



1255 Imperial Avenue, Suite 1000  
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## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

December 3, 2020

9:00 a.m.

\*Meeting will be held via webinar\*

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please call the Clerk of the Board at least two working days prior to the meeting. Meeting webinar/teleconference instructions can be accessed at the following link:

<https://www.sdmts.com/about-mts-meetings-and-agendas/executive-committee>

#### ACTION RECOMMENDED

1. ROLL CALL

2. [APPROVAL OF MINUTES - November 5, 2020](#)

Approve

3. PUBLIC COMMENTS

#### COMMITTEE DISCUSSION ITEMS

4. [Fixed Route Bus Services - Contract Award \(Mike Wygant, Larry Marinesi, Sam Elmer\)](#)

Possible Action

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0708.0-20, with Transdev North America (Transdev), in the amount of \$911,362,781 for the provision of fixed-route, express and Bus Rapid Transit (BRT) bus services for a six year base period with two 2-year option terms to be exercised at the CEO's discretion.

5. [State Lobbying Services – Contract Award \(Julia Tuer\)](#)

Possible Action

Action would forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. G2414.0-21 with Watts & Hartmann, LLC, for the provision of State Lobbying Services for a three (3)-year base period, and two (2) one-year optional terms, for a total of five (5) years, in the amount of \$157,800.00; and 2) Exercise each option year at the CEO's discretion.

6. [Ferry Service \(Denis Desmond\)](#)

Informational

Please SILENCE electronics  
during the meeting



## OTHER ITEMS

7. [REVIEW OF DRAFT December 10, 2020 MTS BOARD AGENDA](#)
8. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
9. NEXT MEETING DATE: January 14, 2021
10. ADJOURNMENT

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

DRAFT MINUTES

November 5, 2020

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. ROLL CALL

Chair Fletcher called the Executive Committee meeting to order at 9:24 a.m. A roll call sheet listing Executive Committee member attendance is attached.

2. APPROVAL OF MINUTES

Chair Fletcher moved to approve the minutes of the September 10, 2020, MTS Executive Committee meeting. Board Member Salas seconded the motion, and the vote was 4 to 0 in favor with Board Member Ward absent.

3. PUBLIC COMMENTS

There were no Public Comments.

COMMITTEE DISCUSSION ITEMS

4. Quarterly Mid-Coast Transit Project Update (Ramon Ruelas of SANDAG)

Ramon Ruelas, SANDAG Director of Mid-Coast Transit Projects, presented the quarterly Mid-Coast transit project update. He outlined the project overview, construction progress, DBE utilization, construction schedule, construction update, light rail vehicles, public involvement, accomplishments in last quarter, and next steps of the project.

Vice Chair Sotelo-Solis asked about the interruption in the timeline. Mr. Ruelas clarified delays were due to inclement weather and not due to contractor schedule or capabilities. Vice Chair Sotelo-Solis asked if the project was still on budget. She also asked about the working relationship between SANDAG and UC San Diego. Mr. Ruelas responded that the project was still on budget. He noted that UC San Diego implemented portions of their capital program to align with the scheduled revenue service date. Mr. Ruelas stated that they have weekly staff meetings and quarterly executive meetings with UC San Diego, MTS, Caltrans, and SANDAG.

Action Taken

Informational item only. No action taken.

5. 2021 Legislative Program Workshop (Julia Tuer)

Julia Tuer, MTS Manager of Government Affairs, hosted a 2021 legislative program workshop. She outlined a report from Mark Watts - state lobbyist, draft state legislative priorities, draft federal legislative priorities, draft legislative proposals, and staff recommendation for the legislative program.

Vice Chair Sotelo-Solis asked if the reports acknowledged the amount of funds the agency is eligible to receive, and noted that she would like to see that information in the future. Ms. Cooney noted that MTS brings proposals and resolutions to the Board related to specific discretionary grants programs and other federal programs in order to ask for or accept funding.

Action Taken

Chair Fletcher moved to forward a recommendation to the Board of Directors to approve staff recommendations for the 2021 State and Federal Legislative Program. Board Member Arambula seconded the motion, and the vote was 3 to 0 in favor with Board Member Salas and Board Member Ward absent.

6. Authorization to Negotiate and Conduct Due Diligence for Potential Real Property Purchase (1346-1394 Pioneer Way, El Cajon) (Tim Allison)

Tim Allison, MTS Manager of Real Estate Assets, presented on a potential real property purchase for 1346-1394 Pioneer Way, El Cajon. He outlined details related to the MTS East County Bus Maintenance Facility, expansion needs, Pioneer Way purchase opportunity, authorization to conduct due diligence and engage in negotiations, and the staff recommendation for the property.

Action Taken

Chair Fletcher moved to authorize staff to conduct due diligence and commence negotiations with Walter E. Fiedler, Inc. concerning the potential purchase of property located at 1346 and 1394 Pioneer Way in El Cajon, California. Board Member Arambula seconded the motion, and the vote was 3 to 0 in favor with Board Member Salas and Board Member Ward absent.

OTHER ITEMS (TAKEN BEFORE CLOSED SESSION)

8. REVIEW OF DRAFT November 12, 2020 BOARD AGENDA

Recommended Consent Items

6. Federal Transit Administration (FTA) Section 5310 Grant Application, and Transnet Senior Mini-Grant Application, Apportioned Through San Diego Association of Governments (SANDAG)

Action would 1) Adopt Resolution No. 20-20 agreeing to comply with all terms and conditions of A) the FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Program as set forth by the FTA and SANDAG; B) the TransNet Senior Mini Grant Program as set forth by TransNet and SANDAG; 2) Authorize the Chief Executive Officer (CEO) to submit the following applications and execute any grant agreements awarded by SANDAG: A) \$600,000 in Federal Fiscal Year (FY) 2022 FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Program funding for Americans with Disabilities Act (ADA) Paratransit vehicle replacements; B) \$61,200 in the FY 2021 TransNet Senior Mini Grant funding for the MTS Access Travel Training Program. C) \$61,200 in the FY 2022 TransNet Senior Mini Grant funding for the MTS Access Travel Training Program; 3) Authorize the commitment of up to \$150,000 in local matching funds to fully fund the purchase of seven (7) ADA Paratransit vehicles if awarded. 4) Authorize the commitment of up to \$30,600 in local matching funds to fully fund the MTS Access Travel Training Program.

7. Provision of Network Equipment for the Interstate 15 (I-15) Bus Rapid Transit (BRT) Stations - Purchase Order

Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order to NetXperts Inc., a Small Business (SB), for the provision of Network Equipment for the I-15 BRT Stations in the amount of \$133,742.60.



8. Beech Street Construction Management Services – Work Order Amendment

Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA2017-CM06 under MTS Doc. No. G2017.0-17 with CH2M Hill, Inc. not to exceed \$185,775.60 for the Beech Street Double Crossover Construction Management (CM) Services.

9. Investment Report – Quarter Ending September 30, 2020

10. Replacement of Damaged Conduit at 43rd Street – Award Work Order Under a Job Order Contract (JOC)

Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC275-16 to MTS Doc. No. PWG275.0-19 with ABC Construction, Inc. (ABC) for trenching and replacing the damaged conduits at 43rd Street in the amount of \$169,138.09 plus the payment of applicable JOC administrative fees of \$2,976.83, for a total cost of \$172,114.92.

11. Fare Validator Infrastructure Construction Management Services – Work Order

Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA2019-CM06 under MTS Doc. No. G2019.0-17 with Kleinfelder – Simon Wong not exceed \$236,485.52 for the Fare Validator Infrastructure Construction Management (CM) Services.

12. Provision of Hewlett-Packard Enterprise (HPE) Configure to Order (CTO) Servers and Support for Closed-Circuit Television (CCTV) Network Video Recorders (NVR) for the Mid-Coast Trolley Extension Project– Purchase Order

Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order to Nth Generation Computing Inc. for the provision of HPE CTO Servers and ongoing support services for CCTV NVR for the Mid-Coast Trolley Extension Project in the amount of \$201,439.15.

13. Revisions to San Diego Metropolitan Transit System (MTS) Ordinance No. 11

Action would 1) Adopt the proposed amendments to MTS Ordinance No. 11, “An Ordinance Providing for the Licensing and the Regulating of Transportation Services Within the City and County by the Adoption of a Uniform Paratransit Ordinance,” and 2) Upon adoption of the proposed amendments, grant the Chief Executive Officer (CEO) the discretion to enforce MTS Ordinance No. 11 in its amended form.

14. Provision of Media Converters for Next Generation (NextGen) Fare Collection System - Purchase Order

Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order to Graybar Electric Co. Inc. for the provision of Media Network Converter for the NextGen Fare Collection System in the amount of \$118,069.85.

15. Janitorial Services – Contract Amendment

Action would 1) Ratify Amendment 17 to MTS Doc. No. G1931.0-16 with NMS Management Inc. (NMS), a Disadvantaged Business Enterprise (DBE), in the amount of \$472.34; and 2) Approve Amendment 18 to MTS Doc. No. G1931.0-16 (in substantially

the same format as Attachment B) with NMS, for janitorial services, for a total of \$187,782.00.

16. Digital Signage (DS) and Variable Message Sign (VMS) Maintenance and As-Needed Repairs - Contract Award

Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. PWG318.0-20 (in substantially the same format as Attachment A), with Brault, Inc., dba Electro Specialty Systems (ESS), for the provision of DS and VMS maintenance and as-needed repair services for a period of five (5) years in the amount of \$803,346.25; and 2) Exercise two (2) optional one-year extensions in the amount of \$359,534.53 for a total contract value of \$1,162,880.78, at the CEO's discretion.

17. San Diego Metropolitan Transit System (MTS) Intranet & Internet Website: Maintenance, Support and Development- Sole Source Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2424.0-21 with The Steer Group, for Intranet & Internet Website Maintenance, Support and Development for three (3) years in the amount of \$148,160.00.

18. Blue Line Right of Way Fence Improvements – Award Work Order Under a Job Order Contract (JOC)

Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC275-13 to MTS Doc. No. PWG275.0-19 with ABC Construction Company, Inc. (ABC) for the replacement of a portion of the chain link fence along the Blue Line right-of-way in the amount of \$189,597.05 plus the payment of applicable JOC administrative fees of \$3,336.91, for a total cost of \$192,933.96.

19. Design Services for the Green Line Imperial Avenue Main Terminal (IMT) Double Track Project – Work Order Amendment

Action would; 1) Ratify Work Order WOA1949-AE-31.01 under MTS Doc No. G1949.0-17 with Jacobs Engineering Group, Inc. (Jacobs) totaling \$269.46, for hourly rate increases for various classifications; 2) Ratify Work Order WOA1949-AE-31.03 under MTS Doc No. G1949.0-17 with Jacobs totaling \$20,142.01, to exercise the alternative design; 3) Ratify Work Order WOA1949-AE-31.04 under MTS Doc No. G1949.0-17 (Attachment C) with Jacobs totaling \$79,474.41, for additional Project Management, design, and bid support; and 4) Authorize the Chief Executive Officer (CEO) to execute Work Order WOA1949-AE-31.05 under MTS Doc. No. G1949.0-17 (in substantially the same format as Attachment D) with Jacobs in the amount of \$275,915.56 for design support during construction (DSDC) services for the Bayside Terminal Double Track project.

9. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There was no Committee Member Communications and Other Business discussion.

The Executive Committee convened for Closed Session at 10:24 a.m.

7. Closed Session Items

CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8

Executive Committee Meeting – DRAFT MINUTES

November 5, 2020

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Property: Assessor's Parcel Numbers (APN) 483-021-39 and 40; 1346 – 1394 Pioneer Way, El Cajon, California

Agency Negotiators: Sharon Cooney, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets

Negotiating Party: Walter E. Fiedler, Inc.

Under Negotiation: Price and Terms of Payment

The Executive Committee reconvened from Closed Session at 10:42 a.m.

Oral Report on Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

The Executive Committee received a report from negotiators and no action was taken.

10. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for December 3, 2020 at 9:00 a.m.

11. ADJOURNMENT

The meeting was adjourned at 10:42 a.m.

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Chairperson  
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE

ROLL CALL

MEETING OF (DATE):	<u>November 05, 2020</u>	CALL TO ORDER (TIME):	<u>9:24 am</u>
RECESS:	<u></u>	RECONVENE:	<u></u>
CLOSED SESSION:	<u>10:24 am</u>	RECONVENE:	<u>10:42 am</u>
PUBLIC HEARING:	<u></u>	RECONVENE:	<u></u>
ORDINANCES ADOPTED:	<u></u>	ADJOURN:	<u>10:42 am</u>

BOARD MEMBER		(Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ARAMBULA	<input checked="" type="checkbox"/>	(Hall)	<input type="checkbox"/>	9:24 am	10:42 am
FLETCHER (Chair)	<input checked="" type="checkbox"/>	(Cox)	<input type="checkbox"/>	9:24 am	10:42 am
SALAS	<input checked="" type="checkbox"/>	(Sandke)	<input type="checkbox"/>	9:24 am	10:15 am
SOTELO-SOLIS	<input checked="" type="checkbox"/>	(Vice Chair – no alternate)	<input type="checkbox"/>	9:24 am	10:42 am
WARD	<input type="checkbox"/>	(Montgomery)	<input type="checkbox"/>	-	-

SIGNED BY THE CLERK OF THE BOARD: /S/ Dalia Gonzalez

CONFIRMED BY THE GENERAL COUNSEL: /S/ Karen Landers



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## Agenda Item No. 4

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

December 3, 2020

#### SUBJECT:

FIXED-ROUTE BUS SERVICES – CONTRACT AWARD (MIKE WYGANT, LARRY MARINESI, SAM ELMER)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0708.0-20 (in substantially the same format as Attachment A), with Transdev North America (Transdev), in the amount of \$911,362,781 for the provision of fixed-route, express and Bus Rapid Transit (BRT) bus services for a six-year base period with two 2-year option terms to be exercised at the CEO's discretion.

#### Budget Impact

The total estimated value of this agreement is \$911,362,781, as reflected in the table below:

Base Period	Annual Base Budget
Year 1 (7/1/21 thru 6/30/22)	\$ 72,911,194
Year 2 (7/1/22 thru 6/30/23)	\$ 78,664,438
Year 3 (7/1/23 thru 6/30/24)	\$ 81,953,147
Year 4 (7/1/24 thru 6/30/25)	\$ 85,275,537
Year 5 (7/1/25 thru 6/30/26)	\$ 88,739,367
Year 6 (7/1/26 thru 6/30/27)	\$ 92,118,830
<b>Base Period Totals</b>	<b>\$ 499,662,513</b>
<b>Option Period I</b>	
Year 1 (7/1/27 thru 6/30/28)	\$ 95,182,112
Year 2 (7/1/28 thru 6/30/29)	\$ 98,456,495
<b>Option Period I - Totals</b>	<b>\$ 193,638,607</b>



<b>Option Period II</b>	
Year 1 (7/1/29 thru 6/30/30)	\$ 101,893,859
Year 2 (7/1/30 thru 6/30/31)	\$ 104,768,429
<b>Option Period II - Totals</b>	<b>\$ 206,662,288</b>
<b>Subtotal (Base + Options)</b>	<b>\$ 899,963,408</b>
<b>Performance Bonuses</b>	<b>\$ 3,090,000</b>
<b>Estimated Fuel &amp; Other Pass-Through Costs</b>	<b>\$ 8,309,373</b>
<b>GRAND TOTAL</b>	<b>\$ 911,362,781</b>

Funding will be included in each respective fiscal year's operating budget. Attachment B displays a further projected cost breakdown for the base period of fiscal years 2022 through 2031.

#### DISCUSSION:

In line with public transit industry best practices, to sustain long-term operating efficiency and reduce long-term operating costs, MTS engages with a third-party private transportation provider to operate certain segments of its bus operations. Services included in those segments are South Bay, Central San Diego, East County, Rural Lifeline, Commuter Express and Bus Rapid Transit (BRT). This service is operated out of the South Bay (Chula Vista) and East County (El Cajon) bus maintenance facilities.

Services will include purchased transportation through fixed and mileage-based costs, maintenance and landscaping of up to 4,277 bus stops, transit center power washing, performance assurances, performance bonuses, standby bus support, special events, trolley support services, rural bus fuel pass-through costs, and other miscellaneous pass-through costs as defined in the contract. If unanticipated service growth or contraction occurs in future years and drives unanticipated expenses from what is estimated above, budget adjustments would be subject to approval by the CEO and the Board via the annual budget process. Routine increases or possible reductions in service levels will also be submitted to the Board together with any associated budgetary adjustments or additional spend authority needs as part of the periodic service level change process.

The fixed route services contract has stipulations for responsible wage and health benefits consistent with MTS Policy 31, Section 31.10 (Attachment C).

MTS will be providing the necessary vehicles and facilities for the contracted services. This currently consists of 278 heavy-duty 40-foot buses, 3 cut-away 32-foot buses, and 24 coach style 45-foot commuter buses housed at the two operating facilities and include the required fueling facilities.

#### Procurement Process

On January 22, 2020, staff released a Request for Proposals (RFP) MTS Doc. No. B0708.0-20 to solicit offers from qualified firms for fixed route services for up to a 10-

year term (6-year base period with two 2-year option periods, exercisable at MTS's discretion). A total of three (3) proposals were received from:

1. Transdev Services, Inc.
2. First Transit, Inc.
3. Keolis

All submissions were deemed responsive to the requirements of management skills, technical capacity and financial stability aspects of the solicitation.

A selection committee consisting of MTS staff from the Contract Operations & Passenger Facilities, Bus Administration, Planning, and Finance departments, with support from non-voting technical advisors from the Maintenance, Safety, and Customer Service departments. Proposals were evaluated based on the following criteria:

#	PROPOSAL EVALUATION CRITERIA	Points	Total Score (%)
<b>I.</b>	<b>Qualifications</b>		
1	Qualifications/Operational Experience and Capacity of Firm	5%	<b>25%</b>
2	Key Personnel/Staffing Plan	15%	
3	Start-Up/Mobilization and Implementation Plan	5%	
<b>II.</b>	<b>Technical Capacity</b>		
4	Facility Maintenance	5%	<b>30%</b>
5	Vehicle Maintenance	5%	
6	Operational and Oversight Plan/Management Approach	10%	
7	Customer Service/Communication Plan	10%	
<b>III.</b>	<b>Training and Innovation</b>		
8	Safety and Training Plan	10%	<b>25%</b>
9	Innovation	5%	
10	10% Bidding Preference	10%	
<b>IV.</b>	<b>Cost and Price</b>	<b>20%</b>	<b>20%</b>
<b>Total:</b>			<b>100%</b>

MTS used an evaluation scale system for rating each proposal against the evaluation factors identified above. For technical and cost proposals, the appropriate evaluation rating would be assigned to each evaluation factor consistent with the narrative of strengths, weaknesses, and risks.

As required by Section 1072 (c)(1) of the California Labor Code, a 10% bidding preference was also made available to the proposer who agrees to retain at least 90% of existing employees. All proposers offered to retain current employees if awarded a contract; therefore, all qualified for the 10% preference.

Based on discussions and assessment of the original proposals, the initial evaluations resulted in the following total scores:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANSDEV	\$967,530,289	61.80	19.75	<b>81.55</b>	1
FIRST TRANSIT	\$961,440,000	58.80	19.87	<b>78.67</b>	2
KEOLIS	\$955,293,596	56.80	20.00	<b>76.80</b>	3

During the initial evaluation of the proposals, MTS requested for technical clarifications and cost/price detail information to thoroughly analyze and evaluate all the proposals. Following receipt of responses to the questions and clarifications, MTS invited all three (3) firms for an oral presentation and interview.

As a result of the clarifications, presentations, and interviews, the initial evaluation scores were updated below:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANSDEV	\$937,375,081	61.80	20.00	<b>81.80</b>	1
FIRST TRANSIT	\$944,119,716	57.10	18.97	<b>76.07</b>	2
KEOLIS	\$955,293,596	53.40	17.47	<b>70.87</b>	3

Based on the updated scores and information gained after the interviews and response to the clarifications, the selection committee determined that Keolis was no longer within the competitive range. Only Transdev and First Transit moved forward to the next phase.

MTS then requested revised proposals from Transdev and First Transit who were still within the competitive range. The revised proposals received also included responses to MTS's additional questions and clarifications specific to each firm's proposal.

The second evaluations resulted in the following total scores:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANDEV	\$933,029,438	61.80	19.53	<b>81.33</b>	1
FIRST TRANSIT	\$930,230,984	57.10	20.00	<b>77.10</b>	2

After review and detailed financial analysis of the revised proposals, MTS had further questions and clarifications; therefore, a Revised Proposal II was requested from both Transdev and First Transit.



The third evaluations resulted in the following scores:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANSDEV	\$927,670,791	61.80	19.99	<b>81.79</b>	1
FIRST TRANSIT	\$927,593,013	57.10	20.00	<b>77.10</b>	2

Based on the discussions and further in-depth financial analysis of each proposal, the committee recommended that a Best and Final Offer (BAFO) be requested from Transdev and First Transit.

The final evaluations resulted in the following scores:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANSDEV	\$927,670,791	61.80	19.42	<b>81.22</b>	1
FIRST TRANSIT	\$924,346,334 *	57.10	20.00	<b>77.10</b>	2

*\* First Transit's cost includes the reduction of 5 Road Supervisors and 2 Dispatchers which does not meet MTS's staff requirements and would increase the cost if these positions were added back in.*

As a result, Transdev remained the highest-ranked proposer, and identified items that required further discussion; therefore, the evaluation committee recommended that MTS invite Transdev for a negotiation meeting.

Negotiations were held and staff conducted a comprehensive cost analyses focused on Transdev's corporate overhead and profit in order to validate proposed cost and pricing assumptions, as well as, cost reasonableness.

After further review and clarifications, staff was able to reduce Transdev's price proposal by \$67,566,881 (or roughly 7%) from the original price of \$967,530,289 to a final offer of \$899,963,408 over the 10-year term. Excluded from this number are two additional budgeted pass through costs of \$3,090,000 for a performance bonus program and \$8,309,373 for fuel and engine and transmission repair.

Transdev received the highest overall rankings in most categories by the members of the committee. Transdev's proposal included: a clear understanding of the Scope of Work, innovation and new technology with priority on safety, and a number of cost-saving alternatives based on their experience and detailed knowledge of the system. Additionally, Transdev's proposal included a highly experienced local management team, staffing above the minimum requirements, and the lowest overall cost.

Due to COVID-19 impacts, MTS does not anticipate any major increases in service year over year, but the new contract was bid based off of standard service increase growth rate with total projected revenue miles to 10,947,281. The total first year contract amount is estimated at \$72,911,194, of which \$11,270,164 will be fixed costs and \$60,179,396 will be variable rate costs based on the revenue mile rate and miles.

Employees under this contract operating out of the South Bay facility are represented by both the International Brotherhood of Teamsters Local 683 (Operators and Mechanics) and Amalgamated Transit Union (ATU) Local 1309 (Supervisors/Dispatchers). Employees operating out of the East County facility are represented by both the International Brotherhood of Teamsters Local 683 (maintenance staff) and the Amalgamated Transit Union (ATU) Local 1309 (drivers). Transdev has committed that this representation will continue. Transdev's selection for award of the operating contract is also supported by both unions.

Therefore, staff recommends that the Executive Committee forward a recommendation to the Board of Directors to authorize the CEO to execute MTS Doc. No. B0708.0-20 (in substantially the same format as Attachment A), with Transdev, in the amount of \$911,362,781 for the provision of fixed-route, express and Bus Rapid Transit (BRT) bus services for a six-year base period with two 2-year option terms to be exercised at the CEO's discretion.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft MTS Doc. No. B0708.0-20  
B. Projected Cost Breakdown FY22-FY31  
C. MTS Policy 31

**STANDARD SERVICES AGREEMENT**  
**FOR**  
**MTS DOC. NO. B0708.0-20**  
**FIXED ROUTE SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Transdev North America Address: 720E Butterfield Rd., Suite 300  
Lombard IL 60148  
City State Zip  
Form of Business: Corporation  
(Corporation, Partnership, Sole Proprietor, etc.) Email: [Laura.Hendricks@transdev.com](mailto:Laura.Hendricks@transdev.com)  
Telephone: 630-571-7070  
Authorized person to sign contract: Laura Hendricks Chief Executive Officer  
Name Title

Provide fixed route services as specified in the Scope of Work (attached as Exhibit A), Transdev's Proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C), Federal Requirements (attached as Exhibit D) and signed Forms (attached as Exhibit E).

The contract term shall be for up to 10 ½ years [six and half (6 1/2) base years with two 2-year options, exercisable at MTS's sole discretion. Base period shall be effective 1/1/21 through 6/30/27 and option years shall be effective 7/1/27 through 6/30/31, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$506,385,450 for the base years and \$404,977,331.00 for the option years (if exercised), for a contract total not to exceed **\$911,362,781.00** without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____ Sharon Cooney, Chief Executive Officer	By _____
Approved as to form:	
By: _____ Karen Landers, Office of General Counsel	Title: _____

Projected Cost Breakdown  
FY22 - FY31

EXPENSE		7/1/21-6/30/22	7/01/22-6/30/23	7/01/23-6/30/24	7/01/24-6/30/25	7/01/25-6/30/26	7/01/26-6/30/27	Base Total	7/01/27-6/30/28	7/01/28-6/30/29	Option 1Total	7/01/29-6/30/30	7/01/30-6/30/31	Option 2 Total	Contract Total
Initial Startup Bonus (A)		\$90,000						\$90,000							\$ 90,000
Performance Surety		\$2,691	\$2,690	\$2,705	\$2,705	\$2,705	\$2,705	\$16,201	\$2,705	\$2,705	\$5,410	\$2,705	\$2,705	\$5,410	\$ 27,021
Fixed Costs		\$11,270,162	\$11,744,316	\$12,139,828	\$12,524,087	\$12,991,883	\$13,401,726	\$74,072,002	\$13,800,879	\$14,134,760	\$27,935,640	\$14,564,272	\$14,980,291	\$29,544,563	\$ 131,552,205
Variable Revenue Mile Cost		\$60,179,396	\$65,304,901	\$68,076,416	\$70,934,852	\$73,770,011	\$76,646,107	\$414,911,683	\$79,218,363	\$82,060,726	\$161,279,089	\$84,962,920	\$87,315,050	\$172,277,970	\$ 748,468,742
Projected Revenue Miles/Fiscal Year		10,947,281	11,056,754	11,167,321	11,278,995	11,391,785	11,505,702	67,347,838	11,620,759	11,736,967	23,357,726	11,854,337	11,972,880	23,827,217	114,532,781
RSMPH Adjustment (A)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$ -
Stand by Service Cost		\$1,131,760	\$1,277,143	\$1,388,380	\$1,459,176	\$1,538,384	\$1,620,242	\$8,415,084	\$1,699,815	\$1,785,258	\$3,485,073	\$1,877,497	\$1,970,034	\$3,847,530	\$ 15,747,687
Not in Transdev Cost Proposal	Performance Bonuses (A)	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,800,000	\$300,000	\$300,000	\$600,000	\$300,000	\$300,000	\$600,000	\$ 3,000,000
	Bus Stop Maintenance and Landscaping Cost	\$185,100	\$189,776	\$195,720	\$200,799	\$206,150	\$211,669	\$1,189,215	\$217,497	\$223,517	\$441,014	\$229,889	\$236,486	\$466,375	\$ 2,096,604
Transit Center Powerwashing		\$142,084	\$145,612	\$150,098	\$153,917	\$230,235	\$236,381	\$1,058,328	\$242,852	\$249,530	\$492,382	\$256,576	\$263,864	\$520,440	\$ 2,071,149
Not in Transdev Cost Proposal	Fuel: Estimated Pass Through (A)	\$20,000	\$21,630	\$22,712	\$23,847	\$25,039	\$26,291	\$139,519	\$27,080	\$27,893	\$54,973	\$28,729	\$29,591	\$58,321	\$ 252,812
Not in Transdev Cost Proposal	Other Pass Through Costs (A)	\$767,758	\$772,041	\$781,452	\$785,996	\$790,675	\$795,496	\$4,693,417	\$820,461	\$825,574	\$1,646,035	\$855,842	\$861,267	\$1,717,108	\$ 8,056,560
Total Projected Costs		\$85,036,232	\$90,814,863	\$94,224,632	\$97,664,374	\$101,246,867	\$104,746,318	\$506,385,449	\$107,950,411	\$111,346,929	\$195,939,615	\$114,932,768	\$117,932,167	\$209,037,718	\$ 911,362,781

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## Policies and Procedures

No. 31

**SUBJECT:**

**Board Approval:** 3/25/04

**PROVIDING TRANSIT SERVICES**

**PURPOSE:**

To establish a process for competitive award of transit services.

**BACKGROUND:**

Public Utilities Code Section 120265 et seq. requires that the Board provide a system of regional transit services for its area of jurisdiction to be funded from the regional transit service fund established by the Board. It also stipulates that the Board may provide the regional transit services by the following means:

- Directly providing the services.
- By contract with San Diego Transit Corporation (SDTC).
- By contract with any other provider of services as it deems appropriate.

This code section also states that the Board may provide the regional transit services upon the terms and conditions that the Board finds in its best interests.

This policy relates to any publicly subsidized transit service that may be considered for competitive award by MTS and sets forth minimum policy requirements for contractor compliance.

**POLICY:**

- 31.1 Contracting Authority. MTS will endeavor to provide high-quality public transit service in the most cost-effective manner possible. To achieve this end, MTS will retain complete authority to contract out particular transit services to any experienced public or private operator judged best able to provide the most cost-effective service.
- 31.2 Competitive Award Service Guidelines. Constructive competition for provision of services will be encouraged. An annual review of existing SDTC services for



potential competitive award will be included in the MTS Short-Range Transit Plan (SRTP) development process. The following list provides a guideline as to what services are potentially most suitable for competitive award:

- New routes added to the existing MTS and new special services.
- Existing routes or services operating by contract with MTS that were competitively awarded.
- Evening or weekend service that is an extension of an existing route but does not mix with existing service.
- Major restructuring of existing routes to the extent that it can be accomplished without causing major employee layoffs. In the event of major state or federal funding cutbacks, employee layoffs may be required as part of a restructuring of routes and services.

A committee shall be established as part of the annual review. The purpose of the committee shall be to identify the service to be considered for competitive bidding and to determine how the routes and services shall be packaged for bidding. The committee shall consist of the following representatives:

- MTS Director of Multimodal Operations
- SDTC Vice President of Operations
- Private-sector representative
- Representative from a local transit labor unit
- Representative from the private sector (e.g., Chamber of Commerce)

A recommendation of routes and services for competitive award shall be made to the MTS Chief Executive Officer. Final selection of the routes and services to be competitively bid will be the responsibility of the MTS Chief Executive Officer. The routes and services to be competitively bid shall be included in the SRTP. Once the SRTP is adopted by the MTS Board, the Request for Proposals (RFP) and price bids shall be distributed for those routes and services.

When possible, the implementation of service improvements to be operated by SDTC and routes and services to be operated by a private contractor shall be coordinated so as to avoid or minimize employee layoffs.

- 31.3 Determination of Award of Transit Services. A bidding process shall be used to acquire information regarding cost of the routes and services for determining award of transit services. The cost information will be evaluated and a recommendation will be made by the Chief Executive Officer to the Board. The Board may elect to award a contract for routes and services directly to SDTC or a private contractor.
- 31.4 Directly Providing the Services. Should the Board elect to directly provide the routes and services, it shall develop and adopt a separate set of operation policies and procedures relating to the administration, financing, planning, and operation of the transit services.

- 31.5 Directly Contracting with SDTC. Should the Board elect to contract for routes and services with SDTC, it will adhere to MTS's policies for operating corporations.
- 31.6 Competitive Award Process. The competitive award process will utilize a two-step evaluation sequence. The RFP to potential public and private-sector bidders will request separate proposal and bid packages. Step 1 will involve judging the proposal and eliminating nonresponsive bidders in accordance with Policy Section 31.6d. Step 2 will involve opening the bid packages of responsive bidders. The award process shall include the following events:
- a. Issuance of the RFP. MTS will issue an RFP, which delineates the services to be provided, the terms of the contract, any evaluation criteria, contract performance specifications, and the selection process to be used in determining the successful contractor for services. The RFP will also request a separately bound price package be transmitted with the proposal. In addition, MTS will provide public notice and advertisement of the RFP in a newspaper of general circulation at least 21 calendar days prior to the deadline for receipt of proposals. RFPs shall also be sent to a list of prospective bidders.
  - b. Preproposal Conference. MTS will hold a preproposal conference for prospective proposers at least 15 days prior to the deadline for receipt of proposals. The purpose of the preproposal conference is to fully describe the services to be contracted out and to answer any questions from prospective proposers and provide any additional information pertinent to the RFP.
  - c. Receipt of Qualifications. Proposers shall be required to submit a proposal containing all information necessary to judge their qualifications and experience to perform the work as outlined in the RFP. Any public operator shall comply with provisions of Policy Section 31.7.
  - d. Evaluation of Proposals. All proposals will be reviewed by the MTS Chief Executive Officer, with assistance from an evaluation panel, in accordance with the criteria specified in the RFP such as:
    - experience of firm and references
    - financial stability
    - disadvantaged and women business enterprise status
    - management plan, including key personnel to be assigned
    - ability to furnish vehicles in suitable quantity and condition and in conformance with service specifications
    - California Highway Patrol Safety reports or similar independent maintenance and/or safety reports
  - e. Evaluation of Price Bids. Only the price packages of responsive bidders will be opened by the Chief Executive Officer. All other price packages will be returned unopened to the original bidders. Price bids shall be

submitted in a format prescribed by MTS. The price bid format shall include a procedure for public operators that is consistent with Section 31.7 whereby a cost-allocation plan is disclosed. Furthermore, this format shall be consistent with the State of California Transportation Development Act legal requirements for reporting and detailed in the expense object classes. The detailed pricing sheets of the price bids of responsive bidders will be examined by MTS for responsiveness. All line item prices shall be reasonable (competent and otherwise able to perform under any resulting contract) for a bid to be considered responsive.

- f. Recommendations to Board. Following the review of price bids, the Chief Executive Officer will recommend award or rejection based upon the bids received. MTS reserves the right to reject all bids, readvertise the project, and restructure the project in part or whole.

### 31.7 Statement of Compliance with Cost-Allocation Procedures for Operators

- a. A proposal submitted by a public transit operator shall contain a statement of compliance regarding cost-allocation procedures. The statement of compliance must be certified by the public transit operator's governing board and legal counsel. The statement of compliance shall include (a copy of) the cost-allocation plan used to develop the bid price(s) for the proposed transit services. The cost-allocation plan shall allocate all costs that the public operator will incur in operating the service, including overhead and support services. The basis for allocating all costs, including overhead and support costs, shall be shown.
- b. MTS shall review the statement of compliance submitted by the public operator for its completeness, accuracy, and reasonableness. Based upon review of the statements, MTS may take one or more of the following actions:
  - 1. Accept the statement of compliance.
  - 2. Request additional supporting documentation from the public operator needed to verify the amounts presented in the statement.
  - 3. Reject the statement of compliance and disqualify proposer as nonresponsive to the RFP due to inaccuracy, incompleteness, or unreasonableness.
- c. MTS may require a review of the cost allocation and the resulting bid to assess the compliance with the requirements in Section 31.7a or to review pricing proposals from public or private contractors to ensure the price proposals are responsive.
- d. MTS's review of the statement of compliance will be performed following the opening of sealed price bids.

### 31.8 Cost-Comparison Analysis. Pursuant to the provisions of California Public Utilities Code Section 99250.5, a private transportation service provider may request a cost-comparison analysis at a publicly noticed meeting of the Board before the Board acts on bus-route restructuring or a service addition.



The Board may agree to perform a cost-comparison analysis on the condition that the private transportation service provider requesting the analysis agrees to pay the actual cost of conducting the analysis. The private transportation service provider shall supply any information necessary and relevant to complete the analysis. The results of the analysis shall be reported to the MTS Board at a publicly noticed meeting.

