subject to approval by the Risk Manager as to form and content. CONTRACTOR shall obtain a policy endorsement naming the City of Palo Alto as an additional insured under any general liability or automobile policy. CONTRACTOR shall obtain an endorsement stating that the insurance is primary coverage and will not be canceled or materially reduced in coverage or limits until after providing 30 days prior written notice of the cancellation or modification to the Risk Manager. CONTRACTOR shall provide certificates of such policies or other evidence of coverage satisfactory to the Risk Manager, together with the required endorsements and evidence of payment of premiums, to CITY concurrently with the execution of this Agreement and shall throughout the term of this Agreement provide current certificates evidencing the required insurance coverages and endorsements to the Risk Manager. CONTRACTOR shall include all subcontractors as insured under its policies or shall obtain and provide to CITY separate certificates and endorsements for each subcontractor that meet all the requirements of this section. The procuring of such required policies of insurance shall not operate to limit CONTRACTOR's liability or obligation to indemnify CITY under this Agreement.

O. HOLD HARMLESS. To the fullest extent permitted by law and without limitation by the provisions of section N relating to insurance, CONTRACTOR shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents from and against any and all demands, claims, injuries, losses, or liabilities of any nature, including death or injury to any person, property damage or any other loss and including without limitation all damages, penalties, fines and judgments, associated investigation and administrative expenses and defense costs, including, but not limited to reasonable attorney's fees, courts costs and costs of alternative dispute resolution), arising out of, or resulting in any way from or in connection with the performance of this Agreement. CONTRACTOR's obligations under this Section apply regardless of whether or not a liability is caused or contributed to by any negligent (passive or active) act or omission of CITY, except that CONTRACTOR shall not be obligated to indemnify for liability arising from the sole negligence or willful misconduct of CITY. The acceptance of the Services by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the Services or termination of this Agreement.

P. NON-DISCRIMINATION. 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.

- Q. WORKERS' COMPENSATION.** CONTRACTOR, by executing this Agreement, certifies that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and certifies that it will comply with such provisions, as applicable, before commencing and during the performance of the Services.
- R. TERMINATION.** The City Manager may terminate this Agreement without cause by giving ten (10) days' prior written notice thereof to CONTRACTOR. If CONTRACTOR fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, the City Manager may terminate this Agreement immediately upon written notice of termination. Upon receipt of such notice of termination, CONTRACTOR shall immediately discontinue performance. CITY shall pay CONTRACTOR for services satisfactorily performed up to the effective date of termination. If the termination is for cause, CITY may deduct from such payment the amount of actual damage, if any, sustained by CITY due to CONTRACTOR's failure to perform its material obligations under this Agreement. Upon termination, CONTRACTOR shall immediately deliver to the City Manager any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by CONTRACTOR or given to CONTRACTOR, in connection with this Agreement. Such materials shall become the property of CITY.
- S. ASSIGNMENTS/CHANGES.** This Agreement binds the parties and their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written consent of CITY. No amendments, changes or variations of any kind are authorized without the written consent of CITY.
- T. CONFLICT OF INTEREST.** 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 this Agreement. CONTRACTOR further covenants that, in the performance of this Agreement, it will not employ any person having such an interest. CONTRACTOR certifies that no CITY officer, employee, or authorized representative has any financial interest in the business of CONTRACTOR and that no person associated with CONTRACTOR has any interest, direct or indirect, which

could conflict with the faithful performance of this Agreement. CONTRACTOR agrees to advise CITY if any conflict arises.

U. GOVERNING LAW. This Agreement shall be governed and interpreted by the laws of the State of California.

V. ENTIRE AGREEMENT. This Agreement, including all exhibits, represents the entire agreement between the parties with respect to the services that may be the subject of this Agreement. Any variance in the exhibits does not affect the validity of the Agreement and the Agreement itself controls over any conflicting provisions in the exhibits. This Agreement supersedes all prior agreements, representations, statements, negotiations and undertakings whether oral or written.

W. NON-APPROPRIATION. 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.

X. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONTRACTOR shall comply with CITY's Environmentally Preferred Purchasing policies which are available at CITY's Purchasing Division, which are incorporated by reference and may be amended from time to time. CONTRACTOR shall comply with waste reduction, reuse, recycling and disposal requirements of 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 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 CITY shall be purchased in accordance with 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 Division's

office.