The Board is not required to perform the requested cost-comparison analysis. However, if the Board decides not to perform the analysis, it shall specify the reasons for that decision in a resolution adopted at a publicly noticed meeting.

For purposes of this section, "cost-comparison analysis" means a study of the route restructuring or service addition under consideration that compares the cost to the operator of directly providing those services to the cost of procuring those services from private entities. The study shall utilize a full cost-allocation method that is consistent with generally accepted cost-allocation principles.

"Route restructuring" means a permanent change in routing that changes the total number of daily revenue miles or hours by 25 percent or more.

"Service addition" means an increase in the total number of daily revenue miles or hours on an existing route by 50 percent or more.

#### 31.9 Statement of Compliance for Charitable, Nonprofit Organizations

- a. To ensure that nonprofit, charitable organizations bidding on MTS transit service contracts are in compliance with the requirements set forth by the MTS Board of Directors, a proposal submitted by such an organization shall include documentation to show that all financing and costs associated with the proposal and bid are financially independent of the organization's charitable activities. Such documentation must be attached to the bidder's technical proposal. The nonprofit, charitable organization shall provide a certification from its governing board certifying that any bid for the services proposed shall be priced in a manner to be totally independent and without subsidy from the organization's charitable functions and revenues.
- b. MTS shall review the certification provided by the organization's governing board for its completeness, reasonableness, and compliance with the intentions of section "a" above. Based upon review of the statements, MTS may take one or more of the following actions:
  1. Accept the Statement of Compliance for charitable, nonprofit organizations.
  2. Request additional supporting documentation from the charitable, nonprofit organization needed to verify the financial independence of the proposal and price bid from the organization's charitable functions and revenues.
  3. Reject the Statement of Compliance for charitable, nonprofit organizations and disqualify proposer as nonresponsive to the RFP due to incompleteness, unreasonableness, or noncompliance with the intentions of section "a" (above).

MTS's review of the Statement of Compliance for charitable, nonprofit organizations will be performed concurrently with the review of the proposals.

- 31.10 Setting Responsible Wages and Benefits. MTS will include as part of the bid documents a minimum wages and benefits requirement for vehicle drivers operated as a result of a bus, mini-bus, van, or other service contract. The purposes of this requirement are: to retain fully trained, qualified and experienced drivers; to provide a high level of quality transit service to the transit patrons; and to reduce absenteeism and driver turnover.
- a. Base Wage Level – In advance of the initiation of a bid process, MTS will conduct an analysis to develop minimum wage-level requirements for the term of the contract. For purposes of the analysis, a base wage rate is established at \$8.35 per hour for July 1, 2000, for drivers after a training and probation period. The analysis will identify a cost of living index (based on prior five-year average San Diego Consumer Price Index) for each future year as a starting point for establishing a minimum wage each year of the future contract. All existing MTS-contracted vehicle driver wage rates and all existing labor agreements of the MTS-contracted vehicle driver, entered into after the effective date of this section, will then be reviewed. The initial starting point wage rate based on the five-year average San Diego Consumer Price Index would be adjusted to ensure consistency with existing transit service contracts for the remaining years of those contracts. Any years in a new contract that are beyond the termination of an existing contract would be calculated based on the five-year average San Diego Consumer Price Index.
  - b. Training Wage Level – MTS shall set a level no less than 90 percent of the base wage level after probation. Training pay shall not exceed 160 hours. If additional training is required beyond 160 hours, the employee shall be paid at the wage level of probation wage after certification.
  - c. Probation Wage After Certification – A driver who is in training and exceeds 160 hours or who has been certified as a driver shall have a minimum wage level set by MTS of no less than 95 percent of the base wage level for a period not to exceed 90 days after completion of training.
  - d. The above wage categories shall be established as minimums in the contract bid requirements and are base driver wage levels excluding benefits and any performance bonuses. These minimum wage categories shall apply to full-time and part-time drivers of contract services.
  - e. Health Benefits – MTS shall include in bid documents the requirement for the contractor to offer full-time and part-time vehicle drivers (20 hours or more per week) a family health plan based on a minimum employer contribution. The minimum contribution for the health benefit is established at \$1.25 per hour for July 1, 2000. The health benefit plan contribution standard would be indexed based on the prior five-year average San Diego Consumer Price Index for each year of the contract to be awarded.

- f. The requirements of this section shall not apply to proposers and contractors whose vehicle drivers are subject to a collective bargaining agreement.

31.11 Contract Term. The term of any award (i.e., period of performance), resulting from Section 31.6 above, will generally depend upon the number of vehicles required and will be subject to termination for breach. It is anticipated that the contract period will not be longer than five years, including any options exercised, nor shorter than two years. Option periods will be allowed not to exceed the basic term. Shorter terms may be allowed for demonstration services to be implemented.

DDarro/SChamp/JGarde  
POLICY.31.PROVIDING TRANSIT SERVICES  
7/14/06

Original Policy approved on 12/19/85.  
Policy revised on 4/9/87.  
Policy revised on 3/22/90.  
Policy revised on 2/25/93.  
Policy revised on 2/22/96.  
Policy revised on 7/13/00.  
Policy revised on 9/13/01.  
Policy revised on 3/25/04.

# Fixed Route Bus Service Contract Award

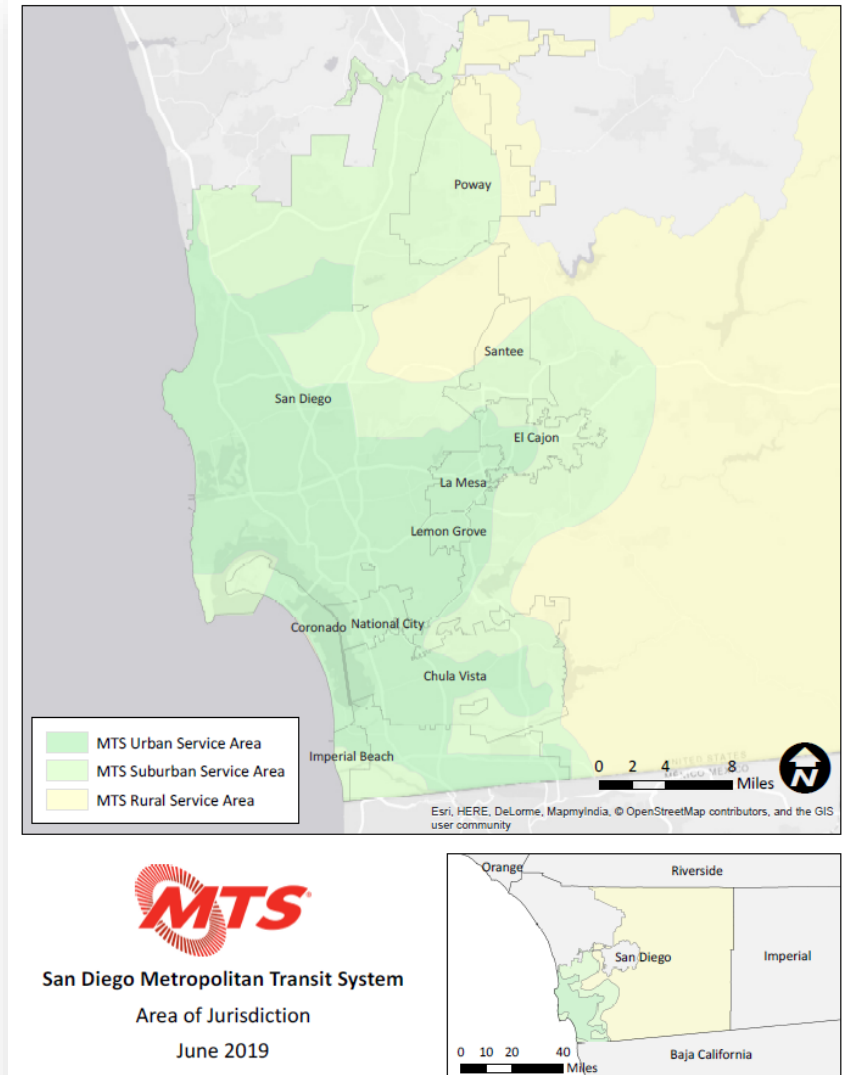
MTS Executive Committee

December 3, 2020

# MTS Bus Service Overview

MTS along with its partnering contractors provide approximately 570 square miles of urbanized service, which include urban fixed route, commuter, complementary paratransit and rural bus service.

- Serving the cities of San Diego, Chula Vista, El Cajon, La Mesa, Lemon Grove, Santee, Poway, National City, and rural San Diego County
- Five (5) Operating Divisions
- 21.5 million revenue miles annually
- Over 1,700 union and non-union employees
- Fleet of nearly 800 buses



# Why Does MTS Contract Out Service?

Public Utilities Code Section 120265 et seq. requires that the Board provide a system of regional transit services for its area of jurisdiction to be funded from the regional transit service fund established by the Board. This is completed through direct and contracted operations.

The RFP process for contracting of operations is compliant with policy and statutory requirements for MTS related to outsourcing of service. The RFP ensures wage protection, and requires bidders to recognize and negotiate collective bargaining agreements with labor unions.

## Contracting allows for:

- Flexibility
- Provisions for expanding or reducing service
- Risk limitation

# Contracted Service - Fixed Route Bus

MTS contracts directly with private transportation providers to operate fixed-route, shuttle, paratransit, and minibus services. MTS manages these services through contract administration and oversight that include: operations, fleet and facility maintenance, as well as, fiscal performance monitoring.

Operated By:	No. Of Routes	Annual Rev/Mi (FY20)	Total Annual Passengers (FY20)
San Diego Transit	27 (6 Rapid)	9,750,000	18,383,114
Transdev Inc.	52 (1 Rapid)	10,500,000	19,541,636
First Transit (Mini)	17	1,200,000	942,343

# Current Contract Background

- Awarded July 1, 2015 and ends June 30, 2021
- Two (2) Operating Divisions:
  - South Bay Division - MTS-owned facility, City of Chula Vista
  - East County Division - MTS-owned facility, City of El Cajon
- Operate 52 traditional routes, one (1) Rapid route
- 10.5 million annual revenue miles
- 332 total buses
- 750 Represented - 65 Non-Represented Employees
  - ATU Local 1309
  - Teamsters Local 683





# Current Contract Collaborative Highlights

- Launched South Bay Rapid - Transnet II
- Opened State-of-the-Art / LEED Certified South Bay and East County Divisions
- Installed RTMS on 100% fleet
- Integrated DriveCam on 100% fleet
- 100% pass rate on all CHP inspections
- Added 27 new 60ft Articulated Buses
- Participating in ZEB Pilot



# Fixed Route Contract Procurement

- Current contract term: July 1, 2015 - June 30, 2021
- Issued Request For Proposals (RFP) January 22, 2020
- Received three proposals:
  - Transdev Services, Inc.
  - Keolis North America
  - First Transit, Inc.

# Negotiated Procurement Process

- All proposals were reviewed by procurement staff and determined to be responsible and responsive bids
- Proposals reviewed by Evaluation Committee composed of members from:
  - Contract Operations
  - Bus Administration
  - Planning
  - Finance
- Additional proposal review support provided from Safety, Maintenance, and Customer Service departments

# Negotiated Procurement Process

Proposals scored on the following criteria:

#on	PROPOSAL EVALUATION CRITERIA	Points	Total Score (%)
I.	<b>Qualifications</b>		
1	Qualifications/Operational Experience and Capacity of Firm	5%	25%
2	Key Personnel/Staffing Plan	15%	
3	Start-Up/Mobilization and Implementation Plan	5%	
II.	<b>Technical Capacity</b>		
4	Facility Maintenance	5%	30%
5	Vehicle Maintenance	5%	
6	Operational and Oversight Plan/Management Approach	10%	
7	Customer Service/Communication Plan	10%	
III.	<b>Training and Innovation</b>		
8	Safety and Training Plan	10%	25%
9	Innovation	5%	
10	10% Bidding Preference	10%	
IV.	<b>Cost and Price</b>	20%	20%
Total:			100%

# Negotiated Procurement Process

- Proposal evaluation initial scores:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANSDEV	\$967,530,289	61.80	19.75	81.55	1
FIRST TRANSIT	\$961,440,000	58.80	19.87	78.67	2
KEOLIS	\$955,293,596	56.80	20.00	76.80	3

- Staff requested cost and technical clarifications and proposals were rescored:

PROPOSER NAME	Total Contract Cost	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost)	RANKING
TRANSDEV	\$937,375,081	61.80	20.00	81.80	1
FIRST TRANSIT	\$944,119,716	57.10	18.97	76.07	2
KEOLIS	\$955,293,596	53.40	17.47	70.87	3

# Negotiated Procurement Process

- After the revised proposal process and subsequent rescoring, staff determined that KEOLIS was no longer in the competitive range
- Staff requested Best and Final Offers from both First Transit, and Transdev
- Staff engaged in negotiations with Transdev with particular emphasis on overhead and profit costs

# Budget Impact

Base Period (6 yrs)	\$499,992,513
Option Period 1 (2 yrs)	\$193,638,607
Option Period 2 (2 yrs)	\$206,662,288
<hr/>	
Sub Total (10 years)	\$899,963,408
Performance Bonus Program	\$3,090,000
Addtl Pass Through Costs	\$8,309,373
<hr/>	
Total Contract	\$911,362,781

# Cost Savings

- The revised proposal and negotiation process resulted in cost reductions totaling \$67,566,881 (7%) from the initial Transdev proposal
- Transdev is 2.6% lower than the next highest scored proposer
  - \$24.4M over 10 years



# Details of Cost Proposal

## Cost Structure:

- Fixed costs broken out, isolated from any volume changes
- Incorporates New CBA negotiated wages

## Other Cost Details:

- Year one (1) cost of new contract is \$72.9M
  - An increase of 13.5% over current contract
- Non-pass through contract lower than updated Independent Cost Estimate (ICE)
- Over the next nine (9) years, cost/mile increases an average of 3.0%

# Transdev

Transdev is the largest private sector operator of multiple modes of transit in North America, providing bus, rail, paratransit, and taxi services. Transdev currently manages over 200 transportation contracts for cities and transit agencies.

- Operates in 20 countries, on five continents
- Diverse workforce over 83,000 employees
- Incumbent Fixed-Route Contractor
- Longstanding partnership with MTS of nearly three decades



# New Contract Terms and Conditions

- Six (6) year base contract with two, 2-year options

MTS will continue to provide:

- Operations and maintenance facilities
- Service design and schedules
- Fuel and fueling infrastructure
- Buses
- Major fleet component replacement, (engines, transmissions, mid-life batteries for BEB's)
- Utilities



# New Contract Terms and Conditions

- Operate 52 Fixed-Route Urban, Local, Express, Rural and Bus Rapid Transit bus service
- Operate 10.5 million estimated annual revenue miles for the first year of the agreement
- Be responsible for maintaining all revenue fleet vehicles
- Provide all non-revenue vehicles (supervisor and relief, maintenance and administration)
- Provide bus stop maintenance, facility landscaping, and transit center power washing work included

# New Contract Terms and Conditions

- Responsible for facility and site maintenance, including:
  - Building maintenance
  - Janitorial
  - Landscaping
  - Equipment PMs & warranty management
- Conduct all operational, maintenance and supervisor training
- Provide standby bus coverage
- Provide trolley bridge and special event support
- MTS provides oversight to ensure contract compliance



# New Contract Incentives and Assessments

- Specific bonuses and liquidated damages (LD's) based on MTS' high service quality standards
  - Performance incentive program with bonuses going toward employee events and activities
  - New performance measurement categories added to emphasize Safety, On Time Performance, and Customer Service
  - LD's focus on ensuring contractor remains in compliance with contract provisions, protecting MTS from any damage from performance (i.e. staffing levels, maintenance requirements, and service delivery thresholds)

# New Contract Enhancements

MTS is committed in providing a safe and reliable service, every trip, every day, including the service provided by MTS' contractors. Upgrades included in the new contract compared to the current contract include:

- New and dedicated safety sensitive positions:
  - Safety Manager
  - Training Manager
  - Revenue Manager
  - Manager of Quality of Service and Radio Communication
  - Lead Road and Radio Supervisors

# New Contract - Future Plans and Projects (Included)

- Battery Electric Bus Integration and Facility Improvements
- Iris Rapid Launch (Otay Mesa to Imperial Beach)
- NextGen Fare System Integration
- Bus on Shoulder Operation (3 year pilot/SANDAG)
- Turn by Turn Driver Assist Technology
- Transdev Connect – Employee Assist Platform
- Continue DriveCam's proactive Safety Management System





# Benefits Moving Forward

- Highly Experienced and Diverse Management Team
- Integrated Giro Hastus Scheduling and Dispatching System with MTS
- Regional Zone Supervision Plan and Improved Coverage
- Real Time Information Technology Improvements for Road Supervisors/ Ambassadors



# Evaluation Committee Review

Transdev is dedicated to providing safe, reliable, efficient and sustainable bus service that passengers can trust. The Evaluation Committee gave Transdev's proposal the highest marks and considered Transdev the best overall value based on the areas outlined below:

- Clear understanding of scope of work
- New innovative safety oversight strategies
- Highly experienced local management team and staff
- Enhanced staffing plan, above requirements of the RFP
- Best overall technical proposal
- Lowest overall costs

# Staff Recommendation

Staff recommends that the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0708.0-20 in the amount of \$911,362,781, with Transdev North America (Transdev), for the provision of fixed-route, express and Bus Rapid Transit (BRT) bus services for a six-year base period with two 2-year option terms to be exercised at the CEO's discretion.

Questions?



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## Agenda Item No. 5

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

December 3, 2020

#### SUBJECT:

STATE LOBBYING SERVICES – CONTRACT AWARD (JULIA TUER)

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. G2414.0-21 (in substantially the same format as Attachment A) with Watts & Hartmann, LLC, for the provision of State Lobbying Services for a three (3)-year base period, and two (2) one-year optional terms, for a total of five (5) years, in the amount of \$157,800.00; and
- 2) Exercise each option year at the CEO's discretion.

#### Budget Impact

The total cost for this agreement shall not exceed \$157,800.00, broken down as follows:

Base Years	\$90,000.00
Option Years	\$67,800.00
Total	\$157,800.00

This contract is funded by the annual operating budget account number 902010-571150.

#### DISCUSSION:

MTS's state legislative advocacy efforts have three major components: direct relationships with the San Diego state legislative delegation, membership in the California Transit Association, and use of an external lobbyist.

Historically, San Diego's local delegation of State Senate and Assembly members have



been supportive of MTS's programs and services, which results in a collaborative working relationship to assist MTS in various legislative efforts. MTS staff and board members often work directly with the Senate or Assembly member's office on such matters.

The California Transit Association is the state association for public transit agencies. As a member of the California Transit Association, MTS receives legislative and regulatory advocacy support, which promotes increased transit funding levels and representation of public transit's interests at the state level.

Finally, MTS utilizes an external lobbyist to assist with advocacy efforts, legislation monitoring, and representation services at the state level. The state lobbyist assists with various tasks, such as coordination and communication with state governmental and regulatory agencies, monitoring legislation, and developing strategies to successfully implement MTS's legislative programs. These services complement and fill potential gaps in our other legislative advocacy efforts.

Today's action relates to a new five-year contract for external lobbying services. On August 28, 2020, MTS released a Request for Proposals (RFP) for State Lobbying Services. The RFP requested a flat rate monthly retainer for the above listed services.

On October 2, 2020, MTS received a total of three (3) proposals from the following firms:

1. Cruz Strategies, LLC
2. Khouri Consulting, LLC
3. Watts & Hartmann, LLC

A selection committee, consisting of representatives from the MTS Executive, Marketing, and Finance departments met and scored the proposals based on the following:

1. Qualifications of the firm	20%
2. Staffing, Organization and Management Plan	10%
3. Methodology and Work Plan	40%
4. Cost and Price	30%
Total	100%

The following table illustrates the scores and ranking of each firm:

Proposer Name	Total Avg. Tech Score	Initial Price Proposal	Cost Score	Total Avg. Score (max. 100)	Ranking
Watts & Hartmann, LLC	57.00	\$174,000	30.00	87.00	1
Cruz Strategies, LLC	54.00	\$390,000	13.38	67.38	2
Khouri Consulting, LLC	51.33	\$612,000	8.53	59.86	3

After the initial evaluation of the proposals, the evaluation panel requested clarification from the proposers regarding the assumptions taken to propose their specific monthly retainers. After review of the responses, the evaluation committee decided to move forward with requesting a best and final offer (BAFO) from the highest scored proposer, Watts & Hartmann, LLC.

On November 17, 2020, Watts & Hartmann submitted a BAFO in the amount of \$157,800.00, which presented savings in the amount of \$16,200.00 over five years. Based on the selection committee's evaluation of the technical proposal and BAFO, Watts & Hartmann, LLC's offer is reasonably priced and offers the most advantageous solution to MTS.

Watts & Hartmann, LLC have included two subcontractors as part of their contract proposal. Mark Watts and Audra Hartmann bring more than 60 years of combined program based administrative, regulatory and advocacy experience. Kiana Valentine, with Politico Group, and Melissa White, legislative analyst, bring more than 40 years of combined experience in transportation funding, policy and general state and local government policy areas.

Between the access and support from Watts & Hartmann, LLC, our strong relationship with the San Diego state legislative delegation, and the California Transit Association, MTS will be well positioned for widespread state legislative advocacy.

Therefore, staff recommends that the Executive Committee forward a recommendation to the MTS Board of Directors to authorize the CEO to:

- 1) Execute MTS Doc. No. G2414.0-21 (in substantially the same format as Attachment A) with Watts & Hartmann, LLC, for the provision of State Lobbying Services for a three (3)-year base period, and two (2) one-year optional terms, for a total of five (5) years, in the amount of \$157,800.00; and
- 2) Exercise each option year at the CEO's discretion.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft MTS Doc. No. G2414.0-21  
B. State Lobbying BAFO  
C. State Lobbying SOW  
D. Watts & Hartmann, LLC Biographies

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

**STANDARD SERVICES AGREEMENT  
FOR STATE LOBBYING SERVICES  
MTS DOC NO. G2414.0-21**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Watts & Hartmann  
Form of Business: Limited Liability Company  
(Corporation, partnership, sole proprietor, etc.)

Address: 925 L Street, Suite 220  
Sacramento, CA 95814

Telephone: 916-813-1107

Email Address: mark@whstrat.com

Authorized person to sign contracts: Mark Watts Principal  
Name Title

**The attached Standard Conditions are part of this Agreement. The Contractor agrees to furnish to MTS services, as follows:**

State Lobbying Services as specified in the Scope of Work (attached as Exhibit A), Watts & Hartmann LLC best and final offer (attached as Exhibit B), and in accordance with the Standard Services Agreement, and Standard Conditions Services (attached as Exhibit C).

The contract term is for up to a five (5) year period (3-year base with two (2) one-year options exercisable at MTS's sole discretion). Base period shall be effective January 1, 2021 through December 31, 2023, and option years shall be effective January 1, 2024 through December 31, 2025.

Payment terms shall be net 30 days from invoice date. The total cost of this agreement shall not exceed \$90,000.00 for the base years and \$67,800.00 for the option years, for a total not-to-exceed \$157,800.00 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	WATTS & HARTMANN, LLC
By:  _____ Sharon Cooney, Chief Executive Officer	By _____
Approved as to form:	
By:  _____ Karen Landers, General Counsel	Title: _____



## STATE LOBBYING SERVICES – COST PROPOSAL FORM

RFP# G2414.0-21

Contract Year	Monthly	Ext. Annual
Year 1 - Retainer	\$ 2500.00	\$ 30,000
Year 2 - Retainer	\$ 2500.00	\$ 30,000
Year 3 - Retainer	\$ 2500.00	\$ 30,000
Option Year 1 - Retainer	\$ 2750.00	\$ 33,000
Option Year 2 - Retainer	\$ 2900.00	\$ 34,800
Grand total basis of award		\$ 157,800

## SCOPE OF WORK/TECHNICAL SPECIFICATIONS

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### 5.1. BACKGROUND

The San Diego Metropolitan Transit System is soliciting proposals for provision of legislation monitoring and representation services at the state level.

The San Diego Metropolitan Transit Development Board (MTDB), also known as San Diego Metropolitan Transit System (MTS), was created in 1975. MTS's enabling legislation is set forth at Public Utilities Code sections 120000, et seq.

### 5.2. PERIOD OF PERFORMANCE

The period of performance is for a three (3) year base period with two (2) one-year options. The term for the base years is January 1, 2021 through December 31, 2023, and the option years are January 1, 2024 through December 31, 2025. Options are exercisable at the sole discretion of MTS.

### 5.3. SERVICE SPECIFICATIONS

The Scope of Services shall include the following:

- A. Contractor shall provide representation services, as directed by MTS, including potential legislative and or regulatory change.
- B. Contractor shall assist in coordination and communication with state governmental and regulatory agencies, including but not limited to California Department of Transportation, California Transportation Commission, and California Public Utilities Commission, upon request by MTS.
- C. Contractor will suggest to MTS those issues or bills where representation and presentation of MTS's position would be in its best interest.
- D. Contractor shall develop strategies to successfully implement MTS's legislative programs and acquire funding for MTS projects.
- E. MTS may request Contractor to monitor bills on a discretionary basis.
- F. Monitoring shall include all proposed California State legislation of interest to MTS from inception to approval or demise.
- G. Monitoring shall include state legislation in both the State Senate and State Assembly.
- H. During the legislative session, MTS may request the Contractor to submit reports indicating bill number, author, subject, status, and amendments with an evaluation of such pending bills to determine the potential impacts on MTS.
- I. Upon request by MTS, Contractor shall provide presentations to boards or committees.
- J. Contractor shall designate one individual as the Project Manager. Contractor's Project Manager shall have overall corporate and administrative responsibility for legislative monitoring and representation services, and shall have primary responsibility for

liaison with MTS. A change in the Project Manager requires prior written approval by the MTS Project Manager, who will be identified at contract award.

- K. Contractor shall provide all equipment and personnel to fulfill the requirements for representation of MTS. All costs for said staff or equipment shall be paid by the Contractor.
- L. Contractor shall prepare and file, with MTS review and approval, all necessary State disclosure forms, including but not limited to Fair Political Practices Commission (FPPC) Form 635 (Report of Lobbyist Employer and Report of Lobbying Coalition).

#### **5.4. PAYMENTS**

The Contractor shall be paid on a monthly retainer basis for services rendered. The amount to be paid to Contractor shall be based on Contractor's proposed fixed-monthly rate. MTS shall make payment to Contractor within thirty (30) days from the date of receipt of invoice.

##### **A. Invoice Submittal:**

- 1. Invoicing shall not be submitted more often than monthly.
- 2. Invoices are to be emailed to [AP@sdmts.com](mailto:AP@sdmts.com).
- 3. All invoices must reference the PO number (issued after contract award).
- 4. Invoices for travel expenses shall be accompanied by supporting documentation for actual travel expenses incurred pursuant to Attachment II - MTS Travel Expense Policy. Costs incurred beyond those amounts shall not be reimbursed.

## Watts & Hartmann, LLC – Bios, Qualifications, and Educational Background

### **Mark Watts**

Mark Watts is co-principal at Watts & Hartmann. Mr. Watts' responsibilities include providing lobbying services and strategic political advice, as well as managing and directing the day-to-day activities of the firm with more than 20 clients. He has enjoyed serving with the WH firm and its predecessor entity since 1999.

Previously, Mr. Watts was appointed by Governor Pete Wilson to serve as Undersecretary for Transportation for the Business, Transportation & Housing (BT&H) Agency in May 1994. His role was to oversee the Department of Transportation (Caltrans), California Highway Patrol (CHP) and the California Transportation Commission (CTC), working directly with those agencies as their liaison to the Cabinet Secretary and the Governor's Office, and to provide ongoing advice to the Governor and his staff on transportation matters.

In 1996, Mr. Watts was privileged to serve as Chief of Staff to the Assembly Speaker, which involved directly providing administrative and policy guidance to the Assembly.

Prior to his appointment as Undersecretary for Transportation, Mr. Watts served at Caltrans from 1975 through 1985 as Executive Assistant to the Los Angeles District Director, a member of the legislative affairs staff, and Executive Assistant to the Director. From 1985 to 1987 he served as Principal staff consultant to the Assembly Committee on Ways and Means and as lead staff for the Budget Subcommittee on Transportation, with responsibility for oversight of the state's transportation budget and fiscal analysis of transportation-related legislation.

During this period, Mr. Watts assisted in efforts to enact several major transportation measures, including a statewide authorization for local option sales taxes for transportation, historic Bay Bridge financing legislation, and significant new contracting authority for Caltrans, 1989's Transportation Blueprint gas tax increase and California's groundbreaking highway privatization bill.

Other experience includes: Staff Director of the Assembly Ways and Means Committee staff, a position held from 1988 until 1990; an associate at a leading legislative advocacy firm from 1990 through 1994; and for a brief six-month period in 1995, Mr. Watts was recruited to serve as Co-Chief Administrative Officer of the Assembly Rules Committee during the historic power-sharing arrangement between Republican Leader Jim Brulte and Speaker Willie Brown.

### **Education:**

University of California Santa Barbara

B.A. in Economics, 1973

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### **Audra Hartmann**

**POSITION:** Smith, Watts & Hartmann  
925 L Street, Suite 220  
Sacramento, California 95814

TENURE: July 1, 2015 - Present

DUTIES: Participates as a Principal in the firm, providing strategic advice and advocacy on a variety of energy, water, and associated infrastructure development projects and public policy issues throughout California. Ms. Hartmann represents private developers of energy storage and transmission infrastructure, an innovator in advanced power flow systems for transmission, a large grid reliability entity, a private owner of natural gas storage facilities, large industrial energy consumers, manufacturers and private developers of hydrogen fueling stations before the legislative, executive and regulatory branches of California State government.

POSITION: President, Hartmann Strategies Group  
925 L Street, Suite 220  
Sacramento, California 95814

TENURE: September 2013 -June 2015

DUTIES: Provided strategic advice and advocacy to clients as on legislative and regulatory issues as well as coalition building and direct lobbying. Ms. Hartmann also had an agreement with Smith Watts & Company to represent the firm's energy client. Ms. Hartmann defeated legislation in 2014 that was opposed by an energy efficiency client, a bill that would have weakened efforts to improve the energy efficiency of appliances sold in California. The Governor vetoed the bill as a result of efforts educating and engaging the California Energy Commission to oppose the bill and request a veto. Ms. Hartmann also passed a legislative fix for a client that resulted in the client obtaining an exemption for court fees that are incurred as a result of the client's official duties.

POSITION: Director of Government Affairs  
NextEra Energy Resources  
Sacramento, California 95814

TENURE: March 2010 - August 2013

POSITION: Dynegy  
Sacramento, California

Dynegy acquired LS Power's western facilities in April 2007

TENURE: April 2007 - March 2010

POSITION: Regional Director, Government and Regulatory Affairs  
LS Power Generation, LLC.  
Sacramento, California 95814

LS Power acquired Duke Energy's western facilities and employees in May 2006

TENURE: May 2006 - April 2007

**POSITION:** Regional Director, State Government Affairs  
Duke Energy  
Sacramento, California 95814

**TENURE:** December 2001 - May 2006

**POSITION:** Deputy Legislative Director  
California Public Utilities Commission  
Sacramento, California 95814

**TENURE:** May 1998 - December 2001

**DUTIES:** Appointed by Governor Wilson to the CPUC's government affairs office in May 1998.

**POSITION:** Legislative Director, California State Senator Dick Monteith  
State Capitol  
Sacramento, CA 95814

**TENURE:** October 1995 - April 1998

**EDUCATION:**

1985-1989 Public Administration, University of Southern California, Los Angeles, CA

Honors: Thematic Option, General Education Honor Program

Resident Honor Program, Early College Entry

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**SUBCONTRACTORS**

**Politico Group**

Politico Group is a non-partisan public affairs, legislative advocacy, and consulting firm established in 1974 that focuses on representing clients whose needs require specific expertise in transportation, housing, land use, construction, energy, water, and utility related matters. It is our mission to provide our clients with a wide range of services and to be proactive, thorough, timely, and thoughtful in execution of political strategy and consulting services. We are passionate about good public policy and even more so about the role transportation, housing, and land use policy plays in California, ranging from the safety and mobility of the traveling public, a strong economy, well-paying jobs, to overall quality of life in the Golden State.

***Kiana Valentine - Partner, Politico Group***

Ms. Valentine has more than 15 years of policy experience in transportation, infrastructure, housing, land use, tribal gaming, and local government issues and has a reputation as a skillful and effective advocate, communicator, advisor, and relationship builder. She has worked on hundreds of legislative, budget, and administrative proposals that impact state infrastructure policy and funding in a variety of aspects. With a deep understanding of infrastructure policy and funding, she has played a lead role in the passage and implementation of all major state

infrastructure, housing, and land use related policy and funding decisions over the last decade including:

- The successful passage of SB 1-the Road Repair and Accountability Act of 2017 - and defeat of Proposition 6 on the November 2018 ballot to repeal SB 1.
- Annual cap and trade expenditure plans.
- The passage and implementation of Proposition 1B (the 2006, \$19.9 billion transportation bond).
- California Environmental Quality Act expansions and reforms, including the ongoing implementation of SB 743 (Chapter No. 386, Statutes of 2013) to replace Level of Service with a Vehicle Miles Traveled metric for analysis of impacts from transportation and land development projects.

Prior to joining Politico Group, Ms. Valentine spent 12 years in service to counties at the California State Association of Counties (CSAC), as the Senior Legislative Representative on housing, land use, transportation, and tribal gaming issues. Ms. Valentine has experience developing legislative and organizational strategy, as well as analyzing and advocating on a diverse range of public policy issues. Ms. Valentine has experience negotiating and mediating compromise solutions with diverse interest groups. Ms. Valentine also has experience and success navigating the administrative and regulatory processes during her tenure at CSAC.

Ms. Valentine possesses both a Bachelor of Arts in Political Science, California State University, Chico (2004) and a Master of Public Policy and Administration, California State University, Sacramento (2011).

### ***Melissa M. White***

#### Experience

Principal Consultant Jan. 2016 - Aug. 2019, California State Assembly Committee on Transportation, Sacramento, California

- Served as Principal Analyst and Advisor for transportation and related issues. Primary portfolio included funding and finance, including SB 1 (Beall); federal issues; planning, including SB 375; transit and intercity rail; high-speed rail; active transportation; and off-highway vehicles.
- Researched and analyzed bills referred to Transportation Committee, including drafting committee and floor analyses for use by legislators and the public.
- Worked with legislators, staff, state agencies, the Governor's office, and advocates to craft legislation in committee's jurisdiction.
- Drafted talking points and committee statements for the Committee Chair. Executed informational hearings.

Director of Policy and Legislation March 2014 - Jan. 2016, California Association of Councils of Governments (CALCOG), Sacramento, California

- Served as advocate and analyst for California's regional transportation planning agencies, metropolitan planning organizations, and councils of governments for state and federal policy issues including transportation planning.
- Transportation funding and financing; and project development and delivery. Drafted letters and comments on legislation and administrative actions to advocate for regional interests.
- Developed and implemented communications strategies for the association and assisted in planning and executing all aspects of association meetings and conferences.
- Organized and staffed trips to Washington D.C. to partner with national organizations to advocate for association priorities, including developing advocacy principles and briefing points for members' use.
- Briefed Board of Directors and regional agency CEOs on a regular basis on priority items, including drafting and presenting policy memos, budget, and bill analyses.

Chief of External Affairs Aug. 2012 - Dec. 2013, California High-Speed Rail Authority, Sacramento, California

- Served as member of the executive management team for State of California agency responsible for planning, designing, building and operation of the first high-speed rail system in the nation. Developed and managed the external affairs division, including the Office of Legislation, Office of Communications, and Stakeholder Relations.
- Managed a team of ten full-time staff and coordinated with authority's Board of Directors, executive management, regional offices, other authority divisions, and contract employees to support the authority's mission.
- Managed a federal and state legislative program, including development of legislative proposals; analysis of relevant legislation; briefing agencies as needed; and drafting letters, testimony and comments.
- Managed a communications and public relations program, including developing and overseeing the authority's website and social media platforms. Oversaw the California public records act program.
- Managed an extensive public and stakeholder outreach program, including planning and executing public meetings; responding to public inquiries about the project; and working directly with local, state and federal officials, stakeholder partners, and authority contractors on all aspects of the high-speed rail program.

Federal Affairs Coordinator July 2005 - Aug. 2012, Senior Analyst: Rural County Representatives of California (RCRC), Sacramento, California

- Principal federal advocate for rural California counties for all federal issues including transportation, natural resources, criminal justice, telecommunications, economic development, and healthcare.



- Served as senior analyst for state legislative and regulatory actions related to transportation, land use, corrections and public safety, telecommunications, budget, tax, and general county operations.
- Drafted letters, testimony, and comments for legislation and rulemakings, and implemented strategies for top priorities, including the Moving Ahead for Progress in the 21st Century (MAP21) and the Secure Rural Schools Act.
- Organized and staffed trips to Washington D.C. with county officials to advocate for priorities, including preparing Supervisors for Congressional interaction with issue papers, talking points, and testimony.
- Briefed Board of Directors on a regular basis on priority items, including drafting and presenting policy memos, budget and bill analyses.

Senior Policy Advisor Oct. 2003 - Jan. 2005, Office of U.S. Senator Bob Graham, Washington, D.C.

- Principal advisor to the senator for transportation, security, public works, economic development, and emergency management issues.
- Managed senator's legislative activities for the Environment and Public Works Committee, including the development of the Safe, Accountable, Flexible, Efficient Transportation Equity Act - a legacy for users.
- Managed infrastructure legislative team, including oversight of all legislative activities and constituent relations.
- Drafted speeches, press releases, floor and committee statements to support legislative initiatives and agenda.
- Worked with constituents, state agency and local government partners, and public interest groups

Senior Legislative Counsel July 1999 – Oct. 2003, National League of Cities (NLC), Washington, D.C.

- Principal advocate for over 18,000 American cities for transportation, security, and emergency management issues.
- Drafted legislation to promote municipal agenda, including the Disaster Mitigation Act of 2000 and Metropolitan Congestion Relief Act of 2003; and drafted comments for regulatory rulemakings to protect municipal priorities. Served as legislative counsel to the 200 member NLC Transportation Infrastructure and Services Policy Committee and the Public Safety and Crime Prevention Policy Committee.
- Developed briefing materials, issue papers, and testimony for use by NLC elected representatives.

- Built coalitions of public interest groups, municipal representatives, and business interests to promote legislation; including creating a grassroots network of local elected officials to impact federal legislation.
- Drafted articles for weekly NLC newspaper, nation's cities weekly, with circulation of over 30,000.
- Planned and executed national meetings and conferences for NLC members.

Legislative Assistant May 1995 - July 1999, Office of U.S. Senator Bob Graham, Washington, D.C.

Education: Bachelor of Arts, Florida State University, Tallahassee, Florida

- Major in History, specialty in Russian and Eastern European Studies
- Minor in Mathematics

# State Lobbyist Contract Award

Executive Committee

December 3, 2020

# MTS State Legislative Advocacy

- Three major components:
  - Direct relationships with San Diego state legislative delegation
  - California Transit Association (CTA) membership
  - Contract with external state lobbyist

# State Lobbyist Contract

- Contract with external state lobbyist to:
  - Assist with advocacy efforts
  - Legislation monitoring
  - Representation services at state level
  - Coordination and communication with state governmental and regulatory agencies
  - Strategy development to successfully implement MTS's legislative programs

# RFP Process

- Request for Proposals (RFP) released on August 28, 2020
- Three proposals received on October 2, 2020
- Selection committee consisted of representatives from MTS Executive, Marketing, and Finance departments

Proposer Name	Total Avg. Tech Score	Initial Price Proposal	Cost Score	Total Avg. Score (max. 100)	Ranking
Watts & Hartmann, LLC	57.00	\$174,000	30.00	87.00	1
Cruz Strategies, LLC	54.00	\$390,000	13.38	67.38	2
Khoury Consulting, LLC	51.33	\$612,000	8.53	59.86	3

- Watts & Hartmann best and final offer: \$157,800

# Watts & Hartmann, LLC

- Mark Watts and Audra Hartmann
  - More than 60 years of combined program based administrative, regulatory and advocacy experience.
- Two subcontractors
  - Kianna Valentine, Politico Group
  - Melissa White, Legislative Analyst
  - More than 40 years of combined experience in transportation funding, policy and general state and local government policy areas.

# Recommendation

That the MTS Executive Committee forward a recommendation to the Board of Directors to authorize the CEO to:

- 1) Execute MTS Doc. No. G2414.0-21 with Watts & Hartmann, LLC, for the provision of State Lobbying Services for a three (3)-year base period, and two (2) one-year optional terms, for a total of five (5) years, in the amount of \$157,800; and
- 2) Exercise each option year at the CEO's discretion.



# State Lobbyist Contract Award

Executive Committee

December 3, 2020



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 6

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

December 3, 2020

#### SUBJECT:

FERRY SERVICE (DENIS DESMOND)

#### INFORMATIONAL ONLY

##### Budget Impact

None at this time.

#### DISCUSSION:

A private carrier currently operates a limited ferry service across San Diego Bay. As part of the Elevate SD 2020 plan, MTS evaluated a project to significantly expand ferry services to various points from South Bay up through Harbor Island. Various aspects of the operation were considered, including feasibility, dock locations, costs, ridership, vessel options, and stakeholder interest. Ultimately and for a variety of reasons, the bay ferry project ("Waterways") was excluded from the final draft program of Elevate SD 2020 projects. Staff will provide a presentation with information on the various options considered, the evaluation process, and possible next steps.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)



1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [sdmts.com](http://sdmts.com)

San Diego Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego. MTS is also the For-Hire Vehicle administrator for nine cities.

# San Diego Bay Ferry Report

AI No. 6, 12/03/2020

MTS Executive Committee  
December 3, 2020



# San Diego Bay Ferry Report

## San Diego Bay Ferry

1880s - Today



## Two current routes:

- **Broadway Pier – Coronado Ferry Landing**
  - every 60 minutes, 7 days/week, 9am-10pm
  - weekday AM peak service every 40 minutes, 5am-9am
  - one late night trip Fri. & Sat.
- **Convention Center – Coronado Ferry Landing**
  - every 30 minutes, 7 days/week, 9am-11pm

## \$5 one-way fare

- Peak trips are free for Coronado residents and military

## Ridership: 800,000 annually

- Including 250-300 weekday commuters

MTS provides approx. \$220k annually to City of Coronado to subsidize ferry service

Current service operated by Flagship Cruises

# San Diego Bay Ferry Report



## The Opportunity

- “Guideway” is underutilized resource of open water
- No traffic delays, no congestion on water
- No expensive tracks, roadway, power delivery required
- Attractive – novel, relaxing
- Implementation could be relatively fast
- Infrastructure relatively inexpensive
- New, faster catamarans well suited for water transit
- Coastal access (**Coastal Commission** priority)
- **Port Master Plan Update**, Mobility Policy 1.1.1: Develop Baywide water-based transit services
- Not new to San Diego, and used in many other cities (Baltimore, Bay Area, Long Beach, etc.)



Long Beach Transit *Aqualink*



# San Diego Bay Ferry Report



## Waterways Project

- Two Routes
  - **Public route:** National City – Harbor Island via Coronado, Downtown
  - **Navy route:** National City – Downtown via NBSD, NASNI
- Parking structure at Pepper Park for Park-n-Ride
- New dock facilities to be built at Pepper Park, NBSD, and Harbor Island (south side, not east harbor)



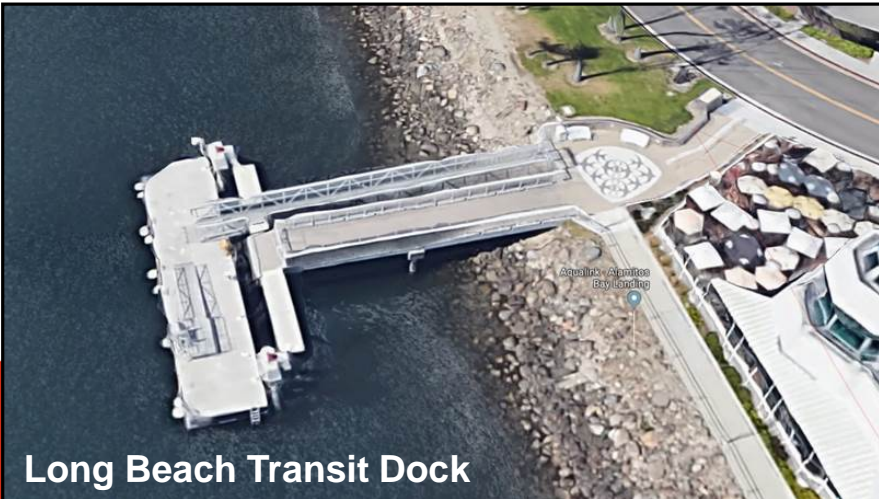
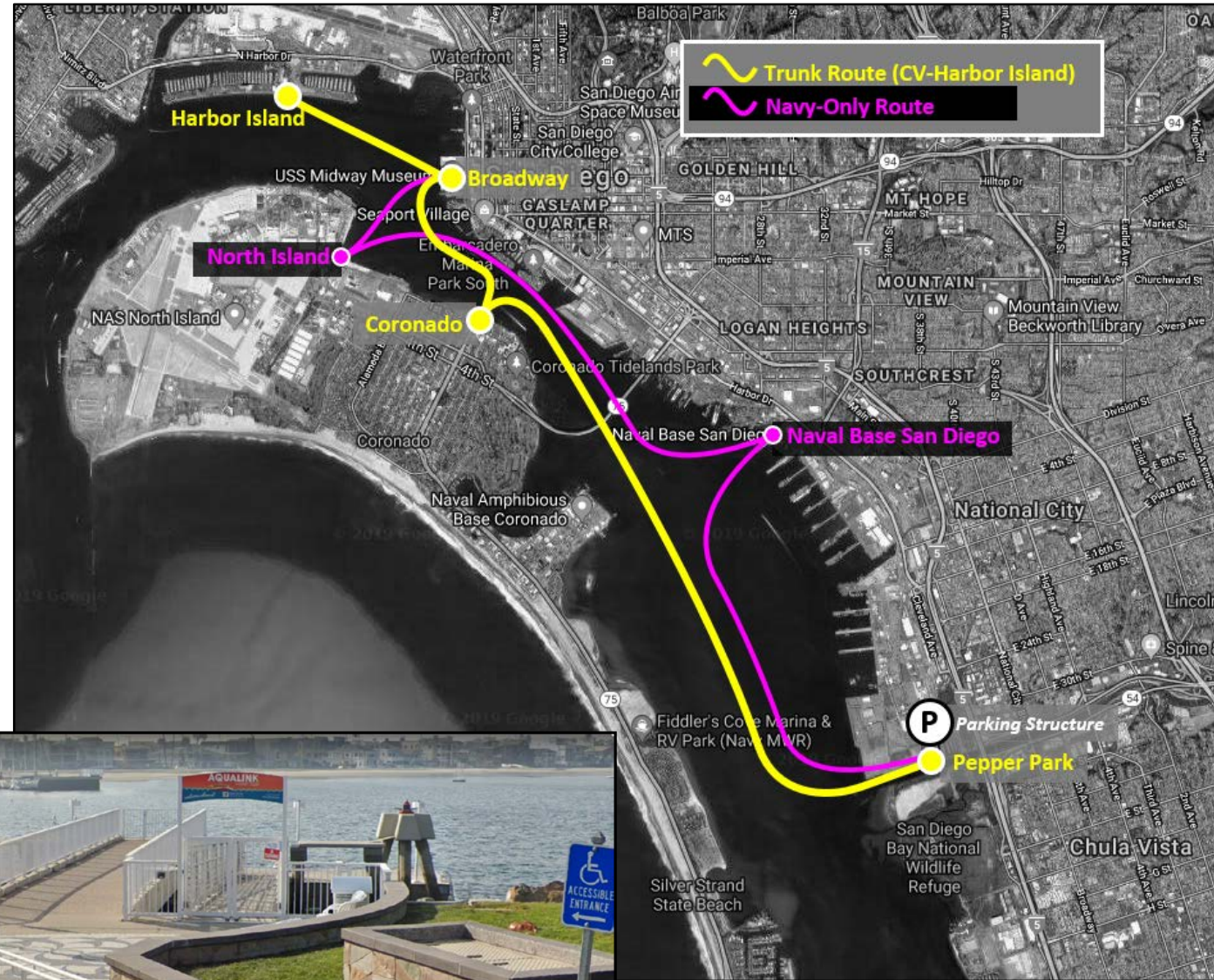


# San Diego Bay Ferry Report



## Project Refinement

- No options south of C.V. Marina (mudflats, wildlife refuge)
- Chula Vista extension eliminated due to distance and 5 MPH no-wake zone south of Sweetwater River
- Naval Amphibious Base eliminated due to lack of demand
- 5th Avenue Landing (behind Convention Ctr.) eliminated due to lower demand, travel time
- Extension to Pt. Loma Naval bases & Shelter Island not included; could be added in the future if demand warrants



Long Beach Transit Dock





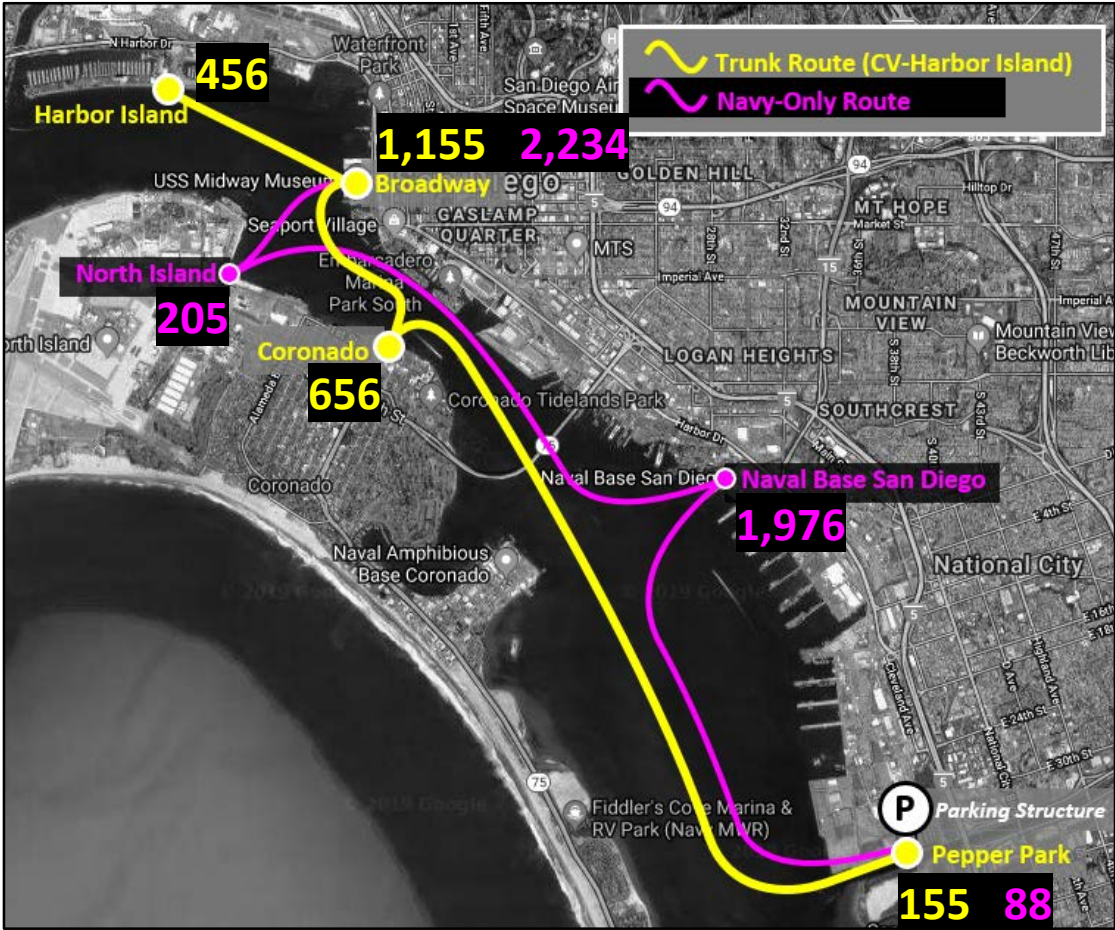
# San Diego Bay Ferry Report



## Ridership Projections

- Average Weekday Ridership in 2050:  
Civilian Ferry Route: 2,422  
Military Ferry Route: 4,503
- Annual 2050 Ridership: 1.9 million  
(current ferry ~800,000)

Projected Weekday Boardings by Stop





# San Diego Bay Ferry Report



## Dock Locations

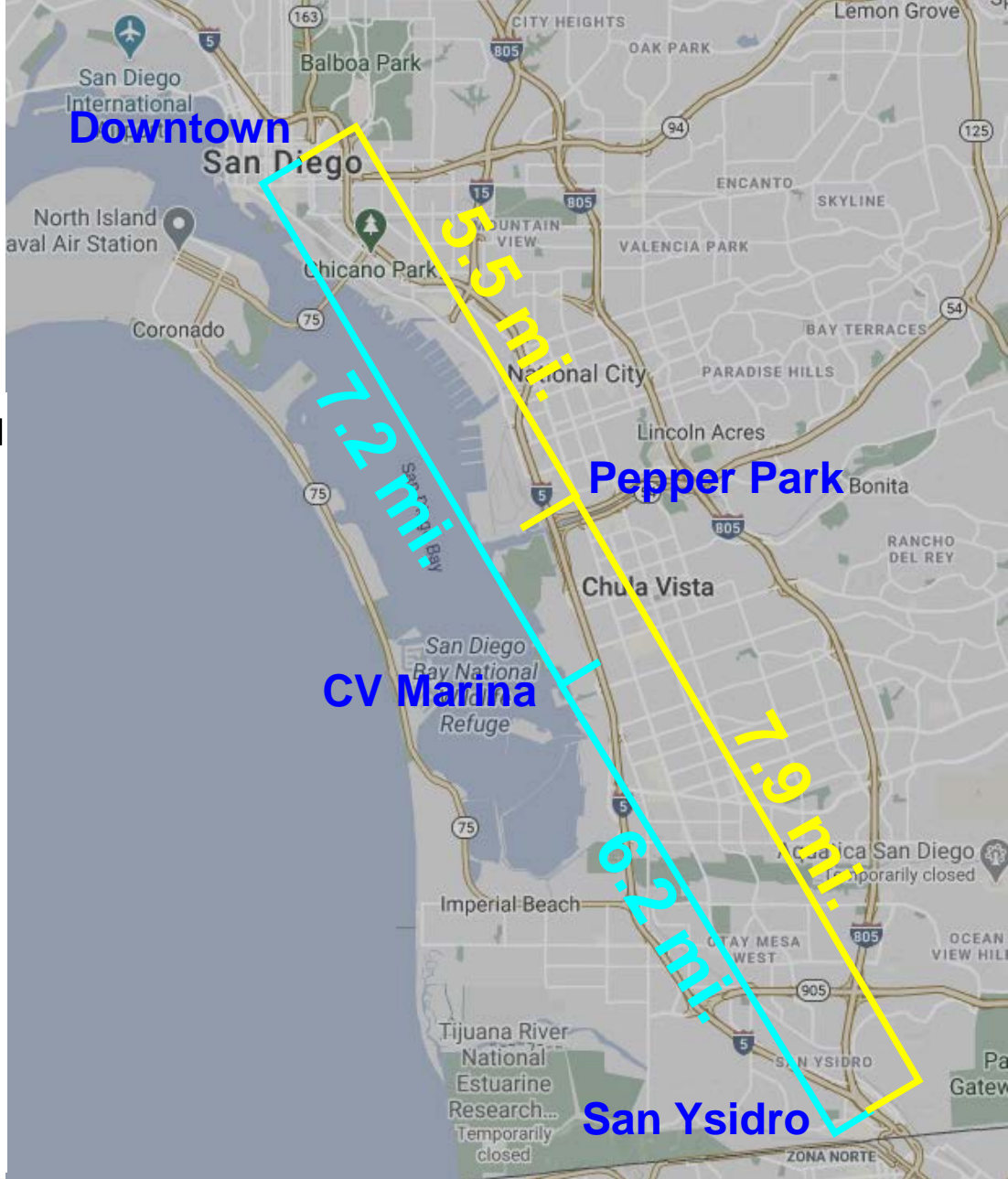
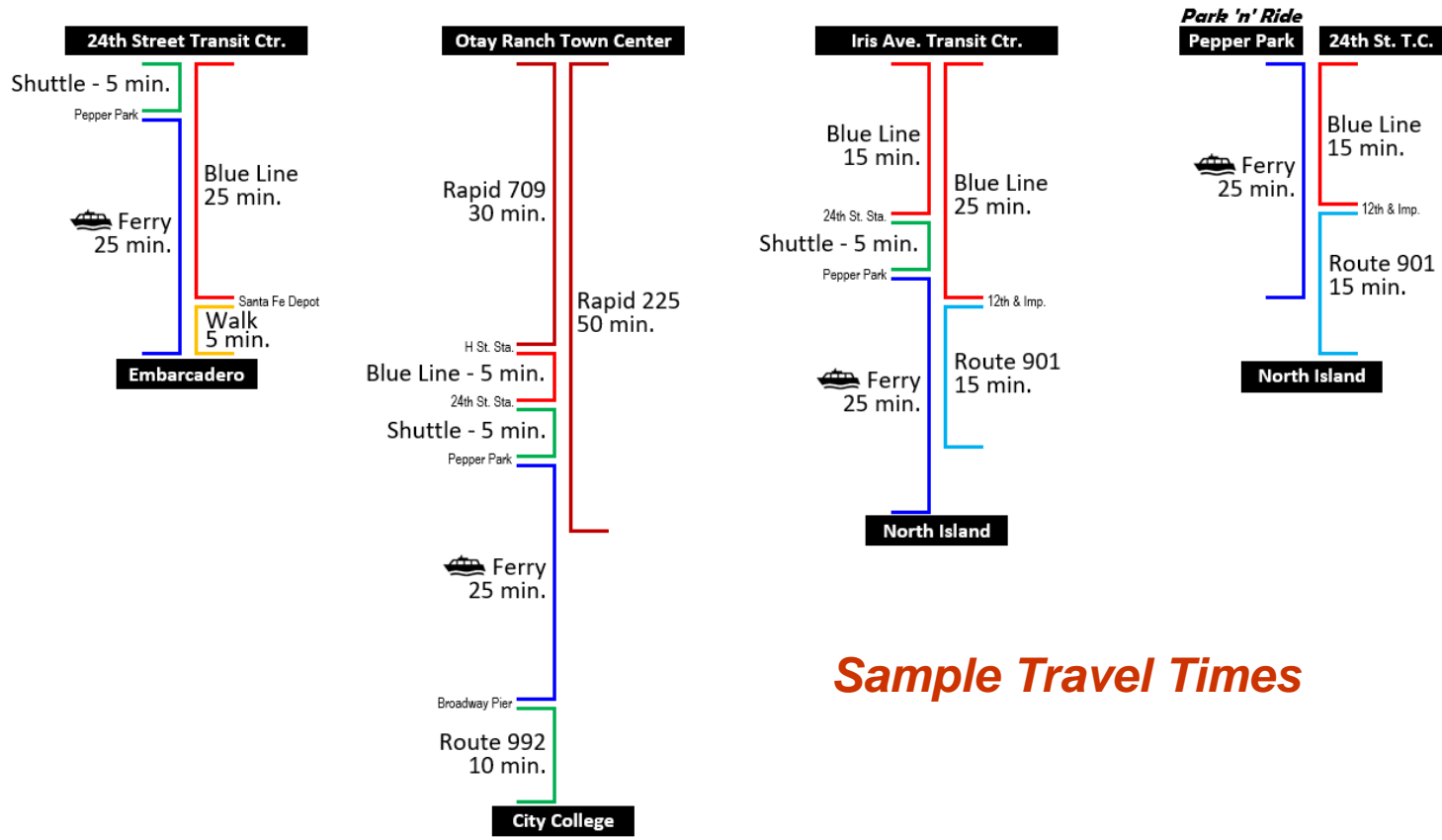
- Embarcadero: walking distance to transit and many destinations
- Coronado Ferry Landing: retail/visitor destinations at Ferry Landing, limited bus service
- NASNI & NBSD: Large bases needing last-mile solution for many destinations
- Pepper Park: 1.2 miles from Trolley station & nearest bus stops. Parking structure proposed
- Chula Vista Marina: 2/3 mile from Trolley station & nearest bus stops; future CC shuttles
- Harbor Island: ½ mile from Terminal 1



# San Diego Bay Ferry Report

## Travel Times

- Gap between Trolley/transit and ferry docks is a challenge.
- South Bay docks' proximity to Downtown – about halfway there.
- Some ferry trips competitive with Trolley, some depend on exact destination.





# San Diego Bay Ferry Report



## Estimated Capital Costs (FY19 dollars)

- Facilities: \$40,000,000  
(minor dockside improvements, parking structure)
- Ferry vessels: \$27,600,000
- Could total \$100m-\$150m; *compare to Mid-Coast Trolley @ \$200m/mile*

## Estimated Operating Costs

- \$350-\$400/hour - *compare to \$134/hour for MTS Bus and \$180/hour for MTS Trolley*
- Diesel fuel and boat crews are large parts of the expense
- Excludes costs for opening and closing barriers for secure Naval zones



# San Diego Bay Ferry Report



## Naval Ferry Route

- Naval installations ring San Diego Bay: [North Island](#), [Naval Base San Diego](#), [Broadway Complex](#), [Naval Amphibious Base Coronado](#), [Naval Base Point Loma](#), [U.S. Coast Guard](#)
- MTS met with base commanders as key stakeholders
- Military Multimodal Access Strategy (SANDAG, 2019) only mentions ferries among 100s of potential projects
- Security concerns always at the forefront for the Navy
- All bases have last-mile issues with destinations far from docks
- Ferry service potential varies among bases:
  - Could reduce NASNI/Coronado traffic, but secure zone is an issue.
  - NBSD uncertainty that ferries solve their challenges.
  - Wharf may not be available at NBSD.
  - Little potential seen at Naval Amphibious Base Coronado.
  - Very limited demand seen for inter-base travel.

### Naval Base Personnel Commuter Origins



# San Diego Bay Ferry Report



## Public and Stakeholder Feedback

- Many stakeholders had trouble envisioning how it would help their own travel needs
- Equity: perception of few benefits for disadvantaged communities; more of a visitor attraction
- Vision Builder: Bottom 5 in 14/20 jurisdictions (highest ranks: #2 Coronado, #7 Chula Vista)
- Working Groups: All working groups (except the Port Tenants) ranked ferries in Tier 3 (out of 3)
- Focus groups and polls ranked Waterway System at the bottom

Project	Top Choice	Total Top 5	
More Rapid Bus Service	4	12	Top-ranking projects focused on increasing accessibility and ridership; making MTS a more enticing option for drivers; and improving safety.
Improve Security and Amenities	5	10	
Increase Frequency	1	10	
Purple Line Trolley	4	10	
Airport Trolley	2	8	
New Freeway Transit Connections	1	7	Mid-range projects were often seen more as “nice-to-have” but not as likely to have a major impact on voters’ day-to-day lives.
Fare Discounting	1	6	
Sorrento Valley Skyways & Connectors	0	6	
Balboa to the Beach	0	4	
Blue Line Express Trolley	0	4	
Grade Separations	0	4	Projects with lower ratings were often seen as benefiting a very small portion of the population.
Mobility Hubs	0	4	
Youth Opportunity Pass	0	4	
Electrify the Bus Fleet	1	3	
Increased Span, 24-Hour Service	1	3	
On-Demand Transit Service	0	2	
Waterway System	0	2	

FM3 RESEARCH

Project	Cost of Project	Total Spent	# of Times Funded	
Improve Security and Amenities	\$20	\$540	27	Most Often Selected
Airport Trolley	\$110	\$1,680	15	
Purple Line Trolley	\$450	\$5,050	11	Most Expensive Project
Grade Separation	\$30	\$330	11	
Fare Discounting	\$80	\$865	11	
Increased Span, 24-Hour Service	\$20	\$180	9	
Sorrento Valley Skyways & Connectors	\$50	\$400	8	
Mobility Hubs	\$30	\$210	7	Least Selected, Despite Affordable
More Rapid Bus Service	\$260	\$1,820	7	
New Freeway Transit Connections	\$290	\$1,940	7	
Blue Line Express Trolley	\$340	\$2,040	6	
Increase Frequency	\$390	\$2,240	6	
On-Demand Transit Service	\$20	\$100	5	
Youth Opportunity Pass	\$140	\$570	4	
Balboa to the Beach	\$35	\$140	4	
Electrify the Bus Fleet	\$130	\$510	4	
Waterway System	\$30	\$60	2	

FM3 RESEARCH



# San Diego Bay Ferry Report

## Alternative Fuel Options

Most ferries are diesel-powered

- Flagship's vessels just re-habbed with latest technology engines (diesel)
- Limited clean fuel options currently available
  - LNG, diesel hybrid options still fossil-fueled
  - Fuel cell vessels still in development
  - Battery-electric ferry tech in infancy



First Battery-Electric Ferry in US  
Gee's Bend Ferry, Alabama  
*Launched August 2020*



Fuel Cell Ferries, *in Development*



Diesel-Electric Hybrid Ferry  
Kitsap Transit, Washington, 2019

# San Diego Bay Ferry Report

## Next Steps

- Although Waterways not included in Elevate, MTS committed to working with partners on water transportation
  - Grant or other subsidy for in-depth study, project design?
- Flagship Cruises applied to PUC in 2019 to expand current service
  - MTS provided a letter of support, no additional subsidy requested
  - Expansion is limited (service to South Bay every ~2 hours)
- Added subsidy could extend frequency, span of service
  - May require additional vessels
  - Existing route is likely the most efficient and productive
  - Ridership mostly Coronado commuters and tourism
- Re-open discussions with NASNI to resume direct service
  - Security barrier costs & logistics, last-mile distribution remain issues
- Interest from other private operators to operate new ferry services
- **SANDAG:** "San Diego-Coronado-Military Ferry" included on project list in next draft RTP





# San Diego Bay Ferry Report



MTS Executive Committee  
December 3, 2020





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

# DRAFT

## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

9:00 a.m.

\*Meeting will be held via webinar\*

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please call the Clerk of the Board at least two working days prior to the meeting. Meeting webinar/teleconference instructions can be accessed at the following link:

<https://www.sdmts.com/about-mts-meetings-and-agendas/board-meetings>

#### ACTION RECOMMENDED

1. Roll Call

2. Approval of Minutes - November 12, 2020

Approve

3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics  
during the meeting

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San Diego Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego. MTS is also the For-Hire Vehicle administrator for nine cities.

## CONSENT ITEMS

6. [Zero-Emission Bus \(ZEB\) Project: 40-Foot Low-Floor Electric Buses – Issuance of Purchase Order to Gillig, LLC](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to Gillig for the purchase of five (5), 40-foot, Low-Floor Electric, Battery-Powered buses in the amount of \$4,863,380.40
7. [Roadway Worker Early Warning Alarm Technology Maintenance and Support – Contract Award](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1564.0-21, with Miller Ingenuity for Roadway Worker Early Warning Alarm Technology Maintenance and Support Services totaling \$360,573.25 for five (5) years effective January 1, 2021.
8. [Kearny Mesa Division \(KMD\) Underground Storage Tank Closure \(KMD UST Closure Project\) – Award Work Order Under a Job Order Contract \(JOC\)](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC275-14 to MTS Doc. No. PWG275.0-19, with ABC Construction Co., Inc. (ABC), for the closure of the KMD underground storage tank for a total cost of \$120,918.48.
9. [Fare Collection \(Add Sales Tax and Ticket Vending Machine \(TVM\) Spare Parts and Gateway Services\) – Contract Amendment](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute Amendment 5 to MTS Doc. No. G2091.0-18, with Innovations in Transportation, Inc. (INIT), for a total contract increase of \$2,478,990.86.
10. [Building C Rollup Door Replacement – Award Work Order Under Job Order Contract \(JOC\)](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC275-15 to MTS Doc. No. PWG275.0-19, with ABC Construction Co., Inc. (ABC), for the removal and replacement of the rollup doors, door threshold, and addition of flood barriers at Building C for a total cost of \$251,853.51.
11. [On-Call Job Order Contracting \(JOC\) Building and Facilities Construction Services – Contract Award](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG324.0-21, with ABC Construction Co., Inc. (ABC), for on-call building and facilities construction services, in the amount of \$7,000,000.00, for one (1) base year and four (4) option years beginning on January 1, 2021.
12. [Low Carbon Fuel Standard Verification Services – Contract Award](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. G2429.0-21 with Rincon Consultants for the provision of Low Carbon Fuel Standard Verification Services for a three (3)-year base period, and one (1) three-year optional term, for a total of six (6) years, in the amount of \$123,728.00; and 2) Exercise option at the CEO's discretion.

13. [Bayside Double Track Imperial Avenue Transit Center \(IMT\) Construction Management Services – Work Order Amendment](#) Approve  
Action authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA2019-CM07 under MTS Doc. No. G2019.0-17 (in substantially the same format as Attachment A), with Kleinfelder Construction Services, Inc., for the Bayside Double Track IMT, Construction Management (CM) Services in the amount of \$846,751.95
14. [Bus Farebox Conversion – Contract Award](#) Approve  
Action authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0723.0-21, a Sole Source Agreement with Genfare, A Division of SPX Corporation, for Bus Farebox Conversion totaling \$3,556,310.61 for ten (10) years effective January 1, 2021, subject to the MTS General Counsel approving modified MTS Standard Conditions.

#### CLOSED SESSION

24.

#### NOTICED PUBLIC HEARINGS

25. None.

#### DISCUSSION ITEMS

30. [Fixed Route Bus Services - Contract Award \(Mike Wygant, Larry Marinesi, Sam Elmer\)](#) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0708.0-20, with Transdev North America (Transdev), in the amount of \$911,362,781 for the provision of fixed-route, express and Bus Rapid Transit (BRT) bus services for a six year base period with two 2-year option terms to be exercised at the CEO's discretion

31.

32.

#### REPORT ITEMS

45. [Operations Budget Status Report for October 2020 \(Gordon Meyer\)](#) Informational

#### OTHER ITEMS

60. [Chair Report](#) Informational
61. [Chief Executive Officer's Report](#) Informational

62. Board Member Communications

Informational

63. Additional Public Comments Not on the Agenda

If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.

64. Next Meeting Date: January 21, 2021.

65. Adjournment



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## Agenda Item No. 6

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee  
Review Date: 12/03/2020**

#### SUBJECT:

ZERO-EMISSION BUS (ZEB) PROJECT: 40-FOOT LOW-FLOOR ELECTRIC BUSES –  
ISSUANCE OF PURCHASE ORDER TO GILLIG, LLC

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors (Board) authorize the Chief Executive Officer (CEO) to issue a Purchase Order to Gillig for the purchase of five (5), 40-foot, Low-Floor Electric, Battery-Powered buses in the amount of \$4,863,380.40

#### Budget Impact

The total budget for this project shall not exceed \$4,863,380.40 (including tools, training and sales tax). This project is funded by MTS Capital Improvement Project (CIP) 1001105501 - ZEB Pilot Program, utilizing the FY19-20 Low Carbon Transit Operations Program (LCTOP) grant funding.