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

Y. AUTHORITY. The individual(s) executing this Agreement on behalf of the parties represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

Z. PREVAILING WAGES

This Project is not subject to prevailing wages. CONTRACTOR is not required to pay prevailing wages in the performance and implementation of the Project in accordance with SB 7, if the Agreement is not a public works contract, if Agreement does not include a public works construction project of more than \$25,000, or the Agreement does not include a public works alteration, demolition, repair, or maintenance (collectively, 'improvement') project of more than \$15,000.

OR

Contractor is required to pay general prevailing wages as defined in Subchapter 3, Title 8 of the California Code of Regulations and Section 16000 et seq. and Section 1773.1 of the California Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City Council has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute the Agreement for this Project from the Director of the Department of Industrial Relations ("DIR"). Copies of these rates may be obtained at the Purchasing Division's office of the City of Palo Alto. Contractor shall provide a copy of prevailing wage rates to any staff or subcontractor hired and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of all sections, including, but not limited to, Sections 1775, 1776, 1777.5, 1782, 1810, and 1813, of the Labor Code pertaining to prevailing wages.

AA.DIR REGISTRATION. In regard to any public work construction, alteration, demolition, repair or maintenance work, CITY will not accept a bid proposal from or enter into this Agreement with CONTRACTOR without proof that CONTRACTOR and its listed subcontractors are registered with the California Department of Industrial Relations ("DIR") to perform public work, subject to limited exceptions. City requires CONTRACTOR and its listed subcontractors to comply with the requirements of SB 854.

CITY provides notice to CONTRACTOR of the requirements of California Labor Code section 1771.1(a), which reads:

“A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the Agreement is awarded.”

CITY gives notice to CONTRACTOR and its listed subcontractors that CONTRACTOR is required to post all job site notices prescribed by law or regulation and CONTRACTOR is subject to SB 854-compliance monitoring and enforcement by DIR.

CITY requires CONTRACTOR and its listed subcontractors to comply with the requirements of Labor Code section 1776, including:

Keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by, respectively, CONTRACTOR and its listed subcontractors, in connection with the Project.

The payroll records shall be verified as true and correct and shall be certified and made available for inspection at all reasonable hours at the principal office of CONTRACTOR and its listed subcontractors, respectively.

At the request of CITY, acting by its project manager, CONTRACTOR and its listed subcontractors shall make the certified payroll records available for inspection or furnished upon request to the project manager within ten (10) days of receipt of CITY’s request.

[For state- and federally-funded projects] CITY requests CONTRACTOR and its listed subcontractors to submit the certified payroll records to the project manager at the end of each week during the Project.

If the certified payroll records are not produced to the project manager within the 10-day period, then CONTRACTOR and its listed subcontractors shall be

subject to a penalty of one hundred dollars (\$100.00) per calendar day, or portion thereof, for each worker, and CITY shall withhold the sum total of penalties from the progress payment(s) then due and payable to CONTRACTOR.

Inform the project manager of the location of CONTRACTOR's and its listed subcontractors' payroll records (street address, city and county) at the commencement of the Project, and also provide notice to the project manager within five (5) business days of any change of location of those payroll records.

BB. CONTRACT TERMS. All unchecked boxes do not apply to this Agreement. In the case of any conflict between the terms of this Agreement and the exhibits hereto or CONTRACTOR's proposal (if any), the Agreement shall control. In the case of any conflict between the exhibits hereto and CONTRACTOR's proposal, the exhibits shall control.

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

Transmetro Inc.

City Manager or Designee

DocuSigned by:
M. A. OMER
By: FE0ABCCD5C074DB...

Name: M.A. Omer

Title: President

Approved as to form:

DocuSigned by:
Fred Khan
By: E96476DA1CFE4EF...