Gillig Electric Buses	Unit Price (per bus)	CA Sales Tax adjusted from 7.75% to 5.3125% (ZEB Partial Sales Tax Exemption)	Total
	\$896,931.59	\$47,649.49	\$ 944,581.08
ADA (non-taxable)			\$ 21,095.00
Delivery (non-taxable)			\$ 5,000.00
Training (non-taxable)			\$ 2,000.00
<b>Subtotal (cost per bus)</b>			<b>\$ 972,676.08</b>
<b>Total (Not-to-exceed for 5 buses)</b>			<b>\$4,863,380.40</b>



## DISCUSSION:

In continued efforts to reduce carbon emissions in San Diego, the MTS Board of Directors unanimously approved the implementation of a ZEB Pilot Program (Pilot). Part of the Pilot program includes the purchase of eight (8) 40-foot electric buses from New Flyer and Gillig and the purchase of twelve (12) depot chargers from Chargepoint. In addition, the MTS Board approved the ZEB Rollout Plan for submittal to the California Air Resources Board (CARB), and MTS's ZEB Transition Plan, which recently included the purchase of five (5) Gillig electric buses as part of an accelerated ZEB purchase path.

Today's proposed action authorizes the purchase of five (5) ZEB buses from Gillig, and will amend an existing Gillig Compressed Natural Gas (CNG) bus contract exchanging five (5) CNG buses for battery electric buses. The Gillig electric buses may participate in the end of the ZEB pilot, in addition to replacing current vehicles reaching the end of their useful lives. The vehicles are expected to be delivered in the Summer or early Fall of 2021.

MTS proposes to use a government purchasing schedule established by the Commonwealth of Virginia (Virginia) to purchase the Gillig ZEB buses. Federal Transit Administration (FTA) Circular 4220.1F, Chapter V, Section 4, encourages federal grant recipients to use state and local government purchasing schedules or contracts for procurements of property and services. The Virginia schedule includes electric battery-powered buses that meet MTS specifications.

The Virginia cooperative agreement was awarded through a formal competitive Invitation for Bids (IFB) process and was developed for the use of public/governmental agencies to reap the best pricing benefits. The solicitation and contract comply with all federal requirements and regulations.

The proposed Gillig buses will have the newest onboard video surveillance systems preinstalled, enhanced wheelchair restraint systems with forward-facing safety barriers for improved safety, and electric air conditioning systems. The buses are equipped with 444 KW of stored energy and will be charged through individual depot chargers at our operating facilities. The vehicles are expected to have a maximum range of up to 150 miles; however, range varies considerably based on operating profiles including: grades, climate conditions, passenger loads, route structure and operator's performance.

The pricing in the Virginia contract was determined to be fair and reasonable based in the cost analysis supplied to MTS by Virginia and in comparison, to recent purchases.

Therefore, staff is requesting that the MTS Board of Directors authorize the CEO to issue a Purchase Order to Gillig, LLC for the purchase of five (5), 40-foot, Low-Floor Electric, Battery-Powered buses in the amount of \$4,863,380.40.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)



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## Agenda Item No. 7

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee  
Review Date: 12/03/2020**

#### SUBJECT:

ROADWAY WORKER EARLY WARNING ALARM TECHNOLOGY MAINTENANCE  
AND SUPPORT – CONTRACT AWARD

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1564.0-21 (in substantially the same format as Attachment A), with Miller Ingenuity, for Roadway Worker Early Warning Alarm Technology Maintenance and Support Services totaling \$360,573.25 for five (5) years effective January 1, 2021.

#### Budget Impact

The total budget for this project shall not exceed \$360,573.25. This project is funded by the San Diego Trolley Transportation budget, 270016-536500.

#### DISCUSSION:

Under California Public Utilities Commission (CPUC) General Order 175-A (6.3f), early warning alarm technology must be used, with the exception that it is recommended but optional when the protections of Sections 6.3.d iii, iv, and v (2) are in place.

The safety of workers on MTS's operating railroad is of prime importance. On September 12, 2019, the MTS Board approved MTS Doc. No. L1509.0-19 with Miller Ingenuity for \$633,122.84 for the purchase of a secondary protection system for MTS railroad workers. Secondary protection systems warn workers of a train approaching a work zone through digital means.

The devices have been received and the system has been in place and functioning as expected. The standard warranty is for a period of one year and will terminate on December 31, 2020.



MTS now would like to enter into a five-year maintenance and support agreement to support the units.

On September 16, 2020, Miller Ingenuity submitted their initial proposal at \$369,622.00 for the maintenance and support agreement and \$57,000.00 for recommended spare devices, for a total of \$426,622.00. MTS entered into negotiation discussions with Miller Ingenuity on specific support requirements and requested a revised proposal.

On October 29, 2020, a revised proposal was received at \$330,942.00. MTS will purchase spares at \$29,631.25 (\$27,500 + tax \$2,131.25). The revised proposal total is \$360,573.25. This represents an MTS savings of \$66,048.75 from the initial proposal and is a cost that MTS deems to be fair and reasonable.

Therefore, staff recommends that the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1564.0-21 (in substantially the same format as Attachment A), with Miller Ingenuity, for Roadway Worker Early Warning Alarm Technology Maintenance and Support Services at \$360,573.25 for five (5) years effective January 1, 2021.

/s/ Sharon Cooney \_\_\_\_\_  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft Standard Agreement MTS Doc. No. L1564.0-21  
B. Contractor's Proposal



1255 Imperial Avenue, Suite 1000  
 San Diego, CA 92101  
 Tel 619.231.1466 Fax 619.234.3407

**STANDARD AGREEMENT  
 FOR  
 MTS Doc No: L1564.0-21  
 ROADWAY WORKER EARLY WARNING ALARM TECHNOLOGY  
 MAINTENANCE & SUPPORT SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Miller Ingenuity Address: 1155 E 8th Street  
Winona, MN 55987  
 Form of Business: Corporation  
 (Corporation, Partnership, Sole Proprietor, etc.) Email: MEdmonds@milleringenuity.com  
 Telephone: (585) 469-2603

Authorized person to sign contracts Matt Edmonds Director of Technical Sales  
Name Title

The Contractor agrees to provide goods and services as specified in the Contractor's Proposal (Exhibit A), Contractor's Pricing (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C) and Forms (Exhibit D).

The contract term is from January 1, 2021 to December 31, 2025.

Payment terms shall be net 30 days from invoice date. The total cost of this contract is \$360,573.25. This amount shall not be exceeded without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	MILLER INGENUITY
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	Title: _____
By: <u>Karen Landers, Office of General Counsel</u>	



# Service Agreement Proposal for ZoneGuard Portable RWP Early Warning System

Prepared for

San Diego Metropolitan Transit System  
(SDMTS)

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# 1 Introduction

## 1.1 Proposal Overview

The document has been prepared in response to request for quote San Diego Metropolitan Transit System (SDMTS).

This document is intended to provide an overview of Miller Ingenuity Annual Maintenance and Service Agreement for ZoneGuard Portable Systems. Information will be provided for, but not limited to:

- Annual On-site Support and Maintenance
- Preventative Maintenance
- Remote Support and Maintenance
- Return Material Authorization (RMA) Process and Support
- Recommended Preventative Maintenance
- Recommended On-site Spares

## 1.1 Revision History

**Table 1: Document Revision History**

Revision	Date	Author	Change
Initial Release	September 16, 2020	M. Edmonds	N/A
Revision A	October 29, 2020	M. Edmonds	Reduced on-site visits to 1 annually, Updated Pricing

## 2 Miller Ingenuity Corporate Description

### 2.1 Company Information

Miller Felpax Corporation, dba: Miller Ingenuity was incorporated in the state of Minnesota on April 1, 1947. The firm is privately held and currently has 45 employees. The financial stability of the company is excellent and operates from a 75,000 square foot manufacturing facility located in Winona, MN, which is also the company's headquarters. Miller Ingenuity also has several outside sales and support employees located throughout the United States and product suppliers located across the globe. The company has been awarded 240 rail-related patents and serves 975 railway companies and customers in 125 countries. Our products include the ZoneGuard Roadway Worker Protection System, railroad grade crossing lights, locomotive communication products, and mechanical products including, but not limited to, locomotive combo parts and truck parts.

### 2.2 Support Team Staffing

Miller Ingenuity maintains a team of dedicated employees assigned to implementing and supporting ZoneGuard Portable eRWP systems. Key team members are listed below with a brief description of their area of expertise. Complete resumes of Key team members are available upon request.

Key personnel shown below will be available for the duration of the agreement and during any and all on-site or remote support services.

#### 2.2.1 Matt Edmonds - Key Contact, Project Manager

The primary point of contact for this Proposal and during the agreement period will be Matt Edmonds – Director Technical Sales. Matt has been working as a supplier to the freight rail and transit industries for over 12 years. Matt has served in many different roles with most of his experience in supplying dispatching, train control, and roadway worker protection systems.

**Matt Edmonds | Director Technical Sales**

**C: (585) 469-2603**

**E: Medmonds@milleringenuity.com**

**16619 Lynch Rd., Holley, NY 14470**

#### 2.2.2 Rick Spitzer - Field Engineering, Implementation, and Support

Rick Spitzer will oversee the implementation of the ZoneGuard system into the MEC field operations and will be responsible for field engineering and modifications required for a smooth and effective transition to using the ZoneGuard system. Rick has over 30 years of experience in design and delivery of railway systems and products.

#### 2.2.3 Kevin Pilger – Field Engineering, Product Delivery and Order Fulfillment

Kevin Pilger will oversee the procurement, manufacturing, and delivery of the ZoneGuard system as defined in the RFP and as agreed upon during the purchasing process. Kevin Pilger has over 20 years of

experience in manufacturing and molding, including the last 15 years performing manufacturing and application engineering roles for railroad and transit products.

### 2.3 Corporate Experience

Miller Ingenuity began developing ZoneGuard, its Roadway Worker Protection System over 4 years ago, with a goal to advance RWP technology and provide more options for the rail industry in electronic Roadway Worker Protection (eRWP) systems. The primary focus was to improve the reliability, accuracy, and ease of use for eRWP available in the market.

ZoneGuard was first commercially deployed as a permanently installed, fixed system on Maryland MTA's Baltimore Light Rail system in June 2017. MTA's Light Rail system is approximately 60 track miles long, servicing over 30 stations including the BWI Airport and Amtrak Penn Station. ZoneGuard provides RWP coverage anywhere on the mainline and spur tracks for all MTA employees or contractors that are outfitted with ZoneGuard's wearable devices. The MTA fixed system is comprised of 113 permanently installed wayside Train Detection Modules (TDMs) and Train Alert Modules (TAMs) that make up a comprehensive communication, train detection, and worker and train tracking network in order to provide MTA Operators and Track Workers alerts when on-track vehicles are approaching active work zones.

Miller Ingenuity has also commercialized a temporary, portable ZoneGuard eRWP system. The portable ZoneGuard system was released in early 2019 and is currently in use within San Diego Metropolitan Transit System (SDMTS) and San Francisco Municipal Transportation Agency (SFMTA), Bay Area Rapid Transit (BART), and is on test with Canadian National and Chicago Transit Authority.

## 3 Miller Ingenuity Service Offering- ZoneGuard Portable System

Miller Ingenuity offers many different services as part of its Annual Service and Maintenance Agreement. The following sections will outline the different facets of this offering, and the service provided.

### 3.1 Annual On-site Support and Maintenance

The overall ZoneGuard system is comprised of hardware and software subsystems that work in concert to detect trains with the purpose of generating system alerts to roadway workers and train operators as trains approach active work zones. This is accomplished through three (3) main system components; portable Train Detection Modules (PTDMs), portable Train Alert Modules (PTAMs), and Worker Wearables. Miller Ingenuity also offers optional equipment, such as battery backups for additional runtime, carrying cases, and custom charging cases.

While none of these systems or components require regularly scheduled maintenance on a daily, weekly, or even monthly basis, Miller Ingenuity recommends that these systems are inspected and

tested at least twice annually to ensure there are no existing or impending failures due to hardware damage. Included in the Miller Ingenuity Service Agreement is one (1) required annual on-site visit to inspect, repair, and test any broken equipment, to ensure that all equipment remains in good working order. In addition to servicing the ZoneGuard equipment, Miller Ingenuity field personnel will be available to assist on-track workers or training personnel with any additional testing or training that is required. Prior to the visit, Miller Ingenuity and SDMTS personnel will compile a list of equipment that is expected to be faulty or damaged, to ensure the proper replacement material is had carried on-site for maintenance to be performed. Labor for all repairs is included in the maintenance visit pricing. However, any equipment or components that need to be replaced in the field will during maintenance will be quoted and invoiced at the end of the visit, after all equipment has been repaired.

During on-site visits, Miller Ingenuity and SDMTS may also elect to push new firmware or configuration updates to ZoneGuard portable equipment, based on new development that has been performed for bug fixes, enhanced logging capabilities, or system improvements. Miller Ingenuity maintains ongoing resources for the development of its ZoneGuard portable system. Many firmware releases contain minor changes that are not noticeable to the end user, or do not provide any change in the functionality of the system. However, major firmware releases with system improvements may be recommended for deployment on customer systems. Prior to on-site visits, Miller Ingenuity may recommend any newly released firmware or configuration that it feels will benefit the customer or end user, along with release notes detailing the changes that were made to the system or its functionality.\* Based on these release notes, Miller Ingenuity and SDMTS will come to an agreement on whether or not to push the firmware or configuration to field devices. Any new configuration or firmware updates will be thoroughly tested between Miller Ingenuity on-site staff and SDMTS field personnel.

**\*NOTE:** *Firmware and/or configuration upgrades are a part of ongoing system maintenance performed by Miller Ingenuity development team. These changes do not include custom development or functionality requested by the customer. Custom firmware development, hardware development, or functionality will be quoted on a case-by-case basis.*

Typical on-site support visits are 5 days, Monday – Friday, with Monday and Friday being travel days. Miller Ingenuity and SDMTS will agree on timing and scheduling of visit in order to arrange the on-site visit at a time that will be most beneficial to SDMTS. Additional on-site visits can be requested at any time by the customer.

### 3.2 Preventative Maintenance

ZoneGuard portable Roadway Worker Protection systems are small battery-operated systems, that are designed and intended to be used in the rugged, harsh railroad environment. However, as with any battery-operated equipment and with any equipment that is used in this type of environment, some periodic preventative maintenance should take place. While the ZoneGuard portable system does not require regular recalibration or regular preventative maintenance, Miller Ingenuity recommends for

certain components to be replaced, typically every 2 years during normal use. Pricing and recommended schedule for replacement for these components is provided below and in Section 5. Because these items do not need to be replaced every year, these components would typically be replaced in years 2 and 4 of a 5-year service agreement. When on an active service agreement, replacement of these components can typically be performed during one of the two annual on-site visits. Items recommended to be replaced during preventative maintenance include;

- Portable Train Detection Modules (PTDMs)
  - Battery
  - Printed Plexiglass Cover
  - Plexiglass Gasket
  - Charging port cover and seal
  - PTDM gasket seal
- Portable Train Alert Module (PTAMs)
  - Battery
  - Printed Plexiglass Cover
  - Plexiglass Gasket
  - Charging Port Cover and Seal
  - PTAM Gasket Seal
- Worker In Charge Wearable (RWIC)
  - Battery
- Watchman/Lookout Wearable (WLW)
  - Battery

**Table 2: Preventative Maintenance Materials**

Part Description	Quantity*	Unit Price	Extended Price
PTDM/PTAM/PPB Custom Polymer Li-ion Battery	227	\$ 145	\$ 32,915
Window, Sensor Cover, w/ Printed PTDM Image	75	\$ 30	\$ 2,250
Plexiglass Gasket, PTAM/PTDM	219	\$ 7	\$ 1,533
Splitline Gasket, PTDM/PTAM/Power Box	223	\$ 10	\$ 2,230
Window, Sensor Cover, w/ Printed PTAM Image	144	\$ 30	\$ 4,320
Wearable Battery, 4.28V 4800mAH, w/ PCM, Thermistor	108	\$ 30	\$ 3,240
<b>TOTAL</b>			<b>\$ 46,488</b>

**\*Note** - Estimated quantities are based on current quantity of devices in use at SDMTS. Prices shown are current prices and will be quoted prior to replacement.

### 3.3 Remote Support and Maintenance

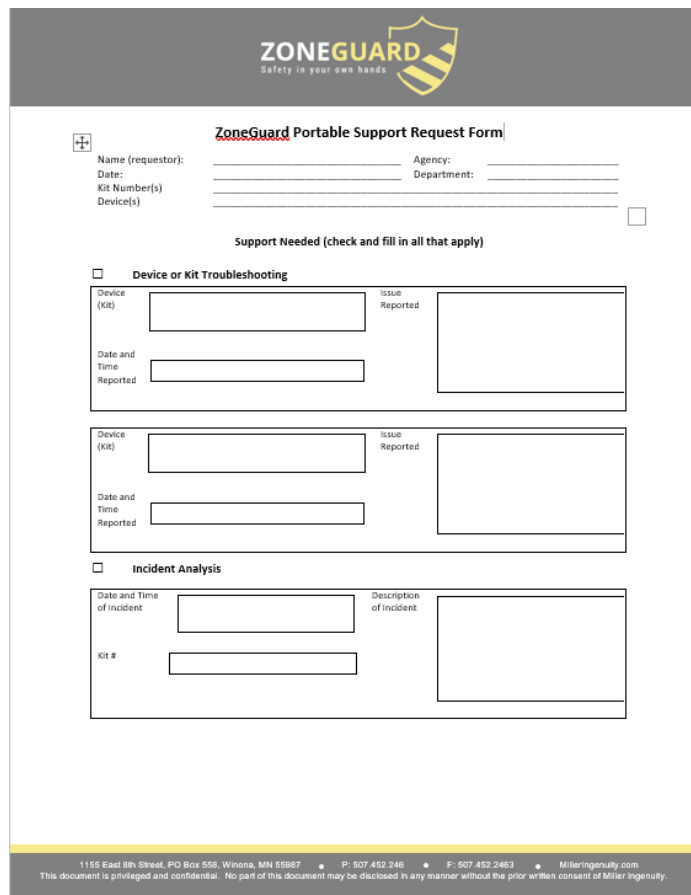
As part of the on-going maintenance and service agreement, Miller Ingenuity provides unlimited remote support to SDMTS personnel. Annual Remote Support pricing is being provided based on the number of kits deployed to SDMTS (36). Remote support is available Monday – Friday during normal business hours, and can be requested through email using the Remote Support Request Form or by contacting



one of the team members outlined in 2.2 Support Team Staffing. Remote support can include but is not limited to;

- Device or kit troubleshooting
- Remote Log Downloads
- Detailed Report on logs for Incident or Accident investigations
- Remote firmware updates (when needed)
- Remote configuration updates (when needed)
- Remote Kit reconfiguration with spare equipment
- Support for additional training or to answer user questions.

Remote Service will be initiated by SDMTS personnel when needed, will require SDMTS to maintain remote access to Miller Ingenuity personnel, and may require SDMTS personnel to be available to assist in the remote support process. All remote report requests will be responded to on the same business day they are received, or within one (1) business day when received after hours.



**ZoneGuard**  
Safety in your own hands

**ZoneGuard Portable Support Request Form**

Name (requestor): \_\_\_\_\_ Agency: \_\_\_\_\_  
 Date: \_\_\_\_\_ Department: \_\_\_\_\_  
 Kit Number(s) \_\_\_\_\_  
 Device(s) \_\_\_\_\_

☐ Support Needed (check and fill in all that apply)

☐ **Device or Kit Troubleshooting**

Device (Kit)	_____	Issue Reported	_____
Date and Time Reported	_____		

Device (Kit)	_____	Issue Reported	_____
Date and Time Reported	_____		

☐ **Incident Analysis**

Date and Time of Incident	_____	Description of Incident
Kit #	_____	

1155 East 8th Street, PO Box 558, Winona, MN 55987 • P: 507.452.2461 • F: 507.452.2463 • MillerIngenuity.com  
 This document is privileged and confidential. No part of this document may be disclosed in any manner without the prior written consent of Miller Ingenuity.

Figure 1: Example, ZoneGuard Portable Remote Support Request Form

### 3.4 RMA Support

Customers that wish to return material under RMA and are not on a service agreement, are charged a \$150 fee for each piece of returned material, which includes the first hour of diagnosis. The \$150 fee is then credited towards any time spent on repairs, with an hourly labor rate of \$90/hr. Any additional material or components that need to be replaced are quoted to the customer prior to repair, so the customer can make a decision to either repair, buy new, or have the equipment scrapped. RMA repair costs are not to exceed the cost of buying a new replacement.

Customers on an active service agreement benefit from Miller's standardized RMA process and pricing. Customers may request an RMA number from Miller Ingenuity to return equipment for diagnosis and repair at any time. Each piece of returned equipment that is not covered by Miller Ingenuity's limited warranty, will be charged a flat fee of \$50 for diagnosis and repair, regardless of the amount of time spent diagnosing and repairing the equipment. Prior to repair, Miller Ingenuity will determine if any components must be replaced, and will provide a quote for components to SDMTS before proceeding with the repair. The price of components and repair are not to exceed the price of purchasing a new replacement.

Any product that is covered under warranty will be repaired and the component and diagnosis charges will be waived.

## 4 Recommended Spares On-site

In order for the Remote Service and Support Agreement to be effective, customers should maintain a certain number of spares on-site. These spares are to be used in the event that any device is no longer working in the field, so that the spare equipment can be remotely reconfigured into a kit in a timely manner. Without on-site spares, customers must return ship the entire kit for reconfiguration any time a kit component fails, making the turnaround process anywhere between a few days to 1 week, plus the cost of replacement material. By maintaining on-site spares, Miller Ingenuity support staff can typically provide remote kit reconfiguration, with an off-the-shelf spare, within 20 – 30 minutes.

Miller Ingenuity typically recommends that customers maintain 10% spares on-site. The table below will provide the total number of devices in use by SDMTS, the recommended on-site spares, as well as unit and extended pricing. Miller Ingenuity and SDMTS will discuss the total number of spares to be kept on-site and will provide a formal quote for material.

**Table 3: Recommended Spares**

Device	Quantity in Field	Recommended Spares(10%)	Unit Price	Extended Price
ZoneGuard PTDM	75	7	\$ 2,500	\$ 17,500
ZoneGuard PTAM	144	14	\$ 2,000	\$ 28,000
RWIC Wearable	36	4	\$ 1,000	\$ 4,000
WLW Wearable	72	8	\$ 1,000	\$ 8,000
<b>TOTAL</b>				<b>\$ 57,500</b>

## 5 Service Agreement Pricing

### 5.1 Annual On-site and Remote Service and Maintenance

Miller Ingenuity will provide a minimum of one (1) annual on-site visit for maintenance, support, and testing of ZoneGuard equipment, as described in section 3.1 Annual On-site Support and Maintenance. If additional on-site visits are needed or requested by the customer, a unit price of \$7,000 per visit will be charged for customers on a maintenance and service agreement, or \$2,000 per day for customers not on a maintenance and service agreement. Maintenance visits will be billed after the completion of each visit.

**Maintenance Visit (1)..... \$7,000**

Remote Support and Maintenance is charged based on the total number of kits in use, as more kits deployed to the field typically results in more remote maintenance and support needing to be provided.

**Unlimited Remote Support & Maintenance (36 Kits).....\$50,400**

**Annual Service Agreement Total.....\$ 57,400/Year**

**Table 4: 1-Year Agreement Pricing**

Year	Services	Total
1	<ul style="list-style-type: none"> <li>On-site Maintenance</li> <li>Remote Maintenance &amp; Support</li> </ul>	\$7,000 \$50,400 <b>\$ 57,400</b>

### 5.2 5 Year Agreement Pricing

Miller Ingenuity provides discounted service and support rates to customers on longer term agreements. The table below outlines the annual cost of maintenance and support for a 5-year agreement, along with preventative maintenance measures that are recommended in years 2 and 4 of a 5-year service agreement, as outlined in section 3.2 Preventative Maintenance. A standard 5% increase is applied for on-site and remote support for each subsequent year in the service agreement.

Table 5: 5-Year Agreement Pricing

Year	Services	Total
1	<ul style="list-style-type: none"> <li>On-site Maintenance</li> <li>Remote Maintenance &amp; Support</li> </ul>	\$7,000 \$36,000 <b>\$ 43,000</b>
2	<ul style="list-style-type: none"> <li>On-site Maintenance</li> <li>Remote Maintenance &amp; Support</li> <li>Preventative Maintenance</li> </ul>	\$7,350 \$37,800 \$46,671 <b>\$ 91,821</b>
3	<ul style="list-style-type: none"> <li>On-site Maintenance</li> <li>Remote Maintenance &amp; Support</li> </ul>	\$7,717 \$39,690 <b>\$ 47,407</b>
4	<ul style="list-style-type: none"> <li>On-site Maintenance</li> <li>Remote Maintenance &amp; Support</li> <li>Preventative Maintenance</li> </ul>	\$8,103 \$41,674 \$46,671 <b>\$ 96,448</b>
5	<ul style="list-style-type: none"> <li>On-site Maintenance</li> <li>Remote Maintenance &amp; Support</li> </ul>	\$8,508 \$43,758 <b>\$ 52,266</b>

**5 YEAR TOTAL..... \$ 330,942**

Spare Parts:

3	Zone Guard PTDMea	\$2,500.00	\$7,500.00
7	Zone Guard PTAMea	\$2,000.00	\$14,000.00
2	RWIC Wearable ea	\$1,000.00	\$2,000.00
4	WLW Wearable ea	\$1,000.00	\$4,000.00
Sub total			\$27,500.00
Sales tax			\$2,131.25
Total			\$29,631.25

OVERALL TOTAL \$360,573.25



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 8

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee**

**Review Date: 12/03/2020**

#### SUBJECT:

KEARNY MESA DIVISION (KMD) UNDERGROUND STORAGE TANK CLOSURE  
(KMD UST CLOSURE PROJECT) – AWARD WORK ORDER UNDER A JOB ORDER  
CONTRACT (JOC)

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC275-14 to MTS Doc. No. PWG275.0-19 (in substantially the same format as Attachment A), with ABC Construction Co., Inc. (ABC), for the closure of the KMD underground storage tank for a total cost of \$120,918.48.

#### Budget Impact

The total budget for this project shall not exceed \$120,918.48 inclusive of a direct cost of \$99,308.87, administrative fees totaling \$1,747.84 and a 20% contingency in the amount of \$19,861.77. This project will be funded by MTS Capital Improvement Project (CIP) 3009112701 – KMD UST Closure.

#### DISCUSSION:

MTS operates a portion of its fixed route services out of KMD. The KMD facility includes a 20,000-gallon diesel fuel underground storage tank (UST). The UST is not being used because MTS has phased out its diesel-bus operations. There is no foreseeable plan to resume diesel operations at this location. MTS's transit services utilize a combination of compressed natural gas, battery-electric, and propane fuel systems. Future bus purchases will be guided by MTS's Zero Emission Bus Rollout Plan.

Today's action would approve a work order to formally close the KMD UST. There is annual permitting, inspection, and maintenance costs of approximately \$3,500.00 per year to keep the obsolete UST onsite. Furthermore, there is potential for environmental contamination issues if the 31-year old tank begins to leak underground. These public



health and safety risks make this a priority project. The KMD UST Closure project will result in the proper closure in place of the 20,000-gallon diesel UST with appropriate Department of Health coordination. This is accomplished by draining the remaining fuel from the tank and backfilling the empty tank with concrete slurry.

Today's proposed action would issue a JOC work order to ABC to complete this work.

JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement.

The JOC program includes a catalog of pricing for a variety of potential tasks to be performed under the contract that have been pre-priced by the contractor, the Gordian Group. All potential contractors are subject to the pricing within this catalog. Each contractor then includes an adjustment factor, escalating their proposed price from the catalog price, to determine the total cost of the task order. The adjustment factor represents an average percentage increase over the catalog price (i.e. 1.25 adjustment factor represents 25% above the catalog price) for that respective task within the project. In order to select the lowest responsive and responsible bidder, MTS staff compares each contractor's proposed adjustment factor.

On April 12, 2019, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide on-call JOC General Civil Construction services that primarily consists of repair, remodeling, or other repetitive work for general civil and site improvements, including earthwork, utilities, paving, concrete, drainage, landscaping mitigation, site clearing, and all required incidental professional and technical services.

Three (3) bids were received and MTS determined that ABC was the lowest responsive and responsible bidder. On June 13, 2019, the MTS Board of Directors authorized the CEO to execute MTS Doc. No. PWG275.0-19 with ABC for Civil Construction Services.

Today's proposed action authorizes staff to issue a work order to ABC under this JOC master agreement. Pricing for this repair work order was reviewed and determined to be fair and reasonable. ABC will be providing all materials, labor, equipment and approvals for performing the closure of the UST at KMD. Work is expected to be completed by April 2021.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order MTSJOC275-14 to MTS Doc. No. PWG275.0-19, with ABC, for the closure of the KMD, UST for a total cost of \$120,918.48.

/s/ Sharon Cooney \_\_\_\_\_  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachment: A. Draft Work Order Contract MTSJOC275-14



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

JOB ORDER CONTRACT  
WORK ORDER

PWG275.0-19  
CONTRACT NUMBER

MTSJOC275-14  
WORK ORDER NUMBER

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2021, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: ABC Construction Co., Inc. Address: 3120 National Avenue

Form of Business: Corporation San Diego, CA 92113  
(Corporation, partnership, sole proprietor, etc.)

Telephone: (619) 239-3428

Authorized person to sign contracts: Wayne Czubernat Project Manager  
Name Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWL275.0-19), MTS issues a Work Order to Contractor to complete the detailed Scope of Work (attached as Exhibit A.), the Cost Breakdown for the Scope of Work (attached as Exhibit B.), and the subcontractor listing form applicable to this Work Order (attached as Exhibit C.)

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$99,308.87

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	ABC CONSTRUCTION CO., INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	Firm: _____
Approved as to form:	By: _____ Signature
By: <u>Karen Landers, General Counsel</u>	Title: _____



## EXHIBIT A (Scope of Work)



# San Diego Metropolitan Transit System

1255 Imperial Ave  
 San Diego, CA 92101

## Final Scope of Work

Date: 11/16/2020

### Job Order Contracting

To:

From:

**Contract No:** PWG275.0-19  
**Job Order No:** MTSJOC275-14  
**Job Order Title:** KMD UST Closure in Place  
**Location:** KMD Maintenance Building  
 4630 Ruffner Street  
 San Diego, CA 92111  
**Brief Scope:** Project consists of the closure in place of an obsolete underground storage tank at KMD near the service lanes.

### SECTION 7-1 GENERAL

There is currently one underground tanks (“UST”) at the Kearny Mesa Division (“KMD”) that is not in operation. It is a 20,000 gal diesel underground storage tank. The tank was installed roughly in 1989, but has not been in use for several years. There have been no known leaks. The tank has an open UST operating permits. The San Diego county Department of Environmental Health Permit # is XXX, State ID is XXXX, the diesel UST tank # is XXXX. TBD and confirmed in DSOW. Being that it is not in operation this project generally consists of the closure in place of the tank and removal of applicable cabling, piping where accessible, and appurtenances. . Closure shall follow all local agencies having jurisdictions requirements for the proper permitting, removal, and disposal.

All work is to occur at the Kearny Mesa Division located at 3654630 Ruffner Rd., San Diego 92111.

### SECTION 7-2 STAGING

Contractor is to keep and store all materials within a predesignated laydown area. Size and location of the laydown area is to be coordinated with the MTS Project Manager. All property stored onsite is the responsibility of the contractor and MTS shall not be held liable for any and all equipment, material, tools, etc. All deliveries to the site shall be coordinated through the MTS Project Manager. Only vehicles necessary for that day’s controlling activities may be parked onsite adjacent to the work area.

### SECTION 7-3 TEMP FACILITIES

The contractor is responsible for providing temporary toilets and wash facilities for their employees, subcontractors, and suppliers throughout the duration of the project in conformance with OSHA requirements. Contractor may use convenience outlets if available onsite for minor temp power used in relation to the construction. All other needs for construction water are the responsibility of the contractor.

## **SECTION 7-4 SAFETY**

Diligent caution must be taken during the undertaking of this work. Due to the 24 hour nature of operations at KMD, any open excavations left overnight must be covered with a trench plate and/or appropriately marked off with a suitable combination of reflective delineators, cones, warning lights, caution tape, and/or A-frames. The above-mentioned barriers and excavation protectors must be left in place and maintained.

## **SECTION 7-5 WASTE**

The contractor is responsible for legally disposing of any and all waste in relation to the work. The contractor shall not use any MTS receptacles to dispose of material generated during the performance of this contract. Contractor is responsible for general cleanup at the end of each work day.

## **SECTION 7-6 STRIPING**

The contractor is responsible for re-striping all striped lines removed or damaged as part of this project. The striping shall be re-striped with two coats of white water based paint in conformance with the Caltrans Standard Specifications, 2015 edition Section 84-2.03C(3). Any new striping shall match the existing layout.

## **SECTION 7-7 SUBMITTALS**

The contractor shall provide a submittal showing product data, details, and necessary information for 1). the proposed concrete mix design, 2). base, 3). Slurry and 4). shall submit all agency documentation associated with the UST removals for record.

## **SECTION 7-8 ENVIRONMENTAL**

Contractor is responsible to procure and provide a soil geotechnical engineer to test soil as necessary and/or as requested by the agency having jurisdiction.

Contractor is responsible for pulling all permits and submitting all documentation as necessary for the UST closure in place. Contractor is to meet all requirements of the San Diego County Hazardous Materials Division in regards to the UST closures, licensing requirements, and administrative functions. MTS will provide an EPA ID for any hazardous material removal. Contractor is responsible for pumping out, removing, and properly disposing of any residual diesel in the USTs in conformance with all Federal, State, and Local requirements. Contractor is responsible for submitting and coordinating the Plan Check Permit Application and paying all associated fees. Contractor is responsible for providing all other documentation to the County such as site maps, proof of licensing, proof of hazardous removal certificate, etc. Contractor is responsible for scheduling and coordinating all necessary agency personnel to be onsite during the UST removals. Furthermore, the contractor is required to adhere to all regulations, procedures, and requirements set forth in:

- Code of Federal Regulations (CFR), parts 280-281
- California Health and Safety Code, Chapter 6.7

- California Code of Regulations (CCR), Chapter 16 Title 23
- Title 6, Division 8, Chapter 10 of the San Diego County Code
- Land and Water Quality Division Site Assessment and Mitigation (SAM)

## **SECTION 7-9 DRAWINGS**

The KMD Original As-builts (Bus 003) and two separate tank revisions plans (Bus 739A and 10958-B) are incorporated for reference only. MTS shall not accept any responsibility for the inaccuracy of the plans and the plans are provided to aid the potential bidders with underground existing site conditions. The contractor shall verify all existing site conditions and familiarize themselves with the Contract Documents and existing site conditions.

## **SECTION 7-10 MSDS**

Upon award Contractors shall provide PDFs of material safety data sheets (MSDS) with each submittal, for chemicals that MTS employees may be exposed to. The MSDS information will then be uploaded to the SiteHawk database by MTS and Contractor shall ensure all available MSDSs are provided to MTS and kept up to date throughout the duration of the contract.

## **SECTION 7-11 SCHEDULE AND SEQUENCING**

All work shall be completed within thirty (30) calendar days from issuance of the Notice to Proceed. The intent is to allow suitable time for the administrative functions such as procuring the permits as well as the time needed for soil testing and outside agency scheduling. Contractor is to perform its best due diligence to limit construction activities and impacts to bus operations. Actual construction activities shall not exceed 7 calendar days.