Name: Fred Khan

Title: CFO

City Attorney or Designee

EXHIBIT A SCOPE OF SERVICES

SECTION 1: PALO ALTO SHUTTLE SERVICE

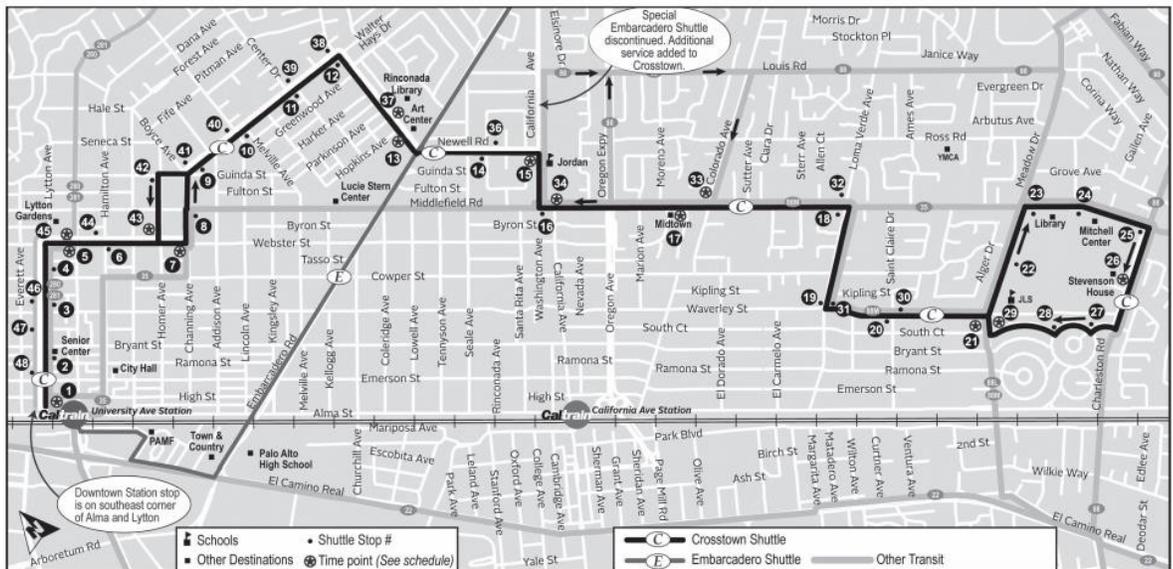
CONTRACTOR shall operate shuttle buses for CITY on the Crosstown route (including the Special School Commute Service) in accordance with the schedule and routing determined by CITY. The schedules, hours of operation, and route may occasionally be altered by CITY.

A. Crosstown Shuttle

This route operates Monday through Friday, excluding some holidays. The school service route operates when Palo Alto schools are in session according to the Palo Alto School District Calendar. CONTRACTOR will adhere to the published route schedule approved by CITY, but the CITY will consider for approval adjustments for the efficient operation of the shuttle service. CONTRACTOR shall be responsible for providing all personnel and equipment needed for the Crosstown service including both the regular and school service. CITY will pay CONTRACTOR an hourly rate of \$75 per hour for each bus operated in this service. Summer school service, special events, and schedule adjustments may be added as needed by the CITY with 30 days' notice.

Shuttle Route	Operating Hours	Daily Service Hours
Crosstown Regular	7:40 a.m. – 5:30 p.m.	16.66
Crosstown School Service AM	7:35 a.m. – 8:25 a.m.	0.83
Crosstown School Service PM	3:15 p.m. – 3:37 p.m.	0.37

Crosstown Shuttle Route Map



Crosstown Shuttle
EFFECTIVE AUGUST 15, 2016

B. Service Increases and Reductions

1. 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 additions shall be compensated at \$75 per hour.
2. Each year the schedule for existing Special School Service will be reduced for summer months when schools are closed.
3. Excluding the service reduction for the summer, CITY will give CONTRACTOR at least thirty (30) days' notice for shuttle service changes such as adding, deleting or modifying service. CONTRACTOR will acquire any additional vehicles and hire and train new personnel necessary for providing modified Palo Alto School 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 modified or 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) riders each, including at least one dedicated spare bus 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 to perform the Services 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 one (1) year 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 shall meet the following vehicle requirements:

1. 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

- d. A post-1989 gasoline-fueled vehicle.

Each Palo Alto Shuttle vehicle shall further meet all of 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 (ADA) regulations.
- b. Vehicle signage and logos shall be designed by CITY but installed and maintained by CONTRACTOR. No additional advertising or messages shall be provided on the vehicles without written authorization by the CITY.
- 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 CONTRACTOR'S operating facility. The communications system must be operable in all locations on the routes specified. Two-way communications must be functional and useable at all times during all service hours.
- e. Each vehicle shall be equipped with an automatic passenger counting system.
- f. Each vehicle shall have fully functioning and properly maintained heating and air-conditioning.
- g. Each vehicle shall have stanchions and overhead grab rails for standing passengers.
- h. Each vehicle shall be equipped with a bicycle rack.
- i. Each vehicle shall be equipped with a GPS device enabling CITY staff or mobile applications to track the vehicle and estimate its schedule arrival.
- j. Fare boxes are not required.

2. Vehicle Licensing:

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

3. Vehicle Safety/Inspections:

The vehicles shall comply with all applicable Department of Transportation Motor Vehicle Safety Standards. 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 requires that they be replaced or improved to ensure operational efficiency of the shuttle vehicles and the safety of employees and passengers. Additionally, CONTRACTOR shall be in receipt of a current CHP Terminal Inspection Report at all times.

4. Vehicle Maintenance:

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, 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 to CITY 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 CONTRACTOR at CONTRACTOR's expense and may be subject to specification and approval by CITY.

5. 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 the agency. (See "Type of Vehicle" paragraph in this section for vehicle details.) Should CONTRACTOR choose to use diesel-powered vehicles, as approved by CARB and the BAAQMD only, CONTRACTOR must use ultralow- 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 three minutes per Palo Alto Municipal Code Chapter 10.62.

6. 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 is put into service.

7. Spare Vehicles:

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.

8. 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 in this Agreement.

9. Vehicle Signage:

Vehicles shall include a Wrap Decal Scheme. CITY will provide the design files for the Wrap Decal Schemes. CONTRACTOR will be responsible for printing, installing, and maintaining the Wrap Decal Scheme. Vehicles shall display signage as directed and approved by CITY, when providing Palo Alto Shuttle services.

Signs shall be maintained in prime condition. CITY shall have the right to require the CONTRACTOR, at any time during the term of the Agreement 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.

10. On Board Schedule Rack:

CONTRACTOR shall supply and install a CITY-approved schedule rack on board any vehicle providing shuttle service for the CITY. Schedules and other promotional literature shall be provided by CITY. CONTRACTOR will request schedules from the CITY in order to maintain an on-board supply of schedules available to the public.

11. 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.

B. Personnel Requirements:

CONTRACTOR shall be solely responsible for the provision and the satisfactory work
City of Palo Alto General Services Agreement Rev. March 29, 2018

performance of all its employees, including subcontracted personnel (if approved by CITY), contributing to the Palo Alto Shuttle service. CONTRACTOR shall be solely responsible for payment of all employee and/or subcontractor wages and benefits. Without any additional expense to CITY, 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.

1. Removal of Contract Personnel:

CONTRACTOR shall remove personnel who do not meet the performance standards in this Agreement, upon notice from CITY. 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.

CONTRACTOR shall immediately report to City any drivers who are cited or arrested for public offenses while providing shuttle services, including being cited for moving traffic violations, and CONTRACTOR shall immediately take all reasonable steps to ensure passenger and vehicle safety in the event of such a violation.

2. Project Manager:

CONTRACTOR shall designate a Project Manager specifically assigned to the provision of the 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.

3. 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 the 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 from time to time provide operational instructions governing 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.

4. Drivers:

CONTRACTOR shall supply a sufficient number of qualified personnel to operate the vehicles and to provide the Services required. All drivers performing Services shall comply with the following:

- i. Appearance: Each driver 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: Drivers shall comply with and enforce the following conduct standards, in order to maintain a comfortable and safe environment for all Palo Alto Shuttle patrons:
 - 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. CONTRACTOR's Project Manager is responsible for providing personnel with the most updated and accurate information regarding the Palo Alto Shuttle service on a daily or more frequent basis.
 - 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 to be worn by all passengers.
 - 8. No eating or drinking shall be allowed on board the vehicles.
- 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.
- 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.
 - 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" Driver's 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. 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. 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.
- viii. 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 Section C, “Records and Reports Requirements”, below for additional requirements.
- ix. 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 has been suspended, revoked or put on probation by the DMV for a cause involving the safe operation of a motor vehicle within the last three years.
- x. 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.