## **SECTION 7-12 DIESEL UST REMOVAL**

There is an existing 20,000 gallon underground diesel tank on the west side of the fuel lanes. The intent is to perform a closure in place and adhere to the details and scope as shown in the closures in place of the first two tanks as shown in the Bus 10958-B drawings. All at grade appurtenances shall be removed including manhole covers, sump cover and sump. The void is to be backfilled with angular rock. The tank shall be filled with slurry. All at grade areas where items were removed shall be backfilled and then in-filled with concrete and #4 dowels epoxied into the adjacent concrete as shown in the Bus 10958-B drawings. Concrete depth shall be a minimum of 9" and base shall be a minimum of 6". Section shall match existing section and be verified in the field. All fuel monitoring systems above grade in the electrical/machine room shall be removed in their entirety and the wall behind shall be repaired and/or patched and painted. Components shall be traced and verified in the field.

---

**Owner Project Manager**

---

**Date**

## EXHIBIT B (Cost Breakdown)

**By Division Report****Version: 2.0****Approved 11/12/2020 10:23:06 AM PST**

**JOC Name (Contractor):** ABC Construction Co., Inc.  
**Contract Name:** 2019 - General Civil - ABC  
**Contract Number:** PWG275.0-19  
**Job Order Number:** MTSJOC275-14  
**Job Order Title:** KMD UST Closure in Place  
**Location:** KMD Maintenance Building  
**Cost Proposal Date:** November 12, 2020  
**Proposal Value:** \$99,308.87

Division		Division Totals
01	General Requirements	\$661.54
02	Existing Conditions	\$3,920.64
03	Concrete	\$13,164.42
10	Specialties	\$1,926.25
23	Heating, Ventilating, And Air-Conditioning (HVAC)	\$49,529.58
31	Earthwork	\$27,902.21
32	Exterior Improvements	\$2,204.23
Proposal Total:		<b>\$99,308.87</b>
The Percentage of Non Pre-Priced on this Proposal:		<b>0.00%</b>



Att. A, AI 8, 12/10/2020

## Price Proposal Detail By Division Report

Version: 2.0

Approved 11/12/2020 10:23:06 AM PST

**JOC Name (Contractor):** ABC Construction Co., Inc.  
**Contract Name:** 2019 - General Civil - ABC  
**Contract Number:** PWG275.0-19  
**Job Order Number** MTSJOC275-14  
**Job Order Title** KMD UST Closure in Place  
**Location:** KMD Maintenance Building  
**Cost Proposal Date:** November 12, 2020  
**Proposal Value:** \$99,308.87

Record #	CSI Number	MOD	UOM	Description	Unit Price	Factor	Total
01	General Requirements						\$661.54
1	017419000021		MO	Rampless Concrete Washout Bin			
	<i>Accepted</i>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>
					<b>x</b>	<b>Factor</b>	<b>=</b>
							<b>LineTotal</b>
		Installation	MO		1.00	x	\$555.08
						x	1.1918
							=
							\$661.54
							\$661.54
<b>User Note:</b>							
<b>Item Note:</b> Includes delivery.							
<b>Owner Comments:</b>							
<b>Contractor Comments:</b>							



Att. A, AI 8, 12/10/2020

**Price Proposal Detail  
By Division Report**

Version: 2.0

Approved 11/12/2020 10:23:06 AM PST

Record #	CSI Number	MOD	UOM	Description	Unit Price	Factor	Total
02	Existing Conditions						\$3,920.64

2 023213000021 CY Excavation For Test Pit, Heavy Soil, Hand Excavation

**Accepted**

Quantity	x	Unit Price	x	Factor	=	LineTotal
12.00	x	\$274.14	x	1.1918	=	\$3,920.64
						\$3,920.64

User Note:

Item Note:

Owner Comments:

Contractor Comments:



Att. A, AI 8, 12/10/2020

**Price Proposal Detail**  
**By Division Report**  
**Version: 2.0**

Approved 11/12/2020 10:23:06 AM PST

Record #	CSI Number	MOD	UOM	Description	Unit Price	Factor	Total
<b>03 Concrete</b>							<b>\$13,164.42</b>
3	033113000054		CY	Concrete Pump, Place 1,200 PSI Concrete Slurry			
				<b>Accepted</b>	<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>
					<b>x</b>	<b>Factor</b>	<b>=</b>
							<b>LineTotal</b>
				Installation	CY	65.00	x \$155.91
						x	1.1918
							=
							\$12,077.88
							\$12,077.88
<b>User Note:</b>							
<b>Item Note:</b> Excludes pumping equipment.							
<b>Owner Comments:</b>							
<b>Contractor Comments:</b>							
4	033113000102		HR	35 CY/HR, 66 HP Trailer Mounted Concrete Pump			
				<b>Accepted</b>	<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>
					<b>x</b>	<b>Factor</b>	<b>=</b>
							<b>LineTotal</b>
				Installation	HR	8.00	x \$113.96
						x	1.1918
							=
							\$1,086.54
							\$1,086.54
<b>User Note:</b>							
<b>Item Note:</b> Includes hoses							
<b>Owner Comments:</b>							
<b>Contractor Comments:</b>							





Att. A, AI 8, 12/10/2020

**Price Proposal Detail  
By Division Report**

Version: 2.0

Approved 11/12/2020 10:23:06 AM PST

Record #	CSI Number	MOD	UOM	Description	Unit Price	Factor	Total
<b>10 Specialties</b>							<b>\$1,926.25</b>

5 101456000003 CF Removal Of Foundation, Including Excavation

*Accepted*

Quantity	x	Unit Price	x	Factor	=	LineTotal
125.00	x	\$12.93	x	1.1918	=	\$1,926.25
						<b>\$1,926.25</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:



Record #	CSI Number	MOD	UOM	Description	Unit Price		Factor		Total	
23 Heating, Ventilating, And Air-Conditioning (HVAC)									\$49,529.58	
6	231333000002		EA	Fill Pipe Spill Containment Manhole (5 Gallon)						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	4.00	x	\$587.58	x	1.1918	=	\$2,801.11
		Demo	EA	5.00	x	\$0.00	x	1.1918	=	\$0.00
										\$2,801.11
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
7	231333000005		EA	Tank Manway With Cover, Steel						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	4.00	x	\$1,914.72	x	1.1918	=	\$9,127.85
		Demo	EA	4.00	x	\$0.00	x	1.1918	=	\$0.00
										\$9,127.85
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
8	231333000008		EA	Manhole Spill Containment						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	4.00	x	\$946.66	x	1.1918	=	\$4,512.92
		Demo	EA	4.00	x	\$211.15	x	1.1918	=	\$1,006.59
										\$5,519.51
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
9	231333000010		EA	Fill Cap, 4"						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	3.00	x	\$153.93	x	1.1918	=	\$550.36
		Demo	EA	4.00	x	\$52.78	x	1.1918	=	\$251.61
										\$801.97
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										



10 231333000011 EA Vent Cap, 2"

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	3.00	x	\$94.93	x	1.1918	=	\$339.41
	Demo	EA	3.00	x	\$35.22	x	1.1918	=	\$125.93
									<b>\$465.34</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:

11 231333000012 EA 4" X 2" Extractor Fitting

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	4.00	x	\$274.60	x	1.1918	=	\$1,309.07
	Demo	EA	4.00	x	\$52.78	x	1.1918	=	\$251.61
									<b>\$1,560.68</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:

12 231333000014 EA Vapor Hose Adapter

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	4.00	x	\$276.94	x	1.1918	=	\$1,320.23
	Demo	EA	4.00	x	\$70.36	x	1.1918	=	\$335.42
									<b>\$1,655.65</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:

13 231333000025 EA 1/3 HP Fuel/Diesel Pump Set

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	3.00	x	\$1,319.43	x	1.1918	=	\$4,717.49
									<b>\$4,717.49</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:



14 231333000032 EA 5 HP Fuel/Diesel Pump Set

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	1.00	x	\$4,416.60	x	1.1918	=	\$5,263.70
									<b>\$5,263.70</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:

15 231333000086 EA 1-1/2" TFE Teflon Bulkhead Fitting, Thread x Thread

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	12.00	x	\$585.22	x	1.1918	=	\$8,369.58
	Demo	EA	12.00	x	\$0.00	x	1.1918	=	\$0.00
									<b>\$8,369.58</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:

16 231333000087 EA 2" TFE Teflon Bulkhead Fitting, Thread x Thread

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	EA	12.00	x	\$646.55	x	1.1918	=	\$9,246.70
	Demo	EA	12.00	x	\$0.00	x	1.1918	=	\$0.00
									<b>\$9,246.70</b>

User Note:

Item Note:

Owner Comments:

Contractor Comments:



Record #	CSI Number	MOD	UOM	Description	Unit Price	Factor	Total
<b>31 Earthwork</b>							<b>\$27,902.21</b>
17	312316130008		CY	Excavation For Trenching By Hand In Loose Rock			
	<b>Accepted</b>				<b>Quantity x Unit Price x Factor =</b>		<b>LineTotal</b>
		Installation	CY		65.00 x \$176.35 x 1.1918 =		\$13,661.31
							<b>\$13,661.31</b>
	<b>User Note:</b>						
	<b>Item Note:</b> Includes stockpiling excess materials and trimming sides and bottom of trench.						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						
18	312316130017		CY	Load Excess Material by Hand for Removal from Excavation for Trenching			
	<b>Accepted</b>				<b>Quantity x Unit Price x Factor =</b>		<b>LineTotal</b>
		Installation	CY		65.00 x \$75.39 x 1.1918 =		\$5,840.24
							<b>\$5,840.24</b>
	<b>User Note:</b>						
	<b>Item Note:</b>						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						
19	312316360010		CY	Excavation For Building Foundations And Other Structures By Hand in Loose Rock			
	<b>Accepted</b>				<b>Quantity x Unit Price x Factor =</b>		<b>LineTotal</b>
		Installation	CY		28.00 x \$176.35 x 1.1918 =		\$5,884.87
							<b>\$5,884.87</b>
	<b>User Note:</b>						
	<b>Item Note:</b>						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						
20	312316360029		CY	Load Excess Material For Removal From Excavation For Building Foundations and Other Structures by Hand			
	<b>Accepted</b>				<b>Quantity x Unit Price x Factor =</b>		<b>LineTotal</b>
		Installation	CY		28.00 x \$75.39 x 1.1918 =		\$2,515.79
							<b>\$2,515.79</b>
	<b>User Note:</b>						
	<b>Item Note:</b>						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						

Record #	CSI Number	MOD	UOM	Description	Unit Price			Factor		Total
32 Exterior Improvements										\$2,204.23
21	328423000610		LF	2" Class 200, SDR-21 Polyvinyl Chloride (PVC) Pipe With Fittings, 24" Of Cover, Backfilled And Compacted						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	LF	225.00	x	\$8.22	x	1.1918	=	\$2,204.23
										\$2,204.23
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
Total:										\$99,308.87
Proposal Total:										\$99,308.87
The Percentage of Non Pre-Priced on this Proposal:										0.00%

## EXHIBIT C

### (Subcontractor Listing)

**San Diego Metropolitan Transit System**

1255 Imperial Ave  
San Diego, CA 92101

Att. A, AI 8, 12/10/2020

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**Subcontractor Report**

Date: 11/25/2020

**Job Order Contracting**

**Contract #:** PWG275.0-19  
**Job Order #:** MTSJOC275-14  
**Job Order Title:** KMD UST Closure in Place  
**Location:** KMD Maintenance Building  
**Contractor:** ABC Construction Co., Inc.  
**Subcontractor:** JANEL ENGINEERING CORP

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Subcontractor Name	License Number	Describe Nature of Work (Trade)	Certifications	Subcontractor Total	%
JANEL ENGINEERING CORP 7959 Lemon Grove Way, Lemon Grove, CA 91945	602806	Pipefitter (or steamfitter)		\$72,111.00	72.61%





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 9

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

### **Draft for Executive Committee**

**Review Date: 12/03/2020**

#### SUBJECT:

FARE COLLECTION (ADD SALES TAX, TICKET VENDING MACHINE (TVM) SPARE PARTS AND GATEWAY SERVICES) – CONTRACT AMENDMENT

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment 5 to MTS Doc. No. G2091.0-18 (in substantially the same format as Attachment A), with Innovations in Transportation, Inc. (INIT), for a total contract increase of \$2,478,990.86.

#### Budget Impact

The total amendment budget for this project shall not exceed \$2,478,990.86, giving the project a total budget of \$42,205,398.00 as shown in the table below. This project is funded by Capital Improvement Program (CIP) 1009004902 – Fare System Upgrades.

Date Issued	Board Approval Date	Document	Description	Amount
01/1/19	12/13/18	Agreement	Fare collection system	\$37,667,727.57
12/12/19	12/13/18	AM 1	Commence work on options previously approved on 12/13/18	Included in agreement
12/18/19	12/12/19	AM 2	Commence work on new options	\$1,093,731.49
05/26/20	09/17/20	AM 3	Change Order - Integrate Conduent's CAD/AVL solution	\$57,681.00
09/17/20	09/17/20	AM 4	Change Order - Rail Validator Masts	\$907,267.08
TBD	12/10/20	AM 5	Adds CA Sales Tax, revises TVM spare parts & cashless conversion kits, and adds gateway services	\$2,478,990.86
<b>Total Board Approved Amount</b>				<b>\$42,205,398.00</b>



## DISCUSSION:

On December 13, 2018, the MTS Board of Directors approved MTS Doc. No. G2091.0-18 for the design and implementation of a new fare collection system. This includes provision of services, equipment, software, parts, and support.

Amendment 5 at \$2,478,990.86 revises the agreement as follows:

### 1. Adds California Sales Tax

Amendment 5 adds \$1,273,792.48 for California Sales Tax to be paid on equipment in the contract (Attachment B). The original agreement includes equipment, hardware and parts costs. When issued, it did not include sales tax payable upon delivery of the items. MTS is adding sales tax to the contract as the contractor has begun delivering the equipment. Board Policy No. 63.2 authorizes the payment of applicable sales tax on any contract approved by the Board. This amendment documents the amount owed.

### 2. Adds TVM Spare Parts

The amendment also revises TVM spare parts and cashless conversion kits at \$86,229.18 (\$80,027.08 + tax \$6,202.10), plus \$20,990.00 for as-needed Installation Training and Oversight, for a total of \$107,219.18 (Attachment C).

MTS is requesting additional TVM coin and bill vaults to support revenue collection once the TVMs are installed and in use by the public. MTS has determined that 50 units of each are required for this activity. Ten units of each were included in the original contract with INIT as part of the spare parts initial supply list, and 40 additional of each are needed.

Additionally, MTS is requesting a reduction in the number of hoppers to be provided by INIT, with the credit for these hoppers to be applied to the additional parts requested in this scope of work. MTS has determined that 20 fewer hoppers are needed than what is included in the capital contract.

Lastly, MTS is requesting five cashless conversion kits to include all internal components (mounting materials, racks, shelves, hardware, hoppers, coin vault, bill vault, carousels, etc.) necessary to convert a cashless TVM to a cash accepting TVM. Any training necessary for the cashless to cash conversion will be provided as needed upon MTS request prior to system Go-Live.

MTS's Independent Cost Estimate (ICE) for the spare parts is \$112,400.00. Staff deems Contractor's cost at \$107,219.18 to be fair and reasonable.

### 3. Adds Gateway Services

Lastly, this amendment adds \$1,097,979.20 over 10 years for gateway services (Attachment D).

The new fare collection system will support electronic payments made with credit/debit cards both in person and online. It is necessary to integrate with both a Merchant Acquirer and a Payment Gateway Provider to process these payments.

When a credit/debit transaction is initiated by the customer, the transaction is captured by the gateway provider and ultimately sent to the merchant acquirer for settlement. The gateway is responsible for ensuring the secure transmittal of the credit/debit transaction, typically done by encrypted tokenization. The acquirer is then responsible for ensuring the agency receives the settled funds from the transaction. The entire transaction process involves software integration between MTS sales points, both in person and online, to integrate with the gateway and the acquirer.

In March 2020, MTS issued a Request for Proposals for Merchant Acquirer services. The MTS Board of Directors approved a contract award to JPMorgan Chase on June 18, 2020. JP Morgan Chase will integrate with INIT and the gateway provider.

INIT is the provider of the point of sale hardware as well as the online sales platforms that will be utilized in the new fare system. It has already developed the hardware encryption necessary with gateway provider Network Merchants Incorporated (NMI) to deliver a Payment Card Industry (PCI) compliant solution. As such, INIT provided MTS with a \$70,070 discount as part of the original contract to utilize the NMI gateway services through INIT. Utilizing the NMI gateway ensures INIT does not have to develop a completely new integration, avoiding costly re-certifications and ensuring the project stays on time.

An independent cost analysis of expected gateway processing rates based on MTS credit/debit processing volumes revealed the estimated average cost per transaction to be 0.91% for payment gateway services.

A similar cost analysis performed based on the schedule of fees provided by INIT to secure NMI's gateway services indicated the expected per transaction fee to be 0.43% -- 0.48% *below* the independent cost analysis.

MTS requested a quote from NMI in order to compare the costs of securing the gateway directly with NMI versus going through INIT. This cost analysis resulted in an expected per transaction fee of 0.45% (or 0.02% more expensive per transaction than going directly through INIT). This is mainly due to INIT securing a better rate for its customers than MTS would be able to secure on its own. Based on this analysis, the rates presented by INIT are deemed fair and reasonable.

As a result of contracting directly with INIT, MTS expects to pay on average 0.43% per transaction per year or \$114,297.92 in fees the first year, and \$109,297.92 in fees for years 2-10, for a total of \$1,097,979.20 as broken down below:

Description	Year 1	Year 2-10
Admin Charges	\$6,000	\$6,000
Rate A – Standard EMV Card Present	\$70,200	\$70,200
Rate B – Open Payment Validation Card Present	\$5,000	\$5,000
Rate C – Card Not Present	\$28,097.92	\$28,097.92
MID One-Time Set Up Fees	\$5,000	N/A
<b>Sub Total</b>	<b>\$114,297.92</b>	<b>\$109,297.92</b> <b>(x 9 years = \$983,681.28)</b>
<b>10 Year Total</b>	<b>\$1,097,979.20</b>	

Therefore, staff recommends that the MTS Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment 5 to MTS Doc. No. G2091.0-18 (in substantially the same format as Attachment A) with INIT, for a total contract increase of \$2,478,990.86.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft Amendment G2091.5-18  
B. Sales Tax Summary  
C. TVM Spare Parts Proposal  
D. Gateway Services Proposal

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

## Amendment 5

December 10, 2020

MTS Doc No. G2091.5-18

### ACCOUNT BASED FARE COLLECTION SYSTEM

INIT Innovations in Transportation, Inc.  
Roland Staib  
President and CEO  
424 Network Station  
Chesapeake, VA 23320

This shall serve as Amendment No.5 to the original agreement G2091.0-18 as further described below.

#### SCOPE

The scope of work is amended as shown below:

##### 1. Revise TVM Spare Parts

MTS is requesting additional TVM coin and bill vaults to support revenue collection once the TVMs are installed and in use by the public. MTS has determined that 50 units of each are required for this activity. Ten units of each were included in the original contract as part of the spare parts initial supply list, and therefore 40 additional of each are needed.

Additionally, MTS has determined it needs 20 fewer hoppers than shown in the original contract.

Lastly, MTS is requesting 5 cashless conversion kits to include all internal components (mounting materials, racks, shelves, hardware, hoppers, coin vault, bill vault, carousels, etc.) necessary to convert a cashless TVM to a cash-accepting TVM.

Costs for as-needed Installation Training and Oversight on the cashless to cash conversion to be provided prior to system Go-Live have also been included in this amendment. However, these services will only be performed at the request of the MTS Project Manager, in writing.

The detailed changes are shown in Attachment A – TVM Spare Parts Proposal.

##### 2. Add Gateway Services

MTS is adding Gateway Services as shown in Attachment B - Scope of Work and Gateway Services Proposal.

SCHEDULE

There are no changes to the overall schedule provision of the agreement. The contract termination date remains December 31, 2028.

PAYMENT

1. The cost for the TVM spare parts and cashless conversion kits is \$86,229.18 (\$80,027.08 + tax \$6,202.10) plus \$20,990 for as-needed Installation Training and Oversight, for a total of \$107,219.18 for the spare parts portion of this amendment. These costs are shown in Attachment A – TVM Spare Parts Proposal.
2. The cost for Gateway Services is \$114,297.92 in fees the first year and \$109,297.92 in fees for years 2-10, for a total of \$1,097,979.20 over 10 years as shown in Attachment B - Scope of Work and Gateway Services Proposal, and the table below:

Description	Year 1	Year 2-10
Admin Charges	\$6,000	\$6,000
Rate A – Standard EMV Card Present	\$70,200	\$70,200
Rate B – Open Payment Validation Card Present	\$5,000	\$5,000
Rate C – Card Not Present	\$28,097.92	\$28,097.92
MID One-Time Set Up Fees	\$5,000	N/A
<b>Sub Total</b>	<b>\$114,297.92</b>	<b>\$109,297.92</b>
		<b>(x 9 years = \$983,681.28)</b>
<b>10 Year Total</b>		<b>\$1,097,979.20</b>

3. Lastly, this amendment also adds California Sales Tax in the amount of \$1,273,792.47 on already approved agreement and amendments, to be paid on equipment in the contract as shown in Attachment C – Sales Tax Summary.

This brings the total for Amendment 5 to \$2,478,990.86. This amount shall not be exceeded without prior written approval from MTS.

Please sign and return the copy marked *original* to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copies for your records.

Sincerely,

Agreed:

\_\_\_\_\_  
Sharon Cooney, Chief Executive Officer

\_\_\_\_\_  
Roland Staib, President and CEO  
INIT Innovations in Transportation, Inc.

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

Attachment: A. TVM Spare Parts Proposal  
B. Gateway Services Proposal  
C. Sales Tax Summary

TOTAL SALES TAX \$ 1,273,792.47

						Agreement Amount (Approved 12/13/18)		Amendment 1 - Options Exercised				Amendment 2 - Options Exercised				Amendment 3 - Change Order		Amendment 4 - Change Order	
Item #	Spec Reference	Description	Unit	Est. Qty	Unit Price	Total Amount	Taxes	Qty	Unit Amount	Amount	Taxes	Qty	Unit Amount	Total Amount	Taxes	Total	Taxes	Total	Taxes
	3	Equipment and Spares	LS	1	\$ 15,491,012.72	\$ 15,491,012.72	\$ 1,200,553.49												
11.01	6.9	Software Escrow	LS	1	\$ 42,020.00	\$ 42,020.00		1	\$ 42,020.00	\$ 42,020.00	N/A								
11.02	10.2.3.3	Bill Recirculator	EA	103	\$ 1,175.00	\$ 121,025.00		12	\$ 1,175.00	\$ 14,100.00	\$ 1,092.75								
11.03	10.2.3.13	Cellular Modem	EA	180	\$ 359.00	\$ 64,620.00					N/A								
11.04	19.1-19.9	Mobile Ticketing	LS	1	\$ 480,371.00	\$ 480,371.00		1	\$ 480,371.00	\$ 480,371.00	N/A								
11.05	19.9.4	Mobile Annual Maintenance & Hosting	LS	1	\$ 777,172.00	\$ 777,172.00		1	\$ 777,172.00	\$ 777,172.00	N/A								
11.06	19.10	Cash Payments (Mobile Ticketing Option)	LS	1	\$ 76,560.00	\$ 76,560.00					N/A								
11.07	19.11	Enhanced Trip Planning (Mobile Ticketing Option)	LS	1	\$ 156,349.60	\$ 156,349.60					N/A								
11.08	19.12	Closed-Loop Virtual Cards (Mobile Ticketing Option)	LS	1	\$ 44,000.00	\$ 44,000.00					N/A								
11.09	13.4	Farebox Simplification	LS	1	\$ 1,643,078.00	\$ 1,643,078.00					N/A								
11.10	13.5	Parking Software Solution	LS	1	\$ 90,090.00	\$ 90,090.00		1	\$ 90,090.00	\$ 90,090.00	N/A								
11.11	13.5	Parking Hardware/Installation (per entrance/exit pair)	EA	1	\$ 12,778.01	\$ 12,778.01		1	\$ 12,778.01	\$ 12,778.01	\$ 990.30								
11.11	13.5	Parking Hardware/Installation (per entrance/exit pair)						9	\$ 12,778.01	\$ 115,002.09	\$ 8,912.66								
		Mobile Ticketing Custom Branded Screens & Products						1	\$ 132,200.00	\$ 132,200.00	N/A								
		10 Years Custom Branded Screens & Products Annual Maintenance						1	\$ 205,939.00	\$ 205,939.00	N/A								
		Mobile Ticketing Maintenance & Hosting – Adjusted Pricing Method						1	\$ 640,590.40	\$ 640,590.40	N/A								
		Change Order - Integrate Conduent's CAD/AVL solution (\$31,428.00 for Onetime Interface Integration Fare-CAD + \$ 26,253.00 for Ongoing Software O&M for 10 years)														\$57,681.00	N/A		
		Rail Validator Mast Redesign+AdIQy-CAP																\$ 803,139.08	\$ 62,243.28
		Non-Taxable CAP, Engineer+PM																\$ 91,328.00	N/A
		Additional Software Maint-10 yr-OM																\$ 12,800.00	N/A
TOTAL TAXES						\$ 1,200,553.49				\$ 2,083.05				\$ 8,912.66		\$ -		\$ 62,243.28	





## San Diego – TVM Spares and Cash Equipment

**Customer:** San Diego MTS  
**Prepared by:** Erica Brown  
**Proposal #:** 2020-381-04  
**Date:** 11/13/2020  
**Validity:** 90 Days

**Warranty:** 1 Year  
**Delivery:** With the contract schedule  
**Invoicing**  
**Milestones:** 100% Upon Delivery of Hardware and Services  
**Existing Contract G2091.0-18 Terms & Conditions apply**

### Description:

In preparation of revenue service MTS has requested to edit the quantities of TVM cash collection equipment. The total quantity of Mobile Sales Devices is reduced by four (4). In addition, MTS will purchase additional equipment necessary to convert a cashless VENDstation to a cash machine.

Below is a breakdown of the quantity changes:

	Original Quantity		New Quantity	
	(Cash TVMs and Spares)	Spare Parts	(Cash TVMs and Spares)	Spare Parts
Hoppers	309	20	309	0
Coin Vaults	103	10	103	50
Bill Vaults	103	10	103	50

Mobile Sales Device	Original Quantity	New Quantity
	10	6

### Pricing:

Item	Description	Qty	Price per Unit USD	Price Total USD
1	Spare Hoppers	-20	912.60	-18,252.00
2	Mobile Sales Device	-4	4,525.36	-18,101.44
3	Spare Coin Cash Box/Coin Vault	40	709.80	28,392.00
4	Spare Bill Vault (1400 note capacity)	40	991.69	39,667.60
5	HOPPERstation Hopper Emptying Unit	2	3,276.00	6,552.00
6	HOPPERstation – Credit for Contract Order	N/A	N/A	-3,726.00
7	Cash Equipment * Coin Handling Unit * 6x Change Carousel * One (1) Hopper * Bill Handling Unit * Electronics incl. cashbox controller	5	9,008.98	45,044.92
			Sub Total:	\$80,027.08
			Sales Tax (7.75%):	\$6,202.10
			<b>Grand Total:</b>	<b>\$86,229.18</b>



Note: The price per unit for these items assumes the contract quantity tier for the highest discount possible. Future spares pricing will be made available separately. Shipping for these parts is included in the contract.

Training;

Item	Description	Qty	Price total USD
	<b>Cash Equipment Installation Training and Oversight</b>		
1	INIT Technician	1	4,470.00
2	System Engineering	1	1,840.00
3	Installation Documentation	1	3,040.00
	<b>Grand Total excl. Tax</b>		<b>\$9,350.00</b>

Note: This training will take place at the same time as the Field Service training.

**INIT Contact:**

Name: Erica Brown  
Position: Sr. Account Manager  
Phone: 757-413-9100 x323  
Email: [ebrown@initusa.com](mailto:ebrown@initusa.com)

**Signature:**

A handwritten signature in blue ink, appearing to read "Eric Linxweiler", written over a horizontal line.

Eric Linxweiler  
COO

A handwritten signature in blue ink, appearing to read "Roland Staib", written over a horizontal line.

Roland Staib  
President & CEO



### Exhibit A - Option

#### Pricing for Future Cashless Conversion Kit Orders:

The INIT retrofit kit proposed includes all parts necessary to convert a cashless VENDstation to a cash machine in the field.

- Coin unit incl. 6x carousel
- Coin cash box
- BNR unit
- Two (2) Hopper units
- Electronics incl. cashbox controller

INIT assumes San Diego MTS personnel will install the retrofit kits as needed. The optional training below includes services for one (1) onsite training session and 3 days of oversight to train the MTS staff. Configuration management and testing will be provided by an INIT system engineer.

Description	Price per Unit USD
<b>VENDstation Cash Retrofit Kit</b>	
Cash Retrofit Kit, 51-100 quantity	12,503.90
Cash Retrofit Kit, 21-50 quantity	14,497.28
Cash Retrofit Kit, 11-20 quantity	16,309.44
Cash Retrofit Kit, 1-10 quantity	18,121.60

Item	Description	Qty	Price total USD
	<b>Installation Training and Oversight</b>		
1	INIT Technician	1	11,550.00
2	System Engineering	1	1,840.00
3	Documentation	1	7,600.00
<b>Grand Total excl. Tax</b>			<b>\$20,990.00</b>

Note: Shipping for future orders is not included. Equipment maintenance is the responsibility of MTS. Any equipment sent to INIT for repair, not under warranty, will be invoiced individually at our RMA prices. RMA pricing will be provided before the start of warranty.

# **SCOPE OF WORK**

## **PRONTO FARE SYSTEM: GATEWAY SERVICES**

### **BACKGROUND AND SCOPE OF WORK**

It is MTS's intent to amend our current contract with INIT to include Gateway services that effectively and securely process all payment forms across all channels and devices to include credit and debit payments, electronic benefit transfers, electronic check and automated clearing house payments in accordance with industry standards.

MTS is interested in achieving the operational efficiencies of streamlining data processes and controls to generate real time business insights, mitigate risk, improve cash management, reconciliation and reporting practices. To that end the anticipated benefits of the implemented technology include increased productivity and an optimal user experience with more flexibility and control.

MTS's intent is to leverage INIT's development efforts for the card present and card not present platform which includes prior developments with NMI's Chip DNA encryption (Card Present) and NMI-JS Collect (CNP) services.

MTS and NCTD are in the process of modernizing the fare collection system originally procured in 2003. Both will utilize the same application and awarded a contract on December 13, 2018 for implementation of a new Account-based fare system to INIT. The new Account-based fare system is targeted for a May 2021 roll-out. The new system will enable customers to pay fares with their contactless transit (closed-loop) card onboard buses and at rail stations. It will also provide customers with the ability to manage their accounts online, via a mobile friendly website and mobile ticketing application. The INIT Account-based fare system is based on an open architecture to include Feig readers capable of accepting open payments via NFC or through contactless cards. These features will help the San Diego region remain nimble as technology changes, increasing customer convenience and ease of use.

The Initial participants, MTS and NCTD will have separate contracts under this amendment, MTS and NCTD will use the Agency's terms and conditions, respectively. Contracts for other business partners and state entities will also follow their respective terms and conditions. INIT gateway pricing is to be based on the collective transaction volume of the entire Enterprise to be shared by all participants that use this procurement. The contract term is for a total of ten years, a base period of 5 years with a five-year option under the same terms and conditions. MTS will be responsible for the contract's management.

MTS processes over 2.3 million payment card transactions annually for itself and NCTD with a value of approximately \$26.3 million. This volume is expected to grow over the life of the contract.

The system will support intermodal travel chains, deliver best price options and facilitate a customer-oriented mix of distribution channels, for instance mobile and web applications, walk-in and call center facilities, and ticket vending machines (TVMs). The new terminals and readers will accept payments from customers using various payment technologies such as EMV, contactless cards, and NFC-enabled devices with credit card

emulation. The system will leverage a cloud hosting environment designed with PCI compliance in all areas of the payment environment.

For Phase 1 customers will be able to reload their accounts and purchase tickets using a mobile app, website, walk-in and call centers and 216 TVMs. Cash will be accepted at Full Service TVMs and the four walk-in centers. These walk-in centers will accept check payments as well. The website site for institutions (Institutional Portal) is designed to accept check payments in the form of e-checks (ACH) in addition to credit card payments. All of these venues are designed to enhance and unify the customer experience.

Open payment validation and transit aggregation models are planned as part of Phase 2 of the system roll-out on-board buses and at the rail stations.

MTS and business partners may wish to add additional services related to fare and non-fare transactions, including taxi permits, right of entry permits, and other miscellaneous items.

The new fare system will use end-to-end encrypted point of sale terminals and third-party web interfaces. MTS requires a PCI compliant gateway for CP and CNP environments with security, encryption, interoperable tokenization for all payments, fraud mitigation, reporting and other services and development tools necessary to support and manage a secure payment environment.

#### General Features:

1. Card Not Present integration for all online PRONTO sales channels
2. Card Present integration for all attended and unattended PRONTO sales channels
3. PCI compliant gateway solution
4. Certified Open payments for one-time sales
5. Roadmap to certified Open payment validation as part of the transit aggregation model
6. Gateway reporting platform
7. Gateway fraud prevention tools, for example Address Verification check (AVS)

# PROPOSAL

## **NMI Payment Services with INIT**

a fully managed solution for transit merchants

### **1.1 Benefits**

INIT provides NMIs payment services as a value-added reseller (VAR). The value added services by INIT are:

- Certified open payments according to the credit card brand EMV transit certifications (VISA MTT, Mastercard transit payments)
- Ready CNP payments integration to INITs and INITs subcontractors products
- All payment types needed in a fare collection system from the same vendor (reduced contract management).
- Proven and known to work payment chain.
- CNP solution that provides full PCI out-scoping and still integrated user experience for the website.
- Support for ADA conformance features on the unattended payment terminals

### **1.2 Future Open Payments**

The potential for certified transit EMV payments (aka. Open payments) is the most important part of the value-added services provided by INIT. The relationship with NMI offers the open payment processing, while payment aggregation, deny listing and debt recovery – would be covered by INITs back-office system MOBILEvario. The capability and flexibility to expand your system with ease already exists.

### **1.3 CNP Payments**

For eCommerce/CNP payments, INIT and other system client vendors integrate the Collect.js JavaScript library that enables accepting the credit/debit card credentials in a PCI conformed manner, at the same time providing the “fully integrated” user experience for the customers. Fully integrated here means that the customers do not need to leave the transit agency’s web page for the payment, like in traditional hosted payment page solutions. The Collect.js solution is fully hosted and managed by NMI’s PCI conforming gateway, which removes the necessity for the merchant (transit agency) to PCI certify the web frontend services.

For CNP payment credentials that need to be stored for later payments (i.e. creating a credit/debit card funding source), the NMI payment gateway provides a PCI conforming token vault to initiate COF/MIT payments with a secure token that is stored in the merchant’s back-office (MOBILEvario).

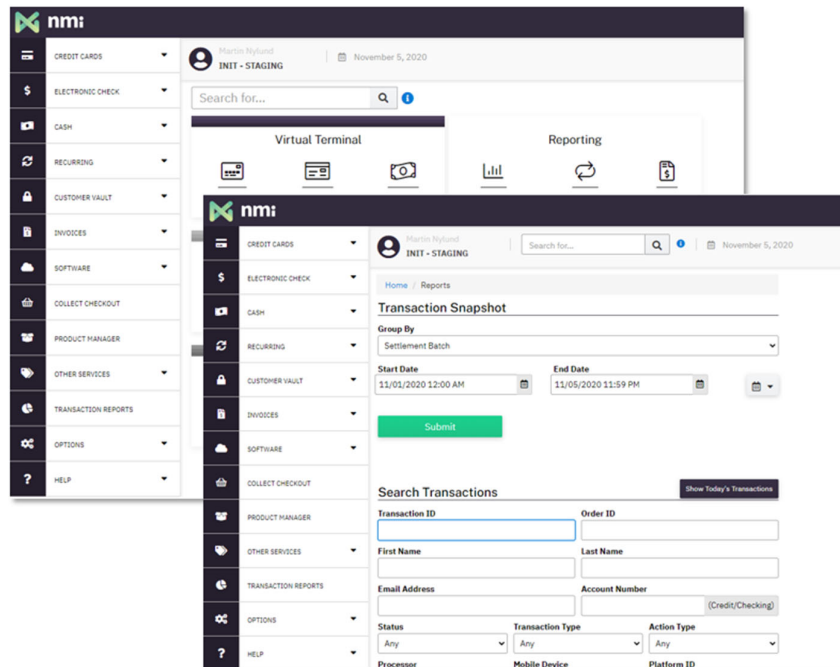
### **1.4 Card Present Payments**

The terminals delivered by INIT are fully managed by the NMI gateway. This means that the terminals are automatically provided with critical security updates and EMV certificate updates. The terminals are controlled in the INIT software (TVMs, Ticket office Terminals) with NMI’s ChipDNA middleware which controls the direct data exchange between the terminal and NMI gateway.