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, CONTRACTOR shall inform the CITY’s Project Manager of the failure and of the actions taken within 24-hours of the event.

- xi. 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.

5. Office Staff:

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. 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, 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.

C. Records and Reports Requirements:

1. 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 and bicycles
- iv. Complete explanation of all accidents, incidents, complaints and unusual events
- v. Passenger Counting data must be generated by automatic passenger counting system (on/off per stop/route, time, date, totals)
- vi. 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 from start of contract)
- iii. California Highway Patrol (CHP) Pull-Notice System Reports (as requested)
- iv. California Highway Patrol (CHP) Terminal Inspection Report (as requested)
- v. Substance Abuse Control Program reports (as requested)
- 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)

2. Records Requirements:

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.

3. Maintenance and Ownership of Records:

All reports, records, and data relating to this Agreement shall be the property of CITY.

D. Miscellaneous Requirements:

1. Fares:

This Palo Alto Shuttle service shall be free of charge to all passengers. No fares shall be collected for any of the existing or proposed routes.

2. Gratuities:

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.

3. Meetings:

CITY plans to hold meetings with CONTRACTOR 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.

4. Facilities:

CONTRACTOR shall provide suitable maintenance and storage facilities with which to operate the Service. All furnishings, equipment and supplies are the responsibility of CONTRACTOR.

5. Safety/Emergency Preparedness/Security Requirements:

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.

6. Web-Based Vehicle Tracking:

Each vehicle shall include Automatic Vehicle Location (AVL) technology that must provide real-time route and vehicle information via a web-based interface for use by the public. Public must be able to track vehicle location, receive estimates on arrival to stops and must have access to this information through a website as well as mobile applications (such as smartphone apps). CONTRACTOR shall use websites as well as mobile applications that incorporate information for other public transit providers. The system must also be equipped with reporting capabilities to accurately datastream and archive operational service information (for example: route timing, passenger wait time, trip counts, operator performance, vehicle speed and movement, departure and arrival times, etc.). The AVL system must also include next-stop annunciation. The cost of maintaining the GPS and web-based portal shall be included in the hourly service fee for each route.

7. On-Time Performance Monitoring:

CONTRACTOR shall provide real-time data via application program interface (API) to track the on-time performance of each shuttle trip. CITY shall be permitted to share real-time data to the public. CONTRACTOR shall provide the following data for each trip to allow for on-time performance monitoring of shuttle service.

Field Name	Format	Description
Trip Number	xx1, xx2, xx3...	2-letter Date of the day + Consecutive trip #
Trip Duration	MM:SS	
Trip Distance	Miles	
Start Date	MM, DD, YYYY	
Start Time	HH:MM:SS	
End Date	MM, DD, YYYY	
End Time	HH:MM:SS	

E. Liquidated Damages:

CONTRACTOR's strict adherence to the schedule of operations in rendering the public service called for by these specifications is of the essence. THE PARTIES HERETO AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO DETERMINE THE ACTUAL DAMAGE TO THE CITY IF CONTRACTOR WERE TO FAIL TO PERFORM THE SERVICES OR MEET THE PERFORMANCE STANDARDS SET FORTH BELOW. IN ADDITION TO THE SERVICES PROVIDED, CITY EXPECTS TO RECEIVE OTHER BENEFIT FROM CONTRACTOR'S SERVICES. THE PARTIES MUTUALLY AGREE THAT LIQUIDATED DAMAGES SET FORTH HEREIN ARE ACCEPTABLE TO EACH PARTY AND ARE A REASONABLE ESTIMATE OF CITY'S LOSS IF CONTRACTOR FAILS TO COMPLETE SERVICES IN ACCORDANCE WITH THE SCHEDULE OF PERFORMANCE AND/OR FAILS TO MEET THE PERFORMANCE STANDARDS. CITY'S ACCEPTANCE OF ANY LIQUIDATED DAMAGES AS A RESULT OF A PERFORMANCE STANDARD BREACH SHALL NOT PREVENT CITY FROM EXERCISING ANY OTHER RIGHT OR REMEDY FOR DEFAULT AVAILABLE TO CITY UNDER THIS AGREEMENT.

CONTRACTOR shall abide by the performance standards stated herein and shall be liable for the stated liquidated damage charges in the event of their failure to meet any of the performance standards. CITY is authorized to deduct any liquidated damage charges imposed or other assessments from CONTRACTOR's invoice for services. In addition to any liquidated damage remedy, City reserves the right to terminate the Agreement for any failure by CONTRACTOR to maintain compliance with the performance standards.

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

1. 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.

- i. Non-performance: Missing a trip entirely is considered as not providing the required

service. City shall not pay for missed trips. Liquidated damages in the amount of \$200.00 per trip that was missed entirely shall be assessed. MLO

- ii. Non-performance: Departing a shuttle terminus stop ten (10) or more minutes later than the scheduled departure time published in the time guide. Liquidated damages: \$100.00 shall be assessed for each late departure. MLO
- iii. Non-performance: Departing a shuttle terminus stop before the scheduled pick-up time at that location. Liquidated damages: \$100.00 shall be assessed for each early departure. MLO

2. 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. Liquidated damages: \$250.00 per day shall be assessed. MLO

3. Vehicle Tracking System: Contractor shall maintain the tracking system in proper operating condition.

Non-Performance: Vehicles that operate without real-time information on websites and mobile application. Liquidated damages: \$50 per day will be assessed. MLO

If a contractor fails to provide real-time tracking service at acceptable service level, City may hire a third party to provide real-time shuttle tracking service at the Contractor's cost.

4. 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. Liquidated damages: \$500.00 per vehicle per day. This amount shall be assessed until a satisfactory inspection report is obtained. MLO

5. 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. Liquidated damages: \$100.00 per day will be assessed. MLO

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

- i. Non-performance: Vehicles that operate without the proper signage. Liquidated damages: \$100 per day without the proper signage will be assessed. MLP
- ii. Non-performance: Vehicles that operate with improperly placed signage. Liquidated damages: \$100 per day with the improperly placed signage. MLP
- iii. 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. Liquidated damages: \$100 will be assessed per vehicle per incident. MLP

7. 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. Liquidated damages: \$250.00 per vehicle trip will be assessed. MLP

8. 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.

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. Liquidated damages: \$500 per day that the non-compliant vehicle operates. MLP

9. Report Submissions: Contractor must submit all routine reports required by City, as listed in Section C of the Scope of Work, with Contractor's monthly invoice/billing and other reports within 30 days of being requested by City.

- i. Non-performance: Submitting required reports beyond the deadline for submission. City shall be entitled to withhold payments of Contractor's monthly invoices until reports are received by City. MLP
- ii. Non-performance: Deliberately reporting falsified information on a report submitted to City. City shall be entitled to withhold payments of Contractor's monthly invoices until accurate information is received by City. MLP

**EXHIBIT B
SCHEDULE OF PERFORMANCE**

CONTRACTOR shall perform the Services according to the following schedule during the term of the Agreement:

Shuttle Route	Operating Hours	Bus #
Crosstown Regular	7:40 a.m. – 5:30 p.m.	1 & 2
Crosstown School Service AM	7:35 a.m. – 8:25 a.m.	1
Crosstown School Service PM	3:15 p.m. – 3:37 p.m.	1

The Crosstown operates Monday through Friday, excluding some holidays. The school service route operates when Palo Alto schools are in session according to the Palo Alto School District Calendar. CONTRACTOR will adhere to the published route schedule approved by CITY, but the CITY will consider for approval adjustments for the efficient operation of the shuttle service.

CITY may from time to time modify the schedule. CONTRACTOR shall perform the Services in accordance with the schedule established by CITY. Summer school service, special events, and schedule adjustments may be added as needed by the CITY with 30 days' notice.

EXHIBIT C SCHEDULE OF FEES

CITY shall pay CONTRACTOR at the rate of \$75 per hour for each shuttle bus in service. The table below shows the estimated total per month and year based on the anticipated number of hours of shuttle service. The maximum amount of compensation to be paid to CONTRACTOR, including both payment for services and reimbursable expenses, shall not exceed the amounts set forth in Sections 5 and 6 of the Agreement. Any services provided or hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.