## 1.5 Reporting

In addition to the reports provided by MOBILEvario, the agency will get access to NMI's merchant control portal, where authorized users can download transaction reports.



Screenshot of the NMI's merchant control portal

The Agency users are also enabled to refund transactions directly on the NMI web portal.

## 1.6 PCI Conformity

NMI is fully PCI certified payment gateway. Certification and other information related to PCI conformity can be downloaded here: <https://www.nmi.com/why-nmi/security>

All payment terminals use NMI's E2E Encryption which is based on the banking industry standard DUKPT encryption and key management.

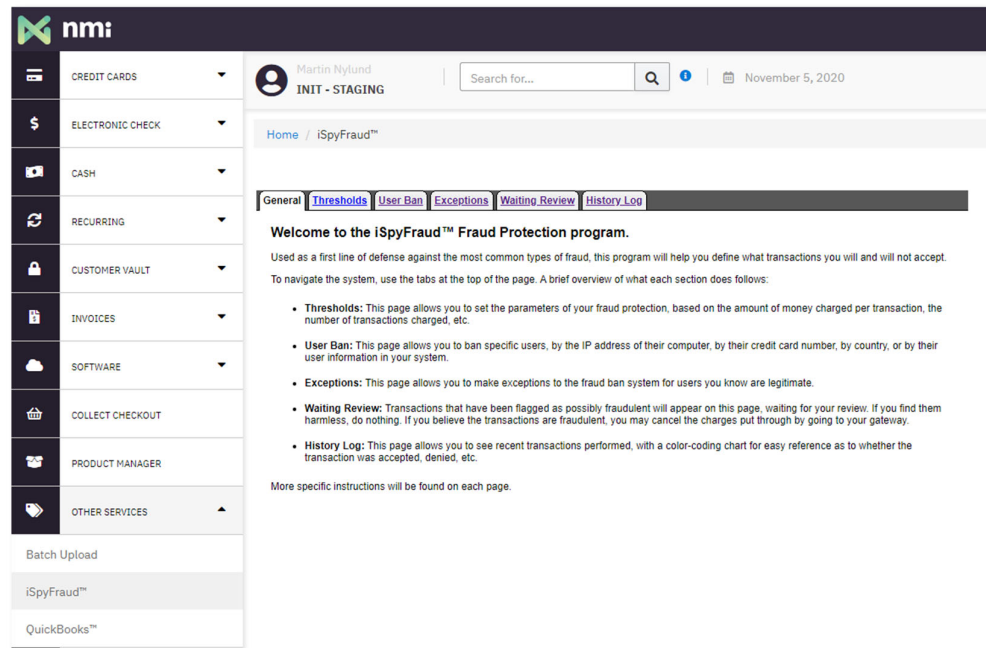
INIT uses the Collect.js payments integration to enable CNP payments on the website, on the customer service workstation, CRM. With this solution, none of the service hosted in the agency's solution are in PCI scope.

## 1.7 Fraud Prevention and Detection

By default, the CNP solution supports the following fraud prevention features

- CVV (Card Verification Value)
- AVS (Address Verification Check)

The agency can also configure additional fraud detection rules with the iSpyFraud functionality of the NMI payment gateway.



Screenshot of the iSpyFraud configuration page

iSpyFraud has three sections in which a Merchant can access rules and thresholds, and two sections to review the results of those rules and thresholds.

- **Thresholds:** This page allows you to set the parameters of your fraud protection, based on the amount of money charged per transaction, the number of transactions charged, etc.
- **User Ban:** This page allows you to ban specific users, by the IP address of their computer, by their credit card number, by country, or by their user information in your system.
- **Exceptions:** This page allows you to make exceptions to the fraud ban system for users you know are legitimate.
- **Waiting Review:** Transactions that have been flagged as possibly fraudulent will appear on this page, waiting for your review. If you find them harmless, do nothing. If you believe the transactions are fraudulent, you may cancel the charges put through by going to your gateway.
- **History Log:** This page allows you to see recent transactions performed, with a color-coding chart for easy reference as to whether the transaction was accepted, denied, etc.

## 1.8 Glossary

Abbreviation	Description
CP	Card Present - generally payments accepted with a payment terminal
CNP	Card Not Present - generally all payments accepted on websites or other eCommerce sales channels
DUKPT	Derived Unique Key Per Transaction
E2E Encryption	End-to-End Encryption
MIT	Merchant Initiated Transaction (same as COF). Payment transactions initiated by the merchants back-office system (MOBILEvario)
COF	Card On File – see MIT above.
VISA MTT	VISA Mass Transit Transaction – transit model specified by VISA that is used in most of open payment systems.

# **COSTS**



## San Diego MTS Account Based Fare Collection System – NMI Payment Processing Services

**Customer:** San Diego MTS  
**Requested by:** Israel Maldonado  
**Prepared by:** Erica Brown  
**Proposal #:** 2020-435-02  
**Date:** 11/23/2020  
**Validity:** 90 Days

**Warranty:** N/A  
**Delivery:** Ongoing  
**Invoicing**  
**Milestones:** See Below

The terms and conditions of the Creditcall INIT Agency Service Agreement apply.

### Description:

INIT's Master Agreement with CreditCall allows us to offer payment processing services at a bulk rate for our fare collection customers and provides efficiencies in management and contracting.

### Solution:

INIT and San Diego MTS will enter into the Agency Service Agreement for NMI/Creditcall payment processing services. This agreement and pricing is exclusive to INIT customers. Further details of the solution can be found in "Attachment A – NMI Payment Processing – Scope Services".

### Price (One-time costs):

Item	Description	Qty	Price per unit USD	Price total USD
1	Merchant Set Up Fee	1	1,000	1,000
2	Additional Merchant Control Panel Login	1	50	50
Grand Total Exl. Tax				\$1,050.00*

\* invoiced 100% upon delivery.

### Ongoing Monthly Fees:

Below is an expected monthly amount based on the modules/services currently contracted. Items not included:

- Rate B: INIT cEMV Solution (Open Payments)
- Rate C: CNP (Card Not Present) Transactions

(For the full list of payment service charges associated with the Creditcall INIT Agency Service Agreement please refer to Schedule 2.) Monthly fees may vary depending on transaction overages or refunds performed. INIT requires no minimum transactions.

Item	Description	Qty	Price per unit USD	Price total USD
3	Monthly Administrative Fee	1	\$500.00	\$500.00
4	TVM Terminal Processing Fee (per terminal)	216	26.00	\$5,616.00
5	Sales Terminal (TOT/MSD) Processing Fee (per terminal)	18	26.00	\$468.00
Total Monthly Fee:				\$6,584.00

These recurring fees will be invoiced monthly beginning at activation of devices and continue through the contracted maintenance term. Additional terminals can be added at any time at the rate above.

**INIT Innovations in Transportation, Inc.**  
424 Network Station  
Chesapeake, VA, 23320

Phone: 757-413-9100  
sales@initusa.com  
www.initusa.com

Att. D, AI 9, 12/10/2020



**INIT Contact:**

Name: Erica Brown  
Position: Sr. Account Manager  
Phone: 757-413-9100 x323  
Email: ebrown@initusa.com

**Signature:**

A handwritten signature in blue ink that reads "Erica Brown". The signature is written in a cursive style with a large, stylized 'E'.

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Erica Brown  
Senior Account Manager

A handwritten signature in blue ink that reads "Eric Linxweiler". The signature is written in a cursive style with a large, stylized 'E'.

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Eric Linxweiler  
COO

## SCHEDULE 2 (CHARGES)

Att. D, AI 9, 12/10/2020

### PAYMENT SERVICES CHARGES

#### ADMIN CHARGES

<b><u>Monthly Admin Fee</u></b>	\$500 per month (independent from usage)
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#### PROCESSING CHARGES

<b><u>Rate A</u></b> <b>Standard EMV</b>	\$26 per Terminal in retail outlets and TVMs per month (subject to the Transaction Limit) <i>Note: Includes refunds made via WebMIS.</i>
<b>Transaction Limit</b>	1000 transactions per terminal per month, aggregated across base of live terminals Overages: 2c per transaction
<b>Refund Charges</b>	\$20 per refund (where requested to be performed manually by INIT staff) <i>Note: Excludes refunds made by CUSTOMER via WebMIS</i>

<b><u>Rate B</u></b> <b>INIT cEMV Solution</b>	4c per transaction from the INIT PROXmobil validators for contactless EMV payments. <i>Note: Includes refunds made via WebMIS.</i>
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<b><u>Rate C</u></b> <b>CNP (Card Not Present) Transactions</b>	4c per transaction <i>Note: Includes refunds made via WebMIS.</i>
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#### SET UP CHARGES

<b>Merchant Set Up Charge</b>	\$1000 per Merchant ID <i>Note: Includes unlimited Terminals added at initial set up and one WebMIS login. Terminals added at a later date and further WebMIS logins will be subject to further charges,</i>
<b>Terminal Set Up Charge</b>	\$20 per Terminal where added to existing Merchant ID (capped at \$300 per request) after initial Merchant setup.
<b>Additional WebMIS logins</b>	\$50 per login

# **SERVICE AGREEMENT**

[ DRAFT ]



# SERVICE AGREEMENT

Att. D, AI 9, 12/10/2020

**THIS SERVICE AGREEMENT** (“Agreement”) is entered into this [REDACTED] of [REDACTED], 20[REDACTED], by and between **San Diego Metropolitan Transit System (CUSTOMER)**, [REDACTED] a **California public agency**, [REDACTED] whose principal place of business and mailing address is **1255 Imperial Ave., Suite 1000, San Diego, CA 92107-7490**, [REDACTED] and **INIT, Innovations in Transportation Inc.**, (INIT), a Virginia corporation, whose principal place of business and mailing address is 424 Network Station., Chesapeake, Virginia 23320.

## **RECITALS**

**WHEREAS**, CUSTOMER desires to contract with INIT, and INIT acting as a reseller of payment services for Creditcall Limited, whose principal place of business and mailing address is Merchants House South, Wrapping Road, Bristol BS1 4RW, United Kingdom (Company Number 3295353).

**WHEREAS**, CUSTOMER desires payment gateway and tokenization services provided by Creditcall for the **Account-Based Fare Collection System** project, [REDACTED] and Creditcall can provide said services through INIT.

**NOW THEREFORE**, in consideration of the above Recitals, which are hereby incorporated into the below Agreement, and in consideration of the mutual promises made herein, the receipt and sufficiency of which are hereby acknowledged, CUSTOMER and INIT further agree as follows:

## **1. DEFINITIONS**

### INTERPRETATION AND DEFINITIONS:

1.1 The following definitions and rules of interpretation apply in this Agreement:

**Acquirer:** A bank, processor or other financial institution which Creditcall uses for the acceptance of Transactions and for which the services provided by Creditcall is capable of providing the Payment Services in respect of.

**Affiliate:** Means any person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity where “control” means the right to control, or actual control of management of such entity, whether by ownership of voting securities, by agreement, or otherwise.

**App Stores:** The approved online or remote-accessed location (app stores) where CUSTOMER Interface may be made available for downloading.

**Agreement:** This Agreement which includes Schedules 1 (Standard Payment Services) and 2 (Charges) and any amendments as may subsequently be agreed upon between the parties in writing in accordance with this Agreement.

**Authorization:** The validation of a Transaction by the Issuer.

**Card Scheme Rules:** The rules, compliance programs and validation requirements imposed by the Card Schemes.

**Card Scheme(s):** The relevant card scheme(s) or brand(s) as relevant and supported by Creditcall.

**Cardholder Data:** Means any card holder data including the primary account number, cardholder name, expiration date and service code and any other data classified as cardholder data by the PCI Security Standards Council from time to time.

**Charges:** All charges to be paid by CUSTOMER to INIT under this Agreement, including those set out in Schedule 2 (Charges).

**Confidential Information:** Means any oral, written, graphic or machine-readable information including, but not limited to technical or non-technical data, patents, patent applications, copyright, copyright applications, research, product or service plans, developments, inventions, processes, designs, drawings, patterns, compilations, engineering methods, techniques, devices, formulae, software (including source and object code), algorithms, business plans, agreements with third parties, lists of actual or potential services or customers, marketing plans, financial plans or finances and similar information relating to the Discloser, its Affiliates, , or any of their respective third party suppliers or customers prominently marked “Confidential Information” furnished by or on behalf of the Discloser to the Recipient or any of its Representatives regardless of the manner in which it is furnished or obtained by the Recipient or its Representatives through observation of the Discloser’s facilities or procedures (save and except communications with legal counsel which constitute attorney-privileged information). The Discloser agrees to use reasonable efforts to summarize in writing the content of any oral disclosure or other non-tangible disclosure that is proprietary or confidential to the Recipient within a reasonable time (not to exceed thirty (30) days) after the disclosure. However, failure to provide this summary will not affect the qualification of the Discloser’s Confidential Information as such if the Confidential Information was identified as confidential or proprietary when disclosed orally or in any other non-tangible form. Each party has disclosed or may further disclose as “Discloser” its Confidential Information to the other as “Recipient”.

**Commence date:** Refers to the date this Agreement was entered into between the parties as set out above (first paragraph of this Agreement).

**Distributor Agreement:** Refers to the Distributor Agreement entered into between INIT and Creditcall on October 31, 2018.

**Representative:** Means, in respect of any party, such party, such party's Affiliates, and their respective directors, officers, employees, agents, advisors (including financial advisors and legal counsel) and any institutional lender to such party and the directors, officers and employees of any such agent, advisor or lender.

**Contract Term** – the Agreement will commence on a date to be agreed upon by the parties and which will be reflected herein. The Agreement will terminate on October 31, 2021, unless terminated by the parties as further set forth in this Agreement.

**Force Majeure Event** - means the occurrence of any event beyond a party’s reasonable control, including, but not limited to, any of the following:

- a) war, civil war, riot, civil commotion or armed conflict (or threat of);
- b) terrorism;
- c) nuclear, chemical or biological contamination;
- d) earthquakes, fire, storm damage or severe flooding (if in each case it affects a significant geographical area);
- e) interruption or failure of utility service; and/or
- f) any blockade or embargo (if in each case it affects a significant geographical area).

**IPR:** refers to patents, utility models, rights to inventions, copyright (including in all source code) and related rights, trademarks and service marks, business names and domain names, rights in trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions

of, and rights to claim priority from, such rights and all similar or forms of protection that subsist or will subsist in the Project Territory in connection with this Agreement.

**IPR Claim:** as referred to in clause 6.3.

**Issuer:** Means a bank or other financial institution issuing a payment card on behalf of a Card Scheme or issuing a payment card directly.

**Laws:** Refers to all applicable laws, statutes, rules, and regulations of any federal, state, or local government or government agency.

**Material:** Means all materials, information, data, documents and any other media and assistance provided by CUSTOMER to INIT from time to time.

**Device:** Means a device used by CUSTOMER to process Transactions, which may include (as applicable and as supported by Creditcall): (a) mobile phones, smartphones, tablets, PDAs, computers and other devices; and/or (b) a machine which a PED is installed or linked to.

**PED:** Means pin entry device – referring to the CUSTOMER’s PIN pad or PED module

**Non-Performance:** Has the meaning as set out in clause 14.1

**Payment Services:** Means the standard payment services as set out in Schedule 1 (Standard Payment Services).

**PCI DSS:** Means the payment card industry data security standards (published at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)).

**PCI DSS Certificate:** Means a PCI DSS certificate issued by the Payment Card Industry Security Council.

**PCI Security Standards:** Means payment card industry security standards published from time to time by the Payment Card Industry Security Standards Council including PCI DSS.

**Permitted Purpose:** Means ChipDNA Gateway Services.

**Project:** Means as further described in Contract Number G2091.0-18 for Account Based Fare Collection System between CUSTOMER and INIT dated January 2, 2019

**Project Territory:** State in which the Project is being performed.

**Public Network:** Means a public communications network (which may be established and operated by a telecommunications provider), including the internet, wireless and mobile technologies and TNS.

**Rules:** Refers to those set out in clause 9.

**Sensitive Authentication Data:** Means security-related information used to authenticate cardholders and/or authorized payment card transactions including card validation codes/values, full magnetic-stripe data, PINs and PIN blocks and any other data classified as cardholder data by the Payment Card Industry Security Standards Council from time to time.

**Services or Scope of Services** means as set out in clause 3.

**Settlement:** Means the process by which the Acquirer pays CUSTOMER for the cardholder purchase and the cardholder's bank bills the cardholder.

**Term:** Means the Initial Term together with any Extended Term.

**Transaction(s):** Means an electronic payment card transaction. Att. D, AI 9, 12/10/2020

**Variation Notice:** Means as set out in clause 7.7.

**Working Days:** Means a day (other than a Saturday or Sunday or Federal holiday).

1.2 Unless the context otherwise expressly requires:

1.2.1 references to "including" or "includes" shall be deemed to have the words "without limitation" inserted after them;

1.2.2 writing or written includes e-mail;

1.2.3 reference to a clause, Annex or Appendix is a reference to a clause of, or Annex or Appendix to, this Agreement.

1.3 Clause, Schedule and Appendix headings do not affect the interpretation of this Agreement.

1.4 In the case of conflict or ambiguity between the provisions of this Agreement, the conflict or ambiguity shall be resolved in accordance with the following order of precedence:

1.4.1 Any amendments to this Agreement with most recent amendments taking priority over earlier amendments.

1.4.3 Schedule 2 (Charges);

1.4.4 Schedule 1 (Standard Payment Services);

1.4.5 terms and conditions set out in this Agreement; and

1.4.6 any applicable Appendices.

## 2. TERM (COMMENCEMENT AND DURATION.)

2.1 This Agreement shall commence on the Commencement Date and continue (unless terminated earlier) in accordance with clause 16 for the Initial Term.

2.2 The Term shall automatically extend at the end of the Initial Term (and at the end of each Extended Term) for one year ("Extended Term"), unless either party gives written notice to the other party (not later than four months before the end of the Initial Term (or the relevant Extended Term) to terminate this Agreement at the end of the Initial Term (or relevant Extended Term), or if the Distributor Agreement is terminated between INIT and Creditcall.

## 3. SCOPE OF SERVICES

INIT through Creditcall shall, subject to the terms of this Agreement and during the Term, provide to CUSTOMER the Payment Services (Services) in accordance with the Permitted Purpose and on the Project;

3.1 Provided that such changes do not adversely affect the Services, INIT shall be entitled to make changes to the Services from time to time. In addition to its rights in the previous sentence, INIT shall be entitled to make changes to the Services from time to time (whether such change adversely affects the Services or not) for the purpose of:

3.1.1 Maintaining the security and/or performance and/or availability of the Services; or

3.1.2 Complying with PCI Security Standards, Card Scheme Rules or other Applicable Laws.

3.2 CUSTOMER's Responsibilities:

- CUSTOMER shall promptly perform all its obligations and responsibilities under this Agreement;

- Cooperate with INIT and/or Creditcall and provide INIT and/or Creditcall with all reasonably requested Materials;

- Notify INIT of any Service Failure, degradation and/or any other concern with the Service (including any possible abuse or threatened abuse);

- Ensure that Creditcall is the only provider operating on the Device.

- 3.3 Authorization and Settlement  
 CUSTOMER acknowledges and agrees that neither INIT nor Creditcall shall have responsibility for, or any liability with respect to, Authorization and/or Settlement.  
 CUSTOMER must immediately notify INIT if it becomes aware of any discrepancy or concern related to Authorization and/or Settlement.

#### 4. WARRANTIES.

- 4.1 Each party warrants and represents to the other that:  
 4.1.1 it has full capacity and authority to enter into and to perform this Agreement; and  
 4.1.2 this Agreement is executed by its duly authorized representative.  
 4.2 INIT warrants and represents to CUSTOMER that:  
 4.2.1 CUSTOMER's use of the Services in accordance with this Agreement does not infringe the IPR of any third party;  
 4.2.2 the Services will comply, in all material respect, with this Agreement; and  
 4.2.3 it will provide the Services in accordance with good industry practices.  
 4.3 CUSTOMER warrants and represents to INIT that:  
 4.3.1 INIT and/or Creditcall's use of CUSTOMER's Materials in accordance with this Agreement does not infringe the IPR of any third party;  
 4.3.2 it will only use the Services as expressly permitted under this Agreement; and  
 4.3.3 it will promptly notify INIT in writing if it becomes aware of any breach (or potential breach) of the PCI Security Standards and/or Card Scheme Rules (each as applicable to CUSTOMER) and/or applicable Laws in so far as such breach (or potential breach) relates to the Services.  
 4.4 The sole remedy for any breach of the warranties in clause 4.2.1 are set out in clause 6. The sole remedy for breach of the warranties in clauses 4.2.2 and 4.2.3 shall be for INIT to use its reasonable efforts to correct any applicable Defects within a reasonable time from notification in writing by CUSTOMER of the Defect that constitutes such breach.  
 4.5 THE WARRANTIES IN CLAUSE 4.2 ARE IN LIEU OF ALL OTHER WARRANTIES, REPRESENTATIONS, COVENANTS, OR CONDITIONS. EXCEPT AS SET FORTH IN CLAUSE 4.2, THE SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE" WITHOUT WARRANTIES, REPRESENTATIONS, OR COVENANTS OF ANY KIND. INIT MAKES NO WARRANTY OR REPRESENTATION THAT THE SERVICES WILL BE PROVIDED UNINTERRUPTED OR ERROR-FREE. INIT EXPRESSLY DISCLAIMS, AND CUSTOMER EXPRESSLY DISCLAIMS ANY RELIANCE UPON, ALL OTHER WARRANTIES, REPRESENTATIONS, COVENANTS, OR CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, REGARDING THIS AGREEMENT OR THE SERVICES, INCLUDING ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NONINFRINGEMENT. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY OR ON BEHALF OF INIT WILL CREATE ANY WARRANTIES, REPRESENTATIONS, OR COVENANTS UNLESS CONFIRMED IN WRITING BY INIT AS AN AMENDMENT TO THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, INIT SPECIFICALLY DISCLAIMS ANY IMPLIED OR EXPRESS WARRANTY OR REPRESENTATION THAT THE SERVICES WILL OPERATE IN CONJUNCTION WITH ANY: (A) HARDWARE ITEMS (INCLUDING CUSTOMER's DEVICES AND CUSTOMER's PEDS); (B) SOFTWARE (INCLUDING OPERATING SYSTEMS); (C) ANY THIRD PARTY

SERVICES, IN EACH CASE, OTHER THAN THOSE THAT ARE EXPRESSLY SET OUT IN THIS AGREEMENT.

4.6 Any unauthorized modifications, unauthorized use or improper installation of the Services by (or on behalf of) CUSTOMER shall render all INIT's warranties and obligations under this Agreement null and void.

4.7 INIT shall not be obliged to rectify any Defect if attempts to rectify such Defect other than by normal recovery or diagnostic procedures have been made by CUSTOMER (or on behalf of CUSTOMER) without the permission of INIT.

## 5. OWNERSHIP

### CUSTOMER's Intellectual Property Rights:

5.1 As between CUSTOMER and INIT, CUSTOMER IPR is and shall remain the sole and exclusive property of CUSTOMER. INIT acknowledges and agrees that it acquires no rights in or to CUSTOMER's IPR other than those expressly granted by this Agreement.

5.2 INIT shall, at the reasonable expense of CUSTOMER, do, all necessary acts and execute all documents, that CUSTOMER may reasonably request to perfect the right, title and interest of CUSTOMER in and to CUSTOMER IPR.

5.3 INIT shall promptly report to CUSTOMER any infringement of CUSTOMER's IPR that comes to its attention.

5.4 Subject to the terms of this Agreement, CUSTOMER hereby grants to INIT and Creditcall a royalty free and non-exclusive, license (including the right to sub-license) during the Term and for the Project to use of CUSTOMER's IPR for the purpose of carrying out its obligations under this Agreement.

5.5 In the event of the termination or expiration of this Agreement, the license referred to in clause 6.4 shall terminate automatically.

### INIT's Intellectual Property Rights:

5.6 As between CUSTOMER and INIT, the INIT IPR is and shall remain the sole and exclusive property of INIT. CUSTOMER acknowledges and agrees that it acquires no rights in or to the INIT IPR other than those expressly granted by this Agreement.

5.7 CUSTOMER shall, and shall ensure that any third party shall, at the request and expense of INIT, do all necessary acts and execute all documents that, INIT may reasonably request to perfect the right, title and interest of INIT in and to the INIT IPR.

5.8 CUSTOMER shall promptly report to INIT any infringement of INIT's IPR that comes to its attention.

5.9 Except where expressly agreed upon in writing by the parties, CUSTOMER acknowledges and agrees that nothing in this Agreement shall prevent or restrict INIT from exploiting and or licensing any of the INIT IPR to any third party.

5.10 CUSTOMER warrants that it, and any of its employees, subcontractors or agents shall:

5.11 not attempt to copy, duplicate, modify, convert, create derivative works from or distribute all or any portion of the Services (except to the extent expressly set out in this Agreement or allowed by applicable Law which is incapable of exclusion by agreement between the parties);

5.12 not attempt to reverse compile, disassemble, reverse engineer or otherwise attempt to derive the source code or human-perceivable form of all or any part of the Services (except where allowed by any applicable Law which is incapable of exclusion by agreement between the parties); only use the Services for its own business purposes (except as expressly set out in this Agreement); and

- 290 5.13 prevent any unauthorized access to, or use of, the Services. Att. D, AI 9, 12/10/2020  
291 5.14 Subject to the terms of this Agreement INIT hereby grants to CUSTOMER a  
292 royalty-free, fully paid non-exclusive license during the Term to the INIT IPR  
293 and/ or the Creditcall IPR - as referenced in the Distributor Agreement - solely to  
294 such extent as is necessary to enable CUSTOMER to use the Services on this  
295 Project as expressly permitted under this Agreement.  
296 5.15 In the event of the termination or expiration of this Agreement, the license  
297 referred to in clause 5.14 shall terminate automatically.

## 298 **6 INTELLECTUAL PROPERTY RIGHTS INDEMNITY**

- 299 6.1 INIT shall indemnify CUSTOMER from and against all claims, losses, liabilities,  
300 or damages, and all costs and expenses (including reasonable attorneys' fees)  
301 incurred or suffered by CUSTOMER, or for which CUSTOMER may become  
302 liable, arising out of any claim made by a third party against CUSTOMER that  
303 CUSTOMER's use of the Services in accordance with this Agreement infringes  
304 or misappropriates the IPR of such third party, except if such claim results from  
305 any Materials.  
306 6.2 CUSTOMER shall indemnify INIT against all claims, losses, liabilities, or  
307 damages, and all costs and expenses (including reasonable attorneys' fees)  
308 incurred or suffered by INIT, or for which INIT may become liable, arising out of  
309 any claim made by a third party against INIT that INIT's use of any Materials  
310 infringes or misappropriates the IPR of such third party.  
311 6.3 If a third party makes a claim for which indemnification may be sought under  
312 clauses 6.1 or 6.2, or notifies either party of an intention to make such a claim,  
313 against either party ("Indemnified Party"), the Indemnified Party shall:  
314 6.3.1 immediately notify the other party of such claim;  
315 6.3.2 at the expenses of the other party, provide the other party with such  
316 reasonable assistance, documents, records and information as requested;  
317 6.3.3 not make any admission of liability, agreement or compromise; and  
318 6.3.4 allow the other party to conduct all negotiations and proceedings.  
319 6.4 Nothing in this clause shall restrict or limit the Indemnified Party's general  
320 obligation at law to mitigate a loss it may suffer or incur as a result of an event  
321 that may give rise to a claim under this clause 6.

## 322 **7 PAYMENT**

- 323 7.1 INIT shall submit invoices for the Charges and CUSTOMER shall pay all such  
324 invoices in full within 30 days of the date of the invoice.  
325 7.2 Unless stated otherwise all Charges and any other payments to be made by  
326 CUSTOMER under this Agreement are exclusive of any local, state, federal taxes,  
327 levies, assessments, duties, or other governmental charges of any kind or nature.  
328 If INIT is found or deemed to have a legal obligation to pay or collect any Taxes  
329 for which CUSTOMER is responsible under this Agreement, the appropriate  
330 amount shall be invoiced to and paid by CUSTOMER unless CUSTOMER  
331 provides INIT with a valid tax exemption certificate authorized by the appropriate  
332 taxing authority.  
333 7.3 N/A = left blank  
334 7.4 If CUSTOMER fails to pay in full any amount due hereunder as specified in this  
335 Agreement, INIT may charge CUSTOMER interest on the overdue amount  
336 (payable by CUSTOMER immediately on demand) from the due date up to the  
337 date payment is received, after as well as before judgment, at the lesser of 4% per  
338 annum above the then-current base rate of the Bank of America and the maximum

allowed by Law. Such interest shall accrue on a daily basis and be compounded monthly until the date that full payment is received.

7.5 INIT reserves the right to suspend provision of all or any part of the Services where CUSTOMER fails to pay any amount due under this Agreement on the due date for payment and such amount remains unpaid for not less than 15 Working Days after being notified in writing to make such payment.

7.6 The Charges are to be paid by CUSTOMER in full and CUSTOMER is not entitled by reason of set-off, counterclaim, abatement or other similar deduction to withhold payment of any amount due to INIT.

7.7 INIT reserves the right to vary the Charges from time to time by providing CUSTOMER a 50 Working Days written notice of such variation ("**Variation Notice**"). Where CUSTOMER does not accept the varied Charges set out in the Variation Notice it may terminate this Agreement by providing 25 Working Days written notice of termination to INIT (providing that such written notice is received by INIT within 25 Working Days of the date of the Variation Notice). If no such termination notice is received such charges shall automatically apply at the end of the 50 Working Days' notice provided

## 8 PAYMENT CARD INDUSTRY SECURITY STANDARDS

8.1 Each party warrants that it shall:

8.1.1 protect and not disclose any Cardholder Data which it may receive (except as otherwise required by PCI Security Standards, Card Scheme Rules or applicable Laws); and

8.1.2 not store any Sensitive Authentication Data; and

8.1.3 promptly notify the other party in writing if it becomes aware of any breach (or potential breach) of PCI Security Standards in so far as such breach (or potential breach) relates to the Services.

8.2 INIT warrants and represents that:

8.2.1 as at the Commencement Date, Creditcall holds a valid PCI DSS Certificate and, on the written request of CUSTOMER, INIT shall provide CUSTOMER with a copy of its PCI DSS Certificate; and

8.2.2 the Services are compliant with PCI DSS requirements (as applicable to such Services).

8.3 CUSTOMER shall comply with all PCI Security Standards applicable to CUSTOMER.

## 9 CARD SCHEME RULES

9.1 INIT shall, on becoming aware of such, inform Customer immediately of all Card Scheme Rules affecting the Service and provide Customer as much advance notice as reasonably possible of any prospective changes to the Card Scheme Rules.

9.2 On receipt of notification from INIT under clause 9.1, INIT through Creditcall shall use commercially reasonable efforts to ensure that the Services comply with any change in the Card Scheme Rules by the date of implementation of that change or as soon as is reasonably practicable thereafter. Notwithstanding the previous sentence INIT reserves the right to charge CUSTOMER for any costs and expenses incurred by INIT as a result of the change in Card Scheme Rules (including any development work). Such costs and expenses shall be agreed between the parties in writing prior to such being incurred by CUSTOMER.

9.3 CUSTOMER shall comply with all Card Scheme Rules applicable to CUSTOMER.



389 10.1 Where INIT through Creditcall is processing data that identifies a living  
390 individual or from which a living individual can reasonably be identified and any  
391 other data linked to such data (“**Personal Data**”) for CUSTOMER through the  
392 Services, INIT through Creditcall shall:

393 10.1.1 Process the Personal Data in accordance with all applicable Laws of the  
394 Project Territory;

395 10.1.2 implement appropriate technical and organizational measures to protect  
396 the Personal Data against unauthorized or unlawful processing and against  
397 accidental loss, destruction, damage;

398 10.1.3 not disclose or transfer the Personal Data to any third party unless  
399 necessary for the provision of the Services; and

400 10.1.4 take all reasonable steps to ensure the reliability and integrity of any INIT  
401 and/or Creditcall personnel who have access to Personal Data.

402 10.2 INIT shall promptly, on the request of CUSTOMER, execute a data processing  
403 agreement incorporating standard and/or model clauses as required for  
404 CUSTOMER to comply with applicable Law with respect to any transfers of  
405 Personal Data to INIT and/or Creditcall under this Agreement.

406 10.3 CUSTOMER acknowledges that INIT and/or Creditcall are reliant on  
407 CUSTOMER controls as to the extent to which INIT through Creditcall is entitled  
408 to process Personal Data (for the avoidance of doubt this includes ensuring  
409 appropriate privacy notices are in place and ensuring that Personal Data is  
410 processed accordingly). Consequently, INIT and/or Creditcall will not be liable  
411 for any claim brought by any third party relating to the processing of Personal  
412 Data hereunder, and CUSTOMER shall indemnify INIT from and against all  
413 claims, losses and damages arising out of or in connection with any such claim.

414 10.4 INIT and/or Creditcall shall take reasonable steps to preserve the integrity of  
415 CUSTOMER’s data and to prevent to the extent possible the corruption or loss of  
416 CUSTOMER’s data. Notwithstanding the previous sentence, CUSTOMER is  
417 responsible for maintaining all necessary back-ups and copies of CUSTOMER’s  
418 data to the extent it is under CUSTOMER’s control or possession.

419 10.5 If CUSTOMER data is corrupted or lost as a result of INIT’s breach of this  
420 Agreement, CUSTOMER may:

421 10.5.1 request that INIT restore CUSTOMER’s data and INIT shall comply with  
422 such a request to the extent reasonably possible; and/or

423 10.5.2 itself restore, and INIT shall repay any reasonable out of pocket expenses  
424 incurred in doing so.

425 10.6 The sole remedies for corruption or loss of CUSTOMER’s data are set out at  
426 clause 10.5.

## 427 11 COMPLIANCE WITH LAW

428 The parties shall comply with all Laws as applicable to the Services and this Agreement

## 429 12 CONFIDENTIALITY AND PUBLICITY

430 12.1 Any confidentiality obligations under this clause 12 are in addition to (and not a  
431 substitution for) all other confidentiality obligations agreed upon in writing  
432 between the parties.

433 12.2 Each party undertakes that it shall not at any time, disclose to any person any  
434 Confidential Information, except as permitted by clause 12.3 and .

435 12.3 Each party may disclose the other party's Confidential Information:

12.3.1 to its employees, officers, sub-contractors, representatives or advisors, the need to know such information for the purposes of carrying out the party's obligations under this Agreement, provided that such party shall first ensure that such employees, officers, representatives or advisers to whom it discloses the other party's Confidential Information are legally bound to comply with this clause 12 and all other provisions relevant to such Confidential Information under this Agreement; and

12.3.2 as may be required by Law, to a court of competent jurisdiction or any governmental or regulatory authority having jurisdiction over such party, provided that such party provides the other party with notice of such requirement and provides reasonable assistance to the other party in any attempts to contest such disclosure or obtain a protective order or other applicable limitation with respect to such disclosure.