Item	Operating Hours	Hrs/Day	# of Days /Month	# of Days/ Year	Unit Price Per Hour	TOTAL / MONTH	TOTAL / YEAR
Crosstown Regular	7:40am - 5:30pm	16.66	21.25	255	\$75	\$26,551.88	\$ 318,622.50
Crosstown School Service AM	7:35am - 8:25am	0.83	15	180	\$75	\$ 933.75	\$ 11,205.00
Crosstown School Service PM	3:15pm - 3:37pm	0.37	15	180	\$75	\$ 416.25	\$ 4,995.00
Summer School/Schedule Adjustments & Special Events, if needed							\$ 44,960.00
TOTAL		17.86				\$27,901.88	\$ 379,782.50

Crosstown route is estimated based on schedule with 2 vehicles, 30 to 60-minutes headways
Lunch hours are included in the bus run values; 15 minutes pre/post inspection; 10 minutes break every 4 hours.

Sub-total Annual Fee	\$ 334,822.50
Summer School/Schedule Adjustments for special events (if needed)	\$ 44,960.00
Total Annual Fee (includes adjustments)	\$ 379,782.50
Additional Services (Not to Exceed)	\$0.00
Maximum Total Compensation	\$1,139,347.50

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 AM 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:

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY		
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$2,000,000	\$5,000,000
		PROPERTY DAMAGE	\$2,000,000	\$5,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$2,000,000	\$5,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$5,000,000	\$10,000,000
		- EACH PERSON	\$5,000,000	\$10,000,000
		- EACH OCCURRENCE	\$5,000,000	\$10,000,000
		PROPERTY DAMAGE	\$5,000,000	\$10,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$5,000,000	\$10,000,000
NO	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	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 INSURED CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

- I. INSURANCE COVERAGE MUST INCLUDE:
 - A. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR'S AGREEMENT TO INDEMNIFY CITY.
- II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.
- III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURED"

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 INSUREDS 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 INSUREDS, 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 CONTRACTOR 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 CONTRACTOR 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**

Certificate Of Completion

Envelope Id: A14524E15C9D4B70BF1D06D9C38909A0	Status: Completed
Subject: Please DocuSign: C20174897 Transmetro - final.pdf	
Source Envelope:	
Document Pages: 28	Signatures: 2
Certificate Pages: 2	Initials: 14
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Terry Loo
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	250 Hamilton Ave
	Palo Alto , CA 94301
	Terry.Loo@CityofPaloAlto.org
	IP Address: 12.220.157.20

Record Tracking

Status: Original 12/3/2019 8:30:01 AM	Holder: Terry Loo Terry.Loo@CityofPaloAlto.org	Location: DocuSign
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Palo Alto	Location: DocuSign

Signer Events

M. A. OMER
info@transmetro.org
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

FE0ABCCD5C074DB...
Signature Adoption: Pre-selected Style
Using IP Address: 24.130.5.38

Timestamp

Sent: 12/3/2019 8:40:46 AM
Viewed: 12/3/2019 9:23:27 AM
Signed: 12/3/2019 9:24:22 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Fred Khan
fred@transmetro.org
General Manager
Security Level: Email, Account Authentication (None)

DocuSigned by:

E96476DA1CFE4EF...
Signature Adoption: Pre-selected Style
Using IP Address: 24.130.5.38

Sent: 12/3/2019 9:24:24 AM
Viewed: 12/3/2019 9:40:49 AM
Signed: 12/3/2019 9:42:10 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Sylvia Star-Lack
Sylvia.Star-Lack@CityofPaloAlto.org
Manager Transportation Planning
City of Palo Alto
Security Level: Email, Account Authentication (None)

COPIED

Sent: 12/3/2019 9:42:13 AM
Viewed: 12/3/2019 9:46:55 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
Elizabeth Egli elizabeth.egli@cityofpaloalto.org Managment Analyst City of Palo Alto Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 12/3/2019 9:42:13 AM

Witness Events	Signature	Timestamp
----------------	-----------	-----------

Notary Events	Signature	Timestamp
---------------	-----------	-----------

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	12/3/2019 9:42:13 AM
Certified Delivered	Security Checked	12/3/2019 9:42:13 AM
Signing Complete	Security Checked	12/3/2019 9:42:13 AM
Completed	Security Checked	12/3/2019 9:42:13 AM

Payment Events	Status	Timestamps
----------------	--------	------------