12.4 No party, Affiliate or Representative shall use any other party's Confidential Information for any purpose other than to perform its obligations under this Agreement.

### 13 DISPUTE RESOLUTION

13.1 Any dispute that may arise between the parties concerning the Agreement, including any question regarding its existence, validity or termination (a "Dispute"), shall be determined as provided in this clause 13.

13.2 For the purpose of this clause 13, a Dispute shall be deemed to have arisen when one party serves on the other a notice in writing, stated to be a Dispute notice and setting out the nature of the Dispute ("Dispute Notice").

13.3 After service of the Dispute Notice, the following procedure shall be followed by the parties (all periods specified in this clause 13.3 shall be extendable by mutual agreement):

13.3.1 within 10 Working Days of the date of the Dispute Notice, an authorized representative from INIT and an authorized representative from CUSTOMER shall attempt to settle the Dispute; and

13.3.2 if the Dispute cannot be resolved by the representatives within 30 Working Days from the date of the Dispute Notice, a senior manager authorized to settle the Dispute of each of the parties shall meet within the following 20 Working Days to attempt to settle the Dispute.

13.4 If no settlement results from the meeting specified in clause 13.3.2, the parties shall refer the Dispute to be filed in a court of competent jurisdiction.

### 14 CUSTOMER or INIT's CAUSE

14.1 Notwithstanding any other provision of this Agreement, if INIT proves it has failed to comply with its obligations under this Agreement due to a CUSTOMER Cause or other material act or omission of CUSTOMER ("**Non-Performance**"), then INIT shall:

14.1.1 not be treated as being in breach of this Agreement; and

14.1.2 be entitled to claim pursuant to Clause 13 for all costs and expenses it has incurred as a direct and foreseeable result of the cause not to exceed the prior 12 months amount paid to INIT by CUSTOMER.

14.2 Notwithstanding any other provision of this Agreement, if CUSTOMER proves it has failed to comply with its obligations under this Agreement due to an INIT cause or other material act or omission of INIT ("**Non-Performance**"), then CUSTOMER shall:

14.2.1 not be treated as being in breach of this Agreement; and

485 14.2.2 be entitled to claim pursuant to Clause 13 for all costs and expenses incurred  
486 incurred as a direct and foreseeable result of the INIT Cause not to exceed  
487 the prior 12 months amount paid to INIT by CUSTOMER.

## 488 **15 LIMITATION OF LIABILITY**

489 15.1 This clause 15 sets out the entire liability of each party to the other in respect of:

490 15.1.1 the Services;

491 15.1.2 any breach of this Agreement;

492 15.1.3 any representation, statement or tortious act or omissions (including  
493 negligence) arising under or in connection with this Agreement; and

494 15.1.4 any other liability to the other party whatsoever.

495 15.2 Nothing in this Agreement limits or excludes the liability of either party for:

496 15.2.1 death or personal injury resulting directly from gross negligence or willful  
497 misconduct; or

498 15.2.2 any damage or liability incurred by a party as a result of fraud or  
499 fraudulent misrepresentation by the other party;

500 15.2.3 any other liability which is incapable of being excluded or limited by  
501 applicable Law.

502 15.3 SUBJECT TO CLAUSE 15.2, IN NO EVENT WILL EITHER PARTY BE  
503 LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT,  
504 INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL LOSSES OR  
505 DAMAGES OF ANY KIND ARISING OUT OF THIS AGREEMENT OR THE  
506 USE OF OR INABILITY TO USE OR ACCESS THE SERVICES, INCLUDING  
507 ANY LOST, CORRUPTED OR ALTERED DATA OR INFORMATION, LOSS OF  
508 USE OF DATA OR INFORMATION, RECOVERY OF DATA OR  
509 INFORMATION, LOSS OR INTERRUPTION OF BUSINESS OR REVENUES,  
510 OR LOSS OR DIMINISHMENT OF GOODWILL, EVEN IF SUCH PARTY HAS  
511 BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES  
512 AND WHETHER OR NOT SUCH LOSSES OR DAMAGES ARE  
513 FORESEEABLE.

514 15.4 SUBJECT TO CLAUSE 15.2, IN NO EVENT WILL THE LIABILITY OF  
515 EITHER PARTY ARISING UNDER OR RELATING TO THIS AGREEMENT OR  
516 THE SERVICES, WHETHER IN CONTRACT, TORT (INCLUDING  
517 NEGLIGENCE), STRICT LIABILITY, OTHERWISE, EXCEED ONE MILLION  
518 UNITED STATES DOLLARS.

519 15.5 CUSTOMER acknowledges and agrees that the Services are subject to the  
520 limitations and issues inherent in the use of the bank system and Public Network  
521 (including denial of service attacks and telephony connections) and INIT is not  
522 responsible for and shall not be liable to CUSTOMER for breach of this Agreement  
523 due to any problems or other damages resulting from such limitations or issues to the  
524 extent that INIT demonstrates it has used due diligence in the selection of the Public  
525 Network and the bank system selected by INIT through Creditcall.

## 526 **16 TERMINATION**

527 16.1 Either party may at any time terminate this Agreement with immediate effect by  
528 giving written notice to the other party if:

529 16.1.1 the other party fails to pay any amount due under this Agreement on the  
530 due date for payment and remains in default not less than 15 Working  
531 Days after being notified in writing to make such payment;

532 16.1.2 the other party commits a material breach of any term of this Agreement  
533 and (if such breach is remediable) fails to remedy that breach within a  
534 period of 15 Working Days after being notified in writing to do so; or

16.1.3 is dissolved, becomes insolvent, fails or is unable to pay its debts, institutes or has instituted against it proceedings seeking a judgement of insolvency; has a resolution passed for its winding up or liquidation; seeks or becomes the subject of the appointment of an administrative receiver or similar official in respect of its assets or enters into any arrangement or composition with its creditors.

16.2 CUSTOMER may terminate this Agreement in accordance with clause 7.7.

16.3 INIT may at any time terminate this Agreement with immediate effect by giving written notice to CUSTOMER, where CUSTOMER:

16.3.1 is in breach of PCI Security Standards, Card Scheme Rules or other Applicable Law and such breach is likely (in the reasonable opinion of INIT) to:

16.3.1.1 adversely affect INIT's reputation (including goodwill); or

16.3.1.2 cause INIT to be in breach of applicable PCI Security Standards, Card Scheme Rules or Applicable Law.

## 17 CONSEQUENCES OF TERMINATION

17.1 The following provisions shall survive expiration or termination of this Agreement: Part One and clauses 5, 7, 12, 14, 15, 17, 18, 19 and 20.

17.2 Notwithstanding any other provision of this Agreement, all licenses granted by INIT and/or Creditcall under this Agreement shall automatically terminate on termination or expiration of this Agreement.

17.3 On termination or expiration, CUSTOMER shall immediately pay any outstanding unpaid invoices and interest due to INIT under this Agreement. INIT shall submit invoices for any services that it has supplied or work completed, but for which no invoice has been submitted, and CUSTOMER shall pay these invoices, if accurate, immediately on receipt.

17.4 Termination of the Agreement, for any reason, shall not affect the accrued rights, remedies, obligations or liabilities of the parties existing at termination.

## 18 N/A – left blank

## 19 RIGHT TO AUDIT

19.1 INIT may during the Term and for a period of 12 months following the Term (but not more than twice in any Contract Year), conduct an audit of CUSTOMER (either directly or, through using an agent (including Creditcall) or representative) using qualified professional accounting personnel reasonably approved by CUSTOMER, for the following purposes:

19.1.1 to verify the accuracy of Charges (and proposed or actual variations to them in accordance with this Agreement);

19.1.2 to verify CUSTOMER's use of the Services (including, verification of the number of terminals and transactions).

19.2 INIT shall use its reasonable endeavors to ensure that the conduct of each audit does not unreasonably disrupt CUSTOMER and shall be responsible for all costs of whatever nature incurred CUSTOMER in connection therewith.

19.3 Subject to INIT's obligations of confidentiality, CUSTOMER shall, as requested by INIT provide INIT (and/or its agents or representatives) with all reasonable co-operation and assistance in relation to each audit. INIT shall endeavor to provide at least 5 Working Days' notice of its intention to conduct an audit.

19.4 In the event the audit identifies a material breach of the terms of the Agreement by CUSTOMER, CUSTOMER shall reimburse INIT for all INIT's reasonable costs incurred in the course of the audit.

19.5 If an audit identifies that CUSTOMER has underpaid any Attachments, CUSTOMER shall pay to INIT all such amounts within 15 Working Days.

## 20 GENERAL

20.1 **Capacity.** Each party warrants that it has full capacity and authority, and all necessary licenses, permits and consents to enter into and perform the Agreement and that those signing the Agreement are duly authorized to bind the party for whom they sign.

20.2 **Assignment and other dealings.** Neither party shall, except as expressly provided in the Agreement, assign, sub-contract, transfer, mortgage, charge, declare a trust of or deal in any other manner with this Agreement or any or all of its rights and obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other party, such consent to be neither unreasonably withheld or delayed.

20.3 Any assignment, sub-contract, or other transfer of this Agreement or any rights or obligations under this Agreement in violation of the foregoing shall be null and void.

20.4 N/A – left blank

20.5 **Waiver.** No failure or delay by a party to exercise any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

20.6 **Entire agreement.** Without prejudice to clause 12.1, the Agreement constitutes the entire agreement and understanding of the parties in respect of its subject matter and supersedes all prior agreements, negotiations, discussions and any previous practice or course of dealing between the parties relating to the same. In particular but without limit to the generality of the preceding sentence, CUSTOMER acknowledges and agrees that it has not entered into the Agreement in reliance of any verbal or written communication with any representative of INIT nor is it relying on any statement or comment made in any INIT and/or Creditcall's literature (including without limit its website). Nothing in this clause shall limit or exclude any liability for fraud.

20.7 **Modification.** No modification or addition to the Agreement shall be effective unless it is in writing and signed by the parties (or their authorized representatives).

20.8 **Severance.** If any court or competent authority finds that any provision of this Agreement (or part of any provision) is invalid, illegal or unenforceable, that provision (or part of a provision) shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Agreement shall not be affected. If any invalid, unenforceable or illegal provision of the Agreement would be valid, enforceable and legal if some part of it were deleted, the parties shall negotiate in good faith to amend such provision such that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the parties' original commercial intention.

20.9 **Third party rights.** There are no third party beneficiaries, whether express or implied under this Agreement and any person who is not a party to this Agreement shall not have any rights hereunder to enforce any term of this Agreement.

20.10 **Force majeure.** Neither party shall in any circumstances be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from a Force Majeure Event.

20.11 **Notices.** Any notice or other communication required to be given under the Agreement, shall be in writing and shall be delivered personally, or sent by prepaid

first-class postage or recorded delivery, by commercial courier to the party required to receive the notice or communication to the address or email set out at the top of this Agreement or as otherwise specified by the relevant party by notice in writing to each other party.

**20.12 Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement. No counterpart shall be effective until each party has executed at least one counterpart.

**20.13 Governing law; Venue.** This Agreement and any Dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims and any proceeding specified in clause 14) shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of laws principles thereof and as such Laws apply to contracts between residents of the State of New York performed entirely within the State of New York. Both parties agree they will only bring any action or proceeding arising from or relating to this Agreement in a federal court in the Southern District of New York or in state court located in New York, NY (Borough of Manhattan) and both parties irrevocably submit to the personal jurisdiction and venue of any such court in any such action or proceeding or in any action or proceeding brought in such courts .

The parties, by their authorized representatives, have entered into and agreed to be legally bound by this Agreement as of the Commencement Date.

**For and on behalf of CUSTOMER**

**For and on behalf of INIT Innovations in Transportation, Inc.**

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Print name: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 10

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee**

SUBJECT:

**Review Date: 12/03/2020**

BUILDING C ROLLUP DOOR REPLACEMENT - AWARD WORK ORDER UNDER A  
JOB ORDER CONTRACT (JOC)

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC275-15 to MTS Doc. No. PWG275.0-19 (in substantially the same format as Attachment A), with ABC Construction Co., Inc. (ABC), for the removal and replacement of the rollup doors, door threshold, and addition of flood barriers at Building C for a total cost of \$251,853.51.

#### Budget Impact

The total budget for this project shall not exceed \$251,853.51, inclusive of a direct cost of \$247,497.55 and administrative fees totaling \$4,355.96. This project is funded by MTS Capital Improvement Project (CIP) 2006109601 – Building C Door Replacement.

#### DISCUSSION:

This project involves removal of five sets of existing bi-fold doors at the northwest end of Trolley Maintenance Building C. To accommodate the new roll up doors, the structural frame of each door will need to be modified to support the roll up hardware. The work also includes modification of the catenary line to allow for simple disconnect and reconnect during door operation. This project also includes the installation of a flood barrier system at each door opening to protect the building, and the equipment inside, from the type of flooding and storm water damage that occurred in December 2018.

Today's action would issue a JOC work order to ABC to complete this work.

JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement.



The JOC program includes a catalog of pricing for a variety of potential tasks to be performed under the contract that have been pre-priced by the contractor, the Gordian Group. All potential contractors are subject to the pricing within this catalog. Each contractor then includes an adjustment factor, escalating their proposed price from the catalog price, to determine the total cost of the task order. The adjustment factor represents an average percentage increase over the catalog price (i.e. 1.25 adjustment factor represents 25% above the catalog price) for that respective task within the project. In order to select the lowest responsive and responsible bidder, MTS staff compares each contractor's proposed adjustment factor.

On April 12, 2019, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide on-call JOC General Civil Construction services that primarily consists of repair, remodeling, or other repetitive work for general civil and site improvements, including earthwork, utilities, paving, concrete, drainage, landscaping mitigation, site clearing, and all required incidental professional and technical services.

Three (3) bids were received and MTS determined that ABC was the lowest responsive and responsible bidder. On June 13, 2019, the MTS Board of Directors authorized the CEO to execute MTS Doc. No. PWG275.0-19 with ABC for Civil Construction Services

Today's proposed action would issue a work order to ABC under this JOC master agreement. Pricing for this repair work order was reviewed and determined to be fair and reasonable. ABC will be providing all materials, labor, equipment and approvals for the removal and replacement of the rollup doors, door threshold, and addition of flood barriers at Building C. Work is expected to be completed by March 2021.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order No. MTSJOC275-15 to MTS Doc. No. PWG275.0-19, with ABC, for the removal and replacement of the rollup doors, door threshold, and addition of flood barriers at Building C for a total cost of \$251,853.51.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachment: A. Draft Work Order Contract MTSJOC275-15





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

# JOB ORDER CONTRACT WORK ORDER

PWG275.0-19  
CONTRACT NUMBER

MTSJOC275-15  
WORK ORDER NUMBER

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2021, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: ABC Construction Co., Inc. Address: 3120 National Avenue

Form of Business: Corporation San Diego, CA 92113  
(Corporation, partnership, sole proprietor, etc.)

Telephone: (619) 239-3428

Authorized person to sign contracts: Wayne Czubernat Project Manager  
Name Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWL275.0-19), MTS issues a Work Order to Contractor to complete the detailed Scope of Work (attached as Exhibit A.), the Cost Breakdown for the Scope of Work (attached as Exhibit B.), and the subcontractor listing form applicable to this Work Order (attached as Exhibit C.)

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$247,497.55

<u>SAN DIEGO METROPOLITAN TRANSIT SYSTEM</u>	<u>ABC CONSTRUCTION CO., INC.</u>
By: <u>Sharon Cooney, Chief Executive Officer</u>	Firm: _____
Approved as to form:	By: _____ Signature
By: <u>Karen Landers, General Counsel</u>	Title: _____



## EXHIBIT A (Scope of Work)

## San Diego Metropolitan Transit System

1255 Imperial Ave  
San Diego, CA 92101

---

### Final Scope of Work

Date: 11/5/2020

#### Job Order Contracting

To:

From:

**Contract No:** PWG275.0-19  
**Job Order No:** MTSJOC275.0-15  
**Job Order Title:** Building C Rollup Doors  
**Location:** Building C  
1535 Newton Ave Yard Tower, & Paint Booth  
San Diego, CA 92113  
**Brief Scope:** Modification of door thresholds to allow installation of rollup doors

---

The Contractor shall provide all labor, materials, equipment to complete the work in accordance with the Scope of Work. All work shall be in compliance with all local, state and federal rules and regulations, as applicable.

Contractor is to modify existing door thresholds to allow the installation of roll up doors at the MTS Building C location. 5 of the 10 roll up doors will be replaced as part of this project. Contractor is responsible for coordinating electrical modification of catenary lines with MTS and Electrical contractor.

Contractor is to provide and install 5 flood barriers at the roll up door locations.

---

Owner Project Manager

---

Date

## EXHIBIT B (Cost Breakdown)



**JOC Name (Contractor):** ABC Construction Co., Inc.  
**Contract Name:** 2019 - General Civil - ABC  
**Contract Number:** PWG275.0-19  
**Job Order Number:** MTSJOC275.0-15  
**Job Order Title:** Building C Rollup Doors  
**Location:** Building C  
**Cost Proposal Date:** October 29, 2020  
**Proposal Value:** \$247,497.55

Division		Division Totals
01	General Requirements	\$74,547.68
05	Metals	\$61,122.01
08	Openings	\$93,525.26
26	Electrical	\$18,302.60
Proposal Total(Filterd):		<b>\$247,497.55</b>
The Percentage of Non Pre-Priced on this Proposal:		<b>0.00%</b>



JOC Name (Contractor): ABC Construction Co., Inc.  
Contract Name: 2019 - General Civil - ABC  
Contract Number: PWG275.0-19  
Job Order Number: MTSJOC275.0-15  
Job Order Title: Building C Rollup Doors  
Location: Building C  
Cost Proposal Date: October 29, 2020  
Proposal Value: \$247,497.55

Record #	CSI Number	MOD	UOM	Description	Unit Price	Factor	Total
<b>01 General Requirements</b>							<b>\$74,547.68</b>
1	012220000006		HR	Carpenter			
	<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>
					<b>x</b>	<b>Factor</b>	<b>=</b>
							<b>LineTotal</b>
		Installation	HR		79.00	x	\$82.42
						x	1.1918
							=
							\$7,760.02
							\$7,760.02
	<b>User Note:</b>						
	<b>Item Note:</b> For tasks not included in the Construction Task Catalog® and as directed by owner only.						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						
2	012220000006	0001	HR	For Foreman, Add			
	<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>
					<b>x</b>	<b>Factor</b>	<b>=</b>
							<b>LineTotal</b>
		Installation	HR		40.00	x	\$4.12
						x	1.1918
							=
							\$196.41
							\$196.41
	<b>User Note:</b>						
	<b>Item Note:</b> For tasks not included in the Construction Task Catalog® and as directed by owner only.						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						
3	012220000010		HR	Electrician			
	<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>
					<b>x</b>	<b>Factor</b>	<b>=</b>
							<b>LineTotal</b>
		Installation	HR		30.00	x	\$72.29
						x	1.1918
							=
							\$2,584.66
							\$2,584.66
	<b>User Note:</b>						
	<b>Item Note:</b> For tasks not included in the Construction Task Catalog® and as directed by owner only.						
	<b>Owner Comments:</b>						
	<b>Contractor Comments:</b>						



4 012220000012 HR High Voltage Electrician, (Utility Lineman)

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	HR	30.00	x	\$91.62	x	1.1918	=	\$3,275.78
									<b>\$3,275.78</b>

**User Note:**

**Item Note:** For tasks not included in the Construction Task Catalog® and as directed by owner only.

**Owner Comments:**

**Contractor Comments:**

5 012220000017 HR Laborer

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	HR	40.00	x	\$68.23	x	1.1918	=	\$3,252.66
									<b>\$3,252.66</b>

**User Note:**

**Item Note:** For tasks not included in the Construction Task Catalog® and as directed by owner only.

**Owner Comments:**

**Contractor Comments:**

6 012220000023 HR Painter, Structural Steel

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	HR	40.00	x	\$61.86	x	1.1918	=	\$2,948.99
									<b>\$2,948.99</b>

**User Note:**

**Item Note:** For tasks not included in the Construction Task Catalog® and as directed by owner only.

**Owner Comments:**

**Contractor Comments:**

7 012220000037 HR Structural Steel Worker

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	HR	80.00	x	\$86.64	x	1.1918	=	\$8,260.60
	Demo	HR	40.00	x	\$0.00	x	1.1918	=	\$0.00
									<b>\$8,260.60</b>

**User Note:**

**Item Note:** For tasks not included in the Construction Task Catalog® and as directed by owner only.

**Owner Comments:**

**Contractor Comments:**

8 012223000056 WK 20' Electric, Scissor Platform Lift

**Accepted**

			Quantity	x	Unit Price	x	Factor	=	LineTotal
	Installation	WK	5.00	x	\$349.99	x	1.1918	=	\$2,085.59
									<b>\$2,085.59</b>

**User Note:**

**Item Note:**

**Owner Comments:**

**Contractor Comments:**



9	012223000939	WK	5,000 LB Telescopic Boom, Hi-Reach, Rough Terrain Construction Forklift With Full-Time Operator							
<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>	<b>x</b>	<b>Factor</b>	<b>=</b>	<b>LineTotal</b>
	Installation	WK		4.00	x	\$4,547.26	x	1.1918	=	\$21,677.70
										<b>\$21,677.70</b>

**User Note:**

**Item Note:**

**Owner Comments:**

**Contractor Comments:**

10	012223000945	WK	8,000 LB Telescopic Boom, Hi-Reach, Rough Terrain Construction Forklift With Full-Time Operator							
<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>	<b>x</b>	<b>Factor</b>	<b>=</b>	<b>LineTotal</b>
	Installation	WK		3.00	x	\$4,686.83	x	1.1918	=	\$16,757.29
										<b>\$16,757.29</b>

**User Note:**

**Item Note:**

**Owner Comments:**

**Contractor Comments:**

11	017113000002	EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Rollback Flatbed Truck							
<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>	<b>x</b>	<b>Factor</b>	<b>=</b>	<b>LineTotal</b>
	Installation	EA		3.00	x	\$236.94	x	1.1918	=	\$847.16
										<b>\$847.16</b>

**User Note:**

**Item Note:** Includes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as trenchers, skid-steer loaders (bobcats), industrial warehouse forklifts, sweepers, scissor platform lifts, telescoping and articulating boom manlifts with up to 40' boom lengths, etc.

**Owner Comments:**

**Contractor Comments:**

12	017419000016	EA	40 CY Dumpster (5 Ton) "Construction Debris"							
<b>Accepted</b>				<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>	<b>x</b>	<b>Factor</b>	<b>=</b>	<b>LineTotal</b>
	Installation	EA		4.00	x	\$814.98	x	1.1918	=	\$3,885.17
										<b>\$3,885.17</b>

**User Note:**

**Item Note:** Includes delivery of dumpster, rental cost, pick-up cost, hauling, and disposal fee. Non-hazardous material.

**Owner Comments:**

**Contractor Comments:**





13      017419000036      TON    General Refuse

**Accepted**

		Quantity	x	Unit Price	x	Factor	=	LineTotal
Installation	TON	20.00	x	\$42.61	x	1.1918	=	\$1,015.65
								<b>\$1,015.65</b>

**User Note:**

**Item Note:**

**Owner Comments:**

**Contractor Comments:**



Record #	CSI Number	MOD	UOM	Description	Unit Price		Factor		Total	
05 Metals									\$61,122.01	
14	051223000089		TON	Structural Shapes, Steel Angle A36 Structural Steel, Purlins And Girts (Up To 20 LB/LF)						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	TON	5.00	x	\$6,865.96	x	1.1918	=	\$40,914.26
		Demo	TON	5.00	x	\$2,182.31	x	1.1918	=	\$13,004.39
										\$53,918.65
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
15	051223000382		LF	M14 x 18 A992/A36 Structural Steel						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	LF	115.00	x	\$45.09	x	1.1918	=	\$6,179.90
										\$6,179.90
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
16	051223000385		LF	M8 x 6.5 A992/A36 Structural Steel						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	LF	0.00	x	\$18.46	x	1.1918	=	\$0.00
		Demo	LF	125.00	x	\$6.87	x	1.1918	=	\$1,023.46
										\$1,023.46
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										



Record #	CSI Number	MOD	UOM	Description	Unit Price		Factor		Total	
08 Openings									\$93,525.26	
17	083323000094		EA	20' x 18', 18 Gauge Galvanized Steel Overhead Coiling Door, Chain Lift						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	5.00	x	\$10,975.44	x	1.1918	=	\$65,402.65
		Demo	EA	5.00	x	\$1,370.31	x	1.1918	=	\$8,165.68
										\$73,568.33
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
18	083323000197		LF	Bottom Of Door, Weather Strip Seal For Coiling Doors, Astragal Only						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	LF	100.00	x	\$3.00	x	1.1918	=	\$357.54
		Demo	LF	5.005	x	\$1.04	x	1.1918	=	\$6.20
										\$363.74
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
19	083339000203		EA	NEMA 4 Mushroom Remote Pushbutton Control For High-Speed Rolling Doors						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	15.00	x	\$165.68	x	1.1918	=	\$2,961.86
										\$2,961.86
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
20	083339000208		EA	Reflective Type Photo Eye For High-Speed Rolling Doors						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	5.00	x	\$423.34	x	1.1918	=	\$2,522.68
										\$2,522.68
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										



21 083339000209

EA Thru-Beam Type Photo Eye For High-Speed Rolling Doors

**Accepted**

			<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>	<b>x</b>	<b>Factor</b>	<b>=</b>	<b>LineTotal</b>
	Installation	EA	5.00	x	\$553.46	x	1.1918	=	\$3,298.07
	Demo	EA	5.00	x	\$37.37	x	1.1918	=	\$222.69
									<b>\$3,520.76</b>

**User Note:**

**Item Note:**

**Owner Comments:**

**Contractor Comments:**

22 083613000163

EA Electric Chain Lift Operator For Sectional Overhead Doors

**Accepted**

			<b>Quantity</b>	<b>x</b>	<b>Unit Price</b>	<b>x</b>	<b>Factor</b>	<b>=</b>	<b>LineTotal</b>
	Installation	EA	5.00	x	\$1,776.79	x	1.1918	=	\$10,587.89
	Demo	EA	5.00	x	\$0.00	x	1.1918	=	\$0.00
									<b>\$10,587.89</b>

**User Note:**

**Item Note:** Includes motor, supports, push button operator, stationary electronic eye, signal wiring from eye to motor and motor to operator.

**Owner Comments:**

**Contractor Comments:**

Record #	CSI Number	MOD	UOM	Description	Unit Price		Factor		Total	
26 Electrical									\$18,302.60	
23	260513000057		MLF	500 MCM Cable, EPR, 5 KV, Placed In Conduit, Shielded, Single Copper Conductor						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	MLF	0.70	x	\$13,872.43	x	1.1918	=	\$11,573.21
		Demo	MLF	0.75	x	\$1,970.47	x	1.1918	=	\$1,761.30
										\$13,334.51
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
24	260513000229		EA	500 MCM Crimp Compression Connection For Bare Aluminum Wire						
Accepted				Quantity	x	Unit Price	x	Factor	=	LineTotal
		Installation	EA	22.00	x	\$189.48	x	1.1918	=	\$4,968.09
		Demo	EA	22.00	x	\$0.00	x	1.1918	=	\$0.00
										\$4,968.09
User Note:										
Item Note:										
Owner Comments:										
Contractor Comments:										
									Total:	\$247,497.55
									Proposal Total(Filterd):	\$247,497.55
									The Percentage of Non Pre-Priced on this Proposal:	0.00%

## EXHIBIT C

### (Subcontractor Listing)

**San Diego Metropolitan Transit System**

1255 Imperial Ave  
San Diego, CA 92101

Att. A, AI 10, 12/10/2020

**Subcontractor Report**

Date: 11/25/2020

**Job Order Contracting**

**Contract #:** PWG275.0-19  
**Job Order #:** MTSJOC275-15  
**Job Order Title:** Building C Rollup Doors  
**Location:** Building C  
**Contractor:** ABC Construction Co., Inc.  
**Subcontractors:** Richardson steel  
the doctor of electricity

Subcontractor Name	License Number	Describe Nature of Work (Trade)	Certifications	Subcontractor Total	%
Richardson steel 9102 Harness Street, spring valley, CA 91977	756989	Steel fixer		\$17,500.00	7.07%
the doctor of electricity 41815 Hawthorne Street, Murrieta, CA 92562	517763	Electrician		\$30,000.00	12.12%



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## Agenda Item No. 11

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee  
Review Date 12/03/2020**

#### SUBJECT:

ON-CALL JOB ORDER CONTRACTING (JOC) BUILDING AND FACILITIES  
CONSTRUCTION SERVICES – CONTRACT AWARD

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG324.0-21 (in substantially the same format as Attachment A), with ABC Construction Co., Inc. (ABC), for on-call building and facilities construction services, in the amount of \$7,000,000.00, for one (1) base year and four (4) option years beginning on January 1, 2021.

#### Budget Impact

The contract will be funded by various MTS accounts. Funding will be included in the budget of each project for which a work order will be issued under this agreement.

#### DISCUSSION:

JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement.

The JOC program includes a catalog of pricing for a variety of potential tasks to be performed, under the contract, that have been pre-priced by our contractor, the Gordian Group. All potential contractors are subject to the pricing within this catalog. Each contractor then includes an adjustment factor, escalating their proposed price from the catalog price, to determine the total cost of the task order. The adjustment factor represents an average percentage increase over the catalog price (i.e. 1.25 adjustment factor represents 25% above the catalog price) for that respective task within the project. In order to select the lowest responsive responsible bidder, MTS staff compares each contractor's proposed adjustment factor.





The JOC contract under consideration includes repair, remodeling, or other repetitive work, general building and facility contracting services, which includes but is not limited to, demolition, maintenance, and modification of existing buildings and facilities, as well as any required incidental professional and technical services.

On October 6, 2020, MTS issued an Invitation for Bids seeking a contractor to provide JOC building and facilities construction services with the award provided to the contractor with the lowest cumulative adjustment factor weighted as follows:

- Item 1: Normal Working Hours (Non-Railroad Right-of-Way) – 75%
- Item 2: Other Than Normal Hours (Non-Railroad Right-of-Way) – 20%
- Item 3: Normal Working Hours Along Railroad Right-of-Way – 1%
- Item 4: Other Than Normal Hours Along Railroad Right-of-Way – 1%
- Item 5: Restricted Work Shift – 3%

On November 6, 2020, nine (9) bid were received from the firms listed in the table below ranked in order from lowest to highest cost factor.

<b>Contractor</b>	<b>Total Score</b>
<b>ABC Construction</b>	<b>0.9646</b>
<b>Harry H. Joh Construction, Inc.</b> (Small Business (SB))	<b>0.9963</b>
<b>SJD&amp;B, Inc.</b> (Disadvantaged Business Enterprise (DBE), and Disabled Veteran Business Enterprise (DVBE))	<b>1.0028</b>
<b>Blue Nose It Solutions</b> (DVBE)	<b>1.0067</b>
<b>Ramona Paving</b> (SB)	<b>1.0077</b>
<b>Exbon Development</b> (DBE)	<b>1.0086</b>
<b>DUwright</b> (DBE, SB)	<b>1.0874</b>
<b>PUB Construction, Inc.</b> (Minority Owned Business Enterprise (MBE), and SB)	<b>1.1499</b>
<b>Ahrens Mechanical</b> (DVBE, SB)	<b>1.2185</b>

Given the award is made to the bidder with the lowest cumulative adjustment factor over the pre-priced catalog, MTS determined that ABC was the lowest responsive and responsible bidder.

Today's action authorizes award of this on-call contract to ABC. However, no specific project or spending is authorized. Individual projects/task orders will be processed according to the signature authority set forth in Board Policy No. 41 (e.g. task orders under \$100,000.00 will be approved by the CEO; task orders over \$100,000.00 will require Board approval).

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWG324.0-21 (in substantially the same format as Attachment A), with ABC, for on-call building and facilities construction services, in the amount of \$7,000,000.00, for one (1) base year and four (4) option years beginning on January 1, 2021.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachment: A. Draft Standard Construction Agreement, MTS Doc. No. PWG324.0-21

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

**STANDARD AGREEMENT  
FOR  
MTS DOC. NO. PWG324.0-21**

**JOC GENERAL BUILDING AND FACILITIES CONSTRUCTION SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, **2020** in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: ABC Construction Co., Inc.

Address: 3120 National Avenue

San Diego, CA 92113

Form of Business: Corporation

(Corporation, Partnership, Sole Proprietor, etc.)

Email: ken@abcconstruction.com

Telephone: 619.239.3428

Authorized person to sign contracts

Kenneth Czubernat

President

Name

Title

**The specified Contract Documents are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows:**

Contractor shall furnish all necessary management, supervision, labor, materials, tools, supplies, equipment, plant, services, engineering, testing and/or any other act or thing required to diligently and fully perform and complete the Project as specified in the Scope of Work (Exhibit A), Bid Proposal (Exhibit B), and in accordance with the Standard Construction Agreement and Special Conditions (Exhibit C), Federal Requirements (Exhibit D) JOC Special Conditions (Exhibit E), Technical Specifications Prepared by Gordian (Exhibit F), Construction Task Catalog (Exhibit G), Invitation for Bids (Exhibit H), Contractor Bonds (Exhibit I) and Contractor Forms (Exhibit J). All Exhibits to this agreement are attached separately online at enter Dropbox address.

**SCOPE OF WORK.**

Contractor, for and in consideration of the payment to be made to Contractor as hereinafter provided, shall furnish all plant, labor, technical and professional services, supervision, materials and equipment, other than such materials and equipment as may be specified to be furnished by MTS, and perform all operations necessary to complete the Work in strict conformance with the Contract Documents (defined below) for the following public work of improvement:

**JOC GENERAL BUILDING AND FACILITIES CONSTRUCTION SERVICES (JOC)**

Contractor is an independent contractor and not an agent of MTS. The Contractor and its surety shall be liable to MTS for any damages arising as a result of the Contractor's failure to comply with this obligation.

**CONTRACT TIME.**

This agreement shall be valid for a period up to five (5) years, which consists of one (1) base year and four (4) one (1) year options, exercisable at MTS's sole discretion. Base period shall be effective January 1, 2021 through December 31, 2021 and option years shall be effective January 1, 2022 through December 31, 2025, if exercised by MTS. Time is of the essence in the performance of the Work for each subsequent Work Order. The Work shall be commenced by the date stated in MTS's Notice to Proceed in the first Work Order of the Contract. The Contractor shall complete all Work required by the Contract Documents within the days specified in each Work Order.

**CONTRACT PRICE.**

MTS shall pay to the Contractor the value of any executed Work Orders under the Contract as full compensation for the performance of the Work Order, subject to any additions or deductions as provided in each Work Order. The Contract is an indefinite-quantity contract for construction work and services. There is no Minimum Contract Value of Work Orders that the Contractor is guaranteed the opportunity to perform under this Contract. The Maximum Contract Value is \$7,000,000.00 for a period of up to five (5) years, which consists of one (1) base year and four (4) one (1) year options, exercisable at MTS's sole discretion.

The Contractor shall perform all work required, necessary, proper for or incidental to completing the Detailed Scope of Work called for in each individual Work Order issued pursuant to this Contract for the Unit Prices set forth in the Construction Task Catalog® and the Adjustment Factors, as provided under the Bid Form.:

**PROVISIONS REQUIRED BY LAW.**

Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of the California Labor Code applicable to this Project.

**INDEMNIFICATION.**

Contractor shall provide indemnification as set forth in the General Conditions.

**PREVAILING WAGES.**

Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at MTS's Administrative Office or may be obtained online at <http://www.dir.ca.gov> and which must be posted at the job site

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	ABC CONSTRUCTION CO., INC.
By:  _____ Sharon Cooney, Chief Executive Officer	By  _____
Approved as to form:	
By:  _____ Karen Landers, General Counsel	Title:  _____



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San Diego, CA 92101-7490  
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## Agenda Item No. 12

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee  
Review Date: 12/03/2020**

SUBJECT:

LOW CARBON FUEL STANDARD VERIFICATION SERVICES – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. G2429.0-21 (in substantially the same format as Attachment A) with Rincon Consultants for the provision of Low Carbon Fuel Standard Verification Services for a three (3)-year base period, and one (1) three-year optional term, for a total of six (6) years, in the amount of \$123,728.00; and
- 2) Exercise option at the CEO's discretion.

#### Budget Impact

The total budget for this project shall not-exceed \$123,728.00, broken down as follows:

Base Years	\$64,433.00
Option Years	\$59,295.00
Total	\$123,728.00

This project is funded by the Auditing Operations Budget 902010-571130.

DISCUSSION:

The California Air Resources Board (CARB) created the Low Carbon Fuel Standard (LCFS) to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. Each type of fuel has been assessed a carbon intensity (CI) score. Fuel providers are required to ensure their overall CI score meets



the annual CI target. The LCFS program has incentives in the form of credits that are generated, tracked, and can be traded to obligated entities. MTS is not an obligated entity, but does generate LCFS credits as a transportation provider that utilizes alternative fuels. Currently, MTS is generating LCFS credits based on the natural gas and propane it consumes to power buses, as well as the electricity utilized to power the trolleys. In the future, electricity powered buses will also generate these credits for MTS. The revenue from these LCFS credits exceeded \$6 million in FY 2020.

CARB reauthorized and amended the LCFS program in January 2019. As part of these changes, CARB will require independent verification of data reports beginning with calendar year 2020 annual reporting. The LCFS relies on accurate data monitoring, reporting, and verification to support implementation and tracking of effectiveness. CARB added third-party verification requirements to the LCFS to ensure data completeness, accuracy, and conformance with the regulation. The overarching goal of the new verification requirement is to provide confidence and reliability in reported data for stakeholders, market participants, and the public.

MTS is seeking to secure a contract from qualified and responsible consultants for services to provide the independent verification of data reports as specified in the regulations.

On September 23, 2020, MTS released a Request for Proposals (RFP) for LCFS Verification Services.

On October 16, 2020, MTS received a total of four (4) proposals from the following firms:

1. Eco Engineers
2. Rincon Consultants
3. SCS Consulting
4. Weaver and Tidwell LLP

A selection committee, consisting of representatives from the MTS Executive and Finance departments met and scored the proposals based on the following:

1. Qualifications of the firm	20%
2. Staffing, Organization and Management Plan	10%
3. Methodology and Work Plan	30%
4. Cost and Price	40%
Total	100%

The following table illustrates the scores and ranking of each firm:

Proposer Name	Total Avg. Tech Score	Initial Price Proposal	Cost Score	Total Avg. Score (max. 100)	Ranking
SCS Consulting	44.00	\$41,560	40.00	84.00	1
Rincon Consultants	46.00	\$134,268	12.38	58.38	2
Eco Engineers	46.67	\$154,800	10.74	57.41	3
Weaver and Tidwell	40.00	\$108,970	15.26	55.26	4

After the initial evaluation of the proposals, the evaluation panel requested clarifications from the top three ranked proposers. After receipt of the responses, the evaluation panel removed SCS from consideration as they appeared to not understand the scope of work even after the request for clarifications.

On November 18, 2020, MTS received Best and Final Offers (BAFO) from Eco Engineers and Rincon Consulting and below are the updated scores.

Proposer Name	BAFO Tech Score	BAFO	Cost Score	Total Avg. Score (max. 100)	Ranking
Rincon Consultants	46.00	\$123,728	40.00	86.00	1
Eco Engineers	46.67	\$147,600	34.00	80.67	2

Rincon Consultants submitted a BAFO in the amount of \$123,728, which presented savings in the amount of \$10,540 over six years. Based on the selection committee's evaluation of the technical proposal and BAFO, Rincon Consultants offer is reasonably priced and offers the most advantageous solution to the MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute MTS Doc. No. G2429.0-21 (in substantially the same format as Attachment A), with Rincon Consultants, for the provision of Low Carbon Fuel Standard Verifications Services for a three (3)-year base period, and one (1) three-year optional term, for a total of six (6) years, in the amount of \$123,728; and
- 2) Exercise option term at the CEO's discretion.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft MTS Doc. No. G2429.0-21  
B. LCFS SOW  
C. LCFS BAFO

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

**STANDARD SERVICES AGREEMENT FOR  
LOW CARBON FUEL STANDARD VERIFICATION SERVICES  
MTS DOC NO. G2429.0-21**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2021, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Rincon Consulting  
Form of Business: Corporation  
(Corporation, partnership, sole proprietor, etc.)

Address: 2215 Faraday Avenue, Suite A  
Carlsbad, CA 92008

Telephone: 805-644-4455 x27

Email Address: efeldman@rinconconsultants.com

Authorized person to sign contracts: Erik Feldman Principal  
Name Title

**The attached Standard Conditions are part of this Agreement. The Contractor agrees to furnish to MTS services, as follows:**

Low Carbon Fuel Standard Verification Services as specified in the Scope of Work (attached as Exhibit A), Rincon's best and final offer (attached as Exhibit B), and in accordance with the Standard Services Agreement, and Standard Conditions Services (attached as Exhibit C).

The contract term is for up to a six (6) year period (3-year base with one (1) three-year option exercisable at MTS's sole discretion). Base period shall be effective January 1, 2021 through December 31, 2023, and option years shall be effective January 1, 2024 through December 31, 2026.

Payment terms shall be net 30 days from invoice date. The total cost of this agreement shall not exceed \$64,433 for the base years and \$59,295 for the option years, for a total not-to-exceed \$123,728 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	RINCON CONSULTANTS
By:  _____ Sharon Cooney, Chief Executive Officer	By  _____
Approved as to form:	
By:  _____ Karen Landers, General Counsel	Title:  _____



# SCOPE OF WORK/TECHNICAL SPECIFICATIONS

---

## I. BACKGROUND

The San Diego Metropolitan Transit System is the public transit provider for approximately 75% of San Diego County. MTS's service area encompasses approximately 3 million people residing in a 570 square mile area of San Diego County, including the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, Santee, San Diego and the unincorporated area of the County of San Diego.

MTS Bus Operations are operated by in-house employees, through MTS's wholly owned San Diego Transit Corporation, and by two separate contract operators (MTS Contracted Services). These entities operate and maintain a fleet of 809 buses, 71% of which are powered by environmentally friendly compressed natural gas. All of the buses operated are owned by MTS. MTS bus services operate over 100 fixed routes, including traditional urban shuttle-type routes, express routes and bus rapid transit routes, plus paratransit services.

MTS Rail Operations operate and maintain a fleet of 173 light rail vehicles (LRVs) to provide transit service over three separate operating line segments. The Blue Line operates from the US/Mexico border through downtown San Diego and terminates at the Old Town Transit Center, with a 14-mile extension to the University City area scheduled to open in Fall 2021. The Orange Line serves the East County communities from El Cajon through downtown San Diego. The Green Line operates from Santee along Mission Valley and serves the campus of SDSU through a short tunnel section before continuing to the Imperial Avenue Station, via the Bayside Corridor. By Fall 2021, the entire system encompasses 65.3 total miles (129.6 total track miles) of light rail transit (LRT) to 62 trolley stations (53 before the mid-coast extension). Regular LRT service is provided virtually around the clock with a 22-hour service window with 511 daily scheduled train trips (and many more during special events).

### Energy Program

The MTS energy program primarily addresses the management of natural gas and electricity commodities and is administered under MTS Board Policy No. 59, [“Natural Gas and Energy Commodity Hedge Policy”](#). This program enables MTS to purchase these commodities via a competitive-bidding process, directly from the market through a third-party service provider rather than through San Diego Gas and Electric (SDG&E), resulting in substantial cost reductions.

### Natural Gas

MTS opted into the core aggregate transfer program and began purchasing their gas from a third party in 2009. The current gas services provider is BP Energy Company, which supplies renewable natural gas as well as small amounts of fossil natural gas. MTS fuels its buses with fueling facilities it owns and operates at four of its bus divisions. The commodity is still delivered by SDG&E, so there are no operational impacts as a result of this program. The actual commodity usages are reconciled with SDG&E, and the cost of the commodity is billed through the service provider.

## Propane

MTS has one division that utilizes propane fueled buses. MTS contracted with Ferrellgas to provide a contractor-owned and operated fueling facility at MTS's Copley Park Division. Ferrellgas also supplies MTS with the propane fuel.

## Electricity

In late 2009, the California legislature opened the Direct Access program for a limited time and limited volume for electric customers. MTS gained entry to the Direct Access program in 2011 and finally began participating in January 2012 with Calpine Energy Solutions as its service provider. MTS has 55 meters dispersed throughout its service areas that power the electric LRVs of the trolley system.

## Energy Credits

The California Air Resources Board (CARB) created the Low Carbon Fuel Standard (LCFS) designed to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. Each type of fuel has been assessed a carbon intensity (CI) score. Fuel providers are required to ensure their overall CI score meets the annual CI target. The LCFS program has incentives in the form of credits that are generated, tracked, and can be traded to obligated entities. MTS is not an obligated entity, but does generate LCFS credits as a transportation provider that utilizes alternative fuels. Currently MTS is generating LCFS credits based on the natural gas and propane it consumes to power buses, and the electricity utilized to power the LRVs. In the future, electricity powered buses will also generate these credits for MTS.

CARB reauthorized and amended the LCFS program in January 2019. As part of these changes, CARB allowed for the use a chain-of-custody model of accounting of environmental attributes for electricity that is used as a transportation fuel. With this change, renewable energy certificates (RECs) are used to represent the ownership and transfer of low-CI electricity under the LCFS without regard to physical traceability. MTS has purchased RECs and has been able to generate additional LCFS credits based on utilizing a lower CI fuel for transportation vehicles.

## II. GENERAL PROJECT DESCRIPTION

CARB's LCFS, which appears at sections 95480 to 95503 of title 17, California Code of Regulations, requires independent verification of data reports specified in section 95500 beginning with calendar year 2020 annual reporting. The LCFS relies on accurate data monitoring, reporting, and verification to support implementation and tracking of effectiveness. CARB added third-party verification requirements to the LCFS to ensure data completeness, accuracy, and conformance with the regulation. The LCFS verification program, under CARB oversight, provides confidence and reliability in reported data for stakeholders, market participants, and the public.

MTS has developed its LCFS Monitoring Plan (see section 95491.1 Section C for the specific requirements addressed by the plan) that has documented the information flows to allow the verification team to develop a general understanding of boundaries and operations relevant to the entity, facility, or project. The Monitoring Plan is included in Planet Bids as "ATT2 MTS Monitoring Plan".

MTS is seeking proposals from qualified and responsible Consultants for services to:

- Provide independent verification of data reports as specified in section 95500 to be completed by August 31<sup>st</sup> of each calendar year;
- Provide independent verification of fuel pathway applications as necessary;
- Recommend changes to current practices and current LCFS monitoring plan to better comply with the current LCFS regulations;
- Keep MTS staff up to date on any future LCFS regulation changes that will impact the reporting or verification processes, and recommend changes to practices and the LCFS monitoring plan to better comply with these changes as appropriate.

### **III. COST**

MTS is requesting proposers to provide a cost proposal showing the following:

- Proposer should provide the hours and hourly billing rate per year based on the time expected to complete the services outlined in this statement of work.
- Costs for travel required to complete the services outlined in this statement of work will have to be billed separately and in compliance with the MTS Travel policy, which is included in Planet Bids as "ATT3 MTS Travel Policy".
- The base period will cover calendar years 2021 to 2023. There will be a three year option covering calendar years 2024 to 2026.

### **IV. INVOICING**

- A. Billing should be presented on a monthly basis.
- B. All invoices should utilize their own separate invoice number.
- C. Time & rate should be broken out including dates of service.
- D. MTS will process the payment of each invoice within thirty (30) days of receipt. Invoices must consistently reference the purchase order number. Contractor shall submit invoices to AP@sdmts.com.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)  
**BEST AND FINAL OFFER FORM**  
 LOW CARBON FUEL STANDARD VERIFICATION SERVICES, RFP G2429.0-21

Item	Description	Est. # of Hours	Billable Hourly Rate	Extended Cost
1	Verification Services – CY2021	10	\$ 240.00	\$ 2,400.00
		30	\$ 160.00	\$ 4,800.00
		11	\$ 178.00	\$ 1,958.00
		28	\$ 145.00	\$ 4,060.00
		99	\$ 115.00	\$ 11,385.00
		4	\$ 75.00	\$ 300.00
	<b>Verification Services Total – CY2021</b>	<b>182</b>	<b>N/A</b>	<b>\$ 24,903.00</b>
2	Verification Services – CY2022	9	\$ 240.00	\$ 2,160.00
		34	\$ 160.00	\$ 5,440.00
		16	\$ 145.00	\$ 2,320.00
		83	\$ 115.00	\$ 9,545.00
		4	\$ 75.00	\$ 300.00
	<b>Verification Services Total – CY2022</b>	<b>146</b>	<b>N/A</b>	<b>\$ 19,765.00</b>
3	Verification Services – CY2023	9	\$ 240.00	\$ 2,160.00
		34	\$ 160.00	\$ 5,440.00
		16	\$ 145.00	\$ 2,320.00
		83	\$ 115.00	\$ 9,545.00
		4	\$ 75.00	\$ 300.00
	<b>Verification Services Total – CY2023</b>	<b>146</b>	<b>N/A</b>	<b>\$ 19,765.00</b>
4	Verification Services – CY2024, Option Year 1	9	\$ 240.00	\$ 2,160.00
		34	\$ 160.00	\$ 5,440.00
		16	\$ 145.00	\$ 2,320.00
		83	\$ 115.00	\$ 9,545.00
		4	\$ 75.00	\$ 300.00
	<b>Verification Services Total – CY2024</b>	<b>146</b>	<b>N/A</b>	<b>\$ 19,765.00</b>
5	Verification Services – CY2025, Option Year 2	9	\$ 240.00	\$ 2,160.00
		34	\$ 160.00	\$ 5,440.00
		16	\$ 145.00	\$ 2,320.00
		83	\$ 115.00	\$ 9,545.00
		4	\$ 75.00	\$ 300.00
	<b>Verification Services Total – CY2025</b>	<b>146</b>	<b>N/A</b>	<b>\$ 19,765.00</b>
6	Verification Services – CY2026, Option Year 1	9	\$ 240.00	\$ 2,160.00
		34	\$ 160.00	\$ 5,440.00
		16	\$ 145.00	\$ 2,320.00
		83	\$ 115.00	\$ 9,545.00
		4	\$ 75.00	\$ 300.00
	<b>Verification Services Total – CY2026</b>	<b>146</b>	<b>N/A</b>	<b>\$ 19,765.00</b>
Base Years Total (Lines 1 – 3)				\$ 64,433.00
Option Years Total (Lines 4 – 6)				\$ 59,295.00
Grand total basis of award				\$ 123,728.00

PROPOSER: Rincon Consultants, Inc.



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 13

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee  
Review Date: 12/03/2020**

#### SUBJECT:

BAYSIDE DOUBLE TRACK IMPERIAL AVENUE TRANSIT CENTER (IMT)  
CONSTRUCTION MANAGEMENT SERVICES – WORK ORDER AMENDMENT

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA2019-CM07 under MTS Doc. No. G2019.0-17 (in substantially the same format as Attachment A), with Kleinfelder Construction Services, Inc., to provide Construction Management (CM) Services for the Bayside Double Track IMT Project in the amount of \$846,751.95

#### Budget Impact

The total budget for this project shall not exceed \$846,751.95. This project is funded by the MTS Capital Improvement Project (CIP) 2005108201 – Bayside Double Track IMT.

#### DISCUSSION:

The design was completed for Bayside Double Track IMT and the project is currently being advertised for construction with an anticipated construction contract award date of February 2021. Staff anticipates returning to the Board in January 2021 to seek authorization to execute a construction contract for the work. The purpose of this authorization request is to provide construction management services to augment MTS staff oversight of the construction contractor. This project involves double-tracking the Green Line at the terminal station located at the 12<sup>th</sup> & Imperial Avenue Transit Center, construction of a new single-track connection between the Blue Line and Green Line, and a new double crossover. Once complete, the track layout will provide greater operational flexibility, provide better connections, and allow for tighter Green Line headways during special events such as Comic-Con.



MTS requires CM services to assist staff with the coordination, control and oversight of the construction contractor from beginning of work through completion (collectively “CM Services”). The proposed Work Order for CM Services includes special track, signaling, and catenary power inspections, and the assistance of a resident engineer and field inspector at various times throughout construction.

The San Diego Association of Governments (SANDAG) issued a Request for Statement of Qualifications (RFSQ) for CM Services on October 17, 2014 and MTS was assigned the right to utilize this contract through an assignment agreement on June 7, 2017. The RFSQ resulted in the approval of eight firms qualified to perform CM services. One of the options MTS has to assign work orders is through a direct award based on qualifications. Kleinfelder Construction Services, Inc. was selected as the most qualified firm for Work Order WOA2019-CM07.

The price proposal prepared by Kleinfelder Construction Services, Inc. was determined to be fair and reasonable as compared to the Independent Cost Estimate (ICE).

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order WOA2019-CM07 under MTS Doc. G2019.0-17 (in substantially the same format as Attachment A) with Kleinfelder Construction Services, Inc., to provide CM Services for the Bayside Double Track IMT Project in the amount of \$846,751.95.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft MTS Doc. No. G2017.0-17 WOA WOA2019-CM07  
B. MTS Bayside Double Track Cost Proposal

December 10, 2020

MTS Doc. No. G2019.0-17  
Work Order No. WOA2019-CM07

Mr. Hank Gentile  
Project/Task Order Manager  
Kleinfelder | Simon Wong Engineering, Inc.  
5761 Copley Drive Suite 100  
San Diego, CA 92111

Dear Mr. Gentile:

Subject: MTS DOC. NO. G2019.0-17, WOA2019-CM07, IMT DOUBLETRACK CONSTRUCTION  
MANAGEMENT SERVICES – WORK ORDER AGREEMENT

This letter shall serve as our agreement MTS Doc. No. G2019.0-17, WOA2019-CM07, for Construction Management services under the Construction Management Consultant Agreement, as further described below.

#### SCOPE OF SERVICES

Provide construction management and inspection staff for the IMT Doubletrack Construction schedule A work, in accordance with MTS and SANDAG policies and procedures. Please see Attachment A, Scope of Services, for a detailed summary of the services to be provided.

#### SCHEDULE

Aligned with IMT Doubletrack Construction schedule (PWL312.0-20)

#### PAYMENT

Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$846,751.95.

Sincerely,

Accepted:

Sharon Cooney  
Chief Executive Officer

\_\_\_\_\_  
Hank Gentile  
Kleinfelder | Simon Wong Engineering

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

Attachments: A - Schedule A Scope of Services  
B - Schedule A Negotiated Fee Proposal

# Work Order Estimate Summary

Att. B, AI 13, 12/10/2020

MTS Doc. No.	TBD
Work Order No.	TBD
Attachment:	B

Work Order Title: **MTS Bayside Double Track  
Construction Management and Inspection Services  
Schedule A**

Project No: **CIP 2004007503**

**Table 1 - Cost Codes Summary (Costs & Hours)**

Item	Cost Codes	Cost Codes Description	Total Costs
1	0270	Construction Management and Inspection Services	\$821,722.80

Totals = **\$821,722.80**

**Table 2 - TASKS/WBS Summary (Costs & Hours)**

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	1	Project / Task Order Management	104.0	\$25,202.03
2	2	Engineering / Inspection	4,512.0	\$753,764.12
3	3	Materials Sampling and Testing	152.0	\$42,756.65

Totals = **4,768.0** **\$821,722.80**

**Table 3 - Consultant/Subconsultant Summary (Costs & Hours)**

(If Applicable, Select One)				Other	Consultant	Labor Hrs	Total Costs
PW	DBE	DVBE	SBE				
X				X	Kleinfelder Construction Services *	3,408.0	\$599,675.44
X			X		CA Wehsener Engineering	784.0	\$132,477.23
X				X	Kleinfelder	152.0	\$42,756.65
X	X				Destination Enterprises	424.0	\$71,842.63

Totals = **4,768.0** **\$846,751.95**

## NOTES

- \* Simon Wong Engineering, Inc. (SWE), referred to as Kleinfelder Construction Services (KCS), is a wholly-owned subsidiary of Kleinfelder (KLF) and maintains an independent tax i.d. number and overhead rate. In order to capture the appropriate overhead rate for each legal entity, we are listing them separately.
- Field inspection and materials testing rates have been adjusted as necessary to comply with prevailing wage DIR Determination SD-23-63-3-2016-1D which includes a predetermined increase on 7/1/17.
- Billing rates included in this cost proposal are based upon the base rates, overhead rates, profit, escalation, other direct costs (ODCs) and other terms included in the Fee and Payment Schedule incorporated into Contract 5007804 between SANDAG and Kleinfelder Construction Services

## ASSUMPTIONS

- This cost proposal is based upon the project schedule dated 4/21/17 provided by MTS showing construction being complete in January 2018. Hour in February 2018 are for project close-out activities.**





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 14

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 10, 2020

**Draft for  
Executive Committee**

SUBJECT:

**Review Date: 12/03/2020**

BUS FAREBOX CONVERSION – CONTRACT AWARD

#### RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0723.0-21 (in substantially the same format as Attachment A), a Sole Source Agreement with Genfare, A Division of SPX Corporation, for Bus Farebox Conversion totaling \$3,556,310.61 for ten (10) years effective January 1, 2021, subject to the MTS General Counsel approving modified MTS Standard Conditions.

#### Budget Impact

The total budget for this project shall not exceed \$3,556,310.61. This project is funded by the Fare System Upgrade, budget 1009004902.

#### DISCUSSION:

#### Bus Farebox Conversion

MTS is looking to reduce capital costs associated with the collection of cash fares on buses while balancing the need for customers to purchase one-way cash fares. Factors that would contribute to significant increased capital costs would be the replacement of the full fleet of older fareboxes with new ones, and integration costs between the bus farebox and account-based fare system. As an alternative, to provide customers a way to purchase one-way cash fares as they board a bus, while mitigating significant cost, and providing staff with proper tools for administration, MTS is requesting a farebox conversion in lieu of full replacement.



This contract is a Sole Source as Genfare is the sole provider of the Odyssey bus farebox and as such is the only contractor that can provide a conversion kit and related services.

### Cost Analysis

In creating the Independent Cost Estimate (ICE) to determine cost fair and reasonableness, MTS used data from other comparable transit agencies who had upgraded or modified their GFI fareboxes:

Agency	Total Amount	# of Fareboxes	Cost per Farebox
LA Metro: Farebox upgrade. Removal and installation not included.	\$10,331,252	3,416	\$3,024.37
Valley Metro, Phoenix, 2017: Thorough overhaul of fareboxes. Installation not included.	\$2,892,541	280	10,330.50
Santa Monica Big Blue Bus, 2015: Replacement of housing units, cashboxes, mechanical components and software upgrades.	\$2,969,310	189	15,710.63

MTS's services are most comparable to LA Metro, incorporating some of the key feature upgrades including logic boards and farebox lids. In addition, MTS also requires removal and installation support and disabling/removal of farebox elements no longer required as MTS migrates from the Cubic to the INIT system.

Using the comparable costs from LA Metro, MTS's estimate for the project is shown below.

Description	Units	Unit Cost		Total Cost	
		Low	High	Low	High
Farebox Hardware	602	\$3,000.00	\$5,000.00	\$1,806,000.00	\$3,010,000.00
Installation/Removal	602	\$400.00	\$600.00	\$240,800.00	\$361,200.00
Facility Upgrades (4 Garages)	4	\$50,000.00	\$75,000.00	\$200,000.00	\$300,000.00
Testing, Documentation & Program Management	1	\$550.00	\$175.00	\$550.00	\$175.00
Project Management, System Engineering, Documentation, Testing	10	\$35,000.00	\$50,000.00	\$350,000.00	\$500,000.00
<b>ICE total cost</b>				<b>\$2,597,350.00</b>	<b>\$4,171,375.00</b>
<b>ICE per farebox</b>				<b>\$4,314.53</b>	<b>\$6,929.19</b>

MTS's estimated cost for its required services was between a low \$2,597,350 and a high \$4,171,375.

Genfare's proposal is \$3,556,310.61 or 14.7% lower compared to MTS's high range, a cost that staff deems to be fair and reasonable.

Therefore, staff recommends that the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0723.0-21 (in substantially the same format as Attachment A), a Sole Source Agreement with Genfare, A Division of SPX Corporation, for Bus Farebox Conversion totaling \$3,556,310.61 for ten (10) years effective January 1, 2021, subject to the MTS General Counsel approving modified MTS Standard Conditions.

/S/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, [Julia.Tuer@sdmts.com](mailto:Julia.Tuer@sdmts.com)

Attachments: A. Draft Standard Agreement MTS Doc. No. B0723.0-21  
B. Contractor's Proposal

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Tel 619.231.1466 Fax 619.234.3407

**STANDARD AGREEMENT  
FOR  
MTS Doc No: B0723.0-21**

**BUS FAREBOX CONVERSION**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Genfare, a division of SPX Corporation Address: 800 Arthur Avenue  
Elk Grove Village, IL 60007

Form of Business: Corporation  
(Corporation, Partnership, Sole Proprietor, etc.) Email : Daniel.Gorey@spx.com

Telephone: (847) 871-1126

Authorized person to sign contracts	<u>Eric Kaled</u>	<u>President</u>
	Name	Title

The Contractor agrees to provide goods and services as specified in:

1. The conformed Scope of Work/Minimum Technical Specification (Exhibit A - Genfare's Proposal);
2. Project Schedule (Exhibit A.1);
3. Software Support Agreement (Exhibit A.2);
4. Contractor's Pricing Form - Quote 5031039 (Exhibit B);
5. Payment Milestones (Exhibit B.1);
6. And in accordance with the Standard Agreement, including Standard Conditions (Exhibit C);
7. Federal Requirements (Exhibit D); and
8. Forms (Exhibit E).

In the event of a conflict between the Standard Agreement and an exhibit, the Standard Agreement will control. Where there is a conflict between an exhibit and another exhibit, the order of precedence shall be the order in which the exhibits are listed above.

This contract is effective January 1, 2021. Delivery will be made within 120 days after receipt of order. The Software Support Agreement (Exhibit A.2) will begin after installation is complete for a period of 10 years. The termination date of the contract will be January 31, 2032.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$3,556,310.61 without the express written consent of MTS.



SAN DIEGO METROPOLITAN TRANSIT SYSTEM	GENFARE A DIVISION OF SPX CORPORATION
<p>By: _____ Sharon Cooney, Chief Executive Officer</p> <p>Approved as to form:</p> <p>By: _____ Karen Landers, Office of General Counsel</p>	<p>By _____</p> <p>Title: _____</p>



**Genfare**  
**A Division of SPX Corporation**  
**800 Arthur Ave**  
**Elk Grove Village, IL 60007**  
**Ph: (847) 593-8855**  
**Fax: (847) 758-4998**

Att. B, AI 14, 12/10/2020

Page 1 of 8

# Sales Quotation

## Sold-To-Party

San Diego Transit  
1255 Imperial Avenue, Suite 1000  
San Diego CA 92101-7490

## Ship-To-Party

San Diego Transit  
1255 Imperial Avenue, Suite 1000  
San Diego CA 92101-7490

## Information


**Sales Quote No.** 5031039  
**Document Date** 09/14/2020  
**Customer No.** 529  
**Currency** USD  
**Contact Name** Israel Maldonado  
**Phone** 619-238-0100  
**FAX** 619-446-4389  
**EMAIL** israel.maldonado@sdmts.com  
**Validity Start Date** 09/14/2020  
**Validity End Date** 12/14/2020  
**Req Ship Date**

## End User

San Diego Transit  
1255 Imperial Avenue, Suite 1000  
San Diego CA 92101-7490

Item	Material	Quantity	Price	Amount
10	D22181-0529A	578 EA	1,838.00 USD	1,062,364.00
	S/A MAIN BRACKET (SAN DIEGO) Upgrade			
	Tax	1 EA	142.45 USD	82,333.21
20	D28534-0004	578 EA	780.00 USD	450,840.00
	S/A PCB, CONTROLLER-ODYSSEY+ (GMOD)			
	Tax	1 EA	60.45 USD	34,940.10
30	D30895-0003	578 EA	1,030.00 USD	595,340.00
	S/A COVER, SAN DIEGO			
	Tax	1 EA	79.83 USD	46,138.85
40	GDS100	4 EA	54,350.00 USD	217,400.00
	Single Garage, Sngl Lane Data Sys 100			
	Tax	1 EA	4,212.13 USD	16,848.50
50	NETWORK MANAGER	1 EA	46,525.00 USD	46,525.00

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature:**  \_\_\_\_\_ **Date:** 10/07/2020

**Sales Representative:** Daniel Gorey

**Phone:**

**Email:**

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## Sales Quotation

### Sold-To-Party

San Diego Transit  
1255 Imperial Avenue, Suite 1000  
San Diego CA 92101-7490

### Ship-To-Party

San Diego Transit  
1255 Imperial Avenue, Suite 1000  
San Diego CA 92101-7490

### Information

**Sales Quote No.** 5031039  
**Document Date** 09/14/2020  
**Customer No.** 529  
**Currency** USD  
**Contact Name** Israel Maldonado  
**Phone** 619-238-0100  
**FAX** 619-446-4389  
**EMAIL** israel.maldonado@sdmts.com  
**Validity Start Date** 09/14/2020  
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San Diego Transit  
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Item	Material	Quantity	Price	Amount
	Network Manager Tax	1 EA	3,605.69 USD	3,605.69
	<b>Sub-items 000060 to 000150 belong to this item</b>			
60	B15141-0097 HP PROLIANT DL380 GEN10-XEON SILVER	1 EA	0.00	
70	A29099-0001 KIT, KEYBOARD/MOUSE	1 EA	0.00	
80	A13811-0059 MONITOR,HP-LE1711,CDW # 3242676	1 EA	0.00	
90	B30010-0002 PRINTER, HP LASERJET M608n	1 EA	0.00	
100	A01645-0002	1 EA	0.00	

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Item	Material	Quantity	Price	Amount
	CABLE, USB 2.0 CDW#183032			
110	B27351-0034 CABLE, DVI-D TO VGA ADAPTER	1 EA	0.00	
120	B27351-0035 CABLE, DISPLAYPORT TO VGA ADAPTER	1 EA	0.00	
130	M-25692-V4 MANUAL, NET MGR7-V4 O&S	1 EA	0.00	
140	M-25692-V4USB MANUAL, NET MGR7-V4 O&S ON USB	1 EA	0.00	
150	A22705-0006 UPS,SMARTUPS SUA750	1 EA	0.00	

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature:**  \_\_\_\_\_ **Date:** 10/07/2020

**Sales Representative:** Daniel Gorey **Phone:**  
**Email:**

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**Genfare**  
**A Division of SPX Corporation**  
**800 Arthur Ave**  
**Elk Grove Village, IL 60007**  
**Ph: (847) 593-8855**  
**Fax:(847) 758-4998**

# Sales Quotation

## Sold-To-Party

San Diego Transit  
1255 Imperial Avenue, Suite 1000  
San Diego CA 92101-7490

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Item	Material	Quantity	Price	Amount
160	D15112-0020	1 EA	18,054.00 USD	18,054.00
	PORTABLE DATA UNIT-HI SPEED (STD)			
	Tax	1 EA	1,399.18 USD	1,399.18
170	DOCUMENTATION	1 EA	22,500.00 USD	22,500.00
	Documentation			
	Tax	1 EA	1,743.75 USD	1,743.75
180	PROGRAM MANAGEMENT	1 EA	48,777.00 USD	48,777.00
	Program Management			
190	INSTALL	578 EA	350.00 USD	202,300.00
	Install Odyssey+ main bracket and lid			
200	INSTALL	578 EA	125.00 USD	72,250.00
	Odyssey main bracket removal			

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*Daniel Gorey*

**Signature:** \_\_\_\_\_ **Date:** 10/07/2020

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Item	Material	Quantity	Price	Amount
210	FREIGHT Freight (kit and equipment)	578 EA	60.00 USD	34,680.00
220	PROGRAM MANAGEMENT Onsite testing and onsite post install	1 EA	34,000.00 USD	34,000.00
230	SLA SUPPORT AGREEMENT (SOFTWARE SUPPORT)	10 EA	34,314.00 USD	343,140.00
240	SLA-24HR 24 HOUR SUPPORT (OPTIONAL)	10 EA	10,000.00 USD	100,000.00
250	ODYSSEY ODYSSEY Plus (San Diego)	10 EA	11,163.00 USD	111,630.00
	Tax	1 EA	865.13 USD	8,651.33
<b>With the following configuration</b>				
	FAREBOX HEIGHT	41 INCHES		

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature:**  \_\_\_\_\_ **Date:** 10/07/2020

**Sales Representative:** Daniel Gorey **Phone:** \_\_\_\_\_  
**Email:** \_\_\_\_\_

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Item	Material	Quantity	Price	Amount
	OCU CABLE ORIENTATION	REAR EXIT		
	CASHBOX HEIGHT	TALL		
	TRIM	NO		
	TOKENS	NO		
	SWIPE CARD READER	NO		
	SMART CARD READER	NONE		
	CONTROL UNIT	OCU		
	OCU CABLE FB TO OCU	4FT - 90 DEG CONNECTOR		
260	FREIGHT Freight (new ODY Plus's)	1 EA	850.00 USD	850.00
				-----
<b>Gross Value:</b>				3,360,650.00
<b>Total Tax:</b>				195,660.61
<b>Final Amount:</b>				3,556,310.61

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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## Payment Milestones for San Diego

Vendor Name: Genfare, a division of SPX Corporation

Base Fare System					
Deliverable	Billing Mode	Description	Quantity	Unit Price	Extended Price
	1	Farebox Modification (Main bracket assembly, farebox lid, farebox controller board).	578	\$3,648	\$ 2,108,544
	1	Data Sytems and Parts (Server Grade computer and auxillary parts.)	4	\$25,625	\$ 102,500
	1	Network Manager Parts (Server Grade Network Manager Computer and auxillary parts.)	1	\$17,800	\$ 17,800
	1	Garage Data System, Portable Data Unit, and Network Manager software (Associated software with latests Garage System Software, latest Network Manager software, configuration of software to allow for rider facing display allowing fare classification.)	1	\$155,179	\$ 155,179
	1	Portable Data Unit Parts. (Laptop with attached probe)	1	\$6,500	\$ 6,500
	1	Documentation (Training docum	1	\$22,500	\$ 22,500
	1	Project Management	1	\$48,777	\$ 48,777
	1	New fareboxes (Spares.)	10	\$11,163	\$ 111,630
	2	Installation (Installation of farebox mainbracket assemblies and coin validators, bill validators, and bill transports.)	578	\$350	\$ 202,300
	2	Installation/Removal (Removal of Cubic parts and main bracket assembly.)	578	\$125	\$ 72,250
	2	Freight farebox mod. Kits	578	\$60	\$ 34,680
	2	Freight new fareboxes	1	\$850	\$ 850
	2	Testing (Pilot testing period)	2	\$17,000	\$ 34,000
	3	24/7 Support	10	\$10,000	\$ 100,000
	3	Support Agreement (Software u	10	\$34,314	\$ 343,140
		Tax Total	1	\$195,660.61	\$ 195,660.61
		<b>Total:</b>			<b>\$ 3,556,310.61</b>

**Billing Modes:**

**1 - Equipment and embedded software and associated deliverables will be invoiced 80% upon delivery, 10% upon installation and 10% upon acceptance of corresponding line item.**

**2 - Installation, implementation and other services will be invoiced at 100% upon completion of respective services.**

**3 - Warranty, support and hosting services will be invoiced annually at the start of the service period.**